



ISSN 0542-5492

Third Session — Thirty-First Legislature

of the

Legislative Assembly of Manitoba

DEBATES and PROCEEDINGS

28 Elizabeth II

*Published under the
authority of
The Honourable Harry E. Graham
Speaker*



VOL. XXVII No. 50B

8:00 P.M. Monday, April 30, 1979

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 30, 1979

Time: 8:00 p.m.

SUPPLY — ECONOMIC DEVELOPMENT

MR. CHAIRMAN: Committee come to order. I would like to refer members of the committee to Item 1.(d)(1) — the Member for Burrows.

MR. HANUSCHAK: Mr. Chairman, could the Minister indicate to the committee what criteria he applies in the process of selecting the research projects — marketing research, so forth, that he gets himself involved in? When the private sector comes forth with its requests to him, is it on a first-come, first-served basis, or does he have certain aims, guidelines, set before him for the year? In other words, that in a given year, he will look at the potential for economic development in certain areas, and concentrate only on that, or does he cover the entire waterfront?

MR. CHAIRMAN: The Honourable Minister.

MR. JOHNSTON: Mr. Chairman, most of the research done, if not all of the research that is done by this department, other than the research which is done on the basis of examining legislation, etc., that may have an effect on the Province of Manitoba, such as federal legislation, etc., all of the other is usually done by the management, in other words, the people involved in helping the industries in the Province of Manitoba.

If somebody comes forward to the gentleman in charge of small enterprise, or the gentleman that is in charge of business development, and presents to them a proposition that may be a viable business for the Province of Manitoba, they in turn go to the Research Department to ask them to start working on it as to whether it's viable, whether we have the labour force in Manitoba, whether we have the transportation, whether there's a market — they do market surveys for them — but most of the work is done on the basis of them coming forward to people in our department.

MR. HANUSCHAK: But surely there's a limit as to the amount of work that this branch could do, and the limit is expressed in terms of dollars and cents. I'm still not clear, I take it then that it's on sort of a first-come, first-served basis, and as the year goes by, and then if the pot runs dry, or if the research staff says, "We're up to our ears in work, we can't handle this for the next year or two", so it isn't done. Rather than on a priority basis in terms of identified economic development needs of the province. You know, so the Minister would say, "No, we're not interested in doing this, because that's not a priority matter with us."

MR. JOHNSTON: Certainly they are involved in the priorities that we have struck off, which I'm very anxious to talk to the Member for Transcona about when we get to the Operations section of it, they're involved in the research as to the priorities that the province wants to go. But they still, as far as the businesses are concerned, they come forward to our Development Officers or people working in those industries or with those industries, and express a desire for expansion; express a desire for a new business and when that is done the Research Department works with the Manager. As it says there, "Including the evaluation and analytic services for management." Certainly they want to know if they are going to invest more money in the Province of Manitoba if we can be of some assistance to them to decide whether there is a market; whether there is the supporting industries, is another one we are able to tell them, as to whether it can be developed. That's the type of research that they are mainly involved with with our staff, and certainly that's the priority in which they come in. Certainly they are done as they come in, we haven't experienced to date a situation where we haven't been able to handle it. If we do, we'll have to consider adding more staff to that department.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: Thank you. The Minister has indicated that in this branch that the evaluation and

analytic services are for management, and he gave the impression that this was really only for management of individual companies, or for the private sector, and I don't think my Party would disagree, and didn't disagree, with the provision of government services to the private sector. In fact, it recognized that existing in a mixed economy, especially one in which small companies are at a comparative disadvantage to big companies, that that type of service had to be provided. Indeed, if it wasn't provided, you would probably get very little economic development in Manitoba, and my colleague was pointing out that this is a contradiction to some of the more rhetorical statements that are sometimes made with respect to the free enterprise system and the market economy not requiring government. People tend to say, "The less government the better." And if you took that to its logical conclusion, you wouldn't have this department.

And of course you are coming forward with Estimates saying that we should get \$1,183,000 for this department, and I agree that generally we should be getting that type . . . sorry, you're asking for a lot more. You're asking all told for something in the order of about \$10 million for this department; you are asking \$21 million for Housing, but you are asking about \$10 million for this department. That's a fairly substantial expenditure on the part of government to try to facilitate economic development, economic development in a mixed economy.

Now, when you say that these services are just provided to private companies when they come and ask for them, I have a bit of concern, because I would have thought that in that statement, Provides Economic and Operational Research, including evaluation and analytic services for management. Frankly, I thought that the management referred to was you. You know, we have an executive function above that didn't have any staff support to it and we had an administration above that didn't really have any of this staff's support, and I assume that generally this group was providing staff support to the management of the department. And I took the management to be the Minister and the Deputy, and it strikes me that a \$10 million organization, an organization that spends \$10 million annually, and that in a sense it's supposed to be a catalyst, which means that you would want to get the biggest catalytic impact from that \$10 million expenditure, that surely you would have something — now maybe you don't want to call it that — but that you would have something called a corporate-planning group within this body. And I would have thought that that group would have been providing support services to the management. That exists with Argus Corporation, that exists with Power Corporation, that exists with those types of corporations, and I would expect that that exists with this type of entity as well.

Now, what I'd like to ask the Minister quite clearly is, do you have such a body, and if so, where is it located?

MR. JOHNSTON: We have such a body under 2. Operations, (a) Administration — Program Development and Technical Services. We have a body, which is set up of six department heads, a setup with the Deputy Minister, the two Deputy Ministers and the three administrative people in the department shown on the organizational chart. That's a group of five people, who are a planning group for the department and certainly report to myself as the Minister. They are under the Operations and I might say that they are in a position also to use the facilities of the Research Department.

MR. PARASIUK: So what you're saying is that you have an informal group in this formal organization structure, which you would basically call your planning group. That's your Deputy, your two ADMs, your three directors and that they do use, I would think, the economic research services of the Economic and Operations research group. And I would think that that would make sense, and that's something that we didn't know until just now.

If that's the case, I would think that since this group is providing the staff support, because any planning group does need staff support. I don't know of any corporation that operates in doing its planning without staff support, unless in fact the whole operation is run by intuition, and I certainly wouldn't expect that — not with seeing the whole group lined up here like this. I would think that there must be some rational systematic process for in fact synthesizing all this talent that we see before us, and I would think that that would be a normal type of procedure.

So I assume then that if you do have this procedure in place, that that's your planning group and this planning group would try and be as rational as possible, because I would think that what you do want to do, and I guess we're coming down to this and we're trying to arrive at this from the Minister. We're trying to determine how you arrive at your priorities as a government in the area of Economic Development, how you arrive at your priorities as a department with respect to economic development, and I would think that you would have to have some internal work done here because if you're saying that our priorities are set for us by a set of requests coming in on a continuous basis in an ad hoc manner from private companies coming to you and saying, "We'd like you to do a bit of research in this area or a bit of research in that area," that surely that

is not how your priorities are set. Because if you were operating that way, then really what you do have is a vacuum at the top, you don't have any leadership, and I would think, as a Minister coming into a department, that you would really want to assert some leadership, that you would want to set up this rational planning and decision-making process at least, not necessarily a planning process, although I'm not afraid of using the term planning. I don't think that for something like economic development where the whole notion of planning really has been developed to a finer point within corporations, that we should be embarrassed to use that term here.

So, since you have this planning group, since you also have a deputy who acts as the secretary to the Economic Development subcommittee of Cabinet, since the backup services for this Cabinet Committee are provided from the Department of Economic Development and this is something we ascertained last Friday, then it would strike me that in order to provide good staff support to the Cabinet Committee, that you would have some process of establishing priorities and some process of determining where our potential can best be realized as a province and in what areas.

I raised these in a general sense when we talked about the Executive. But I wasn't asking for many specifics at that time because the Minister said, "Well, I don't want to make general comments on this now, but when we get to specific areas within the Estimates, I'll be prepared to give answers then." So I didn't press him for answers when we discussed 1.(a) and (b) and 1.(c), but I will press him for some answers here in terms of the following:

Has anyone analyzed in this department what the impact of a decentralized federal purchasing power might be for the Province of Manitoba? Has anyone been doing any work like that? That's a specific. And it would strike me that if work like that was done, it might be done here. Can the Minister answer if that type of work has been done?

MR. CHAIRMAN: The Honourable Minister.

MR. JOHNSTON: If you would just give me a second, I would like to be very exact on that. Yes, I wanted to be exact on it. It's in process in this respect, that the analysis is being done under the basis of public procurement. The federal government is very concerned about public procurement of the federal government and it's being analyzed by ourselves; it's being analyzed as far as the effect on the Province of Manitoba is concerned; it's also being analyzed on the basis of Manitoba itself. That is work that is being done by this department.

I would just like to say to the honourable member that I think he is being very reasonable in his approach in this and try to explain something to him here when we talk about the items 1. through to (e), if you'll notice, they come straight down from the Deputy Minister to Administrative Services. And the Administrative Services is headed by a director, and they have under them the Administrative Service, the Economic Operations and Research, and Manitoba Bureau of Statistics; and the Program Evaluation and Audit of the Manitoba Bureau of Statistics, as you all know, works under sort of a separate Act because there's a secrecy involved. But that's the way the department is set up.

Yes, in the Economic Operations and Research, they do that type of work for the management group, generally, and they would be prepared to do that type of work if the government asked for that type of research. And, as I said, the one you mentioned is in progress.

MR. HHAIRMAN: The Member for Transcona.

MR. PARASIUOK: I assume that on this organizational chart, Items 17, 18, 19, 20, 21 were really staff functions being provided to the Deputy and to the Minister.

MR. CHAIRMAN: The Honourable Minister.

MR. JOHNSTON: The director of that department is responsible for organizing the work of those 18, 19, 20 and 21, at the requests of other people in the department.

MR. PARASIUOK: So we have some work being done on the purchasing power of the federal government. Is that something that is in progress; will it be a public document so that the public will be able to know, and indeed put some pressure on our federal political system? We have a different number of ways of putting pressure on our federal political system in terms of getting more decentralization of purchasing power. Because again, I think that's something that's been hurting Manitoba. I think that there's a tendency for this to be very quiet, for it to be kept quiet, and for the federal power of the purse to be used primarily in the golden horseshoe, and that's something that I think is known in general terms, and probably would be accepted by everyone in this room.

But in terms of attacking the federal government, to try and determine ways and means in which that can be broken down I think there has to be more specific information. And I think that this is the branch which probably can be a catalyst in ensuring that that happens, and that it is made more public. You see, I think the federal government came out with some policies on decentralization, which they really weren't that intent on keeping. And I think that's a problem facing any provincial government, and any provincial minister in dealing with the federal government. They often say, "Yes, we're going to do some of these things", and the Minister takes them at their word, generally. And then you have to wait two or three years to find out that that priority wasn't really a serious one, and that they don't intend to follow it up, and that there won't be very much done in the way of federal purchasing in Manitoba.

I can recall in past years, there's been some statements from the federal government that they would try to purchase computing services, for example, in different parts of Canada, and they really haven't. There has been a great deal of talk and debate about decentralization of federal Civil Servants. There's been some talk about that in Manitoba as well, and in fact I think the performance of governments in Manitoba has been a lot better in that respect than the performance of the federal government. And yet, this has a tremendous impact on a place like Manitoba, and on a place like Winnipeg, where we've had very little of that happening. And that's why I think it's important that there be specific work done with respect to decentralized purchasing power in the federal government. If we don't have that, then all we'll do is we'll use the federal purse just to keep that golden horseshoe going, even though we have a country that has greater regional disparities now than in 1968 when the present Prime Minister got into office, with one of his two major campaign planks being the reduction of regional disparities in the country.

So I put that forward as one specific item that the Minister says is being done. I think that is good. I'd like to know when it will be completed, and when it might be made public, so that the entire population of Manitoba, through the various political processes that work within our federal system, can put more pressure on our federal MPs, can put more pressure on individual ministers, who are either from Manitoba, or from Kenora, Ontario, or wherever we have to get Manitoba ministers now, in order to put some pressure on them to redress this imbalance. So again, I would like to ask the Minister when they're going to be completed, and when we might expect at least a preliminary report of this particular group in this area?

MR. JOHNSTON: At the last Ministers' of Economic Development Meeting in Ottawa, this subject was on the agenda, and fairly thoroughly discussed on the basis of procurement; it was discussed on the basis of R and D; it was discussed on the basis of regional development — I think the honourable member will realize that the regional development will be a subject of the federal government developing things in provinces across the country, and not just in the golden triangle, as the honourable member calls it. Those were on the agenda of the last Ministers' Meeting, and we are presently working on it in Manitoba, and we have put up a fairly strong argument for regional development. We have made a case that western Canada, and certainly Manitoba, who we represent, shouldn't be left aside on the basis of looking at the larger provinces. We have put up a strong argument for that, and it's on the agenda of the next Ministers' Meetings, and we would hope, by that time, we will have our work done to make our case.

I might say that the federal government has brought it forward. They were the ones that put it on the agenda, and they had procurement as part of that discussion, because they are looking at it themselves. And I can assure the honourable member that when we get that type of work done, we will make our case very strongly. And I don't think there's any secret about it, we believe that the federal government should look that way.

MR. PARASIUOK: I haven't yet received the answer from the Minister as to when this might be. He's saying at the next federal-provincial meeting, or in the future at a federal-provincial meeting. If that's the case, then again, I'd like to ask specifically, will this report be made public, because I think that these meetings generally, at that level, for this type of matter, are public because I think there's been far too much, oh, closed discussions on this particular matter. And therefore, I am asking for a commitment from the Minister as to whether this material on the federal purchasing power, the impact of federal purchasing power on Manitoba, will be made public in the future, so that we can all share in this information. Because I think that we all have a shared objective with respect to ensuring that there is greater impact on federal purchasing power in Manitoba.

MR. JOHNSTON: We were aiming, and are aiming, for the end of May, I'd like to tell the honourable member. There was a Ministers' Meeting called by the Federal Minister for the end of March, if I'm not mistaken — for the end of March. We weren't prepared for it at that time, and neither were seven of the ten provinces of Canada prepared at that time to come forward. That particular

meeting of Ministers was cancelled, and I must say to the honourable member, I don't expect that we'll have one much before the end of May, in the present circumstances.

MR. PARASIUOK: Will the Minister be making the material that will be done on purchasing power of the federal government public at that time? This is what I've been asking for a little while now.

MR. JOHNSTON: I certainly think it will be made public, Manitoba's position, but I wouldn't say that it would be made public before we go to the Ministers' meeting. But we have no qualms about making our position, you know, when the meeting is called and when we go down, of making that public.

MR. PARASIUOK: Yes, I thank the Minister for that answer, and I will be looking forward to the material when it does become available, and I don't think he should be releasing it before that Federal-Provincial meeting.

Since we're on the topic of Federal purchasing power, I think that before a balanced regional economy — I would think that that also would be one of the objectives of this government because it certainly was an objective of the previous administration, namely that there be some balance within the regional economic development in the different regions of Manitoba. And some work was done, in trying to look at the impact of the provincial purchasing power on promoting regional development in Manitoba. Can I ask the Minister what is being done at present in this respect, especially, for example, with respect to northern Manitoba and especially with respect to rural Manitoba? This is a difficult area. I think it requires very careful policy analysis and decisions by the government, because you are making some trade-offs here. At the same time, the impact on a region will be very great. So is the government doing anything with respect to regional — the purchasing power of the provincial government?

MR. JOHNSTON: Yes, we are. We are examining at the present time . In the purchasing , it manual of British Columbia says that in order to do a job you must be 10 percent low. In Saskatchewan it says 5 percent; in Ontario it says that the government, all things being equal, but if the circumstances are such that the products should be purchased in Ontario for different reasons, the Minister or the government has the right to purchase in Ontario, even at higher prices. We are examining those types of legislation or policies very closely. From the point of view of purchasing in Manitoba, I can say that our purchasing manual at the present time says all things being equal, Manitoba companies will be favoured. And certainly the purchasing department, as far as we're concerned, would be encouraged to purchase as much as possible from all parts of the province of Manitoba. There's no question about that policy. But we are taking a very close look at the effect of the policies of some of the other provinces at the present time, what effect it has on us and what effect it might have if we were to look at the same type of a policy.

MR. PARASIUOK: So at present the policy is continuing of trying to purchase from Manitoba, all things being equal, but there is no statutory provision that 5 percent or 10 percent . . .

MR. JOHNSTON: No, that purchasing manual at the present time, which is put out by the Department of Government Services, clearly states all things being equal, Manitoba products will be purchased.

MR. CHAIRMAN: The Member for Brandon East.

MR. EVANS: Thank you, Mr. Chairman. I wonder if the Minister could very briefly tell us if the department has yet evolved some type of industrial development strategy. I hope this wasn't discussed earlier; I apologize if I was a few minutes late, and I wasn't able to be here this afternoon. But generally this is the area, I would think, that would be the focal point at least, along with the Minister and the Deputy Minister, for evolving some form of industrial development strategy for the province of Manitoba. By strategy I mean just what would the priorities be of the department and of the government with respect to industrialization of the province, the priorities towards emphasizing high technology industries, what priorities are there given towards regional balance within the province? Are there any priorities given to labour, particular kinds of labour intensive industries? There are all these factors that would enter into an industrial development strategy. A great deal is being said today, Mr. Chairman, about the need for Canada to have an industrial development strategy, because there is plenty of evidence that the manufacturing base in Canada as a whole is being eroded as well as, I might add, the manufacturing base of some western European

countries are being eroded today because of increasing competition from developing countries in Asia and other parts of the world where wages are relatively cheaper than those found in North America and those found in western Europe. So there is a threat, if you will, to the very fabric of the industrialized structure of western Europe and there's some evidence that Canada as a whole, and I guess this includes Manitoba, is also threatened by this foreign competition.

I appreciate that the recent devaluation of the Canadian dollar has afforded a certain degree of protection but that question, the degree of protection, that too is part and parcel of an industrial strategy that might be included in a country's industrial strategy. I might add, Mr. Chairman, and remind the Minister, that previous administrations have, over the years, sat down and have evolved some form of guideline, some form of economic targets, economic objectives to be followed. I believe our administration brought in the Guidelines for the Seventies; Whether you agree with them or not is immaterial.

One former colleague of ours, the former Minister of Industry a few years back, the Honourable Mr. Spivak, was very instrumental in the TED report, the Targets for Economic Development. And before that I believe there was the COMEF report; the Committee on Manitoba's Economic Future. And again, whether you or I agree or disagree with all or part of them is immaterial. The point is there was at least some effort, some attempt made to set out some industrial development guideline, some parameters for the economic development, for the future economic growth of the province of Manitoba.

So my question is, is the department now engaged in developing some type of industrial strategy under this administration, and is it also considering establishing some sort of a task force similar to the TED Task Force or the COMEF or the Guidelines for the Seventies, a more comprehensive approach to the whole question of the challenges that face Manitoba in terms of economic development?

MR. JOHNSTON: Yes, Mr. Chairman, the member was just a little bit late, but we had discussed it and under the Operations. When you get to Administration —Program Development and Technical Services, I mentioned to the Member for Transcona that I'm rather looking forward to having some sort of discussion on some of the questions that he brought forward the other day under that section as to his concern about the growth of the provinces west of us, etc. and that's all part of it. Yes, we have started to develop a strategy.

MR. CHAIRMAN: The Member for Lakeside.

MR. ENNS: Thank you, Mr. Chairman. My question follows on the questions of the Honourable Member for Transcona and you know, I apologize to the Minister for not having made myself familiar with the subject matter prior to this time, but my question to him is simply this: has the provincial government had a provincial preferential policy with respect to purchasing? Can his officials advise him whether or not we had a defined preferential policy with respect to provincial purchasing in the past?

MR. JOHNSTON: I would have to check for the Honourable Minister to know whether we have had . . . I quoted the present purchasing manual. All things being equal I am not sure whether in the past years we have had a preferential policy. All things being equal could take in economic conditions, economic advantage, if it is purchased in the province from taxes, etc., but I am not in the time position at the present to know whether we have used that or done it that way other than strictly on a quotation basis and price basis. But I can check. I am not sure that anybody in our department has been involved in making that policy on purchasing.

MR. ENNS: Mr. Chairman, I mention it because it would seem that there has been, and I accept the Minister's answer, but there have been what would appear to be the kind of a very loose arrangements in the past under the previous administrations. I can indicate to the Honourable Minister that preferences of 10 percent have been allocated by departments, for instance, I'm now involved with. I was just interested as to whether or not the Minister had information as to what was, in fact, the practice of the Purchasing Department or whether he was aware of the fact that individual departments were exercising arbitrarily different percentages of preferential treatment. I can indicate to him that in the area of aerial photography by ministerial order a 10 percent preference was shown to Manitoba firms. That's perhaps a desirable element.

But on the other hand it seems to me, Mr. Chairman, that under this Minister as I suspect it will happen, that we will address ourselves to the problem that will not be different from department to department, that if indeed a preferential policy of purchasing ought to be exercised that it will be applicable in fairness across the board so that people doing business with the Province of

knew where they stood and that it would not be allowed to surface as individual and separate departments choose to set that policy. I draw the Minister's attention to that problem because I am currently facing a particular situation where a client is expecting the usual 10 percent preferential agreement that was exercised, when my friends opposite were responsible for government, and is now somewhat surprised that that is not being exercised. I look forward to the Minister of Economic Development assisting the Acting Minister of Government Services in developing a policy that is understood by people both inside and outside of the province when they are doing business with the Province of Manitoba.

MR. JOHNSTON: There is no question that this Department of Economic Development would prefer to see as much purchased in the Province of Manitoba as possible. In fact I think that we would prefer to see some certainly recognition or preference given to Manitoba manufacturers because we are interested in jobs and manufacturing in the Province of Manitoba, warehousing and everything else. But I would have to say to the Minister that I would prefer that it not be on an ad hoc basis from one department to another, that it should be a laid-down policy by the government and put in our purchasing manual the same . . . well we have one now and if it has to be changed it would have to be a policy of the government and it should be same for all.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. EVANS: Mr. Chairman, I would like to ask the Minister if this branch, Economic and Operations Research Branch, has conducted any estimate, has provided the Minister, the department with any estimates of the number of jobs required, additional jobs required each year in the Province of Manitoba in order for us to at least maintain our natural rate of population increase.

MR. JOHNSTON: I'm sure that figure is available, Mr. Chairman. I know it's in our statistics somewhere and I will certainly provide it for him.

MR. EVANS: Well thanks, Mr. Chairman, I look forward to getting that information. The item I am concerned about is the market research that's referred to. Can the Minister advise the Committee as to what market research is going on, the prominent market research that's going on? I would imagine this is with regard to areas where we believe that there's the greatest potentiality for industrial development where we think, you know, we've talked in the past about health products; we've talked about food products and we've talked about transportation equipment — we've talked about that for years. But can the Minister advise the Committee is there any significant market research studies that are now in process that would give us any indication of any new developments that may be possible or whether there is any new information about further potential in some of those industry sectors that I mentioned?

MR. JOHNSTON: We have been updating an oil seed study; we've been working on wood pellets at the present time; gas cylinders, trophies, wallpaper. We're working on retread options, base metals. We have projects by the name of fishing boats and we are doing surveys at the present time for several communities under the Enterprise Program. Those are just up until March 1, 1979 but we have 1977-78 which had 90 projects. We had 1978-79 which had 106 projects as I mentioned earlier today.

MR. CHAIRMAN: 1.(d) — the Member for Brandon East.

MR. EVANS: I thank the Minister for that information. Of those various topics that he mentioned, are there any 3 or 4 that stand out as major studies? I would imagine there should be some major market research efforts going on apart from a miscellaneous list of a variety of topics.

MR. JOHNSTON: These are not miscellaneous. They are happening at the present time. As I told the honourable member we very definitely have a program direction of planning that we are working on at the present time. I am only too anxious to discuss it with him but I would prefer to do it under Operations.

MR. EVANS: With regard to export possibilities for Manitoba manufacturers, I know we talked about exporting Manitoba manufactured goods to other parts of the world. It's almost like thinking of bringing coal to Newcastle in the sense that what can Manitoba do in the way of selling manufactured goods elsewhere?

But the fact is, Mr. Chairman, that over the years there have been some rather interesting and

very unique features of exportation by Manitoba companies of Manitoba-made manufactured goods to various parts of the world, including such places as Turkey, Panama, and so on. It seemed to me that from recollection that at that time there seemed to be a great deal of potential, or the greatest amount of potential, for Manitoba to export manufactured goods and anything else that we wanted to export, other than agriculture because we seem to have some natural export markets for our agricultural output, that the developing countries, the third world countries, particularly the LatinAmerican developing countries offered a great deal of potential, surely more potential for selling manufactured items to Latin-America than to Japan, for example.

So my question is, what studies are going on in the Economic and Research Branch with regard to export promotion? This Branch, I would gather, acts as a service agency to your market development group, which I know is under Item (j), but nevertheless I would imagine the research is done here and so I ask, is that correct — is my assertion correct? — and if it is, just what does the research reveal? Is there much potential, and where is that potential? What products seem to have the most potential today?

MR. JOHNSTON: Well, certainly under this group, under Economics and Operations Research we are doing research on L780920R as trade profiles. We have got market studies going on for Peru, Brazil, Venezuela. There are five other countries involved in market studies at the present time. We have an export catalogue that we'd be very happy to table for you tomorrow morning if you so desire as to the work that we're doing as far as export is concerned.

MR. EVANS: Has the Minister been given any evidence by his research staff on whether the potential for exports of Manitoba-made manufactured goods has increased or not, and if so, to what degree has that increased?

MR. JOHNSTON: Well, it does come under marketing, but I'm sure we can supply the figures to you unto the amount of exports that have been carried on out of Manitoba in the last three years or so, update. I can tell you that Manitoba has experienced some very good export increases in the past while and we'd be very prepared to give you the figures by product.

MR. EVANS: By product.

MR. JOHNSTON: By product.

MR. EVANS: Well, Mr. Chairman, I would expect that there has been an increase because of the devaluation of the dollar. In other words, Canada's manufacturers, Manitoba's manufacturers, are that much more less costly, they are less costly to foreign importers because the Canadian dollar is cheaper on Foreign Exchange Markets, so I would imagine there is an increase. I just wondered whether — and if the Minister doesn't have it now, fine, we can get it later — but I was interested in the degree of increase and he mentioned that, but moreso I was interested in knowing, you know, have we discovered any greater potential?

I recall when I was Minister there seemed to be a lot of potential for, oh, air conditioning equipment, air cleaning equipment, if you will. We sold, I remember, one or two abattoirs to Panama, the country of Panama. When I say we, I mean the department helped a Manitoba manufacturer sell those. We sold some telephone equipment made in Morden, Manitoba by Quality Communications to the Turkish Telephone Company, and I understand beat out the Japanese and some other foreign competitors in the process. I know that all comes under the Operations of Market Development, but I'm talking about the research. Has the research indicated any new areas of growth, any new areas of development for the export of Manitoba products? That's really my question. And if so, to what degree?

MR. JOHNSTON: They have identified areas of where Manitoba products could be sold, and they have identified different areas we can ship into. The planning group under Operations has been working on this very steadily.

I don't like to be evasive to the honourable member but I'd like to say again that the Economic and Operations Research Branch is exactly that. They do research that is requested from them by the managers of the different departments and the management group of government, and the requests that come into them are directed to them by the department and they carry them out.

MR. EVANS: Well, that's fine, Mr. Chairman.

MR. JOHNSTON: I might just say that they're a very busy department at the present time.

MR. EVANS: That's fine, but from servicing or assisting the market development group, can the Minister not be more specific in exactly what export promotion possibilities there are? I mean I understand the organizational pattern, and that's fine — I'm not quarreling with that. I'm just wondering specifically, has the group, in servicing the market development group, the Manitoba Trading Corporation, that staff, has it uncovered any new possibilities, interesting possibilities for Manitoba manufacturers, and if so, what are they?

MR. JOHNSTON: Well, they have advised us on some very interesting new possibilities, and I'd be very pleased to discuss them under Operations.

MR. CHAIRMAN: The Member for Burrows.

MR. HANUSCHAK: Yes, Mr. Chairman. A few days ago all members of the House had received a copy titled "Canada, a Report on the Nation, 1979", and it's a publication not published by the Manitoba New Democrat or the Commonwealth, but the Financial Post, and within it is a story titled "Manitoba, the Austerity Continues", and presently dealing with Economic and Operations Research there are a couple of items contained within this story which disturb me somewhat and which would appear to relate to the type of economic and operations research which the Minister ought to be doing, but which, according to this story, he is not.

"After a year of vigorous restraint there are distressing vibrations on the economic home front." This is in the first paragraph. "After a year as Minister responsible for the Manitoba Housing and Renewal Corporation, Johnston has no detailed plan to attract industry, or indeed to encourage industry already here to expand", and this is in the words of the Financial Post, Mr. Chairman. These are not mine. "His only specific plan right now is to set up an Advisory Committee of businessmen from the community to provide input from the private sector." Mr. Chairman, this is after a year and a half of government.

MR. BLAKE: Who wrote that?

MR. HANUSCHAK: And this is written by the Financial Post for the information of the Member for Minnedosa. And, in the words of the First Minister, Lyon replies, "The economy will not pick up until private investors are encouraged to spend." But then, quoting him, apparently they are not, because — this is quoting the First Minister — "Our restraint measures have not affected the economy. Private investors are simply holding back and we will do all we can to encourage any kind of business, small or large, to come to Manitoba."

You know, it sounds if the First Minister is reflecting the thinking of the Minister of this department, then it sounds like sort of a desperation measure, anything just for the sake of getting business into the province, because it's not coming and the private investors obviously are not responding to this government in the manner in which this Minister and the government thought that it would when they ran for election in the fall of 1977.

So I'd like the Minister to comment on this, confirm or deny is it true that he has no detailed plan to attract industry, that the only specific plan that he has is to set up an advisory committee of businessmen, and that the government's restraint program did not work, did not affect the economy and the investors are not investing in Manitoba; and this brings me to the question which I had asked the Minister earlier this afternoon: Would the Minister apply the formula that his predecessor used, on the basis of which he had come to the conclusion that there was a billion dollar capital outflow out of the province; is capital flowing into the province now — new capital — because it would appear in the words of the Minister's colleague, the First Minister, and in the words of the Financial Post, that really this department is not having any degree of success in developing the economic status of the Province of Manitoba?

MR. JOHNSTON: I am aware of the article in the Financial Post, the particular reporter that wrote it saw me one week after I had been in office as Minister of Economic Development. She wrote the article after an interview into another magazine, which is entirely different than the article she has written in that magazine.

We do have a plan for economic expansion in the Province of Manitoba. Possibly if she had interviewed me during the last two months she would have probably found that out.

On the basis of setting up groups of businessmen to advise the province on different sectors, I see nothing wrong with that and it has been done.

MR. CHAIRMAN: 1.(d) — the Member for Brandon East.

MR. EVANS: Mr. Chairman, this branch I know has been, in the past at least, concerned with assessing the economic trends in the province. I'd like to ask the Minister whether this is still the case, whether this branch does quarterly or monthly, or whatever, reviews of the economic situation in the province and, if so . . . I think that used to go on years back, too. I think even when Mr. Spivak was the Minister I think someone used to do it, Manford Kyle or somebody used to do it, I don't know. But it has been done for years and I'm just wondering is it still going on? Has this Minister obtained current economic reviews of the state of the economy?

