

LEGISLATIVE ASSEMBLY OF MANITOBA
Monday, 9 June, 1980

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills.

INTRODUCTION OF GUESTS

Before we proceed with Oral Questions, I should like to at this time introduce 30 visitors from the Red River Community College, under the direction of Denis Pankiw. These students are here, compliments of the Honourable Minister of Fitness and Amateur Sport.

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

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, my question is to the Minister of Health. Can the Minister of Health report as to whether or not any progress is taking place pertaining to the strike involving health care workers. Can he give us an updated report?

HON. L. R. (Bud) SHERMAN (Fort Garry): I believe progress is taking place, Mr. Speaker. The Manitoba health organizations and the conciliation officer and the CUPE are meeting today. I have no report on those discussions as yet, but I am hopeful, as I am sure all members of the House are. There has been considerable work done on all sides and among all parties concerned during the weekend, although formal talks at the table did not take place during the weekend. At the present time, of the 43 facilities outside of Winnipeg affected by the strike, 18 have now seen their CUPE workers go back to work; 18 are not supporting the strike. That figure has risen gradually on an almost daily basis, Mr. Speaker. It was 14 on Friday, 16 on Saturday, and 18 today. The situation in the city of Winnipeg remains tight and remains difficult, but the medical chiefs of staff at the various hospitals continue to report to me that they are able to take care of emergency and urgent cases.

There is no question, however, Mr. Speaker, that all of us who have had concern, have concern that now continues to mount with each passing day and we remain hopeful that the very strenuous efforts that are being made at this time will produce a solution and an early solution this week.

MR. PAWLEY: Mr. Speaker, a supplementary then to the Minister of Labour. In view of the fact that the negotiations involving the Health Sciences Centre

have broken off and negotiations are now under way involving the Manitoba Health Organization and CUPE, and the issues I understand are quite different involving the Mental Health Organization and those employees that are involved in the negotiations with the Health Sciences Centre, can the Minister advise whether or not it would not be reasonable on the part of himself as Minister of Labour in order to ensure that the negotiations continue together involving if necessary two different conciliators so that progress can be made, both in the rural front and the front involving the Health Sciences Centre, towards some eventual resolution of the present work stoppage?

MR. SPEAKER: The Honourable Minister of Labour.

HON. KEN MacMASTER (Thompson): Thank you, Mr. Speaker. It's not a bad question, except there is another set of circumstances that the Leader of the Opposition may or may not be aware of. The key people within the CUPE organization, the same ones that are really involved in both sets of circumstances, if in fact . . . I mentioned in the House last week that certainly it was obvious to all that were watching that there was a sort of a strategy and pressure at the Health Sciences Centre. That seems to now have converted itself over to the MHO group. Mr. Kostyra himself is a key factor in both sets.

You know, there are two different groups granted and I think I would prefer to leave that to the actors themselves in this particular scenario. Where they are going, who knows? MHO, CUPE conciliators may decide today, jointly, individually, that it's the Health Science Centre tomorrow. I prefer to keep myself out of that and let them strategize in their own way. I really think all the key people are very qualified to establish the process which they want to follow.

MR. PAWLEY: A further supplementary to the Minister of Labour. Could the Minister of Labour advise whether or not to ensure that its options remain open in the event of simultaneous negotiations involving both rural and urban workers, whether or not he is prepared to make available in that type of case a second conciliator beyond the one which is presently performing duties?

MR. MacMASTER: Mr. Speaker, I think that the CUPE organization, the Manitoba Health Centre, the MHO and for the sake of the members opposite and anybody else who wants to hear, there just is very little that our department would not do in assistance. I know of nothing that we wouldn't do to help facilitate all the parties involved in this particular situation. So the answer to the question is that the Department of Labour in its entirety is prepared to assist parties in whatever way is deemed mutually agreeable and necessary by all parties concerned.

MR. SPEAKER: The Honourable Member for Transcona.

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MR. WILSON PARASIUUK: This is to the Minister of Labour. In view of his answer just now, I was wondering if he would look at the precedent established in 1976 when the then Minister of Labour, Russ Paulley, called in the board of the Health Sciences Centre, called in the union, had them sit down informally in his office, discuss the positions outstanding between them, and that led directly to a very quick settlement through collective bargaining. But the Minister was creative at that time and we were able to bring about a settlement.

I'm asking if the Minister would look into that particular precedent, which I'm sure departmental officials within his department know about it.