MR. JOHNSTON: Yes.

MR. EVANS: Thank you, Mr. Chairman. Can the Minister indicate whether there is any indication in the reviews as to the forecast for the province for 1979 with regard to the industrialization of the province, specifically manufacturing, you know, because I won't hold you to Economic Development it's a very big area? Agriculture: The way agriculture goes is the way mother nature goes and the way North American agricultural prices go; likewise with the forestry industry, pulp and paper; likewise with mining. A great deal of what happens in those industries depend on international prices and international markets. To some extent, it also affects manufacturing. But what is the forecast? Is there any forecast available and can the Minister enlighten the committee what do the experts think with regard to the development of industry in Manitoba and the development of manufacturing in the next year?

MR. JOHNSTON: Well, he is asking me some statistics. The indication, to use the Table of Contracts of the Secondary Manufacturing and Construction, "Strong recovery in manufacturing sector in 1978 with employment growth well above the national average and continued recovery in investment. Moderate employment growth is expected in manufacturing sector in 1979. Investment intentions for 1979 indicate a 17.4 increase in capital expenditure in manufacturing over 1978. Significant growth of employment in the construction sector in 1978, even with the prolonged strikes and reduction in level of public sector activity, the construction sector will experience a slow growth in 1979."

There is a forecast of an increase of manufacturing in 1979, according to the review of our Quarterly Review that it has given to us.

MR. CHAIRMAN: 1.(d)(1) — the Member for Brandon East.

MR. EVANS: Mr. Chairman, does the Minister receive quarterly reports, and would it be possible to get a copy of the latest quarterly report?

MR. JOHNSTON: Well, I am informed that this particular report comes to the Minister regularly from the department. It has never been made a document that has been distributed. I don't know that there is any reason to start now. It's a document that comes from the department to the Planning Committee and to the Minister, giving statistics which are basically taken out of the Manitoba Statistical Review that comes forward, which is a public document, The Fourth Quarter. It's published quarterly. The statistics that are given to me are basically in there and the analysis of the statistics, it's just an analysis of those statistics.

MR. CHAIRMAN: (1)— the Member for Brandon East.

MR. EVANS: Whether it's in this report or whether it's in some other information the Minister received, does the branch attempt to assess the impact of the devaluation, or the changing value — maybe that's the better expression! — the changing value of the Canadian dollar on Manitoba manufacturing? Is there any attempt, any sophisticated analysis along this line? I think that we're in a period where we're going to see the Canadian dollar increase in value vis-a-vis the American dollar, for a period of time. My crystal ball is no better than anyone else's but I think that we're edging up towards 90 cents American and, you know, we may even exceed that. We were down around 82-83 cents American and that did provide a terrific stimulus to manufacturing right across Canada. Now, with the rising value of the Canadian dollar vis-a-vis the American dollar and I presume vis-a-vis some other foreign currencies, we will lose some of that competitive edge that we were able to obtain from this cheaper Canadian dollar. Has there been or is there any attempt made by this branch to estimate the impact on manufacturing jobs, manufacturing output, the utilization of the manufacturing sector? Is there any attempt made to relate the change in value of the dollar

to the state of health of the manufacturing industry?

MR. JOHNSTON: Well, I think it's obvious that they must have taken that into consideration. As a matter of fact, I assumed that they did when they were calculating 1979 because they are not calculating or estimating 1979 to be as great a growth year as 1978. So I can only assume that that has been taken into consideration.

MR. EVANS: Well, Mr. Chairman, I have asked a number of questions and I gather there is some of this going to be made available to us. The Minister has said that he would provide us with some information, from my earlier question, so I think I will let this go for the time being unless anyone else wishes to ask questions.

MR. CHAIRMAN: (d)(1)—pass; (d)(2)—pass — the Member for Brandon East.

MR. EVANS: Just on (d)(2) there has been a slight . . . well, there has been a fair cut in expenditures, relatively speaking. Is there anything significant in that, in the cut in the expenditures from \$27,300 down to \$19,300.00?

MR. JOHNSTON: The total decrease is printing and stationery supplies. That's \$2,000.00. Postage and telephone telegraphs \$1,000; machine utilization \$1,000; publications \$1,000; travelling and conference and seminars \$3,000, for \$8,000, under Other Expenditures.

MR. EVANS: Yes, I believe a couple of years ago there were a number of handbooks that were produced by the department for small businessmen, A Guide to the Legal Requirements for Establishing a Business, Marketing Statistics Handbook, and other related material, and I would imagine some of that work would have been done in this branch, I may be wrong, but does this mean with this cutback in moneys for publications that there won't be any new, any other handbooks or pamphlets prepared as guides or aides to small businessmen?

MR. JOHNSTON: No, the aides to the small business is basically under the Enterprise Program at the present time.

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

MR. EVANS: Mr. Chairman, there was a reference made to reduction in travel expenditures. Does this mean that there is going to be a fall-off? I know this is a year of uncertainty with federal elections and so on, but a fall-off or a drop-off in this interprovincial co-operation that seem to develop with regard to . . . Well, western industrial development strategy. There were meetings by the Ministers and then their staff had follow-up meetings. Also the federal government had a number of projects, which involved the staff having to go to meetings and so on. I remember Operation Manitoba. I'm not sure that anyone from this branch was involved, but I use that as one example that comes to mind, which involved a great deal of travelling, which was a big effort to attempt to get the federal government to buy more of Manitoba made products, to get the Department of Supply and Services more concerned about what we had, more knowledgeable as to what we had to offer in Manitoba to the federal government. And you can't do that without some travel; you can't do that without some meetings and so on.

So is this an indication that there will be less interprovincial co-ordination and federal-provincial co-ordination?

MR. JOHNSTON: No, the \$3,000 in travel and conference seminars are when it's necessary for somebody from that department to travel to gain experience or gain something on research, on something they are doing. It's charged to the department that they are part of.

There's \$3,000 less in the travelling in this particular department.

MR. CHAIRMAN: (d)(2)—pass; (d)—pass; (e)(1)—pass; the Member for Brandon East.

MR. EVANS: I wonder specifically under the Manitoba Bureau of Statistics, could the minister outline what is now the function of the Bureau of Statistics? It has been reduced in size this year over last year, and I also believe that it was reduced last year over the previous year, so it has been decimated somewhat; there's been some reduction in staff. I'm wondering if the minister could outline to the committee what the functions of the Bureau are at this time?

MR. JOHNSTON: Well, the Bureau of Statistics has not changed drastically in any way, shape or form. The Bureau still collect and compile analysis and publishes statistical information relating to commercial, industrial and financial, and socio-economic and general activities basically, and condition of the province. They collect and assist all departments of government; the Manitoba Bureau of Statistics comes under this department, but is an arm of every department in the Province of Manitoba. They still do that; they compile the Manitoba Statistical Review; they compile statistics on unemployment; they compile all those statistics for the Department of Labour and, I would say, most anything that is requested of them if the information is available, that's what the Manitoba Bureau of Statistics does.

MR. EVANS: Yes, well, that sounds fairly much along the lines as the minister said, you know, as to what they were doing previously. There are a couple of other concerns I have. Specifically, is the Bureau still engaged in conducting pricing surveys in selected communities, particularly in northern Manitoba? This was an attempt to calculate, in effect, a consumer price index for these remote communities and relate them to the price index in Winnipeg. That information was not available through Statistics Canada. It was also, I believe, requested at one point by the Department of Health and I believe the Manitoba Hydro made some use of it for northern pay allowances and other similar operational matters, so there was some use in that. So my question is, is the Bureau still conducting these northern price surveys, and if it is, my second question is, is that information still made public?

MR. JOHNSTON: The Department of Bureau of Statistics, I should say, still does compile a pricing service; they do it in 15 communities throughout Manitoba. They publish it in this Manitoba Statistical Review Quarterly and they also are doing some work for Manitoba Hydro in other communities that they don't regularly work in. Manitoba Hydro is paying for that particular extra service.

MR. CHAIRMAN: (e)(1)—pass; the Member for Brandon East.

MR. EVANS: What about the survey on credit unions? There was a statistical report prepared by the Bureau on credit unions and I'm wondering, is that still being done by the Bureau or has that gone back to the Department of Co-operative Development?

MR. JOHNSTON: I'm informed that has gone back to the Department of Co-operative Development.

MR. EVANS: Well, this brings me to a point that I would like to make and I would offer it to the minister for consideration, with respect, as an effort to economize on the compilation of statistics by all the government agencies in the Province of Manitoba. A decision was made by the federal government well before the First World War to centralize the compilation of statistics; it had been known, of course, as the Dominion Bureau of Statistics, today it's now called Statistics Canada, sort of over the dead body of John Diefenbaker — I think he rather liked the term "Dominion". At any rate, Mr. Chairman, the decision, I think, was a good one and that is, what the federal government did was to say to all the departments of government — this goes back many decades before the First World War, but then it developed between the wars where there was a consolidation, co-ordination, and centralization of statistical compilation in one agency in order to have standardization of information, in order to make it more accessible to the public of Canada, and by "the public" I don't mean just the average consumer, average householder, but I mean particularly the business community where the business associations, individual firms, individual corporations knew that there was one area, one agency that had a mandate to collect statistics and to make them available on a consistent and regular basis to the public of Canada regardless of any of the policy departments; there is a great tendency for, and there is a great tendency on the part of the Manitoba departments to have a lot of statistics collected, tabulated within those departments, policy-making departments.

I refer to the Department of Health which has, I'm not sure what the name of the division is, I think it's Economics and Statistics Division, some such name and it has a word, I believe it has the word "Statistics" in it. At any rate, you can find that in some other departments, and when you mentioned that the credit union report has gone back to the Department of Co-ops, I think in a way that that is a retrograde step.

I think and I say that when I say retrograde step, retrograde in a number of senses: One, that ultimately I think it's going to be more costly to the Manitoba taxpayer to have a continuation of statistics collected by different departments of government, tabulated by different agencies in the Manitoba government. So there's one factor that I think, if it's done properly, I think we can save

the taxpayers of Manitoba money by centralizing it;

Number 2, I think we can provide a better service for the Manitoba community, the business community, the service clubs, associations, the average citizens, the average voters, anyone and everyone concerned with the economic and social trends in Manitoba, if you have one agency that can produce and make public on a regular basis various reports on whatever we happen to be tabulating at a provincial level. I'm not suggesting for one moment any duplication of Statistics Canada, absolutely not, there's no need for that. I'm talking about statistics that are collected for example by the Manitoba Health Services Commission; there's a lot of statistics available through MHSC as a matter of course of the administration of the MHSC. There are statistics available from Vital Statistics as a matter of administration of registrations of births, deaths, and marriages; and there are statistics available, I gather, from Co-op Development as a matter of administration to some degree of credit unions in the province. And there are other examples and I'm saying that what I believe should happen is a greater concentration, a greater centralization of statistical collection and tabulation and publication by one central agency, and the obvious agency is the Manitoba Bureau of Statistics because the legislation under which the Bureau of Statistics was established is parallel to the legislation which sets up Statistics Canada.

As a matter of fact, you can talk to the Deputy Minister in Charge of Statistics Canada, the Chief Statistician and other senior people in that organization and they will tell you that Manitoba has model legislation, model in the sense that it ensures the secrecy provisions, it ensures full co-operation with the federal government and they, I believe, were satisfied that there wasn't going to be any duplication of effort, and that the key word would be co-ordination and co-operation. So we've got good legislation, so you've got, Mr. Chairman, the minister has the legal authority to do this. It has the organization, it has some good people in the organization and I'm not suggesting for one moment that you need to build a big empire; what I'm suggesting is that there are dozens of people throughout the system in fact, it may be many, many dozens of people throughout the system in the Government of Manitoba in all its departments and agencies and commissions that are busy collecting figures and putting them down in some kind of report or other that would be doing the job, in my view, in a more efficient, more rational way if it was done on a co-ordinated basis in a centralized form where you can get economies of scale, economies of printing, economies of computer use, economies of approaches and, as I said, all the advantages of having a central place where everyone knew that this was the place that you could go to get this data.

I'm making a pitch, Mr. Chairman, to the minister to consider this seriously, not as a matter of spending more taxpayers' money, but for the reverse — to save money for the taxpayers because I'm convinced that if the Government of Canada had statistics compiled all over the ruddy place, if they had their import and export statistics compiled by National Revenue, and they had their labour statistics compiled by the Department of Labour, and if they had their health statistics compiled by the Department of Health, that you would have a far costlier and more confusing set-up than you have today with Stats Canada organization.

So I would commend that to the minister and ask him whether he would consider it and whether he thinks it has any merit, and that is to save the taxpayers money, to be more efficient, to be more rational and take a look at every one of these departments.

See, the problem that you're going to run into, Mr. Chairman, the problem the minister's going to be running into is really, and I use this term in a kindly sense, not in a negative sense, but to bureaucratic entrenchment; in other words, people who have a vested interest in keeping their surveys, their statistical calculations and tabulations within their own bailiwick. There are people, and they're not political people, they are people who are public servants and I'm not knocking them, they're doing their job, but they have a vested interest in keeping that, so this is the problem you're going to have; it's not a political problem that you would have, it's a problem you would have in governmental organization.

So I say to the minister that there is an opportunity to use this legislation, to use this organization to be more efficient, for the government to be more efficient and at the same time, more efficient in the sense of hopefully saving some money to the taxpayers for the reasons that I mentioned and at the same time providing a focal point, a central place for the dissemination of data that is useful to the public of Manitoba.

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

MR. JOHNSTON: Mr. Chairman, I would just like to read to the member what is the Bureau of Statistics' intentions in that respect and I believe that they are doing exactly what the minister has asked for and that is to promote the avoidance of duplication and information collected by departments. One of their number one projects, in fact their number one project, is inventory of administrative records, the cataloguing of relevant information and all administrative records and

statistical files of government departments and agencies. The inventory is now three-quarters complete with only the Department of Finance and boards and commissions remaining to be catalogued. The inventory abstracts will be available to all departments in binder form and cross-indexed by the Key Word System through a Statistics Canada Program. The Inventory Administrative Records was initiated to avoid duplication of the effort and the cost of future data collections and will provide a comprehensive reference guide for users of statistical data and will identify the collection of research data in the Manitoba government.

That, as I say, is three-quarters done, and I'm sure that the Co-op that you mentioned, I'm told that the Co-op will show up in that inventory.

MR. CHAIRMAN: (e)(1)—pass; the Member for Brandon East.

MR. EVANS: Well, I'm glad to hear what the minister has just told us. Just a couple of points and I don't want to belabour this — two points — when you say that the credit union, the reports are in that record, are you indicating, Mr. Minister, that there is a possibility of bringing that report back in to the Bureau of Statistics and have it published there again?

MR. JOHNSTON: Well, it would be part of the report . . .

MR. EVANS: . . . publish it?

MR. JOHNSTON: . . . part of the inventory. I'm told we are just publishing abstracts from that. The full report will be available from the Department of Co-op Development.

MR. EVANS: You see, this is my point, and that is that if we could get such documents as credit union data. The statistics are collected by the Department of Health, the Vital Statistics Branch Information. The statistics are collected by the Manitoba Health Services Commission; there are statistics collected by the Department of Labour. There are a whole host of . . . and I'm sure your staff have the record. It's fine to have the record — what I'm saying, Mr. Chairman, I'm suggesting to the minister that he and the government, the Cabinet, are going to have to make a decision, and that is whether or not the government is prepared to co-ordinate all this variety helter-skelter statistical work that's going on. And it is going on in a helter-skelter way throughout the system. I'm not saying that the work is of poor quality, I'm not knocking the people who are working on it. I'm simply saying it's a matter of better organization; it's a matter of co-ordination; it's a matter of centralization, and I think that we can save money in doing that.

So this is what I'd like to ask the minister, whether he and the government is prepared to make this a priority and get it done. With all due respect, it cannot be done by the staff of the Manitoba Bureau of Statistics. They don't have the power to do that. They can't do it I mean, . . they may try but it needs the muscle of the minister and the backing of the Cabinet and the Premier that this shall be done. We're talking strictly about an administrative organizational problem, and I say there's a lot of evidence in many countries, including the Federal Government of Canada, that there's a lot of advantage in doing this. And so I really commit it to the minister, and I ask him, is he saying that the government is prepared to commit itself to moving in this direction? And it's one thing for a record to be kept; it's another thing to commit yourself and say, okay, this is the way we're going to try. You can't do it overnight. You can't do it in one or two years. God knows it took Stats Canada decades. Is the government ready to move in that direction in a serious way?

MR. JOHNSTON: I think that what I read to the honourable member indicates that we are ready to move that way in a serious way. We have started the attempt to get as much of the duplication eliminated as possible, and we are going to continue to do that.

MR. EVANS: Well that's good. I'm glad to hear that from the minister. So that eventually then, perhaps by next year or the year after we'll see the Bureau of Statistics producing more reports — in effect, you may have to add people to the bureau but you'd be years in other departments and hopefully there will saving staff man be a net saving of staff because there will be the centralization of production. The savings from mass production, that's really what we're talking about. So that next year and perhaps in a year later, we'll see that this bureau will be providing a greater output in terms of statistics that are now available but they're all over the place, and sometimes they're not so handy to obtain, and as I say they're done in all kinds of different formats so that it's just not as easy to go through them, to find them, to understand them perhaps, and so on. So I'm glad that the minister said that and I take it that that is the commitment that the bureau

will be expanding its operation while these other departments, the statistical branches will be contracting, will be shrinking their operations.

MR. JOHNSTON: Well, as I said we're working that way. I'd like to make a commitment of dates to the honourable member but he said himself it's something that's not going to happen over night. We're moving in that direction.

MR. CHAIRMAN: The Member for Elmwood.

MR. DOERN: Thank you, Mr. Chairman, for your prompt recognition.

MR. CHAIRMAN: Pass — the Member for Elmwood.

MR. DOERN: You're a little too fast on the draw. Could the minister indicate the number of SMYs in the Bureau of Statistics this year and next year?

MR. JOHNSTON: 19 last year and 11 this year.

MR. DOERN: 19 to 11. Could the minister explain how he can make the contention that the bureau if I understood him correct— ly when speaking to the Member for Brandon East, he seemed to suggest that the bureau was attempting more work and accomplishing more work and yet there's been a reduction of, I guess about 80 percent. Can he explain how that can be achieved?

MR. JOHNSTON: They're working on the inventory that I just mentioned. They're working on an index of Manitoba statistical information; information requests and data analysis is something that they had approximately 120 information requests. They're working on labour force and economic reports, Manitoba Statistical Review, price survey that was mentioned, statistical consulting is part of their operation, community surveys they ; have worked with the community surveys as far as the Communities Surveys Branch, working with communities on economic development. They've work in Winkler, St. Malo, Swan River to date with that; census of manufacturing data; accommodation surveys; population and migration data base; business register; Federal-Provincial and Interprovincial liaison. The bureau has been continuing to do all of this type of work very satisfactorily with the staff they have at the present time.

MR. DOERN: Mr. Chairman, that wasn't my question. I asked the minister how it was that they could practically cut their staff in half, and yet take on more programs. I heard the minister say earlier that they were doing more and I ask the minister again, other than reading out a list of what they are doing, whether it would not be true to say that the Bureau of Statistics is in fact significantly reducing the programs it was working on, significantly reducing its workload in relation to its staff or is the minister going to tell us that they cut the staff in half and they're doubling the work or something I ? assume he's not going to make an outlandish statement. He seemed to indicate that the Bureau was in fact expanding its work load, yet I point out to him that it is doing so with significantly less staff.

MR. JOHNSTON: Four of the staff of the eight that came down were contract positions, doing work on specific programs. Two of them were secretaries. So six of your staff that was reduced was on the basis of projects being finished, basically.

MR. DOERN: And with again a 70 or 80 percent, whatever it is, reduction in staff, the salaries have only been cut by 10 percent. Can the minister explain that? That seems to be out of line.

MR. JOHNSTON: I'm informed that the reduction took place in 1978-79.

MR. DOERN: So then there must have been some pretty healthy increases in salary in the past, or let's say projected for the next year? I would assume there must be a 50 percent increase in salary for the people who were remaining.

MR. JOHNSTON: Not at all.

MR. DOERN: Well I'd ask the minister to look at those statistics. There's slightly more than half — if we went back a year ago and we took last year's budget, I assume that a little over half

might be \$150,000 and then the salary projected for the coming year is \$225,000 — that looks like a 50 percent increase in salaries to me. Can you give us an idea of what we're talking about? 8 percent, 10, 12, 15 percent, doesn't seem to square.

Let me put it another way, Mr. Chairman. If we take last year as an example, it looks like the average person was making about \$12,000 to \$14,000 and then it looks like this year they're averaging about \$20,000. So how could we get such a sharp escalation in salaries?

MR. JOHNSTON: Mr. Chairman, if the honourable member would like me to read the staff and the salaries I'd be prepared to. The 11 people that we're speaking of are in this Bureau of Statistics. The salaries are \$225,300. Now the member is taking me back two to three years. I even told him that the staff reduction of eight were contract people and they were in 1978-1979 — four of them being contract and two of them being secretaries, for those particular positions. So basically, we have eliminated two that weren't supporting the contract area.

MR. DOERN: I assume that the people at the bottom then were eliminated in terms of salaries, and the higher salaried categories have remained?

MR. JOHNSTON: No, there was a Senior Officer 3, Senior Officer 2.

MR. DOERN: Retained or eliminated?

MR. JOHNSTON: Eliminated.

MR. DOERN: I'd also like to know if the minister could indicate who the present director is.

MR. JOHNSTON: It's Oscar Perez De Tagle.

MR. DOERN: I would ask the minister if could make any comment on the fact that within the past 18 months two directors of the bureau have been fired. First of all Mr. Gillman, replaced by Mr. Bowman, and then I believe he was axed as well. If he can explain on what grounds these gentlemen were eliminated or if Mr. Bowman was found to be satisfactory and then axed, whether they shouldn't have reinstated Mr. Gillman, the original director. Can he explain why two men have fallen by the wayside in a short period of time?

MR. JOHNSTON: I can only speak for Mr. Bowman. Mr. Bowman, when I took over the department, was an Assistant Deputy Minister in charge of 11 people. Mr. Bowman was informed that he would not be remaining in that position and he chose to resign.

MR. DOERN: He was formerly an Associate Deputy Minister and then he was given the choice of being the director. Is that what happened?

MR. JOHNSTON: No.

MR. DOERN: He was faced with a further demotion?

MR. JOHNSTON: I said he was informed that he would not remain in that position and he chose to resign,

MR. DOERN: Did the minister offer him another position?

MR. JOHNSTON: The Minister offered Mr. Bowman the situation that he would not be remaining in that position, and he was asked what he wanted to do, and he chose to resign.

MR. DOERN: But, again, I am asking the Minister was Mr. Bowman confronted with being removed from that position and not given an alternative, or was there a specific proposal made within the department or within government? I assume when you tell a man that you're going to eliminate his position or remove him from the position that either means he's fired or he is being confronted with a demotion or a lateral transfer, and I'm asking whether he was just simply told he was going to be removed or whether the Minister and/or the government offered him another position and, if so, what that position was?

MR. JOHNSTON: It's not my intention to discuss Mr. Bowman's personal decisions or the reasons

why he resigned. He chose to work with the Civil Service Commission and he chose to resign when he was informed that he would not be carrying on that position.

MR. DOERN: Aside from Mr. Bowman's personal decisions or professional decisions, did the Minister offer him another position?

MR. JOHNSTON: Not in this department.

MR. DOERN: Was he offered a position in another branch of government?

MR. JOHNSTON: I don't think any other branch of government picked him up. He was available to be picked up. He chose to resign after he spoke to the Civil Service Commission.

MR. CHAIRMAN: (e)(1)—pass — the Member for Elmwood.

MR. DOERN: I gather then he was placed on waivers.

MR. JOHNSTON: I am not sure of how it works. I only know that Mr. Bowman, by his letter to me, chose to resign, and through the Civil Service.

MR. DOERN: I would ask the Minister if, in the present set-up of the Bureau, whether there is any attitudinal surveying by the government, by the Economic Development Department in regard to government programs. Are they doing any work of that nature?

MR. JOHNSTON: Would the member please explain attitudinal surveys?

MR. DOERN: Are they testing the public in regard to public attitudes toward certain government programs, such as Tourism or Economic Development, or Health, or any other? Are they doing that type of program?

MR. JOHNSTON: No.

MR. DOERN: Could the Minister make any further comment about why there appears to have been a rapid staff turnover in the Bureau? Is this because of a change in government policy? Is it because of dissatisfaction by the staff? Is it a reduction of policy? How would he explain it?!

MR. JOHNSTON: I have explained to the honourable member that in 1978-79 there was a reduction of four contract employees, as I said, and there was a reduction previously to my coming to the department. I don't think there is any . . . Let me put it this way: Would the member like me to read off the people who are still with us, who have been with us for quite awhile?

MR. DOERN: I would also ask the Minister whether the Bureau, in its present role, which I see as significantly reduced and so on, whether you're going to attempt in the next year and perhaps during your term as Minister, whether you're going to attempt, again, to centralize more of the work under the Bureau or whether you intend to allow the individual departments to do more work in-house.

MR. JOHNSTON: I don't know whether the member was in the House or in the Committee when I answered those questions for the Member for Brandon East. I informed him that we were two-thirds on the way to finishing one program in that direction and our intention is to keep working in that direction.

MR. DOERN: Mr. Chairman, I did hear the answer but perhaps it was asked in a different way and answered in a different way; I am saying that I see the department, the Bureau, as having a much smaller staff and a much smaller role. So I assume that, because of that, this means a number of things. Either you're going to attempt less in total for the Bureau and for the government or you might allow a decentralization and allow the individual departments to do some of their own statistical work and their own research, and I was just wondering in which direction the Minister planned to go, whether he was in fact just simply reflecting a reduction of this type of work throughout the government, whether that's a manifestation of that, or whether he expects individual departments to pick up the slack that was formerly handled by the Bureau, which was set up originally, I guess, to act as a centralizing statistical agency. Is he going for greater centralization or greater

or simply more program cuts in this type of area?

MR. JOHNSTON: The department or the Bureau of Statistics responds to requests from all departments of the government. They are administrated by my department. They are responsible, basically, to the Deputy. The Act which they work under is an Act which requires some secrecy.

Regarding the work that they are doing at the present time, as I said, they are working on an inventory of administrative records, which is now three-quarters completed, and they are continuing to work that way. Now, statistics that they put together come from different departments. I don't know where else they would get them to get them all under one umbrella. At the present time, that's where they get them from. They get them from the Manitoba Medical Services; they get them from most anywhere that they are available from departments for them, and they are putting together an inventory of administrative records.

If you are saying to me, will we have the Bureau of Statistics doing all the work for the Manitoba Medical and all of the other departments in the near future, I can't say they will be, because, as the Member for Brandon West said, that's not an easy chore to do overnight but we are working toward more centralization to get rid of duplication in the statistical data.

MR. DOERN: Mr. Chairman, that's my point. The Minister says he wants greater centralization; he wants to avoid duplication, yet his capacity or his ability to respond is significantly reduced. He has less money and he has less staff, and I suggest to him that when the requests come in they are going to either have to be prioritized, and some of them are just not going to be responded to. They are going to have less ability to respond, unless the Minister is going to come up with some additional money. When further requests come from other government departments, he is not going to be able to respond.

MR. JOHNSTON: We certainly are able to respond at the present time, and I keep telling the honourable member that four of the people or in fact six of the people were involved in specific programs and they were on contract to do those programs; four of them being on contract to do the programs, two of them being secretarial support staff. The department has not been reduced that drastically as the member suggests, in the past while.

MR. DOERN: The other question I have, Mr. Chairman, is the mention of security. Are the Bureau of Statistics statistics secure in the sense that they are not available to any outside agencies, particularly the police, the RCMP and the federal income tax, or are their figures and the information that they contain available to agencies of that order?

MR. JOHNSTON: I would have to check that, Mr. Chairman. I am not completely familiar with the way the Act is set up at the present time, and I can get him that information.

MR. DOERN: Perhaps the Minister could answer that tomorrow.

MR. JOHNSTON: Yes, my staff has written down the request.

MR. CHAIRMAN: (e)(1)—pass; (e)(2)—pass; (e)—pass; Resolution 37, Item 2.(a)(1)—pass — the Member for Burrows. Would the member use the mike, please.

MR. HANUSCHAK: Yes, Mr. Chairman. I note, Mr. Chairman, that the first item under Operations deals with Program Development. Could the Minister indicate the types of programs that he is developing?

MR. JOHNSTON: As mentioned, the department has a committee made up of six people: the Deputy, the two Assistant Deputies and the three Directors, who meet regularly every two weeks on Friday and discuss the programs that are being carried on within the department and the programs that should be carried on, in order to increase Economic Development in the Province of Manitoba.

The first priority that we work under is that existing businesses in Manitoba must be supported and expanded as much as possible, supported by government with research and all of the things that we have been talking about previously. We have the small business development group and we have the business development group. Our small businesses is 25 businesses or under, and I might say that most of the businesses in Manitoba, approximately 80 percent, are 25 employees or less. That's why it was rather disappointing to me to have somebody say that supporting small

businesses that don't have the amount of money necessary to do these type of things for themselves were welfare recipients. I will remember that the next time I speak.

The very definite advancement of the industry that we presently have in Manitoba is our first priority. One of the reasons for that is supporting industry is very, very important to large industries who are wanting to think of locating in Manitoba, and in Manitoba we probably have one of the best small manufacturing industries in western Canada, if not the best, because of Manitoba's establishment over the years; they have established that. We have excellent supporting industries available in Manitoba. And one of the things that happens when people come to us, if they were thinking of locating in Manitoba, is, the first thing they say is, (a) What supporting industries do you have, what type of labour force do you have, what are the markets within Manitoba, what kind of businesses are working? So your first priority in this area is to establish and work with the present businesses in Manitoba.

The next priority is to develop the industries from within Manitoba. And that is people in Manitoba who have ideas, or companies in Manitoba who feel that there is another industry, that they can work there way into. We believe that is our next major role. Again, that's the development and advancement of Manitoba industry by Manitobans.

Our third area is to, naturally, work as hard as we can to attract industries in Manitoba, and I mentioned that one of the reasons for the Small Enterprise Program is to have a very large base of small industry and the Enterprise Program also is developed very definitely with eight programs, one of them being the Small Rural Enterprise Loans, which does give a forgiveable loan of 50 percent up to \$30,000.00. But it's only in the rural area, and that is designed to help develop more small businesses in the rural area, create jobs in the rural area, and also it helps to hold down and help the economy of the smaller towns in Manitoba, which is something we found, with all our research with the federal government. I'm sure the Minister that was previous there knows about the different sector surveys that have been done by federal and provincial governments, and one of the things that those surveys told us was certainly that we had to work in that area.

The attraction of the larger business is something that is disappointing to us in that we want to attract much more business, a larger business, in the Province of Manitoba, but we are encountering what every state in the United States is encountering, and we are encountering what every province in Canada is encountering.

The Province of Ontario in their latest budget just put forward in their budget \$200 million to attract industry. Alberta has their heritage fund. We find that in Saskatchewan they have their different programs, although not published, for attracting industry. In the United States we have a situation where states are competing with other states. In this file that we keep right here we have, "south central Kansas, opportunities for industry." Here's one, "Come to Medicine Hat." If you fly on your airplanes in Canada, you'll find a puzzle within the Air Canada Flight Book: "Come to Oklahoma", and it shows that they will give concessions to business that will come to them. We have right to the south of us, North Dakota, who has their Municipal and Industrial Development Act, which is bond issues. They just lately in fact, over Channel 4, without hiding anything, announced very proudly that Cargill would receive five years tax free from North Dakota to build a crushing plant, and from the municipality or region, or whatever they call them down there, they received also 5 percent tax free.

Kentucky first, Department of Commerce, with all types of tax incentives, and again as I said, the Minister in Alberta has just announced that he in turn will be involved in attracting businesses to Alberta other than the Oil Industry.

Georgia publishes very proudly, "Georgia Right to Work Law", which they believe is something that attracts industry, and I might say here we don't say that that will attract industry to Manitoba nor do I know of any intention for this government to be looking at that type of legislation. But they publish articles such as this and give all kinds of concessions to large industry. So we're in it. We don't like it. We don't like the idea of having to attract industry on that form but as a province we have had approaches the same as the previous government had approaches from Tupperware, and their questions are, "What can you do for us?"

We have to scrape around and find out what would possibly help with a DREE application, and in many cases we do help with DREE applications. If we do negotiate with any company that is thinking of coming to Manitoba or seriously sits down and says that we are planning to come here, but you must be competitive with other provinces or other states, we are willing to sit down and discuss it with them but only on the basis of a straight cash flow as to how long the business would take to repay it and make sure the company is a stable company, one which could be here a long time because of their financial position and their market position of the product that they make. So on that basis we have that problem facing us all the time but we have other than that, identified — if the honourable member would like to take this — we have identified food products naturally as one of our largest industries.

The Minister of Agriculture, through his program of Enterprise Manitoba, which is another program that is linked with the Federal Government, is working on added value crops all the time. We come into the picture when he comes up with what he feels is a crop that can be grown in Manitoba, and the processing can be done in Manitoba; we in turn take over as a Department of Economic Development at that point, and if it's in the food products area we have, as you know, announced the development, or further development of the food product centre in Portage la Prairie where we can actually set up the small production line and possibly produce the product and find out if it can be produced in Manitoba. Again this refers to our research which I spoke of earlier; that research comes into play when we start talking about researching markets, etc.

The Transportation Equipment business is another one that we feel is a natural and you'll notice as you go around the circles your added value processing, convenience food products comes into food, and of course your light truck assembly comes into your transportation, and your buses and special use vehicles into the transportation part of it. Now, your vehicle components work into the circles with light industry, but on the transportation side of it, it's an industry that we feel has to grow in Manitoba as the economy grows mainly because if you draw a circle from Manitoba, if you drive 500 miles a day you're at the perimeter of the North American continent. We are three days from any point in the North American continent except the tip of Florida and probably the southern tip of California.

The transportation business is one that has been identified. The aerospace industry, you have your composite fibre products which are presently being done here and is growing all the time. As you know, Boeing Plant is expanding, but we feel that there's much more expansion in their line, then of course the fighter aircraft assembly and overhaul is one that we think can be of benefit to us in the defence black box. But by the same token we are the third largest in the aerospace industry in Canada. It's only 10 percent but we're the third largest.

There is nothing that says that that business cannot be expanded in a very large way so we have identified aerospace as one that we think should be expanded on in Manitoba.

Your electronics, you have your selected R and D electronics, your communications equipment and your high voltage direct current transmission R and D, and your electrical medical products which comes into the circle. At the present time we have here Burroughs, Lettke, the computer Sperry Univac, and there's one other — there's four of them that are here now and Burroughs is looking at expansion in Manitoba. They're producing products in Manitoba that are shipped all over the world. We have in the electrical medical products — we have three small companies that are starting to produce electrical medical products and they can be expanded.

Then you have your Health Care products. At the present time one of the reasons why it's identified, I'm sure that the honourable gentlemen know that the particular health care business is a large one and there's approximately \$22 billion a year of health care products imported into Canada. That's not the highest percentagewise; it's the highest and we in Canada pay for all our medical services, and we feel that if there's a lot of work done we can start to identify products that can be manufactured in the Province of Manitoba. In fact, anyone would think that if we had somebody going through hospitals just turning things over and seeing where they're made, we might be able to make some of them here. Again we have set up the Winnipeg Institute of Technology which will be working very closely with all of these particular industries to help identify products. The six boards of industry people that have been set up are exactly those six boards. They consist of men from every industry. They do not make the decisions as to what will be made or what businesses will come — well pardon me, they would make recommendations as to what should be made and what direction the industry would be going. They wouldn't make the decisions as to what actual businesses would come to Manitoba. Our department would take the advice from them and go out like salesmen and try to attract businesses of that type to come to Manitoba. Those boards are presently in place and they are an advisory group to us as far as these industries are concerned.

We have a good needle trade. We have a good furniture industry which is growing in Manitoba. One of our needle trade people, although the honourable member says 99 percent of the people that are looking for jobs are in the needle trade — I think his figures are high there — I can't confirm them or disagree with them at this time. But one of our needle trade people are the largest exporter of clothing in Canada, working out of Manitoba. We have carried on an agreement that the previous government came up with the needle trade industry where we support the — excuse me the productivity — there's another Productivity Bureau, is it? Productivity Centre of the needle trades. The arrangement was put together by the previous government and we certainly have continued to support it. This is a program where they have a man on staff who is continually watching the productivity of the needle trade and advising them how they can always remain competitive.

We have a large warehousing industry, although warehousing is not something that is going to

make Manitoba what it was 25 years ago, a people warehouse where the products are sold. We feel that light manufacturing and manufacturing is what we have to do in the Province of Manitoba.

We have identified — well, of course we also have our mining. We have our forestry and well, our resources generally — and our department certainly encourages the production or the processing of our resources in Manitoba, and we are working to that end. It's another identification that we have at the present time. We work very closely with resources in this particular area. We have to. But we do have people that are working on forestry products right now and they are developing some products, or feel that there are several products can be processed in Manitoba, and again we have to work with the Resources Department re the resource as to whether there's enough of the resource available to be able to have a factory of that type in Manitoba.

We have identified, and this comes into the question the Honourable Member for Transcona brought to us, a concern — he brought a concern about the growth of Alberta and the other provinces to the west of us — we've taken a positive attitude about that. We feel that there's never been a time when Manitoba has had a market to the west of us that we have at the present time. In Alberta and Saskatchewan the labour force is being mostly used up in their resource industry which is a high priced, high ticket industry, and we have no quarrel with that; but if those people are going to have money to spend we feel that Manitoba should be in the position to manufacture and ship into those areas. We have a very good lifeline into those areas. We always have had. When we were a warehousing province we had a lifeline into those areas and that still applies. We are in the position to cut off the raw resources on their way out west in the Province of Manitoba and manufacture them and ship them further on.

We have identified also the five states to the south of us. Other than Minneapolis those states are not large manufacturing states and we feel that there's a big market down there and we have people been down there and done research on different products that certainly can be sold in that area.

On our exports, we're not backing off the exports, but we feel that western Canada, and certainly eastern Canada if we can get into some of those markets — and we will with some freight rate breaks — and the five states to the south of us are very natural markets for us to move into at the present time. Again I mention exports. We believe that our light farm machinery and farm machinery is ripe for places like Mexico where there is expanding because of the oil wealth in their particular country, and the Minister of Agriculture has had a team to Mexico already. We have worked with the Department of Agriculture on upgrading two or three studies of people that have to come to us and we have also taken over studies working directly with the . Minister of Agriculture's Department on products, as I said earlier, that can be grown here and we feel can be processed here. And I said our light farm machinery industry is one that is a natural for us to export.

So, gentlemen we do have a plan. I've mentioned that there are some spots that are a little hazy to us, that we have to iron out. As I said, we are not happy about the competitiveness at the present time. The Honourable Member for Transcona mentioned DREE. We have to use DREE. We have to make applications to DREE to hopefully have co-operation from their department on helping industry to come to Manitoba because as I said, all of the provinces and many of the states have incentive programs. We haven't published a price list as I call it because the prices right now are not being adhered to, there's deals under the table everywhere, so we don't intend to. We intend to negotiate with people though if they are interested in the province and they must show a very definite interest in the province.

To get to your Enterprise Manitoba Program, which we will further on, but I don't mind touching on it here because it fits in, other than the \$5 million for the small Rural Enterprise Program, it is infrastructure where we have for the municipalities money available for infrastructure if they are capable of finding a business. In other words we say to them, that if you are able to attract a business to your area, you can have the confidence that the government has a program that you can have infrastructure, because many times they have to back off because putting in the sewer, water, roads and everything raises their tax or mill rate to the point where they just can't put it on the backs of their people. We have the program that works with towns, as I mentioned that there's been work done in Swan River, Winkler, there is a list of about eight at the present time that we are presently working with and we work with them on the basis through the Enterprise Program in that we go in and we identify all the businesses and we make an analysis and the Bureau of Statistics as I said have worked on this, we make an analysis of what they should be doing in that community to help expand their economic development. That's another part of the Enterprise Program. We have the other two, the Portage Food Processing and the Winnipeg Technology Centre.

We have another program whereby we will work with industry on supplying funds, providing they put in funds on the basis of research on what the best advancement of that industry should be.

Now that is one of the programs that — and we are very careful of that one because — but it is a form of research to see what expansion there should be going on to create jobs in the province of Manitoba.

So, I say to the honourable gentlemen, they might not be completely in agreement with what we are doing. I can only say that the Department has worked this out in the past three months and we have got the boards in place. The reorganization of the Department really works to that program and we have been actively trying to develop more economy in the province of Manitoba. I might tell the honourable gentlemen since November with companies that we have worked with, within our Department, that we have made application for DREE or we have made application or assisted them to take a look at other programs that are available and through the Small Enterprise Program and through working with companies, we have been able to have 65 companies either come here or expand with the creation of 1,076 jobs since the beginning of November. It's not all we want to do but it's a tremendous effort on the part of the staff and everybody to try and get that done. So, I hope that I have started to answer some of your questions and sincerely hope that I can continue to answer them and I might say I don't know that philosophically we will agree completely but that's the way we are going.

MR. CHAIRMAN: The Member for Burrows.

MR. HANUSCHAK: I have one brief question, Mr. Chairman. Firstly I should say I really don't understand why the Minister seems to take exception to the use of the expression welfare, because as there are welfare programs in other government departments dealing with human welfare, human resource welfare, so similarly in this Department there are programs of economic welfare which the Minister administers and offers welfare assistance to industry in Manitoba. My question to the Minister is, and he being a great proponent of the virtues of competition in the private sector, and it seems, Mr. Chairman, and it's becoming increasingly apparent in recent years that there is a creature rearing its head in the private sector area that doesn't like competition, and rather than face competition it gobbles up the competitor; the best example of that in Manitoba, the most recent one was the Sears takeover by The Bay, and of course we now hear talk about others following. Now, the Minister being the great protector of competition in the private sector, is the Minister doing anything to protect the small businessman in Manitoba against the risk of takeover by some multi-national based wherever it may be based?

MR. JOHNSTON: You don't usually find that your larger corporations that the member is speaking of come in and try to gobble up small businesses to that great an extent. As I said to him one of our first directions is to try and build up our small businesses within Manitoba. When you speak of somebody buying the shares of another company, I can only say that if the federal government or FIRA or somebody of that nature decides that that can't be done, they step in on that basis. But, I don't say this in any way to be joking or anything. If I owned shares in a company worth \$22 a share and somebody offered me \$36 for them tomorrow I would have a tendency to maybe take the profit and go, and that's what usually happens in those particular cases. We are not in a position to try and tell people who they can sell their businesses to or who they can't, but we are working to make the smaller business in Manitoba stronger and larger and we are working to try and build businesses from people within Manitoba. I've tried to identify that as our first step. I can't comment on the takeovers of large companies of another large company. The two he talks about are very large corporations and I don't know that there would be anything the province of Manitoba could do if the majority of the shareholders decide to sell their shares at a profit.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUOK: I thank the Minister for his statement on this particular section. I think it provides a good introduction for some discussion. I think that generally the type of work that's being done in the industrial sectors is something that I think I can recognize a great deal that from the past, food products, aerospace, electronics, health care, I can recall frankly some discussions on these priority industrial sectors when I was a civil servant in Ottawa in 1967-68 and talking to provincial people at that time, and I think that in some respects some of these are our strengths. The difficulty is actually achieving success in them in terms of meeting some of the objectives that might be laid down. One difficulty that arises is that you don't have clear targets and that creates a difficulty because you can talk in general terms about it but at the same time if you want to measure to what extent you are actually achieving anything relative to what you achieved or what existed last year in Manitoba, that's one type of measurement. Then if you want to get some idea of what you are achieving relative to the performance in other provinces that's another form of measurement

and I'll be getting back to the Minister on that later as to what's taking place and how are we evaluating what we are doing in these areas.

They are laudable areas but maybe we're not achieving that much in them, and you know it strikes me that there are — you know we have some differences I think in sort of the long-term approach rather than the short-term approach and I think we might have some differences as to the extent to which you would use the Crown in tough negotiations with the private sector or certain sections of the private sector in trying to achieve these objectives, which frankly I don't think there is a great difference between the particular parties in the Legislature. I think people are looking for a sufficient job creation in Manitoba to really prevent any drastic type of depopulation. I think also you are looking for some type of balance within the economy so that you will protect the economy from big changes that might take place because of changes in the business cycle or changes in commodity prices if you are too dependent on one industry like agriculture.

So I think that those in those areas there probably isn't a great deal of difference. Now it comes down to whether in fact these general objectives in fact can be achieved, and the Minister, and I can appreciate his frankness in this respect, pointed out two particular problems in my estimation. One is the difficulty in dealing with large businesses that not only the province is having, but I think the world is having, and I will get back to this, and when people talk about multi-nationals, I don't want to do it in a knee-jerk way and a pejorative way but frankly there are some horrible problems in dealing with a multi-national that I think provinces, countries, and some international institutions better address themselves to. Otherwise they are going to be whip-sawed drastically and I'll come back to that later because I think it is a real critical problem facing society, especially western industrialized society.

The second problem relates to small business and you are saying, you know one of the priorities and probably the top priority is to deal with existing businesses within Manitoba, 80 percent of which are smaller. When I go and speak to small businessmen, when you cut through the rhetoric and the cliches that they throw out about taxes and bureaucracy and red tape and there are some of those problems and I can appreciate those problems, but when you start asking them specifically what was their problem last year, what do they foresee as their problem, I was amazed at the number of people who basically ended up saying that one of their big problems, probably their biggest problem is their inability to compete with big business. When it comes right down to it, that's what they feel is their problem.

And I think these two particular problems are interrelated because if in fact the province has a great deal of difficulty in dealing with big businesses, then they in a sense get whip-sawed, and you even gave some indications which I'll come back to later on of provinces or states or countries giving incentives to big companies, incentives which they really don't give to the little people, to the small businesses — Ontario and the federal government giving Ford \$68 million to locate a plant in Ontario rather than locating a plant in Ohio. In real strict terms Ford as one of the giant multi-nationals in the world didn't need the \$68 million but they could have whip-sawed the countries, and the provinces in order to get that \$68 million break which a small company just doesn't get. That means that we are almost developing two parallel economies, one which in a sense operates on its own which is the large multi-national economy, and the other which is a smaller one, a lot of people — that's the small business community — who I think get incredibly frustrated and strike out in every which way trying to in fact see some type of demon in it and you know for some specifics for example.

Cash flow of small companies is always a problem and when I find out, I say, "Well, you know, who doesn't pay you quickly? Who has the bargaining power not to pay you quickly?" It turns out to be the big company that has the bargaining power, and the leverage not to pay them quickly.

And surprisingly, I found that a lot of small businessmen complained about the fact that big companies didn't pay promptly, because big companies want the small companies to pay promptly. They don't have any leverage with the big companies; so they get caught in this particular cash-flow problem very quickly. A lot of small people get delighted because they've got some type of a deal with a big company, then they start signing some contracts with some other large company for supplies run into that problem very quickly. The other thing that happens, and it's happening in the commercial side, is that we are getting a proliferation of shopping centres in the regional centres of Manitoba, and again what happens is that the local businessman who's situated downtown in a small community usually isn't the person making the move to move into the big shopping centre, which has parking, which takes into account the automobile society. So you have the small merchant in Dauphin, in The Pas, Portage, Brandon who's downtown, who's grown with that particular community finding himself or herself really being squeezed out by the large scale shopping centres, larger scale marketing techniques of larger corporations.

And I think that's a problem with respect to, what I call, the rural fabric because I think that

breaks down your ownerentrepreneur; that breaks down the number of owner-entrepreneurs that you've got in communities like The Pas, like Dauphin, people who grew up there, or local indigenous people who are business people who will stay there, who expect their sons or daughters or what have you will stay there. To the degree that they in fact go by the wayside, because the big companies set up their stores there, and put in the professional managers who tend to be in Brandon for three years and then they move to Lethbridge and then they go somewhere else and they then go somewhere else. I don't know whether, in fact, it's a definite policy of say, the Bay, to move their managers every three or four years so that, just like the RCMP they tend to move their people with some regularity because they don't want them to get too familiar with the local people and in a sense become co-opted. The RCMP move their people every three or four years and it strikes me in conversation with people I know that the Bay system, that they have moved that way as well. And I'm wondering if that isn't having some deleterious effect on again the rural entrepreneur fabric within smaller and middle sized communities, and I don't know how government at the provincial level deals with something like that.

You know, I was involved in The Pas for example; The Pas was bankrupt; I came and worked in this province in that context, and I can recall the small businessmen in The Pas being hesitant to really expand their operations, to set up the larger plant, to make that type of investment. Other people came in from the outside and did it, and they took away a great deal of business from the downtown area. When you get the centre of the town moving out to the suburb, these towns weren't really built to accommodate that. We have enough problems in a city like Winnipeg where we have our downtown decay; we have that type of problem taking place in communities like Brandon, for example, where they've been trying for a long time to get something happening in the downtown area because they've had one shopping centre at least really attract so much business to the periphery; you've got a lot of sunk-cost in the downtown area, you've got a lot of patterns that existed, I think you're going to waste a lot of what I call private and public investment when that thing continues.

So we have the problem of small business having a difficult time, having a difficult time surviving against big business in an economy which, at the level of the large businesses, I don't think has that much competition.

So, if the government is going to try and work with small businessmen to ensure that they have an opportunity to survive through some collective effort, or through some type of partnership approach with the government, I think that that's a wise and necessary thing and if the department's doing something like that, I think that's wise, and I think that's necessary. Because I don't think small business can stand alone and I think that the minister was indicating that by supporting existing businesses, there's a tendency on the part of government to come in and try and provide some type of a support system, not so that these businesses will necessarily be gobbled up by government because they aren't gobbled up by government, or these businesses aren't put out of business because of a lot of government activity, they are being put out of business because of big business activity. So if we want, in a sense that the private part of the mixed economy to work, it means that small people should have ability to start a company, should have the opportunity to start a business and to keep it going; that's the essence of it, it strikes me, that there aren't that many barriers to entry. That means people should be able to become business people and it strikes me that nowadays it's very, very difficult for individual entrepreneurs to become business people without assistance especially of a technical form from government, and I think it's wise of government to be involved with them in trying to do that.

Secondly, however, getting back to this larger problem which I think is a horrendous problem, and that is provinces or states and countries being able to withstand concerted attempts at whipsawing, which I think are just normal and natural activity on the part of a large multi-national company; I think we had some examples of it in the past where companies used to go and try and play off incentives or tax concessions from competing municipalities, and municipalities used to get caught up in that. In fact, the reason why I got involved in The Pas when I came back from Ottawa was that The Pas municipality or the town had given so many tax concessions to Churchill Forest Products that they really didn't have enough tax income to support the population growth that was going to take place Well, I'm with the development of the Churchill Forest complex.
—(Interjection)—

coming back to it and I know that the Member for St. James —(Interjection)—well, no, we waited, you know, and I don't mind the interruptions from the Member for St. James. I raised that. The minister said that he would wait until he got to this particular item to come back to it, and I pointed out because I think it's an example of a larger problem at the provincial level which I want to come to, and that's the problem raised by the minister who said that how is he going to now compete with other states or other provinces with respect to big companies. Should he give them Grants or shouldn't he? I think that's a very, big problem that's going to face provinces in Canada; it's

one that he pointed out and I agree with him that it is a huge problem, probably the biggest policy question that he is going to have to face as the minister, because there is some very bad precedents being set, because I think they are bad precedents.

My feeling is that no municipalities gained; their gains were short term when they bargained away tax concessions and other incentives to companies. In Manitoba, we passed a law saying that municipalities cannot give incentives and cannot give tax concessions. We still had some economic development taking place in rural areas and rural municipalities and if there are going to be subsidies, maybe the subsidies should be explicit through things like the infrastructure programs.

Now, I think that this is something that the minister really is going to have to take up at the national level when you have your federal-provincial caucus because I don't hear enough being said about it, because if you try and compete with Alberta in the way of incentives, you'll lose. I think that the minister recognizes that if he has to go up against the \$3 billion or \$4 billion or \$5 billion Heritage Fund from Alberta, he will lose and ultimately, if Alberta because of I think a short-sighted desire for a very quick growth grows too quickly, in the short run, I think Alberta loses, too, so both provinces lose.

You know, we're having some indications of what some of these losses are. We might get a bit frustrated by the fact that our population is declining, but the people in Calgary are very frustrated, too, when homes in Calgary of a comparable type to those in Winnipeg sell for \$30,000 or \$40,000 more; it's just one example, so there are some problems with very rapid growth. Now, I would like the minister to take this up at the national level because I think it's something that the federal government has to address itself to, as well. I don't think we should be having any tax concessions and any incentives given to large companies, and if all ten provinces come together on this and don't play neighbour beggar My policies and don't establish Beggar My Neighbour programs, then I think we have some way of dealing with large multi-nationals. That still leaves the problem of how countries are going to deal with multinationals, and if you're a large operation you're not necessarily centred in one country. Given communications and transportation technology, it's a lot easier now to administer companies which have plants in different countries; they don't necessarily make an entire product in one country, they might in fact be making components which are assembled somewhere else. And when that happens, there are further complications that arise from this; one air company can then bargain off whatever concessions one country's willing to give either in the way of incentives or in the way of minimum wage rates or in the way of labour legislation or in the way of any type of subsidy or program or policy which is of pretty substantial benefit to the company. You know, if you follow the course, and I raised this in my introductory remarks. I pointed out the garment industry has tended to whipsaw countries. Luckily for a period of time now, we have an exchange rate differential which is favourable to us and we've got some garment quotas to combat against that; if we didn't have the garment quotas we would have much more serious problems there.

I think that multi-nationals playing off countries against each other also create a problem for countries in terms of future revenues. A case in point, some of these have been documented, is the extent to which big companies establish export corporations and tax havens in order to increase their profits; Michelin Tires was a company that went to Nova Scotia because of very large federal DREE incentives.

Much of the product from their plants in Nova Scotia is sold in the United States — it's not sold directly, it's sold via a company that exists in The Bahamas. Now the point about that particular example is that where do your taxes come in because, you know, if in fact you're going to provide an incentive to a company you hope to get some return on that incentive, I guess that incentive might be seen as a type of investment in that economic enterprise. So if they're exporting their product at a moderate price to their Bahamas Trading Company, that price that The Bahamas Trading Company pays for the product determines the profit that exists in Canada. If, in fact, the Bahamas Trading Company ups the price, sells to the United States, then that profit is garnered by that company that exists in The Bahamas. That exists with respect to Dupont in Switzerland and Germany in terms of the Swiss trading company, and I don't hear much of this being discussed at Federal-Provincial meetings when it comes to industrial strategy. Because of all the things that the minister pointed out, he pointed out that this is probably where we have our biggest problem in dealing with the big companies. And it's very difficult for a province with one million people, with a Budget of \$1.6 billion or \$1.8 billion, with a GNP that's I don't know, \$6 million dealing with a company that has an annual product that's much larger than that province. It's a small legal jurisdiction dealing with a very large entity that in a sense doesn't operate within any legal jurisdiction. And I can sympathize and empathize with the minister in having to deal with that. I would hope that he doesn't succumb to the practice of offering incentives. I can sense a note of frustration in the minister's voice where we're almost being forced into it, where he says we don't like this

situation. I agree, I don't like it either.

The question is then what are we going to do? Are we going to say we don't like it but we have to play the game as well? We have to play the incentives game as well or are we going to try and make this a larger issue — raise people's consciousness about it; raise the Federal Government's consciousness about it; raise the consciousness in some other countries on this matter so that we all don't get sucked into doing something that we don't want to do, which we think won't really help us over the long run. It might help us over the short run but I think the minister maybe even has some documentation to indicate that we won't be helped over the long run with policies like this.

My intuition in some of the initial work I've done in this area indicates that you don't get helped over the long run because if in fact you can attract a company into a province because of an incentive, that means that that company almost holds you at ransom because if they are that footloose they can be attracted by a greater incentive somewhere else. And be it three years from now, or five years from now, or seven years from now, there's a good possibility that that company will be induced to go somewhere else. And they're having problems like this in some European countries right now, and it's a bit ironic. They're saying their having protests, asking the U.S. multi-nationals to stay in Belgium, or to stay in Luxembourg. And people are saying, we want you to stay, because they don't have any bargaining alternatives.

And we have the weird situation of the United Kingdom competing with West Germany, in terms of giving incentives for future Chrysler plant development. That's only one example, and it's happening more and more.

Now, I'm glad the minister at this stage is saying, we 'won't cave in; we won't provide incentives; we won't give tax concessions. I hope he will take that up with the Federal Government as well. I hope he can try and convince people in other provinces that this is the wrong approach, that we should do it on the basis of comparative advantage, that we should sort out areas where we have comparative advantage, that we should sort out areas where we have strengths. And I think he's going to have to be more vocal on this because frankly it is a problem that we all face.

Another thing that the province might do, and this is one area where I would have some disagreement with the priority industrial sectors, is that frankly a lot of the priority industrial sectors are susceptible to that whip-sawing — aerospace, electronics, transportation — these are areas where we have some susceptibility. Now I can appreciate, and I would wish the government and the department success in doing their work in these areas, but remember that you are vulnerable. I come back to those areas where we aren't as vulnerable, mining, forestry, agriculture inputs and outputs, timber, possibly fishing — and I point those out because those are areas where we have the resources. They are public resources; we have them. I know that we've had some difficulty with Inco, for example. Inco saying, well, you know, we don't do much here in Thompson. Laborers rates are too high, taxes are too high in Canada, either in Sudbury or in Thompson — we'll go to Guatemala, we'll go to Indonesia. But ultimately, the province I think, in areas of natural resources, has a very good bargaining position vis-a-vis companies because it does have the resource. Saskatchewan found this out with potash. You can use a variety of instruments in negotiating with multi-nationals with respect to getting a better deal for the province, and I think that's what the minister wants to do.

So I would him and urge him to take a closer look at more value added for mining. To what extent can we get greater processing now. He mentioned this before but I look at the priority industrial sectors and I don't see anything mentioned there. Maybe it's with respect to light machinery but I don't think so. I asked the minister to look at agricultural inputs as well as value added processing for food products. Some of that's being done with respect to agricultural machinery, but again I see that as another area, where we again have a bit of bargaining power. We are dealing with our own markets.

Timber — again I asked the minister to look there. It's a tricky area, as I mentioned about the Brazil situation, where their climate is such that you can get tremendously quick regrowth, but at the same time I think that if we are going to deal somewhat effectively with these very large corporations, in terms of trying to achieve what I would call socio-economic objectives for a province, but I think we have to really pay a heck of a lot of attention to our resources which we own, which we have, and which I think ultimately are our strength over the long run.

So I'd like to ask the minister if he has any comments to make on the question of how this

government views the difficulties in dealing with large businesses in terms of whip-sawing, whether they're going to continue this policy of not providing incentives, and secondly, whether there is a policy on the part of this government, which isn't sort of a hard and fast, black and white policy but basically is one which tends to be against corporate concentration in a sector, which would like to see more rather than fewer entrepreneurs in a sector because that relates to my first point I raised about small business having a great deal of difficulty surviving nowadays against big business. So those are the two points that I point out specifically with respect to trying to further an industrial strategy for a province, and that's the multi-national and the corporate concentration.

MR. JOHNSTON: Thank you, Mr. Chairman, and I thank the member for his presentation. I don't want the member to get the wrong impression with what I'm about to say at the present time, but I don't think that I said that we wouldn't discuss any incentives with companies thinking of coming to Manitoba. I said that we don't like it, and I say that sincerely. I'm thinking the member understands that that's not the philosophy of our government, but I did say that the only way that we would approach it is that if there was a company that was an established company, that had markets — you know, I don't mean somebody that's making something new, but I said a company that has markets at the present time and have a product to put into that market at the present time, and they indicated that they would put in a large investment themselves and establish jobs and be one that would be here for a long time. —(Interjection)— And indicated that they would be somebody that would be here for a long time; that the Province of Manitoba is willing to negotiate. We don't have a policy, we don't have a published price list like some of the ones that I've shown the member here nor do we intend to put one out.

The reason for that at the present time is we are very aware of the whip-saw that you speak of. My business experience, and I call it price cutting, I think the member can identify it as that, we know in my experience is that when it starts it gets to a point where you're all in a terrible position and the sore gets so bad that something drastic has to be done. But until we can get this through to the Federal Government, and I might say they have DREE and I'm not here to criticize them because we have used them for the benefit of the Province of Manitoba, to establish companies in Manitoba from other countries or from other provinces, we find ourselves in that position that you described as being very tough of looking at jobs for people in Manitoba.

So I wouldn't like the member to say that as minister that I would back off. It would certainly have to be a decision that would go to the Economic Sub-Committee and quite frankly a decision of the government to make any type of arrangement of that kind. So I can assure him that we will be damn careful what we do, but until the situation changes we have to take an open mind on that basis, that it has to be something solid and something that we want to feel it would be of benefit. To this point that has been our attitude. The whiplash that he speaks of, certainly we don't like. One of the things that I find with small business is that when we talk to them the regulations and red tape is something that they really dislike, and their competition with larger businesses is another one.

The Community Commercial Development Program that I mentioned under the Enterprise Program, is one to try and get into the small areas and work with the small businesses in the smaller areas to help them develop, help them make moves that are going to make them more efficient. You know, small businesses can at times compete if they have some advice on how to be more efficient within their business. We hope that we can do that, and I'm not saying it isn't a problem that we're not aware of. Cash flows and everything in small businesses are something that has always been a problem, and we have under our small business group, people who go out and work with them and the previous minister had them, and they're a pretty fine group of guys. They're very down to earth, hard-working people that work with businesses.

One other thing, when you talk about payments — government is probably one of the slowest payers, for some reason or other — and certainly the Accounts Receivable is something that has been there for a long time. But there's no question that the small business has to be worked with and has to be developed.

Shopping centres, you mentioned in the areas. You know, that a lot of the towns such as, Portage la Prairie, Brandon, Dauphin, Steinbach, Morden, I think Winkler too, and I know there's many more, have their economic development areas but they have their economic development committee of council that is actively going out and trying to find these type of people to come to their communities. It's being done by the councils. Now, it was just brought to my attention, I don't want to mention the community but we had one the other day where the council requested that they be able to give a tax holiday, and representatives from Municipal and Urban Affairs made the position very clear that it's not allowed in Manitoba, but then they have turned around and asked us to come in with our Community Development Group and see what help we can be to the businesses that

are there. That isn't to say that they won't stop trying to find some way to attract that shopping centre, but we are working with them at that extent.