MR. MacMASTER: Mr. Speaker, I have a great deal of personal admiration for who was the Minister of Labour at that particular time. I suppose I knew him personally as long as most of the members opposite, some of them maybe longer, and I would suspect that what the Minister of Labour did at that particular time, without knowing or without talking to him, at that point he knew something that suggested to him that that was the precise thing to do at that time.

Mr. Speaker, there is absolutely no written formula on earth that tells you when you must do something in this particular world that we're talking about here in negotiating. There are different sets of circumstances. It might be interesting for me to talk to Mr. Paulley about why, what triggered him to do that particular thing at that time, because I'm sure he sat by and watched things happen and didn't move on other sets of circumstances. In his own good judgement, he felt it wasn't necessary. I'm aware of what he did at that time, and I'm aware that there was the conclusion that was reached at that time.

MR. SPEAKER: The Honourable Member for Transcona.

MR. PARASIUUK: Yes. I'd like to inform the Minister that I have taken the initiative to in fact talk to Mr. Paulley about these particular issues . . .

MR. SPEAKER: Order. Order please.

MR. PARASIUUK: I'd like to ask the Minister, since he wished that he might, or he speculated about doing it, I would like to ask the Minister if he has contacted Mr. Paulley; if he intends to contact Mr. Paulley to look at that particular precedent; and in particular, is he prepared to appoint an industrial enquiry commission under The Labour Relations Act, which he can do, to try and provide some means of in fact aiding the collective bargaining process so that we can in fact have a settlement, rather than having this continued impasse where the Minister seems not to be on top of what's going on.

MR. MacMASTER: Mr. Speaker, I respectfully suggest to you and to the Member for Transcona that it's not his place to suggest positions of strategy for either side in this particular set of negotiations. I don't have any intention at this time of setting up an industrial enquiry into this particular incident.

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

MR. PARASIUUK: Yes, Mr. Speaker. I don't really want to debate whether in fact members on this side have any role to play in providing constructive suggestions with respect to this impasse which has continued now for 14 days. I'd like to ask the Minister if he has anything specific at all to put forward to aid the collective bargaining process which has in fact broken down right now at the Health Sciences Centre and does not seem to be progressing very well with the Manitoba Health Organization. Does he have anything specific concrete to propose, or is he just going to sit and monitor a situation that's been here for 14 days now?

MR. MacMASTER: Mr. Speaker, the Member for Transcona makes reference to the fact that he's making constructive suggestions. That might not be considered the case by either CUPE or the other organization that's involved in these negotiations. So I'm not prepared to accept his suggestion as being constructive. It's a thought that he has and he's posed before and certainly there's nothing wrong with that — it's an opinion. Again, the Manitoba Health Organization and CUPE are meeting, I believe right now, Mr. Speaker, and I wish them the very best in their deliberations.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I'd like to direct a question to the Minister of Health. Given the apparent inability of some medical doctors and psychiatrists to commit severely depressed patients into some of our hospitals, has he been made aware that this is a problem?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Yes, Mr. Speaker, most emphatically. We have been in hourly touch, and I use that term factually not rhetorically, with our Chiefs of Psychiatric Services, particularly at the Health Sciences Centre, and the other urban hospitals in Winnipeg and our mental health centres throughout the province. Psychiatry is a critical area in a situation such as this. At the present time discussions are taking place under the designated essential worker agreement that was invoked at the time the strike at the Health Sciences Centre got under way between HSC Management and the CUPE to determine whether the agreement will permit designation of a number of psychiatric nurses as essential workers who can be brought in to reopen a portion of the psychiatric department at the Health Sciences Centre tomorrow.

MR. DOERN: Mr. Speaker, given the critical state of a severely depressed patient and the possibility of suicidal tendencies or suicide itself, is the Minister aware of any unfortunate incidents in that direction that have been caused, in fact, by this situation?

MR. SHERMAN: Not yet, Mr. Speaker, but the honourable member touches on a sensitive point and one that we are living with round the clock. At the present time there are four psychiatric beds available in Winnipeg; three at St. Boniface and one at Grace. Some psychiatric patients have been moved to the Brandon Mental Health Centre. I want to say for the benefit of all of us in the House that we and Manitobans generally owe a particular vote of thanks and commendation to Dr. Mike Kovacs, the Chief Executive Officer at the Selkirk Mental Health Centre, for the 24-hour round-the-clock watch that he has maintained on this situation. Up to this point in time I can reassure the Honourable Member for Elmwood that we're holding.