Going back, as the member did, to this tough problem that we have, there is going to have to be a decision of the Federal Government, or some type of a decision or an understanding between provinces because you are quite right, Manitoba is not in the position to get into a contest with Ontario, who puts \$200 million in their budget to attract industry. We don't have it — or the Heritage Fund of Alberta. But I'd like to say, that this we've never been in a better position than at the present time in Manitoba to offer some of the things that they haven't got in that, as you mentioned earlier earlier today, we have a province that has — and I would hope that this wouldn't start a debate on how much goes to the Arts, but we have recreation, Arts, hockey. It doesn't matter what it is, I think Manitoba is endowed with it and we're endowed with a tremendous amount of damn good people that have gone through many years of building up this province, who are willing to fight at it. But we've never been in a better position of seeing western Canada expanding, to take advantage of that particular situation. And that's what we're working to. I don't think that we are in a position that you have to give away the world; I think we're in a position of saying, we have some things here that others don't have.

On the forestry and fishing and resources, as I said to you, we have to work very closely with the Minister of Mines and Resources on those particular items. We certainly encourage more processing of those resources in Manitoba. The mining industry is firming up considerably and I think probably in the next two years it will firm up more. So, on that basis, we have the forestry, which is there, and we have more freshwater lakes than most people have north of us in our province and we should be taking advantage of the fishing industry to a very great extent. We have had discussions with the Minister of Mines and Resources on the fishing industry at the present time, and I think the honourable member knows that there are extensive problems within that industry that have to be solved, but we're very aware of them and we have had quite a bit of discussion about it.

So I think that we are working with our small little program that may or may not be criticized of \$5 million out of the \$44 million to try and help small business expand or develop and the other part of the program is, on the expansion part, we will supply 50 percent, up to \$18,000, for expansion, and new businesses 50 percent up to \$30,000.00. It's a small start, where we're using DREE as a partner with Manitoba to try and build our small businesses. It's a start to help small businesses and we feel it's something that we have to do. And of course our infrastructure programs, I'm quite excited about those, quite frankly. I think that that is a role government can play when a city or town or municipality has had the incentive to bring an industry. You know, Portage la Prairie announced a \$1.2 million plant in Portage la Prairie for peas, making starch, etc. We would hope, in the near future, that the research that was done to do that can be done in Portage la Prairie, where we're expanding the program, and of course, there again, there was a DREE application applied for and our department worked closely to help that company make its application to DREE. It's one of the things that we have available to us right now that we use.

I assure the member that give-aways are not something that we really think is the best, but we take the attitude — and I have instructed the department — that when we do anything the money we spend must still be here 20 years from now. In other words, we want to be very sure that whatever we spend that it's going to be a viable business. We will make some mistakes in the program. I'm sure that the honourable member doesn't think that we will be 100 percent right in our decisions, but we are trying.

So when he mentions the areas that we are looking at, there is no question that they have all been looked at before. But I'd like to remind him that our electronics is now growing into a good situation. Aerospace is . . . We are on the verge of maybe being able to make some gains; it's never been better to probably do it and we have taken the positive attitude about it. I'd like to say that we have to have — we have established the technical centres, and we have to have a closer liaison with our University, not from the point of view of great expansions, if you want to talk that way; we have to have liaison with the University, period, in medical, in engineering and in sciences, etc. It's something that the department and the Deputy Minister and Assistant Deputies and myself have had discussions about and discussions with people at the University as to what we can do to create a closer liaison with them. Because I think the honourable member knows that a good university can almost guarantee a lot of good businesses, if you can put them close together. So we are working in that area, as well.

If I haven't answered any of your questions, please come again.

MR. PARASIUOK: Thank you. I am going to come back for a few minutes because I do think it's really vitally important and I, frankly, expect that next year we will be discussing this item again, and that's the question of dealing with big companies. I'm against it, generally, and I think that

the Minister probably is of that position, too. At the same time, he left an opening in the door. I don't know under what appropriation any type of incentives under the department may, in fact, be given to a big company. I don't see any; I don't know of any that exists, and I don't think the Manitoba DREE Agreement deals with that, and I don't know . . . Can I just ask specifically whether there is anything that exists right now to provide for that?

MR. JOHNSTON: When I said it would have to be a recommendation to the Subcommittee and then the Subcommittee to the government, if there was any decision like that made, the appropriation, the Minister of Finance would have to make funds available to us. We don't have anything in here at the present time, because we don't have any laid down policy on it.

MR. PARASIUk: One of the things that I don't know whether it exists or not, I don't know, frankly, whether there is any legislative authority right now operational in the Province of Manitoba to provide for a government grant to a company. I'm not aware of one existing. Possibly there is; I am going to take this up and ask the Legislative Counsel to the Legislature to see whether in fact such authority exists.

Now I'm not, at this stage, saying that you mightn't want that reserve authority. I don't know if one exists. So, at this time, I know that there isn't one within the department, and the Minister has clarified that, that there isn't one within the department. I, again, caution him to be very wary of that. Once you give one incentive, then I think people see it as a pot of honey and then that is the first thing, rather than the last thing, they will talk to you about. And that's why it's difficult; once started, how do you stop?

Secondly, I think a grant to a big company coming from outside of Manitoba, frankly, alienates the small business people of Manitoba who are here. You know, the prodigal son returning. This isn't even a prodigal son returning, it's a complete stranger coming into, in a sense, Manitoba. That could create some difficulties because, in a sense, that would discriminate against small companies.\$

I'm wondering, and again maybe the Minister can just come back to me later on this, whether in fact there have been complaints from small enterprises in Winnipeg, complaining that the Small Enterprise Assistance Program under the Canada-Manitoba Industrial Subagreement in fact discriminates against them because it provides for incentive grants if companies locate outside of Winnipeg.

Now, I can understand why you want companies to locate outside of Winnipeg. I think that it's important because of a desire, a continued desire, I would think, to have some type of regional economic strength and balance within the province. At the same time, I'm wondering whether in fact this incentive isn't spewing some business decisions in that it might be wiser for a company to stay in Winnipeg for a whole set of very logical reasons but it says, boy, you know, I can just see that \$30,000.00. And small businessmen, bribed isn't the proper word but they can be induced into some irrational decisions hoping that they can get cash. I mean, that's always a good thing for a small businessman. He values cash tremendously. He may, in fact, make an illogical decision in going outside of Winnipeg. I'm hoping that the department is counselling small businesses against that and at the same time, if someone is going to be locating outside, it's a rational thing for them to be doing. There may be some disadvantages, which could be outweighed because of certain advantages in, say, going out to a place like Sprague if you're involved in forestry and furniture development but, at the same time, I hope that the department is counselling against people who are just trying to take short-term advantage of that type of grant and I'm wondering whether there hasn't been any negative feedback. I have received a bit of it from people who are saying, well, gee, you know, Transcona is not really in Winnipeg; it's on the edge, or Dugald's on the edge or Oakbank is on the edge and you must have received . . . You know, what's the edge of Winnipeg or what's the edge of the Winnipeg trading areas?

So I think that there might be some negative feedback that the Minister might have received that way, with respect to discrimination and grants between small companies in Winnipeg and those outside.

I am glad that the province is keeping the policy of preventing municipalities from giving incentives. I think it's really important that that be done. There are other methods in the department and other departments have some mechanisms for providing some of that other type of assistance. But, again, that's one area that we surely shouldn't cave in on, that we really must insist that there be no Beggar My Neighbour incentive programs operational within the Province of Manitoba. Right now it's illegal by law. I hope that stays in place.

I don't want to get into debate here and now; there are other proper places in the budget to talk about whether indeed enough is going to universities and cultural and recreational facilities. There are other opportunities for that type of debate, but I'm glad the Minister does recognize

that that really is such an important factor in attracting, I would think, especially some of the higher technology people who are expanding some of the higher technology industries.

Finally, I am wondering where it might be best to talk about GATT, whether it's here or whether it might not be in some particular sub-appropriation of the General Operations section. We're now on Administration. I don't want to get into Transportation here, or Technology. We're going to wait and discuss that . . .

MR. JOHNSTON: To the member, it fits in very much with our program under the Market Development of (j).

MR. PARASIUOK: That's all I have to say.

MR. CHAIRMAN: The Member for Brandon East.

MR. EVANS: Yes, just a couple of points under General Operations. I have a number of questions which I will reserve until we get to those specific sections, but under Administration of Operations, can the Minister advise whether there is any current liaison or work or work going on with the Manitoba Development Corporation? I realize he is not the Minister responsible for MDC, and as far as I understand MDC still exists. It perhaps is the policy of the government to not utilize MDC anymore, and that's a decision that they're entitled to make and I'm not arguing one way or the other. I am simply asking is there any potential here, is there any work going on with the Manitoba Development Corporation and any possibility of financing some opportunity for additional manufacturing some place in Manitoba that can't get financed under the normal process of private financial institutions.

MR. JOHNSTON: To answer the member's question, I can say that we have liaison. Mr. Banman is on the committee that I mentioned. That is basically the liaison that the department has with MDC. Decisions on the expansion or what is done with MDC is certainly not the decision of this department because it does not come under this department; it would be the decision of the government and the Minister is charge of it. But that's basically the liaison that we have with it. And I must say here that I am not completely familiar with the MDC Act. I don't know whether it would have the authority within it to make grants to companies or anything of that nature. When the honourable member mentioned the authority to make grants within the province, it's something that certainly the Legislative Counsel would have to advise us on; there's no question about that. But no, we don't have anything directly, other than between the Minister and myself at the meetings.

MR. EVANS: Well, I gather then that virtually the MDC is not being utilized as an active instrument for Economic Development. It has had its ups and downs, and the trouble is — and this goes back to the MDF, too — and without trying to make any political speech the fact is that it has had a lot of failures but it has had some successes. If it wasn't for the MDC, Versatile would have closed its doors some time back, and some good things were done by the MDC, you know, and it's one instrument to be used.

MR. JOHNSTON: I'd like to say to the honourable member that I once made a comment in the House that he was the only Minister of Industry and Commerce that didn't have the MDC; he's not the only one, I don't have it, either.

MR. EVANS: Okay, on the matter of general operations in the department, I am generally an optimist but I am rather pessimistic about our ability to develop a greater manufacturing base in Manitoba. And this goes back to some very fundamental features of our economy and our place in the geography of the country. It goes back to even our climate. One thing we have too much of is cold weather. If we could find some way to export ice and snow we'd be in business. So there are a lot of obstacles.

I was always under the impression that a province like Manitoba did need a considerable amount of attention, beneficent attention, from the federal government and I was always of the opinion that we weren't getting a fair shake when it came down to federal government DREE expenditures, when it came down to purchasing policy by the federal government, when it came down to decentralization of offices by the federal government. I'm not suggesting that we don't get any DREE money or that we don't get any federal offices, etc., but it would seem to me that this is an important source of jobs for Manitobans, and whether we like a particular government operation run by Ottawa or not, regardless of which political party — that's got nothing to do with it — it seems to me

that we'd be better off in Manitoba to have more of those federal offices, if they are going to exist, rather than fewer of them. I am glad to see one major office coming up now in the eastern part of the city on Highway 59, I believe it is the Income Tax Department, the Income Tax Branch, building a large one, which is good, and I think there will be quite a few hundred jobs there. I'm just saying that I think . . .

A MEMBER: I don't know whether that's good or bad, but . . .

MR. EVANS: Well, they're going to collect our money some way or other so they're going to collect it, they might as well use Manitobans to do the paperwork. At any rate, if we could see more government offices — I understand the whole department of Veterans Affairs was moved by Ottawa to Prince Edward Island. That was quite a sizeable move. I know that the federal government has a lot of military bases in the arities and I think perhaps they have got too many military bases in Ontario and Quebec; more of those should come to Manitoba. If we had two or three more Shilos we'd be better off in Manitoba. Shilo, of course, has its large NATO Training Program now and there are millions of dollars spent by the federal government, by the federal Department of National Defence, which are very beneficial, which do cause some buoyancy in the Brandon trading area.

So I guess the point I'm making is that one of the major operational problems, one of the major operational challenges of the Minister and his senior staff is to somehow or other be able to persuade the authorities that be in Ottawa that they should be spending more, rather than less, of their money. If they're going to spend it, let's see more of it spent in the Province of Manitoba.

So I have one general question then. It is are there any particular efforts now being made to persuade Ottawa — and, again, I appreciate it's maybe a rather awkward time but nevertheless the wheels of government do turn — whether there are any efforts being made to get the federal government to do some other things here in Manitoba?

I might remind the Minister, Mr. Chairman, that we did have a huge exercise about three or four years ago — I think it was called Operation Manitoba — whereby jointly, with the Department of Supply and Services, Ottawa, we attempted to acquaint Manitoba businesses with the opportunities of selling to the federal authorities. And really it was part and parcel of an exercise to get Ottawa to buy more of Manitoba-made goods. It was quite successful in the sense that we had hundreds — I think there were almost 1,000 business representatives registered — and there was some success to it. But what it really needs is not just that; it needs a commitment by the federal government to buy more in provinces such as Manitoba, and unfortunately there is still too much of federal purchasing that is done in Ontario and Quebec, just too much. I have always maintained that the federal government has set up a department called DREE, the Department of Regional and Economic Expansion, which has as its mandate to try to create economic balance throughout Canada, to try to create jobs in all regions, and to try to develop underdeveloped areas such as the Atlantic region.

So you have DREE on the one hand, presumably with that mandate, and yet you have the Department of Industry, Trade and Commerce on the other hand spending most of its money and most of its activities enhancing the industrial base that's already well established in Ontario and Quebec. So you have DREE on this side supposedly working towards regional balance, then you have another very big department which is working, in my view, at cross-purposes. We finally did get Mr. Gillespie, I guess it was, at one time to agree that Regional Economic Development was important, but really I think he just paid lip-service to it. I suspect that still the greatest amount of activity by Industry, Trade and Commerce is in helping the already well-established large corporations in Ontario and Quebec. And similarly with the Department of Supply and Services, I think there is an excessive amount of purchasing in central Canada.

So I think that somehow, if one could persuade the federal government to be a little more appreciative of the fact that Manitoba needs some attention, and even if we got a fraction of the moneys that were being spent in Quebec I think we'd be well off, because there has certainly been a lot of decentralization of government departments into Quebec; there has been a lot of Supply and Service money spent in Quebec.

And one other example I give — and I guess this is a second, more detailed question — because my first question is, you know, what are the current activities, what are the current efforts of the department in trying to get the feds to spend more money. I know we have signed the DREE Agreement; I know that, but I am going beyond that. That was my first question.

The second question is specifically with regard to the aerospace industry because the Minister, Mr. Chairman, mentioned some possibility of the aerospace industry and certainly that's a natural for Manitoba. It isn't one that is necessarily resource oriented, and it's not necessarily market oriented. It can easily be located, in spades, here in Winnipeg, because we have got a good labour

force. There is no reason why we can't have a much larger aerospace industry. But, unfortunately, to a large extent over the years this has been dependent on federal government decision-making because it's the Department of National Defence or Air Canada that has been making major decisions that have affected the aerospace industry.

I guess it was back in 1968-69 the federal government decided to cancel a contract — or was it the American government — with CAE. We lost hundreds of jobs almost overnight because of a decision that was made in Washington; I don't know what role Ottawa played in that. But Ottawa can provide Manitoba, and I think there is a case to be made for Ottawa to provide Manitoba with more jobs in the aerospace industry. There is Bristol; there is Standard Aero Engine, and there are many others — very good companies — and there is potential there.

So I would like to know, specifically, what are the possibilities of getting some of the subcontracting work for the new fighter plane that the Department of National Defence is presumably going to buy and spend many millions on purchasing, and what are the possibilities for some of this coming to Manitoba?

MR. JOHNSTON: Well, starting on your last question, we have two men who are designated to that program entirely, the Fighter Program. We feel that since the contract gets into \$250 billion, it is a type of contract where we have a situation where the federal government is saying "we're buying, we want to have as much of the plane made, or components made in Canada as possible." We have a very good feeling that our Aerospace Industry here will have the benefit of a fair amount of those contracts when they are let. If you will just give me a minute, maybe, I know the Deputy's been very close to this; the dates for the final decision are —(Interjection)— yes, the final contracts should be made in July and the decisions of where products will be farmed out to will be probably in the area of November, and we're very close to it; I'd like to say to the honourable member that, you know, if we were 10 percent of the aerospace industry in Canada and we got 10 percent of that contract, it would be a tremendous boon to the Province of Manitoba, and we're staying right with it. There's no question that we are. We find that the command, the Air Command being in Manitoba is something that's very definitely in our favour in this particular program and we have developed with the aerospace industry those four electronic industries that are doing good work and that type of work could be of benefit to it as well.

So we have a good feeling about it, but I'm one of these guys that likes to have the order in my hand before I start saying that we've got it, but we're working on it, I'd like to assure the member of that.

Regarding DREE, I, at the present time as the Minister of Economic Development, can only say that in my time as minister, we've had a tremendous relationship with DREE in Manitoba. We have had occasion to work with them through their regional office in Saskatoon down to Ottawa where we have made applications and I mentioned one in Portage that came through — it's a small one, but we've had others come through. The Winnipeg Old Country Sausage Plant, as small as it is, is there because there was work done on DE with our department, and many others. We've had a good relationship with them; they are people in DREE in Manitoba who are all Manitobans and maybe that's one of the reasons why they have the same outlook as we have, but I'd like to say that our relationship has been good and we've had nothing but co-operation from them.

But now, on the spending as I mentioned to the Honourable Member for Transcona, in Manitoba by the federal government, yes, we're interested. I'd like to say that we've had some disappointments with them — one major one. We sat down as Ministers on Research and Development and we all said that grants for Research and Development should be on the same formula as they are across the country now, but they should be raised to have more research and development, though.

We used to be 7.5 percent, Ontario was 5 percent, and the Maritimes were I believe 10 percent, and when the federal government finally came up with it, we went to 10 percent, Ontario went to 10 percent and the Maritimes went to 20 percent. We have complained bitterly about that; we've written letters and made representation, but we haven't been able to make a break-through on it. But I would like to say to you that that's the argument we are continually putting up; that the federal government has to continue to look at the regions of Canada, all across Canada, when they are making those type of decisions.

As far as them building new buildings, or they are as you mentioned building one and as far as the purchasing is concerned, we discussed that; the federal government has had on their agenda for the ministers when we go down to Ottawa, that particular question and we should be able to be making some presentation, we said, by the end of May. I don't say that the meeting will be by the end of May, but we'll be ready at that time and we'll be ready because we've had meetings, I'm sure as the previous minister did, with the other ministers in western Canada regarding this problem, but we are working on it hopefully to more success.

MR. PARASIUk: I just have one small point to make on this 2.(a) but before I do, I was wondering if it might be appropriate to ask the minister how long does he intend the government side to continue going tonight? We've gone for about 3.5 hours already. —(Interjection)—I expect the next item to be longer, that's why.

MR. JOHNSTON: If we could get through the (a) item, that's . . .

MR. PARASIUk: Okay, that's what I expect, because Transportation's a bit different and I expect it takes a bit of time.

MR. JOHNSTON: Well, it's part of the same program, but it's . . .

MR. CHAIRMAN: Order, please. The Member for Transcona.

MR. PARASIUk: Okay, the final point that I have is one point on this with respect to, just one suggestion with respect to dealing with larger companies. The minister was saying that we, the government, wouldn't rule out incentives, it didn't like it, and I can appreciate the position that he's putting forward, although I don't agree with him, but I can appreciate it. I'm . . . consideration to him that he might appreciate but not agree with it and that is if, in fact, you are dealing with a company and you want to ensure behaviour or have an input in behaviour over a 10 year, 15 year, 20 year period and that is a very difficult thing to write into a contract or an agreement that the government shouldn't exclude the possibility of minority position within a special specific venture firm set up within Manitoba.

That certainly exists in some other countries in some early form, but I think frankly in terms of that type of negotiation that I think this province really has to undertake with these big companies that I wouldn't want the minister to exclude that alternative for any type of ideological reasons; just as frankly I wouldn't exclude, as I said, that I think the government should have within its arsenal some authority at some stage to provide a grant, be very careful in how it does it but I would hope that this government wouldn't exclude from its arsenal in dealing with companies the possibility of a purchase of equity in a minority position with respect to a company; you have some involvement then and some leverage especially if you're talking about some companies where the share-ownership if it diffused. So I wonder in fact, if that option or that alternative is, in a sense, precluded from the arsenal or the range of instruments that this government has at its disposal when it sits down and negotiates, it will negotiate with companies in the future. Does the minister have any position to take on that?

MR. JOHNSTON: Well, at the present time we don't have a position on that. You know, as I said, we're very open on this thing; it's not something that is easy to do again. When you have a large company or an international that is looking at your province and they have markets, and they are being offered things in other areas without having a government as a partner, it's pretty hard at times. They just say, well, no, we don't have to do that here.

I can say to the member that, you know, this whole question is one that sometimes we have a tendency to blame the companies but at the present time the companies are the ones that are being lured by everybody and they're saying if I can get it, I'll take it, and they're looking for the best arrangement that they have.

I think that the honourable member knows that we do have, within the MDC, that the member mentions, that's possible, but we don't have any laid-down policy other than we are prepared to look at something. And I think, as I said before, as the Minister of Economic Development I wouldn't publish a price list right now, the way things are going, with all the money in China for it, because we know there are other deals going on that we never know about.

MR. EVANS: Well, I guess there is agreement that we will wrap it up after 2.(a) is passed. Just before we do that, I would indicate to the Minister I have a number of questions on transportation tomorrow, just as a matter of advance notice, and their favourite topics, the Crow rate, the whole question of the operation of PWA now in Manitoba, the branch line abandonment question, and if the Minister can bring any details on what's happening there I would appreciate it. I know there is data available from the federal government; it's a matter of getting ahold of it. Also, the whole question of Port Churchill development, which is a favourite perennial. Those are some of the topics we would like to discuss tomorrow under Transportation.

Just in closing on this item, and as a reminder, I believe the Minister said the other day that he would give us some of the highlights of the loans made under your RSEI Program, and that will be tabled with us?

MR. JOHNSTON: Yes, I will have those for you, and I have something for the Member for St. Johns regarding memberships and I promised you also the list of the Retention Associations that have been formed and where they are; I will have that for you, as well.

MR. CHAIRMAN: (a)(1)—pass; (a)(2)—pass; (a)—pass.

I have a motion of Committee rise. Agreed? (Agreed) Committee rise.

SUPPLY EDUCATION

MR. CHAIRMAN: I direct the honourable members' attention to Page 32 of the Main Estimates, the Department of Education, Resolution No. 43. We are on Item (n) Special Projects (1) Continuing Education Programs—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, before the supper hour, I was asking if the Minister could perhaps do some checking over the supper hour and tell us the rationale for the reduction in the Special Mature Student Program as it affects the universities. Mr. Chairman, the Minister at that time shortly before the supper hour questioned the figures I used, because I used the figure of 47 positions or 47 opportunities or 47 people that could be trained under the program.

Mr. Chairman, the figure simply comes from taking the Special Mature Student Program, University of Brandon, which in 1976-77 and 1978-79 had an enrollment of 47 people. Mr. Chairman, that program is being eliminated and there are 15 people yet to complete but once those people are finished there will be no more students in that program and that's simply how I got the figure of 47, Mr. Chairman. I suppose you could say that there were more than that because at one time the Special Mature Student Program, University of Manitoba had 48 instead of 42 which would bring us to 53 students, Mr. Chairman, a reduction of 53 opportunities available to people since this government came to office.

Mr. Chairman, I would be anxious to hear from the Minister, his reasons for the reduction in the program. I've had the supper opportunity to read over some of the Estimates of last year, the Estimates that I've had a chance to listen to this year, and I'm surprised that the generalities with which the Minister speaks that the Minister hasn't given us any detailed explanation for the actions he has taken or the direction that he is trying to move in.

In this case, Mr. Chairman, the direction he is trying to move in with a reduction in the Special Mature Students Program, so, Mr. Chairman, I would like to ask the Minister once again, if he could look over his evaluation and muster his arguments or his explanations for the reduction in this particular program.

MR. CHAIRMAN: The Honourable Minister.

MR. COSENS: Mr. Chairman, I will say once again for the benefit for the Member for The Pas that we have decided to move the Special Mature Program from Brandon University to the University of Manitoba because of the emphasis that could be placed there on professional facilities. We will have some 57 people involved in that particular program between Brandon and Winnipeg in the University of Manitoba this particular year. If the member wonders why it is 57 and not 77, 87, 97, 107, then I can tell him quite frankly that it has to do with dollars and with the service that we feel we can provide to the people who are involved in those particular courses. If that answer is not one that he can accept, I'm afraid that, as far as I'm concerned, that is about the extent of the answer that he will receive.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman, I think that that is probably the clearest answer that we have had on this side, and the answer is the change of priorities of the Conservative government. Priorities away from programs to assist people, Mr. Chairman, I have to accept that as his reason and rationale. Although the Minister did seem to indicate that he had an extensive study and evaluation done

of the programs and that the reason for the change was because of this professional evaluation that had been done and as a result of his considered deliberation upon this extensive study and evaluation, these changes were being made. But now, Mr. Chairman, we get the real answer. Sterling wouldn't give me any more money; in fact he cut the money we had and therefore this is the level that the program's going to be at. Mr. Speaker, I can't argue with that explanation or that answer. It clearly reflects the priorities of this government and the switching of priorities away from programs that are going to assist people and away from programs that are going to assist people of native ancestry and away from programs that are going to assist residents of northern Manitoba.

Mr. Chairman, I would assume that with his extensive evaluation that the Minister has figures in terms of the situation, in Manitoba generally and northern Manitoba in relation to these programs, but Mr. Chairman, just in case the Minister doesn't, I would like to add a few more numbers to the ones I listed earlier. I think that we can talk in a general way in terms of the education problem in northern Manitoba, and the educational problem that was being attacked under this particular item in this Minister's Estimates, but even the statistics can tell quite a story in themselves, Mr. Chairman. There is of course a high turnover of teachers in northern Manitoba. There is a high drop-out rate, especially in the remote communities, Mr. Chairman, where drop-out rates could be 80 to 85 percent, which means, a limited number of people completing the high school and even having the opportunity to attend university. With 70 percent of the teachers in the province now one or more degrees, the vast majority of non-degree teachers are in the north. Where there is an oversupply situation in terms of teachers in the south, there is an undersupply situation in the north. Indeed, 150 out-of-province teachers are currently teaching in the north. In the Dauphin area, for example, where there are 300 children of native ancestry, there is not a single native teacher. In the north, in Frontier School Division, of approximately 300 classroom teachers, only 9 percent are native. In the province as a whole, there are less than 12 high school teachers of native ancestry.

Mr. Chairman, the Minister has indicated that there is the adjustment in the program to allow for high school certification as well as for elementary certification, and in my own Kelsey School Division at The Pas, only 2 percent of the teaching staff are Native people, which is one of the areas, Mr. Chairman, where the BUNTEP Program is closing its offices.

The Minister must also have in his evaluation the fact that the education community in northern Manitoba has made a number of statements to him publicly, a number of reports internally, that indicate their support. And this is educators, superintendents, principals, teachers that have said that these programs have contributed to a decrease in the teacher turnover in the north; a decrease in the truancy rates; and an increase in northern Manitoba, Mr. Chairman, in the student achievement.

It is also known in northern Manitoba, Mr. Chairman, that a number of graduates from these programs that we are discussing now, have assumed key leadership positions in their own communities. To the estimates available, it appears that there is a need for between 500 and 1,000 Native teachers throughout the province, and, Mr. Chairman, the Minister himself used some figures that were fairly similar to those figures.

Mr. Chairman, to the best of my knowledge, we talked earlier about the number of applications, and there is a difficulty in terms of the number of applications in the Special Mature Student Program, although I know there is a considerable interest within the northern communities, that I'm familiar with, Mr. Chairman, in that particular program. But there are, in terms of the BUNTEP Program, the BUNTEP Program alone, 140 to 150 applications, Mr. Chairman. The new intake in the BUNTEP Program I don't believe that we have those particular figures yet in front of us.

So, Mr. Chairman, there is a reason for, and a need for, and indeed, Mr. Chairman, a crying problem, and that problem was attempted to be addressed by these particular programs which have been reduced by this government, and the only reason for the reduction was their change in spending priorities.

Mr. Chairman, I wonder following the memo that the Minister gave us, I would like to just address a couple of questions to him on Item 3, which is a Special Mature Student Program in Brandon General Hospital. I'm sure the Minister would want to correct the fact that he said there was an increase of \$211,000 when he should have said an increase to \$211,000 in that particular program.

I wonder, Mr. Chairman, if the Minister could give me a little bit more detail on this program in terms of the length of the program, and in that answer he'd give me the new intake in terms of that program? If it's a 4-year program, and I imagine the new intake is 5, and if it's a 2-year program, then the new intake is 10, Mr. Chairman. And whether he has some reports back now on the successful placement of those students that have gone through that program since the program was initiated?

MR. COSENS: Mr. Chairman, I'll deal with the last topic that the Member for The Pas touched on, the Brandon General Hospital Program. I believe I mentioned some of the information that he was asking about in his remarks, but I'll repeat it. We are replacing the graduates this year; we're taking in 17 new candidates to keep the program at its normal level, the same as it was last year, some 20 people in training, and I think my remarks previous were that this program seemed to be meeting with good success and that we were providing additional money in this particular program. The amount of money that I mentioned was \$211,562 which is an increase over last year.

The Member for The Pas has mentioned, of course, the need for native teachers in the north. I take no quarrel with that particular point at all. Some of his figures I might question. There are some assumptions that may be made here — if you are to assume that an ideal mix in the north would be a mix of 66 percent native teachers in DIAND schools and Frontier local control schools, and say a 25 percent mix in other northern schools, then, we would have places for some 660 native teachers in the north. And at the moment, DIAND schools have some 71 native teachers; Frontier has 38 and I have no figures available for the local control schools, but that gives us a total of 109 native teachers in the north at this time. So that does leave a considerable number of spots available. Now, if we assume a potential, annual, graduating class of 35 students in the BUNTEP program, that's assuming present enrolments and perhaps 15 more from PENT program each year, then it will take a few years to fill all those particular spots. But I think, the other thing we have to be aware of, Mr. Chairman, is that we are also having native teachers, who are coming through other programs, that are not associated with these particular projects that we have under study and under discussion at this time. We have native students, who are attending university through s, in fact other program attending universities not necessarily in Manitoba. We have students who have attended the University of North Dakota, for instance, who are coming back and going into the north to teach.

I agree with him, I think it is a desirable state to have native teachers teaching in these schools. They certainly provide a valuable role model, if we are going to use some of the jargon of the educational community, but certainly they serve as an example to other young people in their community, that they are probably symbols of people, who have been successful in an educational sense, who have achieved in an educational sense and I certainly subscribe to the theory that they have a valuable contribution to make in the north in their own communities. I would suggest they have a contribution to make as teachers in southern communities as well. I'm encouraged by the number of young people that are now coming out of the educational system and are deciding to go into teaching particularly young people of native ancestry.

The Member for The Pas mentions the drop-out rate, and that is a fact of life, Mr. Chairman, in many of the communities in the north. It's something that we're seeing diminishing slightly, but it's a slow process, but certainly it's one that we're starting to see some success achieved. He mentions the turnover of teachers in the north. This has been another fact of life, not something that's highly desirable, but I mentioned earlier in my Estimates that we are now seeing that particular aspect change as well, and we are finding more teachers who are deciding to remain in northern communities for a greater length of time. Certainly on my tours of the schools in the north I find that these people are working in excellent physical surroundings, that they are well supplied with teaching materials, and of course the north is not as isolated a spot as it once was, and I take every opportunity to urge young people coming out of our teacher training institutions to go into the north and to teach. I think it can be certainly a very rewarding experience.

The Member for The Pas also mentions the under-supply of teachers in the north. It's an under-supply, of course, from the viewpoint of Manitoba teachers, not an under-supply from the viewpoint of teacher applications. I am informed by the officials in Frontier School Division that they now are receiving a considerable number of applications for teaching positions in the north, more applications than they have positions available, and that in itself, is heartening as well. They now have some choice in the process of selecting teachers to go into these different communities. But I do, of course, agree with the Member for The Pas that it is desirable to get more and more native teachers working in these communities. That is certainly a point where we have mutual agreement.

And I say to him, carrying through with the usual 35 graduates a year from BUNTEP, from PENT Program, from those native students who are attending universities outside of these programs, and who are then going into teaching, we are seeing an increasing number going into the north, and I would suggest that in a few years, we will see that total number in the north increase to the place where they are forming a considerable part, if not the major part, of the teaching staff in the northern part of our province.

MR. CHAIRMAN: 1.—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, of the Special Mature Student Program at Red River Community College, I wonder if the Minister could indicate to us what are the main types of courses being taken by those students, for example there are seven new students I think he said this year, that'll go into that program. What is their emphasis, and does the Minister anticipate that this program continue at this level in the future?

MR. JOHNSTON: The students in this particular program, Mr. Chairman, are taking Business Education and Industrial Arts, and of course, in those two areas they are in particular taking the Teacher Training Program in Industrial Arts and Business Education. And to answer the Member for The Pas' last question, I can see the Program continuing, at least at present levels, until we have fulfilled the particular need that has been established in that area. We also expect to have students attending Red River in the two-year technology courses which have nothing in particular to do with teaching. But at this point the emphasis has been on the teacher training aspect in Industrial Arts and in Business Education.

MR. McBRYDE: Yes, Mr. Chairman, the Minister gave us some information in terms of the BUNTEP Program or the Brandon University Northern Teacher Education Program, and this program, Mr. Chairman, along with other programs I suppose have been considered right across Canada to be amongst the most innovative and successful programs to assist native people and northern people, Mr. Chairman, and I think that in fact this program and some of the others we've talked about have served as models with people coming in from other parts of Canada and United States to look at the program to understand how it works. So, Mr. Chairman, I assume that the Minister's thorough study and evaluation reflects that kind of information in terms of the operation of the program and, Mr. Chairman, when speaking in the House of Commons even the Federal Minister indicated that these projects were excellent projects and excellent programs, and that his assistant replied that he did not know why of course the province would be reducing the expenditure, Mr. Chairman. Because the expenditure in this case, in the BUNTEP Program, 60 percent of the funding comes from the Federal Government.

So when the Minister can show over a \$300,000 reduction in this particular item, the taxpayers of Manitoba are saving of course 40 percent of that particular amount — \$256,000, Mr. Chairman — and maybe the Minister while he's working away there could tell me what 40 percent of that is which is what the people of Manitoba are in fact saving. I suppose you could say saving, Mr. Chairman, because the other aspect of this program and the other program, of course is, Mr. Chairman, that what happens to the persons that do not get into the program?

And, Mr. Chairman, we see in this particular program, the 'BUNTEP Program, a reduction of 40 people since this government came to office, so there are 40 less people have the opportunity. So when the Minister expresses his hope and desire of the future that we'll have more native teachers in Manitoba, of course he's reduced that by 40 in this one program alone, let alone, Mr. Chairman, the complete elimination of the IMPACTE Program, which also assists native people to become teachers. So we're in a situation, Mr. Chairman, where I am not sure what options are open for the people that no longer have a chance to get into the program because of the reductions in the program. And Mr. Chairman, certainly if some of those people for example were to be in receipt of social assistance, as opposed to the Brandon University or the BUNTEP program, Mr. Chairman, then the amount that the Minister would be saving would be nothing, because in receipt of social assistance they would get nearly as much as they get while learning how to be teachers, and being able to then return and contribute through taxation, etc., to Manitoba and to their own communities.

Mr. Chairman, we see once again where the reduction, and I'm assuming that the Minister's explanation applies, since the evaluations that have been done have been good of this program, and since I haven't heard the Minister criticize that the program was not effective and was not doing the job it was intended to do, then I have to assume that his explanation was the same; that Sterling wouldn't provide funds to continue the program at last year's operation, let alone continue it at its full intended operation of 135 people. So the Minister has to reduce it to 95 people or eliminate 40 opportunities from the particular program, which again shows the philosophy and the switch, the artificial economy that his government is involved in implementing. With the reduction in all of these programs, Mr. Chairman, with the overall reduction in this section of the Minister's Estimates and the total elimination of some of the programs, I wonder if the Minister could indicate how much in terms of Federal money is involved over all. We have it here for the Brandon University Northern Teacher Education Program. I wonder if the Minister's staff could figure out in terms of the overall program how much Federal money is being lost from the peak period of 1977-78 of this program? How many federal dollars are we letting slip away that would benefit the people in

Manitoba?

I wonder if it is possible for the Minister's staff to come up with that particular figure and if the Minister's reason for the reduction in this program isn't strictly the change in priorities, the reduction of spending people services, then perhaps he would like to use his evaluation to explain if there are other reasons that affected his decision on the reduction in the BUNTEP Program?

MR. COSENS: Mr. Chairman, I don't have the figure in front of me for the 1977-78 year. The difference in federal funding between 1978-79 and the Estimates under consideration 1979-80 amounts to \$191,133, a difference between \$1,489,920 in 1978-79, and a difference of \$1,298,787 in 1979-80, which I believe is \$191,133.00. And of course, Mr. Chairman, the Member for The Pas chooses only to talk about those programs where he sees us placing less money. He doesn't choose to talk about those where we are providing additional funding this year, which I suppose is not surprising because that's not the point he is trying to make but I would remind him that we are seeing an increase in the Special Mature Student Program at the University of Manitoba. We are seeing an increase in funding at the Special Mature Student Program Brandon General Hospital; an increase in funding at the Special Mature Student Program Red River Community College. We are seeing an increase in funding from \$447,000 to \$607,000 in rough figures, Mr. Chairman, in the Winnipeg Education Centre. These are not programs that the Member for The Pas chooses to talk about. He picks out those where we are not spending more money and I would suggest to him that there has been some change in emphasis here that I pointed out to him earlier and I want to bring to his attention those programs where we are in fact increasing our funding at this time. I particularly point out the significant increase in funding, some \$160,000 in the Winnipeg Education Centre, which again does have a number of students of native ancestry, some students of Metis ancestry in the particular class composition.

MR. McBRYDE: Mr. Chairman, in the increases in the Special Mature Student Program University of Manitoba, what the Minister says is an increase in the Special Mature Student Program Brandon General Hospital, Special Mature Student Program Red River Community College, I wonder if the Minister would just confirm that those increases are to just cover inflation in the general cost and that there's no real expansion of those programs?

MR. COSENS: The expansion in the number of students, Mr. Chairman, is readily seen in the Winnipeg Education Centre where there were 51 students in that particular program last year, we will have 60 in the program this year. The other programs that I have mentioned where we have increased funding are retaining the same student complement as last year.

MR. McBRYDE: Mr. Chairman, I think the Minister would not argue with the fact that the information he has given us, that what he is proposing here is an increase of 10 new people and those 10 new people are in the Winnipeg Education Centre, that particular project. Although the Minister gave us a figure of 51 rather than 50 here so that would be 9 new people, I don't think the Minister would argue with the fact that in the process of that increase of 9 people or 10 people, that in fact the IMPACTE program which is being done away with was at one time handling 42 people; that the BUNTEP Program is a reduction of 40 from when it was at its fullest; that the Special Mature Student Program Brandon University had 47 people in it. That the Special Mature Student Program University of Manitoba even though it takes into account inflation from this year to last year was a reduction since he came to office. So the reduction since he came to office, Mr. Chairman, is 8 in the University of Manitoba; 47 will be the total reduction when these 15 graduate at Brandon University, 40 from the BUNTEP Program; 42 from the IMPACTE Program, so, Mr. Chairman, we have to add up those figures of 8, 47, 40 and 42 and subtract 10. Mr. Chairman, that is not a very impressive record in terms of expanding the service that the Minister would want to leave with us.

The IMPACTE Program, Mr. Chairman, as I understand it was a provincially funded program and it was balanced off I think by the Minister's comments by a federal government program for Treaty Indians, that provided a similar program for Treaty Indians in Manitoba, and I am sure that the Minister, from his travels and knowledge of Manitoba, would acknowledge that, in fact, in southern Manitoba there are some pockets of people of native ancestry, of Metis people, where in fact, their situation seems to be worse off, than even some of the northern people. And it is a fairly sad situation to see, pockets of high unemployment, pockets of low educational achievement within a more well-to-do southern community area, and I think the Minister is probably aware of some of those communities, some cases not even communities, but groups of people and the federal government has seen fit, as I understand it, to continue the funding for Treaty Indians, who

fit into that category.

The situation is somewhat different because, Mr. Chairman, with the federal authority, they accept the general responsibility for higher education in terms of Treaty Indians and there are, I believe, within the Province of Manitoba according to Mr. Hugh A. Anderson, Parliamentary Secretary to the Minister of Indian Affairs and Northern Development, Mr. Chairman, that the Manitoba Region of Indian Affairs has more than 200 registered Indian students in the post-secondary institutions and I am assuming, since they have a number of 200, that that would be the number of people they are giving financial assistance to and if there are other Treaty Indians in the institutions of higher learning, they wouldn't show in these figures, those would be the ones who are recorded because in fact there is some federal government assistance.

So, with the elimination of the IMPACTE Section, certainly the Treaty Indians in the southern area of the province will not have the opportunities blocked to the extent that the students will within the non-Treaty population of our province. Mr. Chairman, I believe the communities where the IMPACTE Program was effected were the two main centres, as I understand it, Dauphin and Swan River where the IMPACTE Program has been carried out. Mr. Chairman, if there is another community involved in that program, I can't find it immediately. Yes, Mr. Chairman, the IMPACTE Program also, besides Swan River and Dauphin, had a program at Camperville. Mr. Chairman, I would wonder if the Minister has heard comments from his colleagues on that side of the House, one of whom represents Dauphin and assuming he represents all the people in the Dauphin area, including native people. One of the members opposite represents Swan River and I'm assuming that he represents all the people within the Swan River area. And one of the members represents Camperville. Three MLAs on the Conservative side of the House — I wonder if they have expressed any concern to the Minister about the effect of the reduction in this program, Mr. Chairman, which had 42 people enrolled in it in 1976-77 and 42 still in 1977-78. It was reduced to 32 in 1978-79, reduced to 22 in 1979-80, and will be phased out when those 22 people complete their training, Mr. Chairman.

So there is, although I tend to be parochial at times in terms of northern Manitoba, Mr. Chairman, I can see from my experience in the southern part of our province where this type of program, which is basically the southern counterpart to the BUNTEP Program, would indeed be very necessary and very important. It behoves me to understand why the members opposite sit silent while their government eliminates the opportunity for a number of people, because, Mr. Chairman, the enrolment is 42 in one year, but a number of people over the course of a number of years to have the opportunity to get into teacher education. Mr. Chairman, the Dauphin School District has no teachers of native ancestry teaching in that particular division.

So, Mr. Chairman, it's, I suppose, just one more example of the matters that people on this side have been talking about. A government that came to office talked about eliminating fat, Mr. Chairman, and when they couldn't find that fat, they began to eliminate programs and they began to eliminate programs of the people who would be least likely to fight back or object because, Mr. Chairman, when they attempted to eliminate the Inter-Universities North Program, the Conservative Party members in the City of Thompson put up quite a fuss along with a number of other citizens in northern Manitoba and at least were able to get that partly reinstated. But in this case, we see the reduction of the kind of numbers that I mentioned, of 42 altogether, people who have the least power in our society, the least ability to fight back when the government does things that negatively affect them, at the same time spending the kind of savings, Mr. Chairman, which are not that great, the kind of savings because of the reductions in these programs, Mr. Chairman, which are not that great when you consider the fact that much of the money comes from the federal government. By making these people successful professionals, the moneys coming into the Province of Manitoba are increased, by the savings on welfare costs, by the fact that more students will complete high school and have the opportunity to contribute, increase their opportunity, increase the possibility that they will contribute to Manitoba. When you consider all those things, there is really very little in the way of dollar savings and those few dollars then, Mr. Chairman, being spent on other activities of what's called business incentive or some other program, to give away taxpayers' money in the Province of Manitoba.

Mr. Chairman, it is very difficult for us on this side of the House to understand the reason, the logic in a very practical dollar and cents basis, of the members opposite, but only shows us sort of a blind intent, a blind intent to follow their reactionary and dogmatic leader who has no concern about cutting programs to people who need them the most, no concern about cutting programs to the less powerful in our society, and apparently not that much concern to the fate of a large number of people in the province of Manitoba.

MR. COSENS: Mr. Chairman, I'd just like to clarify a couple of points that the Member for The Pas has mentioned. I would remind him that in fact the federal government is not carrying on their

particular IMPACTE Program that he mentions and I understand that they phased this out some two years ago for the very same reasons as we have phased out our particular IMPACTE Program, because of the fact that it was a program offered in the southern part of the province where we do have a surplus of teachers and for this reason decided that, along with the fact that these particular students live in reasonably close proximity to teacher training institutions in the southern part of the province, it was not necessary to continue it. I would also mention to the Member for The Pas that Camperville was in fact a BUNTEP Centre, not an IMPACTE Centre, and that it finished its particular job of training the available candidates there and like other BUNTEP Centres was not intended to be a permanent institution. Certainly there has never been that intention that these centres would remain in a community forever and ever. They are there for a number of years to train available candidates and then they are moved to other centres where there are a number of candidates who are anxious to have that particular opportunity. I can also remind the Member for The Pas that the present BUNTEP Program is an integrated off-campus program in that it also takes as candidates for teacher training people from the Metis communities.

MR. CHAIRMAN: (1) — pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I wonder if the BUNTEP Program which is not being reduced or not being eliminated, which is only being reduced by 40 people since this government came to office, whether that program will in fact be covering off or providing opportunity within the Swan River area, that is to the communities that relate to the Swan River area such as Pelican Rapids, Barrows, those communities that have a large number of native people, or whether those areas are now without teacher training opportunities?

MR. COSENS: Mr. Chairman, it's my understanding that we will not have a centre in that particular area although I find it of some interest that with centres operating in that area and in fact graduating teachers from that area that these teachers have not been hired in those particular communities or school divisions and of course this has been happening for a number of years. So, I would say to the Member for The Pas that there is probably an optimum number of people that can be trained properly in these particular off-campus situations. I am quite concerned that we maintain a high quality of service to these students and that they do retain a high quality of training. We have only so many professionals in the field that can provide that type of expertise in these particular off-campus situations and I do suggest to him that there is a particular limit to the number of people that you can handle in these programs and at the same time do justice to the students enrolled in the programs. I don't think it's so much a matter of quantity, Mr. Chairman, but a matter of quality.

MR. McBRYDE: Mr. Chairman, is the Minister saying that the quality of the 95 people in the BUNTEP Program now will be better than the quality of those people that have graduated already?

MR. COSENS: Mr. Chairman, I'm merely saying that I think you have to have these numbers in line with the amount of expertise that you have available to work with these people and to train them and that there is a danger of stretching those particular limits to the point where quality suffers, not quality of the individual, the quality of the training.

MR. CHAIRMAN: (1)—pass - - the Honourable Member for The Pas.

MR. McBRYDE: Well, Mr. Chairman, I would like to instill . one small example in terms of the qualified available teachers. The BUNTEP Program The Pas office employed a teacher there, a qualified certified teacher who had been employed in Northern Manitoba for about 12 years working as a teacher in remote communities as well as the more urban communities, went back to university and received a Master of Education degree, worked for the Province of Manitoba in another education program, returned to university and is in the process of completing his Ph.D. or his Doctor of Education degree, who was laid off by this particular Minister, who was let go. So, Mr. Chairman, I don't think that the problem can be attributed solely for the lack of people and, Mr. Chairman, these programs as a whole, these programs in total on the number of students per year had 137 more people than they do now and the Minister said they turned out quality, that the standards were no lower than any of the other programs.

So, Mr. Chairman, there probably is some room, some capacity within the educational system in Manitoba if there are 137 less people taking advantage of all those programs that the Minister mentions here. So, Mr. Chairman, I don't think that particular argument in terms of the capacity of the system really holds much validity when we look at the figures in the past. The Brandon

Northern Teacher Education Program had 135 people in it, 1977-78. The IMPACTE Program had 42, going to zero. Special Mature Student Program University of Manitoba had 48. Brandon University had 47. So, Mr. Chairman, the argument that the system doesn't have that kind of training capacity is not correct and we fall back upon the only argument and that is the change of priorities of this government and expending money in terms of people who are already more well-to-do and reducing the programs and spending less money for the people that most need the intervention of government to improve Manitoba and their situation within the province of Manitoba.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Chairman, after listening to the responses of the Minister to my colleague the Member for The Pas, I just happen to have a copy of an editorial comment in the Brandon Sun of April 28th, and the Minister has told us that we have weighed these factors and have to come to this decision as a matter of priorities and of course the headline on this article says, "School System Structure Falling Apart" and it says, "The pressure is on. Teachers in western Manitoba Schools are being laid off. Programs are being cut. Teachers are resigning in record numbers in some places because they are tired of the hassles." This is April 30, 1979 not April 30, 1977. But when they talk about hassles, the minister can doubtless get a copy of this editorial comments, very interesting. It says, "Behind the statistics the incalculable effect on teachers' morale is something with which all superintendents must contend. No one is keeping score but the number of nervous breakdowns, emotional problems and physical illness among teachers appears to be on the increase." And they go on and say, "Many trustees, teachers and superintendents contacted, blame the policies of the Lyon government."

So, Mr. Chairman, with all the things that are attracting peoples attentions at the moment, floods and the federal election, and the rest of it, apparently it is getting through to the people, that these are the policies of the Conservative government, that they're completely abandoning all attempts to solve the problems which everyone within the system has admitted we have ignored over the first 100 years of our history within our educational system. And we're talking about doing things to help people who have had difficulty with the traditional system, that we are cutting these programs out and hoping in some way that the problem will go away, because I have heard absolutely nothing in the minister's presentation which suggests that this government is even concerned with the problem.

MR. CHAIRMAN: 1.—pass — the honourable minister.

MR. COSENS: Mr. Chairman, I'm a bit disposed to let those comments pass but I'm not aware of that particular article although I can guess that it may have been written by someone who has a name similar to the Member for Winnipeg Centre, and if it has been written by that same individual he has never bothered to confuse himself too often with the facts in regards to education in Manitoba, and I have read other articles that have been somewhat uninformed, I would suggest, in their content. So I certainly reject outright many of the statements that were made in that particular article.

MR. CHAIRMAN: 1.—pass — the Honourable Member for Winnipeg Centre.

MR. BOYCE: Well, the minister chooses to mention the fact that this gentleman has the same last name as the Member for Winnipeg Centre. Over the years I have had one conversation with the individual and we've never been able to figure out, you know, the relationship between ourselves, between here and the apes, but, Mr. Chairman, I fail to see the significance should any relationship, in fact, exist.

MR. CHAIRMAN: 1.—pass — the Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman. I just want to double check with the minister on the next item. The next item is linked to the exact subjects we're talking about now in the Estimate Book. It's part of the BUNTEP and the cost-shared fundings? So, Mr. Chairman, we've in fact covered part of the next item in our discussion of this particular item. What I would like to check with the minister is in terms of what follow up has been done with the people in this program? I understand that the figure is around 300 or more than 300 graduates of the various programs that have come under this section or still come under this section, and if there's sort of any indication as to . . . The minister already indicated that of the teachers, and I think the majority of those would be teachers, that some of them have not been hired by the divisions, like Dauphin or Swan River or in the area that they were in fact trained. So I wonder if the minister could indicate whether or not there is

any information of this kind in terms of the employment and where in fact those teachers and other people trained professionally have gone.

MR. COSENS: Mr. Chairman, I don't have that particular assessment with me. There have been some 22 BUNTEP graduates to this date, and though I don't have the assessment with me, the particular report that I remember viewing in this regard and studying, indicated that these graduates had been performing very well and very satisfactorily in the schools, certainly at a level that would be equivalent to the performance of graduates from other teacher training institutions in this province. If you are talking about an 80 percent success rate in performance in the schools in the southern part of the province, then I would suggest that the graduates of this program were performing at an equally high level.

MR. McBRYDE: Yes, Mr. Chairman. I thank the minister for his answer which affirms my position earlier, that the quality in fact has not suffered. Some of those people would have gone through the program when it was at its maximum as opposed to now when it's been reduced. So the quality has in fact not suffered, there are available professional people within the system to provide this kind of training and education.

Mr. Chairman, before we leave this item I would like to quote from an article that appeared in the Winnipeg Free Press. Mr. Chairman, this is titled, "Natives Concerned About Cutbacks" and it's written by Bob Lowery, who's a northern reporter for the Winnipeg Free Press, and one who seems to have, in my experience, has had his facts correct when others have had their facts incorrect. "Indian leaders are concerned about a proposed 20 percent cutback by the Provincial Government in the Brandon University Teacher Thomas, Education Program (BUNTEP). William Superintendent of Schools on the Peguis Indian Reserve, said Wednesday BUNTEP and two other programs have produced about 200 native teachers, most of whom are now employed in schools on Indian Reserves or in remote areas. It's a pretty good start, but it's no time to put on the brakes, Thomas said. He said he would like to see these programs, which are cost-shared by the Provincial and Federal Government, continue until about 50 percent of teachers in native schools are native Indian.

BUNTEP now offers a three-year course in various communities and reserves. Groups of eight or ten students are taught by a resident lecturer and backed by visiting teachers from Brandon University. Another program, the Professional Education of Native Teachers, was started by Frontier School Division in 1971. It trains teacher aides for native schools in a program that requires five summers of study at the Brandon University campus. This program is financed by fees paid by the Frontier School Division and the Federal Department of Indian Affairs. A third program, Indian and Metis Professional Career and Training Education (IMPACTE), combined on and off-campus courses. It has been financed by Federal and Provincial funds, Mr. Chairman, that would be part of it by provincial and part by federal in the past. Graduates from these programs are certified to teach anywhere in Manitoba. Thomas who has been a BUNTEP travelling teacher, recommended a 4th year of oncampus training."

Mr. Chairman, I don't know Mr. Thomas's political affiliation but I do know that he is a native person, that he is a native qualified teacher and is a superintendent of a school division, the board of which is composed of members of the Peguis Indian Band, and Mr. Chairman, I think that he reflects what I would say and what native leaders in Manitoba have been saying, and that is there's been a few steps taken. There's been a move in the right direction.

And the minister himself has not disagreed with that direction but has seen fit to reduce the numbers by 137 — oh, excuse me, Mr. Chairman, minus 10 — 127 people that would have the opportunity to take advantage of these particular programs.

MR. CHAIRMAN: (1)—pass, (n)—pass. (o)Canada-Manitoba Northlands Agreement: (1) Special Projects —pass; (2)—pass; (o)—pass. Resolution 43—pass.

Resolution 44, Clause (5) Community Colleges Division (a) Division Administration, (1) Salaries—pass. The Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman, I would like from the Minister the various statistics that relate to this section, the course of the other sections of this as we proceed through it, . and the figures on a comparative basis with last fiscal year and if possible the year before in terms of the number of staff and, Mr. Chairman, also the explanation of exactly what each section entails or what this particular section entails.

MR. COSENS: Mr. Chairman, I wonder if the Member for The Pas could be just a little more specific in his questions in regard to the particular information that he requires. He mentions staff man years — is he interested in the figures for each particular community college, for the total figures

— perhaps he would be a little more specific in what he requires here?

MR. McBRYDE: Yes, Mr. Chairman, the figures, we can get them for each specific section, we're on salaries now. How many staff positions are there under that section? How many persons actually employed in those positions and if there's been a reduction, was that a reduction of positions or reduction of actual people employed or was it the elimination of some vacant positions? What I want, Mr. Chairman, is basically a comparative figure that is useable or that is meaningful. The elimination of positions is not as meaningful as the elimination, as the Minister of Highways used in his estimates of "warm bodies" to describe the fact that there was in fact somebody occupying that particular position at the time that it was cut.

MR. COSENS: Mr. Chairman, I think I am clear on the information that the member has requested. I can give it to him and it is as follows: for Red River Community College under instructors we have 400 — and this 1978-79, he would like comparative figures so I'll give him 1978-79 and then the 1979-80 figures. For instructors 447.5 SMYs, non-instructors 231.0, for a total of 678.5 SMYs, 1978-79 for Red River. For Red River 1979-80, instructors 444.5, non-instructors 231, a total of 675.5. And I might as well follow through on this particular comparison, Mr. Chairman, and then I'll go back to the other figures.

For Assiniboine Community College, instructors in 1978-79, 92.5, non-instructors 48, for a total of 140.5. 1979-80 Assiniboine College, instructors 92.5, non-instructors 46, for a total of 138.5.

Keewatin Community College, instructors 75.9, non-instructors 64, for a total 139.9, that was in 1978-79. In 1979—80, Keewatin Community College instructors 71.9, non-instructors 64, for a total of 135.9.

If the member would like the figure for Division Administration which includes the Program Development and Evaluation sectors as well, I can give it to him along with these figures. The Division Administration including those particular directorates in 1978-79 had 73 SMYs, in 1979-80 75.5 SMYs. The totals if we add up the total instructors, non-instructors and Division Administration for 1978-79, I believe the total there is 1,031.9, and the total for 1979-80 in SMYs is 1,025.4. I could add also, Mr. Chairman, that those totals do not include those contract people who are hired on a short term basis to provide instruction in short term courses. That figure is reasonably constant between the two years.

Those are the figures for the SMYs in the comparison of the two years, Mr. Chairman. If we are to compare student enrolment for the two years at Red River Community College, we're talking about 1978-79 now, student enrolment 23,379, and in 1979-80, 23,613. At Assiniboine Community College, student enrolment 1978-79, 4,232 and in 1979-80, 4,929. For Keewatin Community College, student enrolment 1978-79, 3,237, and for 1979-80, 3,377. Total student enrolment in 1978-79, 30,848, and in 1979-80, total student enrolment, 31,919 students.

If there is further information that the member would require I can certainly provide him with that, Mr. Chairman. I don't know if those figures fulfil his particular request or not.

MR. CHAIRMAN: Just as a matter of remarking before I acknowledge the next speaker, if we could just wait one second till three of us get our hearing back from the microphone, but when you do touch the microphone it causes an awful noise for us who have problems with hearing aids. The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I hope we continue to get along well because if we don't, I'm going to put my hand on the microphone. To the Minister, Mr. Chairman. The Division Administration Section, I wonder if the Minister could give me a brief summary of the function of this section.

MR. CHAIRMAN: The Honourable Minister.

MR. COSENS: Of course, Mr. Chairman, this particular division is responsible for the operation of the complete community college system in this province, including the three community colleges of Assiniboine in Brandon, Keewatin in The Pas and Red River in Winnipeg, and also two directorates, the Administration and Finance Directorate and Program Directorate, plus a personnel section, which provides direction and support to the operation of the division and the colleges.

That's a very general overview, Mr. Chairman. If the member wishes me to go into more detail on the function of each one of those particular directorates, I can do so.

MR. McBRYDE: Mr. Chairman, where would be the most appropriate section to discuss the ABE Program and the negotiations in the federal reductions in that program, and which would be the

best section to discuss the Advisory Committees to the various community colleges.

MR. COSENS: Right here.

MR. McBRYDE: I wonder, Mr. Chairman, then, since the Minister has indicated this was the best section, if he would like to clue us in as to what are the latest developments in the negotiations, in terms of the Adult Basic Education Program. Mr. Chairman, it appears that the federal government, with their change in priorities program, have been, as I understand it, attempting to reduce at the various community colleges the level of student positions that they are willing to purchase within the Adult Basic Education system.

Mr. Chairman, since our previous discussion that the Minister and I just carried out in the previous section shows us the number of people that have in fact dropped out of schools, especially in some of the more remote communities and some of the native communities, Mr. Speaker, and I know specifically that at the Keewatin Community College at The Pas that within that region that is serviced by the Keewatin Community College in The Pas there is a tremendous need for this kind of upgrading or Basic Education Program, and that there are in fact qualified and skilled and experienced instructors available. But, for some reason, the federal authorities have somehow changed their priorities and, Mr. Chairman, again we're back to the superficial cost savings that might come about because, Mr. Chairman, for many of the programs at our community colleges certain basics in Maths, English or other subjects are necessary before you can qualify to become a carpenter or a mechanic, or whatever other occupations might be available to make a person a productive member of our society. And yet there is a reduction in the opportunity for people to be able to get that basic education.

Mr. Chairman, I know in my own area that there are a large number of people that have the capability but, for a number of reasons, have not had the opportunity to get a full education. In one of the communities, Mr. Chairman, near The Pas, known as the Big Eddy Metis settlement, the people that live there were in fact allowed to go to school; when the federal school on the Indian Reserve had enough vacancies, the people there were allowed to go to that school. So they would go to school for a couple of years and then the Treaty Indian school would fill up and the non-Treaty people would be kicked out of school for a year, and if there were enough openings then they would be allowed to come back into that school again. And, Mr. Chairman, there are a number of people in the 30 to 40 age range that have Grade 6 or Grade 7 education, many of whom are quite capable of getting a further education and many of whom have gotten a further education the ABE Program and gone on to qualify in various trades, and now are able to earn a good income and support their families.

There are other people there, Mr. Chairman, that have not improved their education and have considerable more difficulty in providing for their families.

So I wonder if the Minister could bring us up-to-date on the negotiations and could give us some detail as to the extent of the reductions of training positions being purchased by Canada Manpower, and, Mr. Chairman, what course of action he intends to take, realizing that there is still a need for that particular type of training.

MR. COSENS: Mr. Chairman, I might mention initially that certainly this is quite correct that the CEIC, the Canada Employment Immigration Commission, has certainly lessened its demand for training days in this regard. In fact, it came out with new criteria a year ago to reduce the level of Adult Basic Education training. It brought in some new criteria, one of them being using a minimum entrance age of 21 years for Adult Basic Education, limiting Adult Basic Education to only those who require it for entry into occupational skill training at the colleges and for using BJRT, Basic Job Readiness Training, only for training for employment and only when it is evident that jobs will be available as a result of BJRT courses. And of course another part of the criteria insisting on a clear split in course purchases and, further, not purchasing ABE below a regular Grade 8.