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

MR. DOERN: Mr. Speaker, a final question. Is it then possible for a psychiatrist or a medical doctor today to commit somebody to any of the institutions that are struck?

MR. SHERMAN: Yes, Mr. Speaker, but the situation is very tight. There aren't that many beds available and there aren't that many nurses available, but the answer is yes.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, reverting back to questions to the Minister of Health on the present work stoppage. Can the Minister of Health confirm that grants from the government are made from the Mental Health Services Commission to the hospitals, based upon a per diem per occupied bed basis?

MR. SHERMAN: Yes, Mr. Speaker.

MR. PAWLEY: Could the Minister advise, in view of the present work stoppage and the fact that there are some 600 beds which are not occupied, what would be the amount that the Manitoba Health Services Commission is in fact saving for each day that the strike persists?

MR. SPEAKER: Order please. I suggest that's proper information to be filled by an Order for Return.

The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, with your permission, I'd like to respond because I don't want the implication to remain on the record. The answer is absolutely not, Mr. Speaker. There may be an apparent bookkeeping saving in terms of the question as the Honourable the Leader of the Opposition has put it at this moment, but I can assure him that the Manitoba Health Services Commission is making efforts as strenuous as those of the rest of us to resolve this dispute and there will be, because of the ultimate conclusion of the dispute, there will be — and the length of the dispute — considerable additional costs are accruing each day as a consequence of the extra efforts that are being made by a number of persons and the budgets of the hospitals will be assessed and

addressed in the light of their normal operations, not in the light of what's happened during enforced bed vacancies.

MR. PAWLEY: Mr. Speaker, further then to the Minister, if the hospitals are indeed losing money as a result of the present work stoppage, is the government prepared to finance the deficit that is created as a result of the reduction in payments that will be made from the Health Services Commission to the hospitals?

MR. SHERMAN: Mr. Speaker, all I can do is reassure the Honourable the Leader of the Opposition of what I've said earlier, that the hospital budgets will be studied and evaluated individually as the hospitals come to the Health Services Commission and the hospitals will not lose money directly as a result of this work stoppage. The whole process of assessing and determining and finalizing the hospitals' budgets will be developed and concluded now in the light of all the circumstances that have developed as a result of and resulting from the work stoppage.

MR. SPEAKER: The Honourable Leader of the Opposition with a fourth question.

MR. PAWLEY: Mr. Speaker, just by way of final supplementary then, would the Minister confirm that by this practice he is indeed financing the management side of the strike?

MR. SHERMAN: Absolutely not, Mr. Speaker, and I am somewhat surprised and in fact I am affected to the point of being somewhat shocked, Mr. Speaker, that the Leader of the Opposition would be concentrating and focussing upon a very crass and cynical aspect of the current situation, when what we are concerned with, and the hospitals are concerned with, and the Health Services Commission is concerned with, is patient life and safety and patient care. That is the only point —(Interjection)—

MR. SPEAKER: Order please.

MR. SHERMAN: That is the only point that matters, Mr. Speaker. That is the only point that matters. We are concerned at getting the strike over, settling the dispute, getting the workers back to work, in the meantime guaranteeing and reinforcing patient care and safety. We're not concerned about the hospital budgets, nor are they. Those will be addressed when the time comes and I suggest that the implication of the Honourable the Leader of the Opposition is not at all honourable, Sir. I think it's cynical, crass, shocking, and I think that a great many Manitobans will be repulsed and repelled by it.

MR. SPEAKER: The Honourable Leader of the Opposition with a fifth question.

MR. PAWLEY: Mr. Speaker, then further to the Minister of Health, in view of the Minister of Health's professed concern, then is the Minister of Health prepared to take some initiative, rather than to lecture the opposition, in order either to lift the present restrictions which have been opposed budgetary-wise or to enter into negotiations in order

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to resolve what we recognize on this side of the Chamber to be a serious situation, involving all that are involved in the health field in Manitoba? Is the Minister prepared to practise deed, rather than to lecture members on this side of the House, with some concrete plan of strategy pertaining to the encouragement of a negotiated settlement of the present stoppage.