Now, I think the results of that particular direction being taken by the federal government, Mr. Chairman, is clearly seen in the pattern of training day purchases by the federal government. In 1977-78 the total for our three colleges was some 243,240; in 1978-79 some 208,604, and it is anticipated this year in the Estimates we are considering, 1979-80, that it will be some 150,000, and that's rough terms.

Now, certainly the particular needs of different regions of the province, Mr. Chairman, are something that have to be taken into consideration here and I would agree with the Member for The Pas that the northern region of this province does have some very vital needs in this regard and I would expect that we will see a greater number of those particular training day purchases for ABE concentrated in that particular area, even though the total has been diminishing year by year.

MR. McBRYDE: Yes, Mr. Chairman, I wonder if the Minister could explain — and I hope I didn't miss it in his comments — where the reduction has taken place in terms of the ABE Programs applied to those that are getting Grade 12 equivalent and Grade 11 equivalent and then up to Grade 10 equivalent, if the reductions have been most severe in the before Grade 10 equivalent, which would be one of the greater needs in northern Manitoba, or whether the reductions have been equally distributed, assistance to students equally across those categories.

MR. CHAIRMAN: The Honourable Minister.

MR. COSENS: Mr. Chairman, I don't have that particular information with me at this time. I can attempt to get it for the member.

MR. McBRYDE: Yes, Mr. Chairman. The minister is probably aware of this, but the problem is further exacerbated in the northern part of our province, because of the change in the Unemployment Insurance regulations and people have to be in a position, as I understand it, to qualify for Unemployment Insurance benefits if they're going to get some assistance for the program or some of them have to be in that particular category. And with the change in regulations brought about basically, Mr. Chairman, because the unemployment figures in the north don't look as bad as they are because there's no tabulation of Treaty Indians and there's very poor, little tabulation of non-Treaty people living outside of the urban centres, so the problem is made worse by that particular fact.

I thank the minister for his response and I hope that even within those reductions, they're able to continue to provide this program in the northern area where, as I pointed out, there is a great need at not only the Grade 11 and 12 level, but at the pre-Grade 10 level within the northern part of our province.

The other, Mr. Chairman, I wonder if the minister could update me in terms of The Advisory Committees to the Community Colleges; if those are still operating; if they're operating effectively and the cost of having those committees in place?

MR. COSENS: Mr. Chairman, I can advise the member that they certainly are still operating. I understand that some of these committees had lapsed in the last few years; we have attempted to reactivate these committees, I think they are a valuable asset to the function of the colleges; they provide valuable community input and, of course, we see them as a basic vehicle to maximize co-operation between the community college system and private industry and labour and different professional groups so that our policies will match as closely as possible the needs that do exist out there.

The particular cost of these committees is not a figure that I have at my finger tips, Mr. Chairman. I'm advised that it is, in fact, negligible because in most cases, the members of these committees live in the communities adjacent to the particular college that they are serving, and as a result, the costs incurred are as I said before very minimal indeed.

MR. McBRYDE: Mr. Chairman, last year during the discussion of these Estimates, I believe the minister's basic message was that this was one section of the Education Department that he was not that critical of in terms of needing new and different direction, and I wonder if I could just check with him if there has been a change in direction of the Community Colleges Division, if the basic philosophy as outlined has changed at all under his stewardship, and if the minister is generally satisfied with what has been and is happening now within the Community Colleges Division?

MR. COSENS: Mr. Chairman, I don't think we are seeing any particular new direction at this time in the community colleges; their function is to respond, of course, to the particular employment demands, demands of industry, the labour demands of the community; I think that they are attempting to cope with this rather effectively, perhaps any educational system is best judged by its graduates who go out into the community where their services are judged, and I would suggest that the graduates of our community colleges fare very well in that particular assessment.

MR. McBRYDE: Yes, Mr. Chairman. I've been guilty here of omitting a couple of questions in my willingness to let the previous two items (o) and (p) pass and I wonder, at the start of his Salary or something, or if the minister could just pass a note over with the staffing, in terms of (o) and (p), what staff man years are under those two items? That's the previous two that I let go by without asking that question.

MR. CHAIRMAN: (1)—pass; (2)—pass; the Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman, I wonder if the minister could explain the Recoverable from Canada portion of this particular Item which is a good part of the Item?

MR. COSENS: Mr. Chairman, I am sorry I didn't hear the first part of the member's question. Would he repeat it please?

MR. McBRYDE: Yes, Mr. Chairman, under the Other Expenditures Item (a)(2), 5.(a)(2) of the \$481,000, \$315,000 are recoverable? I'm not sure the reasons for that recoverability and if the minister could tell us why such a high percentage is recoverable, and under what programs?

MR. COSENS: Under the agreement between the federal government and the province, Mr. Chairman, it's my understanding that a certain portion of the Administration costs are recoverable from Canada in proportion to the number of training days that the federal government is purchasing from the total community college system, so that in fact, part of the administrative costs borne by the province are reimbursed by the federal government; that accounts for this particular figure of \$315,000 that we see before us here.

MR. McBRYDE: Yes, Mr. Chairman, looking over the next Item where there is a Recoverable amount, I made an assumption that \$315,000 was recoverable of \$481,000 but my understanding now would be that that \$315,000 is recoverable from \$1.5 million. Would that be . . . ?

MR. COSENS: Yes, Mr. Chairman, that would be a correct assumption.

MR. CHAIRMAN: (2)—pass; (a)—pass; (b) Program Development and Evaluation (1)Salaries—pass; the Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman, could we have the staffing numbers for this particular Item and the minister's explanation of the function of this particular Section?

MR. COSENS: Well, just first of all, Mr. Chairman, I'll deal with the particular function of this Program Development and Evaluation Directorate; as the name implies, it operates as part of the Continuing Education Division and it's responsible via the Director of Programming, the Assistant Deputy Minister; it has overall responsibility for the planning and evaluation of programs operated by the community college system in Manitoba, and it's specifically responsible for the assessment, the submission for approval, co-ordination, the evaluation and the continuing development of existing courses at the colleges. And during 1978-79 it has carried on that particular function in the community college system, Mr. Chairman.

MR. McBRYDE: Yes, Mr. Chairman, does the minister see through the work done by this particular Section any new or additional programs being offered by the community colleges, and I can address to him under this Section to a question I had later — if there's been some evaluation done of the lack of response to the Mineral Sciences Program that was cut at Keewatin Community College because apparently of lack of student interest in that particular program; and whether there was some study in terms of other aspects of the mining industry, which is one of our major industries in northern Manitoba, Mr. Chairman, where the community college system could, in fact, provide training so that northerners could, in fact, move into some of the technical positions within the mining industry?

MR. COSENS: Mr. Chairman, if I could just go back to an earlier comment or an earlier question of the member. He asked how many people were employed in this particular Section — it's 10.43 SMYs. And in regard to the Mineral Science Course at Keewatin Community College, certainly this has been studied rather carefully, not just last year, but I understand over the last period of years because there has been certainly mounting concern over the last period of years as to the reasons why this course was not receiving a much higher enrollment in an area where, of course, mineral science would seem to be a very appropriate course, particularly within the mining belt of northern Manitoba.

In spite of all the studies done, Mr. Chairman, studies don't induce students to enrol in a particular course and this is one of the problems that has been encountered; that we've not been able to get enough students to enrol to keep the course going, and I find that highly unfortunate. I think it was a very worthwhile course, well instructed, the course well supplied; certainly from any

I've had from assessments, nothing whatsoever wrong with the course; the only problem we had was finding enough students to enrol in the course to keep it of a viable size, and of course, there comes a point at which it is no longer possible to justify a course when the enrollment sinks to a very, very low level. Unfortunately, we reached that particular point.

MR. McBRYDE: Yes, Mr. Chairman, I wonder if the minister could indicate whether there was actually a reduction in the need, whether in fact there was a shortage of Mineral Science Technicians in northern Manitoba, or whether there was in fact not the need for these technicians any further, and that's one reason why people weren't enrolling in the program or whether it was unrelated to the demand?

MR. COSENS: I can tell the honourable member, Mr. Chairman, that we are still looking at this particular course, even considering another location in the north for this particular course, perhaps in Thompson, Manitoba with the idea of being closer to that particular mining industry that's located in that area, that the course might, in fact, be more successful and we're exploring that possibility and I would hope that a course in Thompson in that regard could become a reality in the months ahead.

MR. McBRYDE: Yes, Mr. Chairman, the other part of my question was whether there were any other types of employment within the mining industry that the community colleges might provide training for so that people could take advantage of those opportunities. And on this Section too, in the Program Development Section, I wonder what has been the relationship of, for example Keewatin Community College, to the pulp and paper and the forestry industry, and have some of the programs, the more traditional programs been adjusted to take into account the needs of that particular industry; for example, the industrial electrician, the industrial mechanics, etc., or the heavy duty mechanics, etc., so there's two parts to that question.

MR. COSENS: Mr. Chairman, I think we're discussing the Estimates of Keewatin Community College at this time. Are we under 5.(e)? —(Interjection)— Oh I see, we're still under Program Development. The first part of the member's question pertaining to the particular needs of the mining industry and then his reference to the pulp and paper and forestry industry are certainly very suitable comments at this time. The Advisory Committees that we have operating within Keewatin Community College of course are composed of people from those particular industries, and I would be hopeful that if there is a particular training need in either one of the industries that is not being met at the present time that they would bring these to the fore, and it's something that our Program Division could study and it's certainly one of our purposes then to consider placing courses in the college that would meet that particular need. I'm not aware that particular course proposals of this nature have been brought forward at this time.

MR. McBRYDE: Yes, Mr. Chairman, I wonder if the Minister then could clarify for me the relationship between this section, Program Development and Evaluation, and the Advisory Committee and the particular institutions themselves. And that is if there is a new possibility at Assiniboine Community College in terms of training, then how do those three components work together in terms of program development.

MR. COSENS: Mr. Chairman, they work very closely together and if proposals are brought forward from the Advisory Committee or, perhaps, from personnel of the particular community college, either in the administration of the college or perhaps from the instructional staff or from some other sector in the community, these proposals are forwarded then to the Program Development Directorate, who examine them as to their feasibility and carry forth further studies to see whether in fact the possibility of starting a course of a particular nature would be possible in one of the three communities where the community colleges are situated.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Well, Mr. Chairman, just briefly on Program Development and Evaluation in this area, we have had several occasions that the Minister has put on record the policy of the government as far as Program Development and Evaluation are concerned. I notice a modest increase; I haven't figured it out but I don't think it's that significant. But nevertheless, just in commenting on this particular item, Mr. Chairman, I don't want to repeat my arguments on (c), (d) and (e), so that the general argument I make on behalf of my colleagues, who feel that this is another manifestation of the government's overall attitude towards education, that the increases that they are suggesting

in no way can be construed as enough to keep up with inflation. Now, that's the government prerogative. They have said in no uncertain terms that they have established their priorities.

But, Mr. Chairman, whether the editor of the Brandon Sun knows what he is talking about or not, he apparently is quoting one superintendent, who says, "The dismantling of the school system as we know it may be only a year or two away." And of course this is our position. And it, in case after case after case, line after line after line, reinforces this position, that the government really has not established a policy for education in general, or Community College Division in particular. They are still stumbling around. They used the expression, prior to 1977, that the educational system was in chaos. I don't know upon which they based that statement, but, nevertheless, even if they were correct, they have done nothing but compound it. And the questions that come into our office generally reflect the ever-increasing concern of the people of the Province of Manitoba that a heretofore excellent educational system at the three levels, up to the secondary educational level, the community college level and our university level, is being hacked away at by the misguided priorities of the present government. And as they try to put forward the position that they are keeping up with inflation and that they are responding to the needs of the community fewer and fewer people are going to accept that, because it's becoming more obvious every day that this is not the case.

It is very interesting once again, Mr. Chairman, to look at the inflation figures. We're hitting double digit inflation, and for the government to avoid their responsibility in advising Manitobans that if we are to sustain anything we should sustain our educational system, our public school educational system, Mr. Chairman, and that the effects of inflation on the one hand are eroding the system and also the misguided priorities of the government are compounding that erosion.

We have finished several items on the Minister's Estimates where the Minister has admitted that problems exist. We just finished the item on Programs, which hopefully would get people into the educational system who historically had not entered it, and we find that these have been cut.

As I say, Mr. Chairman, I don't want to be out of order, but nevertheless I don't intend to speak on each one of these items because I would just be repeating myself. On (c), (d) and (e) unless the enrolment is drastically going down, unless he is going to cut back on teaching staff, the Minister, I don't see how he can even stand in this House and suggest that he is maintaining the service at the level that the people, I believe and we believe, are entitled, that when inflation is, even in the most modest of figures, is 9-1/2 percent.

So when he is planning for these programs, Mr. Chairman, Program Development and Evaluation's programming development is not reflected throughout his Estimates in addressing itself to the erosion of the system by inflation and the priorities set by this government.

MR. COSENS: Well, Mr. Chairman, the Member for Winnipeg Centre is saying all the things that I suppose a good opposition member says, and I imagine they have been said before and that they will continue to be said for many years. If people opposite expect that we will solve all the problems in this particular year, I can tell them there will still be some problems there next year and there might even be a few the next year. We are attempting to work towards a solution of many of these problems. We have even found a few existing when we came into government. So I know that he doesn't pretend to state that there weren't any until we came on the scene.

I'm not going to reply to some of the other remarks that he has made but I would remind him if he looks at these particular figures he will remember that on the left-hand side, the figures for 1978-79, we have included the GSI, the general salary increase, whereas if he looks at the figures for 1979-80, which all show an increase in every one of these items, Mr. Chairman, he will realize that the general salary increase is not included. I might add that in the increase given to the community colleges this year, as well as last year, for the first time the area of capital equipment was addressed and if one area, in particular, had deteriorated at the community colleges of this province it was the particular moneys that had been allotted for capital in regard to equipment. In 1975-76 some \$682,000 had been provided; in 1976-77 some \$727,000, and in 1977-78, Mr. Chairman, some \$459,000.00. Each year that figure seemed to be creeping downward. Last year, Mr. Chairman, in order to rectify what had become, I would say, a severe and certainly serious situation at our community colleges, one threatening the viability of their courses, certainly the credibility of their graduates, because after all our community colleges are equipment-intensive areas. Last year, Mr. Chairman, we saw fit to provide \$1 million in the capital equipment area, as compared to \$459,000 the year before, by the previous government.

Now, the Member for Winnipeg Centre can stand up and say, oh, we are underfunding; we're not concerned about education; what direction are we going with the community colleges; we're not showing any concern here. I suggest to him that that is one concrete example I would throw out at this time. This year we are further funding the equipment capital fund at a level of \$1,044,000.00. I would suggest that the 1977-78 sum that was provided by the former government

of \$459,000 pales in contrast.

MR. BOYCE: Well, Mr. Chairman, the Minister wants to save that argument to use against himself when he is referring to funding a university as far as the Engineering Faculty is concerned. And doubtless from time to time, Mr. Chairman . . .

MR. CHAIRMAN: Order please. The Honourable Minister, on a point of order.

MR. COSENS: Just on a point of order, I just want to clarify that point that the provincial government nor my department decides the allocation of funds for any faculties at the university. Those decisions are made by the university administration.

MR. BOYCE: Further to the point of order of the grand solution . . .

MR. CHAIRMAN: On the same point of order?

MR. BOYCE: I don't think it was a point . . . It was a non-point of order, I think, Mr. Chairman.

MR. CHAIRMAN: The comparison was that the Department of Education does fund the particular departments and I believe that the Honourable Minister did have a point of order, or a difference of opinion rather than a point of order. The Honourable Member for Winnipeg Centre.

MR. BOYCE: Well, Mr. Chairman, there is another philosophical difference between that side and this side. We are of the opinion that you can delegate authority but you can't abdicate responsibility, and further exploration of that point will find that the Grants Commission is appointed by the government, to a large degree.

But nevertheless he wants to use the argument, in talking to the people on the Grants Commission as far as the Engineering Faculty is concerned.

But doubtless, Mr. Chairman, it is necessary to further capitalize this particular component in the educational system as capital requirements change. It will be interesting to note just exactly what the increase, as far as the acquisitions are concerned, as far as inflation is concerned. Because many of the things . . . The librarians tell us that inflation on books is running anywhere from 22 to 25 percent when you take into consideration the deflated Canadian dollar. So if the Minister is putting forth \$1 million as being compared to \$400,000, perhaps we could explore that in what kind of constant dollars he is talking about, and a number of other things.

But perhaps the Minister could advise us just exactly, perhaps under this item, what is the current projection as far as the cost of stabilizing the Red River College is because I think it might be under this Development and Planning sector rather than the direct administration of Red River Community College itself?

MR. COSENS: Mr. Chairman, I'm not quite clear on the particular information that the member requires here and perhaps if he'd just be a bit more explicit.

MR. BOYCE: Yes, I'm sorry, Mr. Chairman, I meant to stabilize the structure itself, that may come under Public Works, but I know it was a design error that I really fault no one for because those things occur from time to time, but nevertheless I wonder if the Minister could take as notice what the current projections are as far as the cost of stabilizing the physical facility itself?

MR. COSENS: Mr. Chairman, that particular item exists under the Department of Public Works. I believe their estimates are yet to come before the House and at that time he could enquire; I could give him a rough figure from my own particular memory but I would rather wait until he could get the exact figure from the Minister responsible.

MR. OcBRYDE: Mr. Chairman, under the particular section we're under and I assume we are under (b)(1), are we not?

MR. CHAIRMAN: That's correct.

MR. McBRYDE: Mr. Chairman, the certificate of Adult Education Course was reviewed and evaluated as where several other courses, the branch also reviewed and evaluated Bilingual Community College programming at St. Boniface College — the Minister has already talked about

the enrolment of courses and the pre-employment training; I don't know if he has talked about the apprenticeship training at the three colleges which was also looked at by this section, and I wonder if the Minister could give us some of those evaluations or just summarize for us what those evaluations were?

MR. COSENS: Mr. Chairman, I don't have those particular evaluations with me but I suppose they are available if the member is interested in perusing that particular type of evaluation, I imagine it is available and I can get it for him.

MR. CHAIRMAN: (1)—pass; (2)—pass; (b)—pass. (c) Red River Community College, (1) Salaries—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I wonder if under this section the Minister could give us some indication whether Red River Community College operates any programs off the college campus itself? I wonder if the Minister could indicate if there are new courses or new programs being offered this year that were not offered last year or it's proposed to be offered this year that were not offered last year and whether it was found necessary to cut any programs because they were not serving an effective purpose?

MR. COSENS: Mr. Chairman, first of all I can say that there have been no courses cut to my knowledge in these particular areas. The member is interested in off-campus courses and evening courses and I can report that courses were offered in the following communities, Berens River, this says Bloodview but I am sure it is supposed to read Bloodvein, Fairford, Fort Alexander, Gimli, Gypsumville, Headin Correctional Institute, Hole River, Lac du Bonnet, Little Grand Rapids, Moosehorn, Morden, Pauingassi, Peguis, Portage la Prairie, Scanterbury, Selkirk, St. Laurent, and Steinbach.

As far as new or expanded courses, I can report that because of demand an additional class of carpentry students was admitted in September of 1978, and an additional class of automotive students in February of 1979, and a two month audio servicing course has been developed and the first students have been enrolled recently, Mr. Chairman, I believe the first part of April of this year.

I should also report that further to the off campus courses that we had a three month course in small motor repair at the Hnauza Training Centre. It was offered in October. A new two month course in house wiring started in November at the same location and there were other short courses offered in Anama Bay, Berens River, Dauphin River, Fisher River, Little Grand Rapids, Lundar, Pauingassi again, Selkirk, and Stony Mountain Institution. And of course carrying on with new thrusts and new directions, a co-operative education component will become part of the two year Power Engineers Course in September of 1979, and I can also report that the Mechanical Engineering Technology Course is presently being reviewed to determine if a co-operative component would enhance that particular program. As far as Red River is concerned I am also pleased to report that over 400 different subjects were offered by the College Evening Program Section and courses were conducted on campus at the Winnipeg Extension Centres and in Beausejour, Lac du Bonnet, Morden, Portage la Prairie, and Selkirk.

MR. McBRYDE: Mr. Chairman, part of the Minister's comments were not clear to me and that is the co-operative education he mentioned and talked about that for power engineers and I am not sure what he means by that.

MR. COSENS: The co-operative education concept, Mr. Chairman, utilizes on-the-job training in industry where the students spend a set number of hours working in the actual work situation out in the particular industry that applies to their course.

MR. McBRYDE: Mr. Chairman, would it be correct for me to assume that the off-campus programs except for some of the ones that the Minister listed specifically being of a different nature were ABE programs?

MR. COSENS: Yes, the first set of programs that I mentioned starting with Berens River and following through to Steinbach were courses of an ABE nature.

MR. McBRYDE: Mr. Chairman, since the Minister mentioned co-operative, I wonder what is happening with the proposed student co-operative housing that Red River was quite interested in last year, and I wonder if he could bring me up to date on that situation?

MR. COSENS: Mr. Chairman, we've been working with the students from Red River in that regard. I've assigned a staff member as a contact person for them to help them formulate their particular wishes in that regard and I've been waiting now for a matter of months for a particular proposal from them that can be given serious consideration.

MR. CHAIRMAN: (1)—pass; (2)—pass; (c)—pass; (d) Assiniboine Community College, (1) Salaries—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could tell us if Assiniboine Community College offers off-campus programs and I wonder if the Minister could tell us if there are new programs being instituted at that particular institution and whether there are any programs that were redundant or not necessary that have been dropped from the programming at that particular institution, and maybe the Minister could bring me up to date in terms of the — if there is — or what is the housing situation for students who do not live in Brandon that go to this institution? What type of housing do they normally find in the community of Brandon?

MR. COSENS: Well, Mr. Chairman, the member has asked a considerable number of questions, so if I miss one perhaps he will remind me. Let me start with the last one, the housing aspect for students. It apparently has not been a problem in that particular city. Some of the students who attend Assiniboine Community College live in the University Residence and others seem to have no problem finding accommodation throughout the city. As I say, I have not had any indication that housing is a problem in that particular situation.

In regard to courses, I could mention that following a review of the Engineering Drafting Course that the 1978 intake for this course was cancelled and the course will be discontinued effective June 1979. There have been some course revisions. The Machine Shop Course is being redesigned to allow multiple entry points, granting of credits for skills learned on the job and the integration of basic education and the machine shop skills training. The Auto Body Repair Course has been divided into modules that allow for multiple entry and exit points, and I think that type of modification of a course, Mr. Chairman, obviously takes place to accommodate students at different times of the year rather than having just the one entry point that some students because of their particular work at the time are not able to meet.

As far as evening programs are concerned at Assiniboine Community College, courses were offered on campus in Brandon of course and in Bowsman, Dauphin, Killarney, Manitou, Neepawa, Ste. Rose, Swan River, Virden and Wawanesa. Assiniboine Community College in Brandon also has adult basic education courses, agricultural programs, special courses and management development and training in industry programs. The adult basic education courses were conducted in the following locations Austin, Brandon, Dauphin, Langruth, McCreary, Neepawa, Roblin, Russell, Swan Lake, Swan River, Virden, Rolling River, Birdtail, Sioux, Sioux Valley.

Agricultural training as farm management courses were offered in the following locations, Teulon, Evenflow, Neepawa, Souris, Fisher Branch, Miniota, Binscarth, Stonewall, East Selkirk, Rosburn, Roblin, Fisher Branch, Skownan, Minnedosa, Sioux , Ste. Anne, Melita, Valley River, Grandview, Steinbach, Arborg, Crane River, Ste. Rose, Pierson, Gimli, Grosse Isle, Elgin, Treherne, Bowsman, Brandon, Dugald. Some 31 centres where agricultural training were offered, Mr. Chairman, and there are some 43 centres where farm maintenance courses were conducted as well. I could read those particular centres off if the member is interested.

I might also mention too a new vehicle technician course started in November six month Recreational V T of 1978 in Brandon. They also conducted metric workshops in Edwin, Ile des Chenes, Rapid City and Winnipeg, and the colleges also delivered special courses in Swan Lake and Gimli.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could bring us up to date on how the International Development Agency student — the program to assist in training of those students is working out?

MR. COSENS: Mr. Chairman, I understand that the program is progressing very well and it will be completed this coming fall.

MR. CHAIRMAN: (1)—pass; (2)—pass; (d)—pass. — t e) Keewatin Community College, (1) Salaries—passhe Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman, the same question in terms of offcampus programs operated by Keewatin.

MR. CHAIRMAN: The Honourable Minister.

MR. COSENS: Well, once again, Mr. Chairman, let me say that in regard to Keewatin Community College that, unlike our other community colleges, we do have positions available. There is room available for students wishing to enroll in many of the courses, particularly the day courses, and I would mention at this time — I know this is a problem encountered by the previous government as well — we are most anxious that the facility be fully utilized as I'm sure the previous government was.

The Keewatin Community College is offering under the new course area a new modularized hospitality course with two streams of training, food and beverage service, and room services, and that started in January of this year, and the college in conjunction with CEIC and the Department of Indian Affairs and Northern Development is developing a course for the training of community operations managers and that particular course will begin in September of '79.

I'm also pleased to report that Phase I of the Dental Assisting course received accreditation from the Canadian Dental Association for a period of five years.

The member is interested in areas where courses have been offered outside the college. I can give him the following information. A ten week building maintenance course was introduced in The Pas in the fall of '78 and a second course started in Thompson in January of '79. I'm still on new courses. A new eight week course in Commercial Sewing got under way in The Pas in November of '78. As far as off-campus courses, evening courses were offered in The Pas, Flin Flon, Cranberry Portage, Lynn Lake, Thompson, Leaf Rapids, Gillam and Churchill.

ABE courses were conducted in the following locations: Cormorant, Cross Lake, Garden Hill, Grand Rapids, Moose Lake, Oxford House, Poplar River, South Indian Lake, Thompson, plus Sherridon and Big Eddy. Special courses were offered in several of the communities listed above as well as in the following locations: Pakatawacun, Ste. Theresa Point, Gods River, Norway House, Dawson Bay, Tadoule Lake, Brochet, Red Sucker Lake, Waasagomach, and Pelican Rapids.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Yes. Mr. Chairman, the Minister mentioned the approval of Phase I of the Dental Assistant's course. I wonder if he could bring me up to date in terms of what is the present state of that course and how many people are currently being trained in that course and what is the demand for dental assistants of the type, that's been approved here?

MR. COSENS: I understand, Mr. Chairman, that there are some 17 students on course, and as far as employment possibilities I can assure the member that those possibilities are very high. There's a considerable demand for people with this type of skill.

MR. McBRYDE: Yes, Mr. Chairman. Could I get the Minister to clarify in terms of the types of programs related to dental assistants that have been offered. Is there just the one program and was that designed to train dental assistants to assist dentists in private practice only? Is that the design of the program or . . . ?

MR. COSENS: Mr. Chairman, I can inform the member that to my understanding there are two aspects of dental assisting, Phase I and Phase II, and we are talking here about a Phase I course. I think the name itself, of course, suggests the particular job requirement of assisting dentists in providing services to people in their offices.

MR. CHAIRMAN: (1)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman. I'm still not completely clear on this program. Was the intention of the program, or as a Dental Assistant — I'm sorry, I'm not clear on all the categories of this particular occupation. Was the Dental Assistant program, both Phase I and II, designed so that people could be trained and then go into a dentist's office and assist the dentist, and was there another program, or was that the only program, that would assist people to do some work upon their own which in turn would be a dental hygienist or a sort of a dental practical nurse, or a dental health worker? I wonder if the Minister could.

MR. COSENS: Mr. Chairman, I believe the member is confusing this particular dental assisting with dental hygienists or dental nurses, who certainly perform different functions in the whole dental service delivery system. As this suggests, these are people who assist dentists in their particular

practice. The hygienist has particular skills that they use in the dental delivery service. The dental nurse has particular skills that may encompass many of these but perhaps go beyond this.

MR. McBRYDE: Mr. Chairman, I made some assumptions and I wasn't completely familiar with the course, that part of the reason for the course at The Pas was in conjunction with the implementation of the school program, or the program for school children so assistance would be available to dentists who were going into the schools, who would, in fact, expand the use of dentists in the schools in a preventative public program, and I wonder if the Minister could indicate whether that was part of the understanding when the program got off the ground, and I wonder if he could give the length of the course and then, if in fact there's been more than one course, if there's been a dramatic change in numbers or similar numbers are there; and also, Mr. Chairman, how the Dental Assistants program at Keewatin Community College compares with, for example, I believe it was called the Dental Assistants program in Saskatchewan where a number of Manitobans were trained, or whether those had another classification?

MR. COSENS: Mr. Chairman, I think we're still somewhat confused here in our terminology. The dental assistant works with the dentist at all times. The dental nurse has training at such a level that enables them apparently to perform certain dental services without the necessity of a dentist being there. The dental hygienist, again, has particular skills that they use without a dentist being present. We are talking here about dental assistants, people who work in the company of dentists. I'm informed that the capacity at Keewatin is some 17 approximately and that the course has been operating at capacity since its inception.

I'm also informed that Red River Community College offers the same course, as does Tech Voc High School.

MR. CHAIRMAN: (1)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I'm trying to recall approximately how many dentists there are in Northern Manitoba since cases he has mainly aimed at that region of the province. I'm fairly sure there are not 17 dentists in Northern Manitoba, and if this program is a two-year, or three-year program, where do they hope these people will be employed? Do they assume that they'll be employed outside of Northern Manitoba?

MR. COSENS: Well, of course Mr. Chairman, these nurses could be employed anywhere. Their certification enables them to work anywhere that their services are required. I agree with the Member for The Pas that there is this particular problem, that when we graduate 25, 35, or 40 people from any particular technology in communities outside a major city we are always faced with the problem of there being enough jobs in that particular region for them. That may be part of the problem that we have with our northern community college in that the jobs are not adjacent to the college as they may be in Brandon or in Winnipeg, but by the same token we have young people who are quite prepared to take their training there, and in some cases go elsewhere to work. They don't all remain in the north and the Member for The Pas is probably quite correct that, in fact, there would not be enough demand for their services if they were all to remain there.

MR. McBRYDE: Yes, Mr. Chairman. I'm still not 100 percent clear on the program. I would assume then that there hasn't been a graduation of the first group that went through this program, and if there has been a graduation, I wonder if the Minister could give me a clue in terms of placement, where they went from KCC, where they were located for employment purposes?

MR. COSENS: Well, Mr. Chairman, I wasn't sure; I hadn't checked. I know that when I attended Keewatin's graduation last year I know that there were dental nurses who graduated. I'm informed that the course has been going for some four years. It takes these people one year in the Phase I aspect of the course so there have been a number of graduates. Obviously they are finding employment as far as I am informed. Beyond that information I really can't provide anything more specific to the member.

MR. McBRYDE: I think the Minister is similarly confused this time because he used the term "dental nurses" twice. I think he meant dental assistants or did I get the wrong word for this program? Mr. Chairman, I wonder if the community colleges had any difficulty — this program at KCC or at Red River — in terms of finding dentists that were willing to work in a public program instead of in private practice. Was there any difficulty in locating dentists to conduct these programs?

MR. COSENS: Well, Mr. Chairman, not to my knowledge, although I'm not quite clear on what the member is referring to here. I have not heard of any problem being associated in this particular area.