MR. SHERMAN: Mr. Speaker, it would take me half-an-hour to describe to the Honourable Leader of the Opposition the strategy that has been put in place, that has been invoked since 12.01 a.m. on the day that the strike began, to ensure the extremely co-operative and the extraordinarily efficient network of support, one to another, that exists between different hospitals and health facilities in Manitoba to enable health care and patient life and safety to be guaranteed in these circumstances. At the same time I want to assure my honourable friend that my colleagues and I have made strenuous, vigorous and unrelenting efforts in the past 13 and-a-half days to find a solution to this dispute, short of a solution that I think is not the first choice, either of everyone in this House or of every Manitoban. We had hoped that it could be solved through the collective bargaining process. We still hope such, Mr. Speaker, but time is running out.

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

MR. BILLIE URUSKI: Thank you, Mr. Speaker. I have a question for the Minister of Agriculture. I wonder if he could, Sir, give us a report on the drought situation in the province and what actions he and his department have taken to date and how he views the situation at the present time.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Speaker, the drought situation throughout the province is still very serious as far as the livestock producers and the grain producers are concerned, particularly those people who would normally be in the process of, at this particular time, cutting or being prepared to cut feed reserves for the coming months, for next winter. I would say that a lot of the later-seeded grain crops that have germinated are still in a fairly safe condition, that they are not suffering at this particular time. However, earlier-seeded crops are in desperate need of rain and in fact the rye crops in a lot of the province are now past the stage of being able to be helped by any amount of rainfall at all.

But again, we are continuing on with the program of freight assistance to move feed in. We still have and are continuing to purchase alfalfa hays in Ontario and it's being trucked in. We're negotiating with the railroads to make available railcars or the kind of equipment that would facilitate the movement of this hay out of Ontario. At this particular time we have not reached an agreement on what price would be charged for that kind of a service, but we are negotiating with them. There appears to be an adequate supply of screening pellets that have been bought by the livestock producers for beef herds,

but the more critical, as I said earlier, the more critical need for feed is probably the dairy industry which need alfalfa hays to get production out of their livestock or out of their cows and it's continuing to be serious and we are looking at what alternatives we may be able to introduce to further alleviate some of the problems. But, as I've indicated, it continues to be serious.

MR. URUSKI: Thank you, Mr. Speaker. Could I ask the Minister — he's indicated that department personnel have purchased hay in Ontario. How much supply, a rough estimate that the Minister has it, has been purchased for delivery into Manitoba. And as well, the Minister during estimates indicated that they were in the process of purchasing screenings at Thunder Bay. How much of those purchases have been made and have been brought into the province? I'd also like to ask the Minister as to whether there's consideration being given to allow some assistance in terms for the purchase of feed, seeing as the cost of hay, I'm told, to be brought into Manitoba farms is something in the order of 2.65 for a 50-pound bale, whether the government is considering any assistance in terms of the actual feed costs?

MR. DOWNEY: Mr. Speaker, on the quantity of hay that's available in Ontario, it's been indicated to me that there seems like sufficient supplies to meet the needs. Again, when he refers to the cost of that hay as somewhat prohibitive of a lot of producers buying it to be of good economic sense, that in fact I don't think we will see that happen. But again, I want to say that on quantities or numbers that have been bought, I can get those figures. We're also in the process of trying to get some new crop alfalfa which is of far more value to the dairy industry than is last year's hay that has been carried over. However, there is a good supply of carry-over hay from last year plus the new crop is starting to come off.

As far as the programs of actually purchasing feed, we purchased an initial 1,000 tons of screening pellets to assist the livestock producers in an initial way. Following on that we've had the private companies, Manitoba Pool Elevators, United Grain Growers and other people who normally would be exporting those pellets to foreign countries, have been moving them back and selling them to the farmers. We have actually not been involved in the buying and selling of the pellets as there was indication that the private sector, through the elevator companies, could handle it. The feed trade assistance applies to the feed they buy from those elevator companies as well as the other types of feed that we were moving in. So there is a Feed Assistance or a Freight Assistance, I should say, on that.

As far as a further policy or program to assist in the purchase of that particular feeds that they're buying, that's something that we are monitoring and as the season continues, if we don't receive rain then it will have to be addressed because of the fact that people are going to have to feed for a lot longer period than they normally would have to because of the drought conditions.

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

MR. URUSKI: Thank you, Mr. Speaker. I asked the Minister whether or not he has made any announcement or is he prepared to make any announcement with respect to the use of pastures by utilizing some of the Crown lands that may be now used for hay permits, that they can be used for grazing, or whether or not Wildlife Management areas are being considered to be used, as we know now that community pastures are almost to the point where cattle may have to be moved back in some areas, moved away from the community pastures, as they are being fully utilized, because it will take time to either fence the properties, the Crown lands, or is the Minister considering the use of herdsmen in terms of allowing the cattle to roam freely and to be herded around if the need so arises, Mr. Speaker?

MR. DOWNEY: Mr. Speaker, the question on Crown lands and Wildlife Management areas, we will in fact, be making an announcement on the availability. We are going to make some of them available to the agriculture community, where they can best serve the needs of the farmers. It's unfortunate that when the land was bought for Wildlife Management, some of those farms that were bought by the last government, the fencing was removed. I guess that was to prohibit any further use by the agriculture community. It's unfortunate that that took place. So they really aren't as readily available as they may have been if those fences had of been left in place, to restrict the livestock on those particular properties.

I would like to say we are making some of them available and it's a matter of being able to manage those cattle and as he has indicated, just to move the cattle into one of those areas could, down the road if we don't receive moisture, you'd have the cattle in a different place with the same problem of feed supplies not being available to those cattle, which I'm sure will happen in community pastures, and the cattle may possibly have to be supplemented with additional feed supplies after being moved to those locations.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Mr. Speaker, my question is to the Minister of Labour and I'd ask the Minister, following up on questioning earlier in the question period, if he would be prepared now to commit either himself or his department to contacting representatives of both management and the unions involved in the current health dispute to determine if they believe if his department can play a role in bringing the parties together on an informal basis, perhaps as a suggestion for talks in his office, and thereby not becoming formally involved in negotiations, which is something I know he wants to avoid, but using his good offices to provide mechanisms for informal advancement of the negotiations, if at all possible?

MR. SPEAKER: The question is repetitive. The Honourable Member for Churchill with another question.

MR. COWAN: Mr. Speaker, I would think that the question is not repetitive, but perhaps I can rephrase it so as to . . .

MR. SPEAKER: Order. Order please. The question is repetitive. The Honourable Member for Churchill.

MR. COWAN: Yes. I'd like to rephrase the question, Mr. Speaker, and ask the Minister if he would be prepared to involve his office in an informal way in bringing the parties together for discussions — not for conciliation, which was the question previous, but for informal discussion so as to provide a mechanism for the parties to meet on a less tense basis so that perhaps his office can play a role in bringing the parties together in that informal way.

MR. SPEAKER: The question is still repetitive. The Honourable Member for Churchill with a final supplementary.

MR. COWAN: Mr. Speaker, I appreciate your advice. I would then ask the Minister of Health, and perhaps try to phrase it in a non-repetitive way. As he had mentioned earlier in the question period that time is running out, has he called upon the Minister of Labour to develop back-to-work legislation? Is back-to-work legislation now in the process of being drawn up, and by that I mean, the wording of such legislation, or has there been some indication that it has already been drawn up, as the Minister seems to indicate by his concern today, that time is running out and pressure is mounting upon the government?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, I'm not in a position to comment on that question, but I can assure the Honourable the Member for Churchill that I have certainly called upon the Minister of Labour. We have had many and recent intensive discussions on the entire situation.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. ROBERT G. WILSON: Yes, Mr. Speaker. I have a question for the Attorney-General. Would the Minister confirm that the Manitoba Bar Association continues to hold its conventions in the United States, and in the interests of the tourism industry in Manitoba, could the Minister talk to the convention organizers, if the answer is yes, about such places as Hecla Island, Clear Lake and Portage la Prairie?

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W.J. MERCIER (Osborne): Mr. Speaker, the answer to the first question is yes; and the second question is, I have.

MR. WILSON: Would the Minister be able to confirm whether the government supplies technical or financial help to the association in the holding of these conventions and is there any direct financial

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influence that the government could use to attempt to get these conventions held in Canada?

MR. MERCIER: Mr. Speaker, there certainly is no financial assistance to the Manitoba Bar Association through my department to hold their annual meeting. I have over the past two years discussed with officers of the association the possibility of holding their annual meeting in the province of Manitoba. There is apparently a problem of finding a facility outside the city of Winnipeg which would accommodate the number of delegates and members of their family that attend the annual meeting. I'm hopeful that in the next few years, an annual meeting will be held in the province, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Lac du Bonnet.

MR. SAMUEL USKIW: Mr. Speaker, I would like the Minister of Finance if, given the fact that in 1977, when he was on this side of the House, he and the then Leader of the Opposition seemed to think at that time that there should have been budgetary provisions for a possible drought, given the fact that that debate took place in April. I'm wondering whether, now that it's mid-June, whether the Minister of Finance has taken cognizance of the drought conditions and whether he is making some adjustments with respect to expected revenues and with respect to expected increased expenditures.