MR. McBRYDE: Well yes, Mr. Chairman, I'm making an assumption that dental assistants are trained by licenced qualified dentists, and the simple question was whether there was any difficulty recruiting dentists? Were there dentists available who were willing to work for the public as opposed to going into private practice, and the Minister indicates there was no problem doing that.

MR. COSENS: No problem.

MR. McBRYDE: Which may surprise some of his colleagues who feel that dentists and medical people only wish to go into private practice and don't wish to work for the public. Mr. Chairman, at KCC what is the situation at this time in terms of the housing for married students? What arrangements are made for — I know that the residence is available for single students. I wonder what arrangements are being made at this time for married students.

MR. COSENS: Mr. Chairman, I understand that there are 25 apartments provided by MHRC and there are also some on-campus facilities.

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

MR. WILLIAM JENKINS: Thank you, Mr. Chairman. My question is to the Minister dealing with his program for dental assistants at Keewatin Community College, or even the one in Brandon or the one here in Winnipeg. Could the Minister explain the skill differentials between Phase I and Phase II of the program as they have envisaged, and do people who graduate from Phase I, are they readily employable or do they go out and work for awhile and then come back and complete their Phase II, or just what is the program, and what are the skill differentials between Phase I and Phase II of the Dental Assistants Program?

And also while I'm on my feet, Mr. Chairman, could the minister also then outline the skill differentials between Phase I, Phase II and the Dental Nurses Program that was in place, where we were sending people to Saskatchewan, I believe to Regina, and could the minister explain the skill differentials between that course and the courses that we're conducting here within the province at the present time?

MR. COSENS: I would be less than honest if I stood up here and said yes, I can give you those type of differentiations. My association, like the Member for Logan, with things dental is when I go to my dentist for particular work, I have a rough idea of the differentiation between the different levels. It's a matter of skills and length of time spent in training from one year as opposed to two years, this type of thing. If he requires a detailed explanation of this I would have to get it for him and I will make sure that he does receive that type of information, particularly the breakdown as to the differentiation. I don't pretend to have that at my fingertips, Mr. Chairman.

MR. JENKINS: Yes, Mr. Chairman. I would appreciate that very much if the minister could at least before we finish his salary, that he could have that information available for the Members of the Legislative Assembly. I think it would be very interesting to find out. I wonder if I also might ask — the minister says that he has 17 students, I think, at the present time at Keewatin Community College — how many of these are in Phase I and how many are in Phase II of this program at the present time? How many of the 17 are in Phase I, how many are in Phase II?

MR. COSENS: Well perhaps we could just move on and if my officials can find that information I'll provide it to the honourable member, Mr. Chairman.

MR. CHAIRMAN: (1) — pass — the Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman. A couple more questions on this section. Is there still such a community liaison person that travels out from Keewatin Community College — I'm not sure of the exact title? And, Mr. Chairman, I wonder if there is a difference in Keewatin Community College in terms of the evening and adult education programs because we don't have a university in the area, whether there is then an increased demand or an increased usage as compared with the other two community colleges at KCC?

MR. COSENS: Mr. Chairman, I don't have a particular assessment of that in front of me. Of course, we do have IUN delivering programs in the north, and particularly in The Pas area where the college is located. The particular geography of the north of course makes it much different than the other areas of the province, as far as that is concerned. I would have some difficulty answering the member's question however, without seeing some assessment that had been made in that regard.

MR. JENKINS: Yes, Mr. Chairman. Just before we do leave this item. Would the minister be able to, when he's assembling this information through the community colleges, be able to provide us with a follow-up program of how many of these people have been employed? Some community colleges do have quite an extensive follow-up program, where their graduates go and possibilities like that. I think Red River Community College tries to attempt that, and it may not be complete and up-to-date but if the minister could, for the three community colleges that are offering the course in dental assistants, and also for the students that graduated from the dental nurses program at Regina, if he could give us a follow-up of where some of these people are, and where they are employed at the present time?

MR. COSENS: Well, Mr. Chairman, it's quite possible that I could find the information for the honourable member in regard to the dental assistants who have come through our particular system. The other request, of course, does not apply to our community college system, and I don't have that type of information available to me. The Minister of Health may have some information in that regard.

MR. CHAIRMAN: (1)—pass; (2)—pass; (e)—pass; (f)Canada-Manitoba Northlands Agreement; (1) Salaries—pass — the Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman. Could the minister explain what this is about?

MR. COSENS: Well, Mr. Chairman, under this particular item funding has been approved, the funding that we see here for Pilot Action Research into Curriculum Development for a Diploma Nursing Course in Northern Manitoba, and these funds which were requested by Keewatin Community College will be used to identify the need and to design and develop a curriculum for a diploma nursing course which will provide clinical practice in nursing stations, small rural hospitals, and large acute care centres with learning institutions.

A developer-consultant will work in co-operation with learning institutions, other professionals, and in particular northern communities in order to identify areas where health problems indicate a need for a community-based nursing program. And the particular funding that we see here is jointly funded with the federal government.

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

MR. McBRYDE: Yes, Mr. Chairman. The Salary item here, does that mean there will be one staff position here, or does the salary here refer to a fee-for-service contract?

MR. COSENS: I'm informed, Mr. Chairman, that that money covers a contract person.

MR. McBRYDE: Yes, Mr. Chairman. By the amount it looks like a one year contract for one person, and I assume the decision is made then not to sort of hire a consulting firm in this area, but to hire one person who has those skills and ability. If that is the case I am sort of curious about the amount for Other Expenditures, and I am also curious as to the hiring of contract position procedure, whether the person will go, in fact, through the civil service procedure or how that will be done.

MR. COSENS: Mr. Chairman, it is again my understanding that this is through the civil service procedure. This person is not just a consultant but a program developer, I suppose, might be a better word to be used here. In other words, they will be formulating the particular course that will be used in this particular area.

The expenditure breakdown I can get that for the honourable member if he requires it.

MR. CHAIRMAN: (1)—pass; (2)—pass; (3)—pass; (f)—pass. Resolution 44—pass. The Honourable Minister.

MR. COSENS: Mr. Chairman, I would like to provide the answer to the last question of the Member for The Pas, who wanted to know the particular expenditure item there, \$31,000. It is broken down as follows: . \$15,000 for travel; \$10,000 transportation; course consumables \$4,000; miscellaneous \$2,000; for a total of \$31,000.00.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could explain the difference between travel and transportation.

MR. COSENS: Well, that's an understandable question, Mr. Chairman, it is certainly one that occurred to me in looking at the items. Travel, as I am led to understand, covers things like hotels, meals, the expenses that are incurred while travelling; transportation in fact, pays, I imagine, for aircraft and that type of transportation factor that certainly plays a large part in anyone working through on a course like this.

MR. McBRYDE: Mr. Chairman, the explanation sort of doesn't quite jibe because my experience travelling up north is that it costs more to get there than it does when you are there. I wonder, Mr. Chairman, if I could, under this item since we are still discussing it, whether the Minister could briefly tell us what was eliminated in the next item, exactly what has been cut in item (g).

MR. COSENS: Under the Training Improvement Program, Mr. Chairman, the federal government had provided funding to enable some evaluation, assessment, exploration and planning for particular programs, and this had been 100 percent federally funded. The federal government has terminated that particular funding.

MR. McBRYDE: Yes, Mr. Chairman, were there positions cut at the same time or were those absorbed somewhere else?

MR. COSENS: Mr. Chairman, it's my understanding that in these particular programs which were short-term in nature, they were particularly contract people who signed on for the length of that particular program, whether it be 4 months, 5 months, 6 months, or 8 months, with the understanding that that was the length of their particular contract for the duration of that particular program that may have been taking place.

MR. CHAIRMAN: Resolution 45, No. 6. Universities Grants Commission—pass — the Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman. Probably the first thing that we need to discuss under this particular item is the Minister's concept of his relationship to the item, and I wonder if the Minister could clarify for us what he sees — he is the Minister that brings this item before the House; he's the Minister that asks for these funds — I wonder, Mr. Chairman, if the Minister could outline whether he sees himself as responsible, or in what way he sees himself responsible for how these funds are expended and how he defines his relationship with the Grants Commission.

MR. COSENS: Well, Mr. Chairman, I think this is a good question that we have just heard from the Member for The Pas, because I believe it's a relationship that is not very well understood by many people, perhaps not very well understood by people in this House. Under the particular Acts that apply to the universities and that apply to the Universities Grants Commission, the responsibilities and rights and powers of the different institutions are set out quite plainly and understandably for all to see. They were Acts, of course, that were drafted by this particular Legislature.

The universities, unlike any other institutions in our province that I can think of at this time, occupy a rather unique position. They exist and operate at arm's length from the government; they could not exist of course, without the support of the provincial government. As a result, to maintain that autonomy, that I think is so vital to the universities, the Acts require that moneys provided by the provincial government go to the Universities Grants Commission, which operates under a separate Act again that sets out its responsibilities and powers. It in turn allots the provincial funds to the three universities and St. Boniface College as it deems fit and in turn, the universities then through their Board of Governors, Board of Regents, and the administration of each particular university, decides how those moneys will be spent to best attain the particular goals and objectives of each university.

The University Boards of Governors or Regents, as the case may be, are people who have been appointed from the community at large. They are also made up of people from the university

they are representatives of many different walks of life and many different interest areas.

As Minister of Education I see my particular function in two or three ways as far as the universities are concerned. I share, as I'm sure the members opposite do, a certain pride in the universities of this province. I think the quality of the education that is delivered and received in those institutions has always been quite high. Our universities have been well regarded across this country and across this continent, and in fact, throughout the world. I, as Minister of Education, a member of this government, am of course concerned that we maintain that particular status; that particular position as far as other jurisdictions are concerned in their estimation of our university community.

In order to maintain that particular quality, Mr. Chairman, of course the amount of money that is provided by the provincial government certainly plays a large part and it is my considered duty as Minister of Education of course, to make sure that we are providing funding that will enable our universities to maintain that high standard that they have become famous for in our society. Perhaps without going further, Mr. Chairman, I can leave that as my basic position and if the members have questions I would welcome them.

MR. McBRYDE: Yes, Mr. Chairman, I wonder if there is some breakdowns possible in terms of the figures here, that is, Mr. Chairman, they are talking about attempting to fund universities at their existing level. And then there is also grants for special projects, debenture sinking funds and interest payments, and I wonder of this amount we could break out how much is the direct funding, how much is special projects, debenture funding, and funds and interest payments.

MR. COSENS: Mr. Chairman, I don't have that particular breakdown available for the member. I have expenditures, capital expenditures, the amount that is being expended or provided rather for usage in the IUN Program. If there is greater detail than that I can tell the member that the Inter-Universities North Program this year will be receiving some \$250,000 in support from the Universities Grants Commission, which I believe is the largest amount of money the Inter-Universities North Program has received since its inception. The particular breakdown in funding that has been allotted to the universities includes some \$94.2 million to cover operating expenses. As well, Mr. Chairman, the University of Manitoba has been provided with \$1,765,000 to complete the government's obligation to the University of Manitoba Centennial Project, which was a \$2 million obligation.

There has also been a provision of \$2 million to the universities for miscellaneous and special capital purposes for those particular institutions under the jurisdiction of the Universities Grants Commission.

MR. McBRYDE: Yes, Mr. Chairman, I just want to double-check. I assume that the Minister, in speaking to my question on Item 6, was dealing with 7.(b) as well. Would that be correct in terms of the figures he just mentioned?

MR. COSENS: Capital; yes.

MR. McBRYDE: Yes, Mr. Chairman, that's where the Capital sits. Would it be possible for the Minister to get the other figures or are those figures not obtainable? Okay, first place: Special Project — is the only special project the Inter-Universities North Program? And then, Mr. Chairman, is it possible to get the other figures — the debenture sinking funds and the interest payments?

MR. COSENS: Mr. Chairman, the Inter-Universities North is the special project referred to at \$250,000; Operating Grants amount to some \$88 million; First Claim some \$2.3 million; Computer, etc., some \$3.1 million — I have mentioned IUN — the Universities Grants Commission administration, some \$326,000; and the Computer network, some \$164,000, for a total of \$94.2 million.

MR. McBRYDE: Yes, Mr. Chairman, the Estimates Book and the Minister in his previous discussions, have of course attempted to maintain that somehow the funding for universities in Manitoba is in line with keeping the expenditures and the operational costs of universities at existing levels, so, Mr. Chairman, there are sort of two parts to any discussion of this item.

One is whether in fact services at existing levels can be maintained with the amount of funding that is being made available through the Grants Commission.

The other part of the question, Mr. Chairman, is of course whether or not there is a need for some increase above the existing operational level. Mr. Chairman, one of the, I suppose, indications on the second question relates to the present existing level of operational costs. And, Mr. Chairman, I suppose, one of the measures of that particular item is the payments made to people that teach

in the universities. And, Mr. Chairman, there are some figures available on that particular . . . I have some statistics here, Mr. Chairman, that compare Manitoba with the other western universities, such as, University of Saskatchewan, University of Alberta, University of Calgary, University of British Columbia, Victoria and Simon Fraser. These figures, Mr. Chairman, exclude the salaries paid to the Medical Faculties of those institutions. At the professor rank, Mr. Chairman, the other universities in 1977-78 the professor rank person at the university received \$37,730; at the University of Manitoba, \$33,933; the associate professor rank, Manitoba compared with other western universities was \$28,125 for the other universities, \$26,532 for the University of Manitoba.

At the assistant professor rank, Mr. Chairman, the figures are fairly close. The other universities is \$21,900 and the University of Manitoba is \$21,401.00. At the lecturer classification, Mr. Chairman, other universities is \$17,347, the University of Manitoba, \$17,184.00. Mr. Chairman, I want to refer back to those figures as I address my comments to this particular item.

The other area that comes under consideration, Mr. Chairman, is in the area of enrolment figures and I am sure the Minister has figures on the enrolments at the various universities. I have in front of me, Mr. Chairman, at this time, only the University of Manitoba. At the University of Manitoba full-time enrolment has increased 1,245 on December 1, 1977 to 1,288 on December 1, 1978; and part-time enrolment has fallen from 1,141 on December 1, 1977 to 1,076 on December 1, 1978; thus the total graduate enrolment has declined only from 2,386 to 2,364, or less than 1 percent in total.

Mr. Chairman, the other major aspect of the Minister's contention that, in fact, the level of services is being maintained at existing levels, certainly applies to a number of items when you take a look at the increased cost of operation, Mr. Chairman, because there are a number of things that do apply. And I think colleagues have already mentioned, when they were talking about education, the funding of education generally, is the fact that a number of items which a university needs, requires, the rate of inflation or the cost of those items is much greater than the general rate of inflation. And since the Minister's proposed increase in university funding is, according to my calculations, less than the general rate of inflation; and since the university costs are a great deal more than the general rate of inflation, in fact, what we have, Mr. Chairman, is a reduction in funding to the universities in the Province of Manitoba.

Mr. Chairman, I think one of the obvious and key areas is in the area of libraries and the purchase of books. Mr. Chairman, this applies to students, increase in student costs above and beyond tuition increases; and this applies to the institution purchasing the books that it needs. For example, Mr. Chairman, the purchase of professional journals and the purchase of new publications. The cost of a number of professional journals over the last two years, Mr. Chairman, has increased up to 50 percent. The increase of other publications, Mr. Chairman, has increased in the neighbourhood of 25 to 35 percent.

Mr. Chairman, we are still in the situation in Manitoba where many of the publications that are required to keep our university to nearly a level of other universities the new books required, and the journals required, come from the United States and they are also affected then by the difference in the value of the dollar compared with U.S. funds.

So, Mr. Chairman, the expense in that particular area has increased far more than any increase in the funding to the Universities Grants Commission to supply the universities with.

Mr. Chairman, another area of cost which far exceeds the less than the amount necessary to cover inflation that we have in this particular item, Mr. Chairman, is the cost of supplies for laboratory and technical supplies for chemicals and other items that are necessary to operate a university at a reasonable level. Mr. Chairman, the cost of those supplies to the universities in the Province of Manitoba has increased far beyond any increase coming to them through the Province of Manitoba, Mr. Chairman.

Of course, Mr. Chairman, any of the requirements in terms of travel, of movement of university people, of equipment, etc., is also much greater than any increase in the general inflation index and much greater than any increase in this Minister's Estimates here, to provide for the funding for the universities.

So, Mr. Chairman, we have two things, we have in a number of areas, the universities in the Province of Manitoba operating at a lower level, at a reduced level from other universities; and, I think the university libraries, Mr. Chairman, is a good example of this. We have the staff at Manitoba universities being below the norm for comparable universities; we have a number of other items in terms of the university, Mr. Chairman, where they were not up to par even if, in fact, the funding was continued at existing levels, and the library problem is an especially severe one and an important one that is going to hinder the quality of education in Manitoba. And, Mr. Chairman, there are two faculties, for example, at the University of Manitoba, the Faculty of Engineering and the Faculty of Dentistry that have had some warnings in terms of professional accreditation within those particular faculties.

Now, Mr. Chairman, the other important aspect is the inability just to continue to keep up with inflation, and, Mr. Chairman, this criticism of this government in terms of universities, of course applies in a number of other areas. That is, Mr. Chairman, it appears that the overall emphasis of this government, and their paranoia in regard to public spending as opposed to private spending, and their desire to shift public spending into the private sector is shown not only in this particular program but in any other program. That is, Mr. Chairman, the value to the society of Manitoba, the value to the Province of Manitoba, is such that it is more important that a person receive a better education or a higher education; it is more important that those who already have some wealth, in fact, get more wealth, or it is more important, in fact, Mr. Chairman, that those who do have excess money to spend be able to spend that fully on private goods, as opposed to things that would benefit all the people of Manitoba, such as an improved education; such as improved health services; such as improved community services of all types. or, Mr. Chairman, as I said earlier, the reduction in people services. And this is what we are seeing in this item, Mr. Chairman, is one more example of a reduction in people services in the Province of Manitoba.

Mr. Chairman, it is reasonable to assume, and it has happened in some areas of government, where in fact some reduction in spending has assisted management to be more effective and more efficient. And, Mr. Chairman, when that occurs that is a good situation to be in, when in fact, the management procedures are then reviewed, the effectiveness and efficiency of programs are then reviewed and, Mr. Chairman, that is quite reasonable. But, Mr. Chairman, with the reductions of last year and the reductions of this year, we are entering into a different situation within the universities in Manitoba. And, Mr. Chairman, I think we can be proud of the records of the universities within our province. They have had high standards; they compare well with other universities in Canada and the United States; and we can be pleased that our universities are recognized in terms of higher education institutions.

But, Mr. Chairman, we have now got to a stage with the universities, as we have with some other programs, where the so-called savings now, the so-called reduction in expenditures now, are going to cause some permanent damage to these important institutions in our society. And, Mr. Chairman, when you begin to have trouble recruiting people, when you begin to have trouble attracting even people such as teaching assistants and payments to graduate students for their assistance in terms of the classroom and research for faculty members, when people from Manitoba who are qualified for those positions go to other universities, as clearly the university people are able to list examples by name of students that they had hoped to attract into Manitoba universities, to keep them on, make sure they got their doctorates here in Manitoba, and would be able to stay in the Province of Manitoba, have gone to other universities because the amount paid for assistants was greater at those other universities; when you see the same thing happen, Mr. Chairman, in the terms of new faculty at Manitoba's universities, where the desire to have top people is what gives you the reputation, and what has given Manitoba in general the reputation of having good educational facilities; when some of these people leave because they can receive more money at a university in Alberta, or a university in British Columbia, then that whole faculty, Mr. Chairman, suffers because of that.

And when the university is unable to attract the new graduates into teaching positions within the universities of Manitoba, then the quality of higher education suffers. Mr. Chairman, where we're at now in the Province of Manitoba, is the beginning, just the beginning, in this program as in some others, of a downward spiral. And, Mr. Chairman, this, once it gets under way, is not easy to stop. If you lose some of the top people in our institutions, some people that are known in the educational community throughout Canada and the United States as being top people, if those people leave to go to another university, the chances of getting them back are not very good. Or the chances of getting them back, even if you start to increase the funding for universities so that they can pay a comparable salary; what you're going to have to do, Mr. Chairman, if you want to get them back, is to even increase the salary beyond the match of the other universities.

And so, Mr. Chairman, in the long run, it will cost more money to get people to come back.

A MEMBER: Incentive grants.

MR. McBRYDE: You'll have to give incentive grants, as my colleague said, using the industrial terms. You'll have to attract incentive grants —(Interjection)— Mr. Chairman, there is one person who, if they did leave, I wouldn't be upset, for the honourable member who keeps talking from his seat.

Mr. Chairman, so what we have reached, the situation in Manitoba is the beginning of the downward spiral, Mr. Chairman, in terms of our universities, and the reputation of our universities, and the high credibility of our universities within the Province of Manitoba. And, Mr. Chairman,

we will not be able to recreate or get back to where we are now, in terms of the comparison with other provinces. Once the downward trend begins, once your library falls below other libraries, once your staff is less qualified than other staffs, Mr. Chairman, then you have a long way to go to get back where you are in an equal position, or a superior position, in comparison with the other universities.

So, Mr. Chairman, that's the basic state we have reached within the Province of Manitoba. And, Mr. Chairman, the other thing that's happened within the university setting, is the thing that's happening within other social institutions and public institutions and private institutions within the Province of Manitoba, and as this Minister reduces, last year and this year, the actual, or the real funding, Mr. Chairman, of these institutions, as the Minister reduces that particular funding . . . Sorry, with the interruption, I lost my train of thought on that particular item, Mr. Chairman.

So what happens, Mr. Chairman, is as this downward spiral begins, and as the funding has been reduced, as it has been reduced over the last two years in real dollar terms, you increase the rivalry within the institution. And, Mr. Chairman, we have seen that with the University of Manitoba, with the Engineering Faculty beginning to fight with the other faculties in that particular institution, and the other faculties beginning more and more to fight amongst themselves for the limited dollars that are available, in order to maintain their programs. And this has happened in other institutions since this government came to office, and this is happening at the universities, Mr. Chairman, which is a destructive situation for the universities. And, Mr. Chairman, and it also does not put the blame where the blame belongs. That is, the Faculty of Engineering can blame the administration, the Faculty of Arts can blame the Faculty of Engineering, etc., etc., etc., Mr. Chairman, when the real blame, the real problem, is the overall level of funding that's coming into the university. And, Mr. Chairman, that's the overall level of funding that this Minister and this Conservative government have sought to reduce.

So, Mr. Chairman, because of the lack of social vision of this government, because these kind of things don't seem to matter, the things that apply to the citizens of Manitoba don't seem to matter to this particular government, we are unable then to maintain the kind of institutions that we have . . . —(Interjections)— Mr. Chairman, I think I'll sit down and let the Member for Pembina speak since he is . . .

MR. CHAIRMAN: The Honourable Member for Burrows.

MR. HANUSCHAK: No, you want to complete your comments.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, with your kind assistance . . .

MR. CHAIRMAN: Order please. I would hope the honourable members would be more attentive to the people that are speaking, and give them the courtesy, give all the honourable members the courtesy when they are speaking, to the rights of the members in the House. —(Interjections)— The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I'm not that optimistic; members opposite can't even show you courtesy. I don't know if I can expect them to show members of the opposition courtesy.\$

So, Mr. Chairman, so what is happening is also as a part of this reduction . in funding or reduction in real dollars to the universities, Mr. Chairman —(Interjection)— if I may continue, is also a reduction in the morale or the spirit in terms of what is happening in our institutions of higher learning. And that is, Mr. Chairman, dedicated people, who believe that they are providing a worthwhile function to society. Mr. Chairman, when this government came to office and degrades, and runs down, Mr. Chairman, the higher learning institutions and people, who in fact, work in the public service of the province of Manitoba, then you see that deterioration that is part of the spiral I talked about. So the spiral relates to all areas of the institution, including the morale of the people that work there and are willing to work hard and do a good job, when in fact, the government of the day and the funding agency of the day says that their service is not worthwhile, Mr. Chairman, and indicates that they do not think this is an important function in our society by reducing the funding two years in a row. Then, Mr. Chairman, we do see a real decline in the level of these institutions.

So, Mr. Chairman, that's what we are faced with with this item, the Universities Grants Commission and the funding of the universities in the province of Manitoba is a real dollar decline and a decline in the level of our educational institutions.

MR. COSENS: Mr. Chairman, the Member for The Pas has delivered quite a gloom and doom story of our universities. I wonder if he has heard this particular speech three or four years ago, delivered by someone else. He has covered a large number of topics in his discourse in this topic. Let me just touch on a number of them. First of all, he has suggested that there is reason for alarm at staff members from our universities going to other provinces within the country, and I suggest to him, that that is inevitable, it has happened over the years. I wonder if he is suggesting, Mr. Chairman, that this province is going to be able to compete with the richer provinces like Alberta or Ontario. If they decide that there is a particular person that they would like to hire they are in a position, always have been, probably will be for a number of years, Mr. Chairman, to lure those people away with more dollars. Fortunately, we have always been able to attract high quality people here and been able to replace those who have left for supposedly greener pastures. We've been able to replace them with high quality people.

If the Member for The Pas is suggesting that we are looking at some great exodus I would suggest to him that he note the following figures over the last few years in that regard of academic staff turnover, and I'm talking about full-time staff. In 1973-74, there were 108 staff members, who for several reasons, left the university staff out of 1,456. In 1974-75, a total of 111 out of 1,509. In 1975-76, 113 out 1,528. In 1976-77, 95 out of 1,575. In 1977-78, 80 people out of 1,605, and in 1978-79, the total leaving is 102, Mr. Chairman, and I don't have the figures as yet, as to the total for the full-time staff. I suggest that those figures, if we look at them over the last five or six years, do not indicate any trend to any particular exodus at all. In fact, there is very little change; in fact, a downward trend, Mr. Chairman. In 1973-74, it was 7.4 percent of the staff leaving. In 1974-75, 7.3 percent of the staff leaving. In 1975-76, 7.4. In 1976-77, 6 percent. In 1977-78, 4.9 percent and I don't have the percentage for this particular year at this time, Mr. Chairman, but the indication is that it will be very much in line with last year's particular percentage.

So, I would suggest to him, that he is crying "wolf" in this particular regard, that the statistics do not support his particular argument. , wl share his concern, as I have over the yearshenever we see one of our top outstanding deans or professors leaving for greener pastures. But at the same time we have learned to live with that in Manitoba and accept that we are not going to compete on the university market with the richer provinces. That would seem to be a fact of life.

The Member for The Pas also mentions the fact that students are going to other universities. I don't have the particular figures in that regard, Mr. Chairman. If they're going to Ontario they're not going in very large numbers, because Ontario is suffering as large a student drop in enrolment as we are, or at least a similar drop in enrolment, Mr. Chairman, and I think we're seeing that particular trend across the country as well, with the exception of Alberta. I believe it is the one exception in the total university picture. We have always had students go to other universities for their post-graduate degrees. In fact, there are many deans and professors that advise students that it is a very advisable thing to do, to not take all of your university degrees in one particular institution, that there is something to be gained from taking your post-graduate degrees at other than your Alma Mater.

The member mentions the fact that he is concerned about two faculties, in particular, at the University of Manitoba, and he mentions dentistry. Well, I'm not aware of any particular problem in that faculty at this time, Mr. Chairman. There was a problem — what was it, three or four years ago of accreditation — and I believe that the university responded to that particular problem. I think it had something to do with dentists' chairs or some equipment that was not available at that time.

And he, of course, mentions the problem in engineering. It's an acknowledged problem and when I attended the convention of the professional engineers of this province, I was told quite plainly it was a problem that did not just occur in the last year or two, but had existed for some six years, and their contention was that their faculty had been underfunded over that period of time, and that the first moves to do something about that underfunding had taken place in the last couple of years by the university. Now, the problem is, Mr. Chairman, to make up in two years what had been going on for some six years. But I'm confident that the university has responded in such a way, that that particular problem will be solved. That the University of Manitoba in a hundred and — what is it, one year now, has never lost an accreditation and I am sure that that record is not going to be broken in this regard.

I share with the Member for The Pas, a concern in regard to libraries. I think an educational institution without an adequate library in fact is suffering. But I also suggest to the Member from The Pas that the funding of libraries at our universities is not decided by the Universities Grants Commission nor the government but by the particular university administration. They establish the priorities as to where their particular moneys will be paid, not the government and not the Universities Grants Commission.

I know the member has presented us with a study on salaries of academic staff at universities

across western Canada and of course we will admit, I'm sure he would have admitted a few years ago when his government was the government of the day, that university salaries in Manitoba did not compare with those in Alberta. He would also admit that not too many other salaries in Manitoba compare with those in Alberta, nor perhaps with those in B. C. or to some extent in Saskatchewan, although I don't think the deferential there is as considerable as it is between the other two provinces. If he is suggesting that we should be on a par in that regard, is he suggesting that our whole economy should reflect that particular similarity?

The Member for The Pas also talks about enrolments. We are seeing a drop in university enrolment of some 5.6 percent on the figures that have been presented to me. That again is similar to a trend we are seeing across this country and I feel it is a trend that will continue because of the declining enrolments we are seeing in the school system, in spite of the fact, Mr. Chairman, that there is some increase in part-time enrolments, however the part-time enrolments are not compensating for the full-time drop in enrolment.

The Member for The Pas has also, of course, hinged his whole discourse on this subject on the level of funding being supplied to our universities by the government. This year it amounts to some 6 percent and he says that is not enough. I'm not sure what he would consider enough, Mr. Chairman. The information that I have is that our sister province to the east, Ontario, has funded their universities at a 4.5 percent level this year, considerably less than the 6 percent than we have provided in Manitoba. Nova Scotia has funded their universities at some 5 percent, Saskatchewan at some 6.8 percent, .8 more than this province, Mr. Chairman. Alberta is considerably higher again and B.C. has increased theirs considerably. I don't have the Quebec figure at this time nor do I have it for the other Maritimes.

But an interesting point in this regard, Mr. Chairman, is that last year, about a month previous to this, I sat on a panel at the University of Manitoba with the lone Liberal representative in this House and also the Leader of the Opposition at that time, and of course the topic of university funding was one of the prime subjects under discussion that day. And I think that it's rather interesting that the former Premier of this province stood on that particular platform and he said he could understand that at a time when money was not too plentiful in the Province of Manitoba that he could see that it might be necessary to provide the universities — and this again was a year ago — with funding at the level of 5 or 6 percent. Now I am quoting there, certainly not the exact words, but those were the amounts that he mentioned at that time. He could see he said that if his government had been in power in this province that they certainly would have provided funding in the neighbourhood of some 6 percent or 5 percent.

Well isn't it ironical, Mr. Chairman, that having provided that level of funding this year, which is in line with the funding we provided to the hospitals and to the schools of this province, that now the Member for The Pas stands and says not enough at all, very inadequate. Well, I suggest to him that his former leader, the former Premier of this province, suggested that that was the amount that he thought would be a reasonable percentage to be funding the universities at that particular time.

So, Mr. Chairman, I know that the member for The Pas as Member myself would feel that education never receives enough money. I am not sure what would be the absolute ideal level of funding for universities and I am sure if you ask academics in every province of this country, perhaps in rich Alberta, they would say, well we are not being funded adequately at all, we can hardly carry on at this particular level.

In fact, Mr. Chairman, I believe the students of the universities of Alberta demonstrated last year over the particular increase that province had provided and — if I remember correctly and I could be corrected on this — the sum was some 9 percent of an increase that Alberta provided. The students and some faculty members demonstrated that this was inadequate. Mr. Chairman, I would suggest that at a 6 percent level we are providing our universities with a reasonable level of funding in relation to the amount of revenues that this particular province has at this time.

MR. CHAIRMAN: The Honourable Member for Burrows.

MR. HANUSCHAK: Yes, Mr. Chairman, the Minister is complaining that he about the gloom and doom story that he had heard from this side from my colleague, the Honourable Member for The Pas. He claims that we are crying wolf and then he makes reference to a comment made by the former Premier of the Province of Manitoba, now the Governor-General of Canada, when he said that he could understand that at that point in time that an increase of 5 or 6 percent in the level of funding might be something that universities would have to live with. That's true, providing that the increase is a real 5 or 6 percent increase. But in this case, Mr. Chairman, given the rate of inflation, it is not a increase, it is a 5 or 6 percent decrease at the very least. So there is no net increase in the level of funding to the universities; it is a decrease.

The Minister quoted some interesting statistics of the ratio of the staff leaving to the total staff and it's interesting, Mr. Chairman. In 1977, now the Honourable Member for Pembina is very anxious to get into this debate and he know the rules of this House just as well as I do, not that I am paying any attention to him, I am ignoring him. But if he wants to speak he knows the rule. He has a seat somewhere back there and he can get into his seat and if he catches your eye, I'm sure, Mr. Chairman, you will allow him to speak and not jabber away the way he is normally accustomed to.

And it is interesting, Mr. Chairman, that 1977-78, which the universities —(Interjection)—

MR. CHAIRMAN: The Honourable Member for Burrows.

MR. HANUSCHAK: The universities, Mr. Chairman, in the fiscal year '77-78 were still in receipt of the estimates approved by our government, the previous government, and the number of staff in terms of actual numbers, in terms of percent, was one of the lowest, 4.9 percent. Now, '78-79, which is the first full year of the approval of Estimates by this government, it has increased. I don't know what the total number of staff is, but I would suspect the total number of staff hasn't increased any, and if it did, it wouldn't be any more than a handful, and we have 102. And the academic year '78-79 is just in the process of ending. And I don't know when the renewal time for the contracts or the expiry date of the teaching contracts of the staff members will end, or does normally end — I would suspect it'll be about this time or over the next couple of months — so Mr. Chairman, if 102 have left already, to the knowledge of the Minister, and I don't know how current that figure is, but I'm that it isn't this morning's nor yesterday's. It's possibly a few weeks old. So I would suspect that that figure of 102 today reads much higher. In other words, Mr. Chairman, that if next year, if we will ask the Minister for the same figure, he will quote a much higher figure than 102.

Now, the Minister says that the Grants Commission doesn't allocate money to libraries, that's the university's responsibility; it's true. And you know it's fine to say to the universities, "You have your own boards, you have the independence, autonomy to do your own budgeting, allocation of funds, etc. if there are sufficient dollars to allocate. You know, but to say somebody cut the coat to fit the cloth when you don't give them enough cloth, you know, then the argument becomes totally absurd. The Minister also says, "Well, look at Ontario, look at Ontario, only giving 4.9 percent to the universities. We're giving 6, 6, which really is a 6 percent reduction. But Mr. Chairman, if you check the track record of some of our wealthier provinces, their level of support to academic institutions may have been considerably higher than ours, so one has to compare that, rather than just take an isolated year.

Now, Mr. Chairman, I think it should also be noted and perhaps it's by coincidence, but the point should be noted that here we're dealing with a department which offers a people-service program which is providing for a reduction in terms of the actual purchasing power of the dollar, and down the hall in 254 we're dealing with the Estimates of another department, which is enjoying the luxury of a 50 percent increase. The department, yes, the Department of Economic Development, the Minister responsible for welfare of the private sector, an increase from \$6 million to \$9 million. I mention that point, Mr. Chairman, because I think that it does illustrate where this government's priorities lie.

Now, really, Mr. Chairman, what this does indicate is this demonstrates the philosophy of this government to shift costs from the people-service programs, from the public purse, to the individual, incur user fees, let the user pay, regardless of his ability to pay, Mr. Chairman. And the manner in which the university program is funded and related to that, because when we talk about universities and this, Mr. Chairman, you will appreciate that it is the only line in the Estimates that we have an opportunity to talk about university students, about the users of the services offered by the universities, so I'm sure you wouldn't rule me out of order, Mr. Chairman, if I take a couple of minutes or so to talk about the users of university services, namely the student. So it's not only a matter of reducing the level of sport to universities, but one must also consider the increased burden that that generates, that creates for the student. The increased burden that that creates for the student, the increased financial burden that this government has created for the student in a variety of other ways. That student who has been fortunate enough in getting a job for the summer, and there are very few, because the Minister of Labour in the private sector, he's talking about, I don't know, 5,000, 6,000, 15,000 jobs. The figure doesn't matter because if they're one week jobs there's more of them. But he knows as well as I do that in terms of the 8-week job or whatever, or 9-week job that all it'll provide is 3,000 at the very most, and because if you divide the \$3 million by the minimum wage and that's what you arrive at. So even that student that is fortunate enough in having a job, if he's about to enter university — now he of course will still be at school and hopefully he might be able to find employment for a couple of months — his

minimum wage hasn't been increased. He will continue working for the \$2.70 an hour if he's below 18 years of age. The one who is above 18 years of age, his minimum wage will be increased on July 1st, but commencing tomorrow he's going to pay a dime more for a bus ride to get to and from work if he has a job.

So whatever increase he will receive in the two and a half months or two months remaining of his summer employment, half of that's going to be gobbled up in the increase in the bus fares, because of this government's miserliness in its support for municipal services, namely to the city of Winnipeg. And the price of fuel, yes, the price of gasoline, the price of gasoline and we know what's been happening to the prices, bouncing like an India rubber ball, up as high as 95 cents, just a few weeks ago.

A MEMBER: It's 79 now.

MR. HANUSCHAK: Yes, but during the academic year the student in a car pool was paying practically a dollar an hour for a gallon of gasoline. And a —(Interjection)— all right, the smart asses, they think it's very funny. I meant a dollar a gallon. No, they find it humorous, so let them . . . Mr. Chairman, I would ignore them.

MR. CHAIRMAN: Order please. I would once again ask the honourable members to please give the courtesy to the people who have the floor and are speaking. The Honourable Member for Burrows.

MR. HANUSCHAK: Mr. Chairman, the cost of text books to the student has increased by about 25 percent over the past, better than a year or so, and you heard, Mr. Chairman, my colleague talk about the reduction in the library services, which again is creating an additional financial burden to the student, because if a certain book is on the prescribed reading list and that book is unavailable or there's an insufficient and inadequate number of that particular text for that class or those classes, the student then is forced to do one of two things. If he has the dollars in his pocket, of which he has less because the benefits from Student Aid have decreased, he's forced to borrow more money than he receives by way of bursary. But anyway, perhaps the Minister really doesn't care, because he probably is guided by the thinking of his colleague, the Honourable Member for St. Matthews, who believes that university should be only a place for the rich, because, you know, poor children don't go to university, so therefore it doesn't matter. So, the student has to find the bucks to pay the increased cost of the text — and university texts are not cheap, some of them run into \$20 and \$30 a text, and more — or the alternative is, if he can lay his hands on the required text in the library, is to feed the photostat machine a pocketful of dimes to photostat the required sections of the text.

So, one way or the other, there is an increased cost to the student. So, the end result of it will be — and I think that this is exactly what the Minister wants the universities to become — is to become elitist institutions. It will be so nice, you know, if only the sons and daughters of the wealthy would be at university, rather than the sons and daughters of the poor. So then the Minister will be able to give the university grants to increase the parking lots, to increase the parking lot stalls, to make room for chauffeur-driven Rolls-Royces.

A MEMBER: Wider streets.

MR. HANUSCHAK: And wider streets, yes. For wider streets, vote Conservative. And he'll be able to do all those things which will go hand-in-hand with the operation of an elitist institution.

And I think it's very apparent that that's the direction in which this government is headed, and that's the direction in which it's going to continue to head, that this government does not want to make the university a post-secondary educational institution open and available, accessible to all, but wants to reserve it for a select few. For the few, for the wealthy, for those that can afford to pay, for those that can afford to pay. In fact, it surprises me, Mr. Chairman, why doesn't . . . you know, given that philosophy, which is very very apparent not only in this department, but in other departments, why doesn't the Minister go all the way, why doesn't the Minister go all the way, and charge a full recovery user fee. Charge a full recovery user fee. If it costs \$2,000, or \$3,000 a year, to educate a student — in some faculties it runs higher than that — let the student pay. Let the student pay . . . you know the parents of the wealthy, the parents of the wealthy, the \$75,000 a year man, he'll find the \$5,000 or \$6,000 to pay for his son or daughter.

But, Mr. Chairman, is there any better way to keep the poor out of university? Charge them a full recovery user fee. —(Interjections)— Mr. Chairman, I'm talking about the student . . . talking about the student, Mr. Chairman, and I am reminded about the \$83 per capita tax cut that the

people of Manitoba had received — \$83 per capita. Let's take a look at that student. Let's take a look at that student who now will be paying an additional \$25 a year as a result of the increased bus fares to come about tomorrow. There's \$25 off the \$83, not to mention the increased dime, or 20 cents a day, that he's been paying. Ah, that \$70 a year. So that \$70 a year, plus \$25, there's \$83 gone. There's the \$83 gone and more.

So, Mr. Chairman, who has received the benefit of that tax cut? Can the Minister go into my constituency and find me one student — and I don't want to stray from the Estimates, Mr. Chairman, I'm very conscious of this item and I want to talk about universities and the users of their services. So I would like the Minister to go into Burrows constituency and find me one student, find me one, I'm not asking all that much, find me one and show him to me and say, "Here is a student resident in your riding who has received the benefit of the \$83 tax cut." Mr. Chairman, there is none, there is none. It's a shell game, it's the arithmetic, it's dividing the tax cuts that went to a few and then dividing that by total population, plus some other back-to-the-basics hocus pocus arithmetic that this government is very expert at using and they arrive at the figure of \$83.00.

But there is no \$83 tax cut. There is none. There is none. In fact, what I've indicated to you, Mr. Chairman, for this group, for this group, for the student . . . for this group, there's a tax increase, there's a tax increase, Mr. Chairman, there's a tax increase by reason of the reduction of level of support to the universities and the consequent increase . . . I'm sorry . . .

A MEMBER: Tell us about the Ukrainians. Come on, you haven't told us for a day or two.

MR. HANUSCHAK: Now, the Minister is interested in hearing about the Ukrainians. —(Interjections)— The Member . . . yes, I'd be happy to.

MR. CHAIRMAN: Order please.

MR. HANUSCHAK: Mr. Chairman, if you will permit me to debate . . .

MR. COSENS: Point of order, Mr. Chairman. He said the Minister was interested. I wish he would direct his remarks . . .

MR. CHAIRMAN: Order please. The Honourable Minister on a point of order.

MR. HANUSCHAK: If the Chairman will permit me to speak to the Honourable Member for Portage la Prairie in Ukrainian, I will, but what are his replies — nothing.

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

MR. COSENS: Mr. Chairman, my point of order was if that the Member for Burrows is going to attribute some remarks to a member of this House, I wish he would attribute them to the person where they originated. He said "the Minister said", and I in fact did not make any particular remarks.

MR. HANUSCHAK: Well, if the Minister is going to be that touchy about a slip on my part. . .

MR. CHAIRMAN: I think I did hear the remark made, . . .

MR. HANUSCHAK: I meant the member and not the Minister. I meant one of the members . . .

MR. CHAIRMAN: And we do have rules in the House, and I would hope that the honourable members would follow them. The Honourable Member for Burrows.

MR. HANUSCHAK: Yes, Mr. Chairman. So, the point that I have made, Mr. Chairman, is that there has been no tax reduction for a large majority of the students but as a result of the government's reduction of level of support to universities, as a result of the government's failure to act in a host of other areas, as a result of the government's imposition of greater user fees, not to mention the increase in tuition fees, Mr. Chairman, there is no \$83 tax cut for the student, but in fact an increase of several hundred dollars.

MR. CHAIRMAN: The Honourable Minister.

MR. COSENS: Mr. Chairman, I have to respond to some of the statements that were made by the Member for Burrows. First of all, he attempted to rationalize the turnover situation with staff and I would just draw to his attention that in 1977-78 we had a total of 14 staff members who retired and died. In 1978-79, a total of 28 retirements and deaths, and I would suggest to the Member for Burrows that I have little control over those two particular factors. Certain people reach retirement age in a particular year, and if the figure is somewhat higher in 1978-79 than in 1977-78 in that category, I would suggest that it's not one that you can attribute to any particular government, although the Member for Burrows may choose to do so.

I am always interested in the Member for Burrows in his particular logic concerning the students' expenses. And, you know, he always focuses on one particular student and he talks about bus fares and costs. And he forgets about another category of student in this province, and that is the student from rural Manitoba who not only, Mr. Chairman, has to contend with a 10 cent increase in bus fares but who also has to come to city, find room and board, and that is an additional cost that they bear, Mr. Chairman, beyond that of the particular type of student referred to by the Member for Burrows.

And I also find it rather strange that any complaints that I hear in that area from members is usually concerning the urban student. I suggest that they have an easier time economically in attending university than the rural student. —(Interjection)— I am pleased to hear the Member for Burrows say that I am right in that regard. I wanted to make that that was put on the record. And perhaps government should be looking at that particular problem. I am advised that the percentage of students attending our universities in Manitoba from rural areas is drastically low in comparison to the number from urban areas. It is a problem that has not been addressed by previous governments. I suggest it is one that our government should be looking at.

I might also mention, Mr. Chairman, that I can't go along with the Member for Burrows in his rantings about university being places only for the rich. He knows that is not correct but of course it fits in well with his particular philosophy and he knows full well it's not true. Universities are attended by those young people and others who are motivated to attend, who have a desire to attend. And with the Student Aid assistance that is available plus opportunities to work and many of these students work part-time while they are attending university, Mr. Chairman — and that is not a characteristic just to this province, it's a characteristic I find in other provinces across this country and also in the States to the south of us.

The member mentions of course that Student Aid isn't adequate. I remind him that we increased the amount of bursary from \$1,400 to \$1,800 in total. I wanted to make that he was aware of that. He hasn't mentioned the barefoot boy from Burrows this year as yet but probably he will get to that particular example.

MR. CHAIRMAN: (6)—pass — the Honourable Member for The Pas.

McBRYDE: Yes, Mr. Chairman, one of the members from across in their interruption said they would like to hear from me again, so, Mr. Chairman, I won't disappoint them.

Mr. Chairman, first of all I have just a few statistics in terms of the reduction in real dollars. The Minister did not address that argument, I think that he accepts that, that in fact in real dollars there has been a reduction to the universities. Because, Mr. Chairman, he did not refute that argument in any way. Mr. Chairman, I have some figures that are very conservative in terms of reflecting it because, Mr. Chairman, they use only the simplest figures, the consumer price index, in order to draw the numbers, whereas, Mr. Chairman, as I indicated before the university costs, or the increased costs to universities go far beyond the consumer price index.

And here, Mr. Chairman, if you take a look at the percentage change in real terms from previous years, you will see that the Universities Grants Commission, the operating grants in real dollars in 1975-76 was an increase of 10.7 percent. In 1976-77 there was a real increase of 3.9 percent. In 1977-78 there was a real increase of 3.8 percent and in 1978-79 there was a decrease of 5.1 percent and in 1979-80 a decrease of 2.3 percent. And, Mr. Chairman, as I said, those are figures based on the most conservative possible estimates, because they don't take into account the fact that the chemicals in science supplies are up 30 percent, the utilities for the university is up 23 percent, that the scientific equipment is 30-40 percent, etc., etc.

Mr. Chairman, there are a few other figures that I would like to put on the record. We talked about libraries in terms of the quality of the availability of materials. Of course other things are happening at the universities as a result of these reductions in real dollars going to the universities. For example, at the University of Manitoba, the library hours have been reduced by 10 percent in 1977-78 and another 5 percent in 1978-79. The government document section is only open during the day, Monday to Friday. And there is very limited service throughout the library system at that

university on weekends and especially on Sundays. The plans for 1979-80 include further reductions for librarians on duty.

Mr. Chairman, some figures from the Brandon University compiled there on the average cost for a book, the average cost for a text book that a student uses — and I think my colleague was very generous when he said there was a 25 percent increase because the students at the Brandon University figured that in 1977-78 the average cost per book at that institution was \$14.40. The average cost in 1978-79 was \$25.00. And Mr. Chairman, that is a real cost, having bought some text books, because of the inflation rate in that particular industry and because of the exchange rate between Canada and United States.

In Brandon University again, Mr. Chairman, the average cost per periodical in 1977-78 was \$36.00 and in 1978-79 was \$51.00. Some figures from the University of Manitoba, subscription renewals University of Manitoba is up 38 percent. In 1978-79 it is planned to cut \$130,000 from the serials budget, that is the books that come in on a regular basis. But that was the faculty forum that protested those cuts so the reduction was only \$65,000.00.

Mr. Chairman, in the field of operation and maintenance, University of Manitoba, from 1974-75 to 1978-79 there has been a net reduction of 56 people including 17 in 1978-79. And this year there is a planned reclassification of personnel plus temporary layoffs based on generally recognized norms for cleaning and maintenance, the University is currently able to provide only 80 percent of the service required.

Mr. Chairman, in one particular faculty at that university, the Arts Faculty, a loss of 6 support staff. And Mr. Chairman, the figures that I used before in terms of the faculty staff, I also talked about the funds available for graduate students in terms of them working or receiving a stipend for work when they are working at the university. For example, Mr. Chairman, students in the English and Economics at PhD and MA levels receive roughly 50 percent of the support which is available in competing departments in British Columbia, Alberta and Ontario. The graduate student in Economics Department, University of Manitoba receives a stipend of \$4,000.00. The same graduate student in Economics at Simon Fraser receives \$8,460.00.

Mr. Chairman, there is another aspect that these reductions have in the overall effect on the Province of Manitoba. For example in the 1977-78 year, the University of Manitoba staff attracted over \$13 million in research money to the university, over three-quarters from outside the province. Currently researchers are having to turn down some grants because the University cannot provide overhead support of the most elementary kind including care of labs and electricity. The result is that either the University of Manitoba researchers will leave and take these funds with them or remain, working at less than capacity because they cannot accept the grants available to them. And, Mr. Chairman, that's a loss to our education institutions and a loss to the people of Manitoba.

Now, Mr. Chairman, there has been some comment opposite about the statements of the Member for Burrows and myself in regard to the funding of our universities so, Mr. Chairman, I would like to quote from some of the other persons in terms of their reaction to the present situation.

First of all, Mr. Chairman, from The Manitoban, July 10th, 1978: "Government fiscal restraints on universities may have serious implications for part-time students according to U of M President, Ralph Campbell. That's because they may reduce the number of courses available at times and places convenient for part-time students. It is always possible that any cutbacks on courses may occur on those held at night or are at non-campus locations. I hope these won't have to be curtailed. We should make every effort not to." Mr. Chairman, the president then goes on to trace the benefits of having the part-time students within the University and within the University context.

Mr. Chairman, from the bulletin March 28th, 1979, President Campbell asked Universities Grants Commission for grant boosts. The following letter has been sent to the Universities Grants Commission by President Campbell: "I understand that as a result of an appeal to the Universities Grants Commission by the University of Winnipeg, the operating grant of the latter has been increased by approximately .7 percent. Let me at once say that I am pleased that the Commission is able to increase its grants beyond the original 6 percent announced on February 2nd, for all three universities. This decision following only five weeks after the original announcement of grants to the three universities has two important implications:

"First, it establishes the principle that appeals may be sympathetically received after original grants are announced," and, Mr. Chairman, I'll jump over some of this.

"Second, noting the new policy of sympathetic consideration of post-grant appeals, I would like to appeal for an increase in grants beyond the original 6 percent announced on February 2nd to the University of Manitoba. I do so for two reasons: In my letter to you of February 26th, I have pointed out the serious consequences for the University of the decline in real resources when a 6 percent in operating grant is swallowed up by inflationary increases of far greater magnitude in terms for which the University must pay. Our asking budget request for an increase of 11.7 percent,

was I think, a responsible request and one which we justified extensively in our submission. This is one reason.

"The second is the comparative one relating to enrolment to that of the other two universities."

So, Mr. Chairman, that is the comments of the president of the University of Manitoba. Mr. Chairman, I would also like to quote from my good friend, the President of the Brandon University — who, Mr. Chairman, has been inclined to support this government in whatever reductions it undertakes. Mr. Chairman, this is from The Brandon Sun: "Perkins Hits Funding Limits. In a strongly worded ten-page letter to the Universities Grants Commission, Brandon University President Harold Perkins, has protested the awarding of \$60,000 supplementary grant to the University of Winnipeg by the UGC, stating that the provincial government is mortgaging the future of our province in the interest of short-term illusive and even ephemeral objectives by providing inadequate levels of funding to universities.

"Perkins said that Brandon University would have applied for supplementary funding if it had known the UGC would welcome such submission. The move was unusual and unprecedented, said Perkins in a telephone interview. The UCG just accepts our budget proposals and then tells us how much we get. There is no appeal.

"Perkins said his purpose in writing to the UGC was to establish the ground rules for budget applications in the light of its decision to provide extra funding for the U of W.

"In his first public criticism of the Conservatives restraint program, Perkins letter states that Manitoba's universities are being damaged by low provincial funding, and the process, if it continues, will be difficult to reverse."

Mr. Chairman, he sounds almost the same as me; doom and gloom Perkins, we call him, from Brandon.

"In his letter, Perkins said the quality of instruction at Brandon University is already being eroded because of the decreases in scientific equipment, books, journals, and films. There are fewer tutors and fewer field trips. The effects of spending restraint are usually only apparent to the members of that community themselves until it is virtually too late. The capacity of graduates of Manitoba's universities to cope with, let alone compete in, the jobs for which we claim to be preparing at least some of them, will simply be inadequate if we continue the present level of support for the provinces universities.

"Perkins says, the question of credibility is an important one and that is why he has not cried, we are in trouble until we really hurt. You were able to trim the fat last year, we had some things that could be cut. The president said, Brandon University can get by this year without serious loss in the quality of instruction, but restraint can't go on for much longer without destroying the universities. I think government spending has gotten out of hand, said Perkins, but the government hasn't really shown much interest in talking to us about alternatives to cutting costs."

So, Mr. Chairman, with the comments of Mr. Perkins, the Minister's friend from Brandon, I rest my case.

MR. CHAIRMAN: The Honourable Minister.

MR. COSENS: Well, Mr. Chairman, let me say initially, that the member assumes friendships in my regard rather loosely. However, I might also state at this point that I'm not a bit surprised at university presidents saying that they are not satisfied with level of funding. This is almost customary to receive this type of reaction from those involved in the educational field, whether it be university presidents or school boards, or school principals, or school superintendents. In fact, it's very difficult I imagine, to find any letters, Mr. Chairman, from those same people in any particular year saying we have received enough. And so I say to the member that he can of course cite these examples and I am not at all surprised that university presidents would say they have not received enough. It is almost a yearly reaction to the amount of moneys they receive. I am always interested of course, in what enough would be in the estimation of people who are operating these different institutions.

I wonder what these same people said in 1972, Mr. Chairman, when the provincial government had to bail Brandon University of a deficit and they had to provide some \$800,000, or I wonder what the president said in 1974-75, when the provincial government had to bail the University of Manitoba out of a \$2 million deficit, or perhaps that was the province's share. The deficit I think was \$4 million; or in 1976, when the province had to provide some \$679,000 to the University of Manitoba to overcome the deficit that they had there, were those years that the presidents wrote letters commanding the government for inadequate increase in funding.

So I say to the member that yes, I can appreciate the concern of university presidents. I would think less of them, certainly, if they did not continually say we would like to receive more money.

They are advocates for their particular institutions, they have great pride in them and certainly, if they don't speak out and say we would like more, I suppose, not too many others will. And as the chief advocate, I'm not surprised at that particular reaction.

So, I say to the Member that I don't think he is voicing anything new. It has existed before, it existed under his government and, of course, it is bound to exist at a time when our provincial revenues reflect a certain situation that requires some careful management of our resources. And once again, Mr. Chairman, I say that 6 percent of an increase in funding by this government does not suffer in comparison with the amount of funding increase that we see in provinces like Ontario at a 4.5 percent increase to its many universities; or in fact, 5 percent in Nova Scotia; or in fact, Mr. Chairman, it compares reasonably well with our sister province to the west, Saskatchewan at 6.8.

The Member from The Pas can rail on and on if he wishes in regard to the level of funding. I suggest in comparison with some of the other provinces, some of them richer than we are, that the level of funding this year in this province under the circumstances is reasonably credible.

MR. CHAIRMAN: 6.—pass; Resolution 45—pass;

Resolution 46 — 7. Acquisition/Construction of Physical Assets (a)(1) Red River Community College—pass — the Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman, I wonder if the Minister could outline what these acquisitions or construction projects will be.

MR. COSENS: Well, I believe the Member from The Pas, Mr. Chairman, is referring to these items under Community Colleges, and these refer to equipment purchases under Capital. This is Capital that is being provided for equipment purchases chiefly.

MR. McBRYDE: Well, Mr. Chairman, the item says the Acquisition/Construction of Physical Assets. Mr. Chairman, I would like to get some idea of the areas of equipment. First, are we talking about heavy equipment, are we talking about video equipment, are we talking about building a new shed, or a new classroom? I wonder if the Minister could give us some indication of the emphasis, in terms of new assets for the Red River Community College.

MR. COSENS: Yes, Mr. Chairman, we are talking about major equipment provision here, and I would give the member one particular example, polytome x-ray equipment for the Medical Radiological Technology Program. We have purchased this particular equipment and it will be installed by the supplier in July of this year, and this equipment replaces very outmoded equipment that has been in use since 1961. The cost of this particular x-ray machinery is some \$201,000.00.

MR. McBRYDE: I thank the Minister for that information, my curiosity is in terms of the emphasis, whether we're talking about medical types of equipment or new machinery for the training of machinists, or heavy equipment for the training of heavy equipment operators. If he could just give us even a little bit further breakdown in terms of the emphasis of these new pieces of equipment.

MR. COSENS: Well, Mr. Chairman, I don't have that particular list before me of the purchases in this regard, but it does cover the type of thing that the member is suggesting at this time. Certainly heavy equipment that has to be replaced in the program, such as we have at Keewatin Community College, larger equipment items, in fact, smaller items, today, Mr. Chairman, cost quite a bit of money to replace, particularly, when you get into the instrumentation field.

MR. McBRYDE: Well, yes, Mr. Chairman, I would appreciate a little bit more detailed breakdown on (1)(2) and (3), because Mr. Chairman, I think it reflects sort of the emphasis of what's going on, like the Minister mentioned the x-ray equipment, another might be dental equipment, etc., etc. But if he could get that for us I'd appreciate that.

MR. COSENS: Now, Mr. Chairman, I don't have it before me and I'm sure I can't get it in the next few minutes, but I certainly can supply that type of information and will supply it to the member. As equipment wears out, as it becomes outmoded in particular, and no longer applicable to that field of study, if it's no longer being used in industry, if it's no longer being used in business, then it has to be replaced with modern equipment so that students graduating from those particular courses in technologies, in trades, will go out into the world having received training on the type

of equipment they will face in the field.

MR. CHAIRMAN: (1)—pass; (2)—pass; (3)—pass; (a)—pass; (b) Universities—pass; (c) the Honourable Member for Winnipeg Centre.

MR. BOYCE: I just have two questions on this item, Mr. Chairman. Can the Minister assure us, that included in this item 7. there is no Schedule B carry-forward for the next fiscal year?

MR. COSENS: Mr. Chairman, I'm informed that not appearing here, but there is a carry-over of some three items amounting to \$84,000.00.

MR. BOYCE: Well, Other items, this is after having assurance on several occasions last year, Mr. Chairman, that the government was combining Current and Capital and it would not be necessary to pass a special Act so that the government would have no other alternative, but to terminate Schedule B Capital, as of March 31st, 1979. And I know, my colleague, the Member for St. Johns has asked the Minister of Finance to advise the House on just exactly how the government is lapsing the existing authority, because we are somewhat apprehensive of some amendments that are before the House at the present time. On amendments to the Financial Administration Act, in where it gives the government the authority to assign post hoc the expenditure of funds and appropriating it to two prior years.

Another question, Mr. Chairmn, I have the \$2.64 million recoverable from Canada — to which item does it apply in this area?

MR. COSENS: Mr. Chairman, 7. (c) denoted here as Other and delineated as \$3,642,500 covers the school building allotment at Norway House this year of some \$3 million. The start of the school at Hill Ridge of some half million dollars, \$500,000, the beginnings of the school at Cross Lake some \$126.5 thousand, and a small item of \$16,000, the High School computer terminals; this is the particular area that the Recoverable from Canada applies to, and it applies, of course, to the schools that are being built along with the Government of Canada, with the Federal Government. It's their particular share of the costs that are being spent this year in regard to Norway House, Hill Ridge and Cross Lake. They are shared between the province and the Federal Government.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Are these funds recoverable by virtue of specific undertakings between Manitoba and the Federal Government, or is it a general agreement which exists relative to the institutions described by the Minister?

MR. COSENS: Mr. Chairman, this is a specific agreement regarding the building of each one of these schools.

MR. CHAIRMAN: (c)—pass; Resolution 46—pass — the Honourable Member for St. Vital.

MR. WALDING: Mr. Chairman, I'm not sure if this was the same question that the Member for Winnipeg Centre asked just a few minutes ago, but can the Minister inform the Committee whether the \$6.2 million has all been spent by the people the first of this year?

MR. COSENS: No, Mr. Chairman. I'm advised that the sum of the money lapsed, that existed in that particular appropriation.

MR. WALDING: Thank you, Mr. Chairman. Perhaps the Minister can inform the Committee how much of that amount was spent and how much lapses, and what was the \$84,000 that he mentioned just recently in a reply to my colleague?

MR. COSENS: Yes, Mr. Chairman. All of the moneys in (a) and (b) were spent. The amount of money that lapsed was in (c) and of course I would say the major item was under Norway House School that did not get under way before this fiscal year lapsed. That would be the major portion of the moneys that lapsed in this regard.

MR. WALDING: Just so that I'm clear of what is being said here, Mr. Chairman. Is the Minister telling us that of the \$6.2 million that \$3.642 million was the amount that lapsed?

MR. COSENS: I would have to check, Mr. Chairman, to see just how much money was in the Estimates last year for the particular appropriation in regard to Norway House, but — yes, I'm informed that it was \$1,655,000.00.

MR. WALDING: For clarification, Mr. Chairman. Is the Minister then saying that the difference between \$1.655 million and \$6.228 million was the amount that was spent on Acquisition and Construction of Physical Assets in the 1978-79 year, that it was actually dispersed?

R. COSENS: Yes, that's very close, Mr. Chairman. I would hate to say that was exactly to the dollar, but that's very close. The major lapsing was in the Norway House project.

MR. CHAIRMAN: (c)—pass; Resolution 46—pass — the Honourable Government House Leader.

MR. JORGENSEN: Mr. Chairman, I move the Committee rise.

MR. CHAIRMAN: This Committee is adjourned. Thank you.