MR. SPEAKER: The Honourable Minister of Finance.

HON. DONALD W. CRAIK (Riel): Mr. Speaker, we will I expect have to bring in a second supplementary supply with the present trend of events on the expenditure side. The revenue side is more difficult to predict. We have had studies done on the potential impact on the revenue side. There is very little you can do about the revenue side, but on the expenditure side I expect that we will bring to the House before the finish of this session a second supplementary supply.

MR. SPEAKER: The Honourable Minister of Highways.

HON. DONALD ORCHARD (Pembina): Thank you, Mr. Speaker. Last week I took a question as notice from the Member for The Pas regarding the spraying of 2,4,5-T on northern roads. That spraying has been undertaken and is presently ongoing, Mr. Speaker. It has been completed on PTH 6; it may well be completed on PR 391 today or tomorrow and should be completed shortly on PR 327.

MR. SPEAKER: The Honourable Member for The Pas.

MR. RONALD McBRYDE: Thank you, Mr. Speaker. I'd like to ask the Minister of Highways what method other than the announcement today in the House about spraying that's already done has the Minister used to inform people in northern Manitoba of the use of this potentially or suspected dangerous chemical?

MR. ORCHARD: The department informed CBC Northland that spraying was to be undertaken, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. JUNE WESTBURY: Thank you, Mr. Speaker. In the absence in Ottawa of the First Minister, I'll address my question to the Honourable Minister of Finance. I wonder when the House can expect to receive some of the promised reports on the chemical spraying of Winnipeg which took place in 1953, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, I recall the Minister of Consumer and Corporate Affairs addressing this question about a week ago. Mr. Speaker, I think the best thing to do in this case is take the question as notice on behalf of the Minister of Consumer Affairs.

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

MR. A.R. (Pete) ADAM: Thank you, Mr. Speaker. My question is to the Minister of Agriculture. I would ask the Minister if he has received any complaints from truckers bringing hay and feed from Ontario of being stopped by the RCMP.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: No, Mr. Speaker.

MR. ADAM: Mr. Speaker, last week on the way home I noticed that some trucks had been stopped and were being interrogated by the RCMP, and I'm just wondering whether there has been quite a bit of this because some of these trucks are from Ontario and may not be familiar with our regulations in Manitoba as to width and so on. I just want to bring to the attention of the Minister that perhaps there should be some relaxation in this particular situation because of the urgency of getting the feed into Manitoba.

MR. DOWNEY: Mr. Speaker, I found it difficult to decipher a question out of the member's comments. If he is suggesting that there is more than normal regulations being applied to the truckers of hay in from Ontario, I can assure him that I will look into the situation and see if, in fact, there has been something taking place. But let me assure him that we have had and been working hard to acquire trucks to bring hay into western Manitoba or into Manitoba, so that in fact there has been a continued dialogue with the Truckers' Association and I'm sure that if there had been difficulties that they would have related that to my department people who have been working with them, but I will further check on that particular issue.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Speaker. I'd like to address a question to the Minister of Economic Development respecting the empty Swifts Canadian plant in St. Boniface. I wonder if the Minister could advise the House whether he and/or his departmental staff have been active in looking for some possible industrial usage of this particular building and whether he can advise what the possibilities are of providing some meaningful industrial operation for that particular facility.

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, as the member knows, we don't own the building, but certainly anybody who would be interested in that building we would certainly make them available to the principals of the company that they should talk to if the particular industry they are looking at was suitable to that type of building. At the present time I haven't been informed of anybody by my department that is looking at it, but I will look into it and ask if there has been, Mr. Speaker.

MR. EVANS: A supplementary question in the area of industrial development. Mr. Speaker, about a month ago it was reported that 90 workers were to be laid off at Rivers, Manitoba, at the Edson Manufacturing Company, and I'm wondering whether the Minister can advise the House whether the 90 people were laid off; and if this has occurred, whether his department has been able to do anything meaningful to assist that company and hopefully get it back to near maximum capacity production?

MR. JOHNSTON: I'm not completely sure of the exact figures, but there were people laid at Edson in Rivers, Manitoba, Mr. Speaker. I hear my colleague from Virden mentioning temporarily, we have been informed that it is temporary. Just as soon as the market for recreational vehicles picks up, they will start to manufacture again, Mr. Speaker. I think that's rather logical. If there are markets, they will make them. Is the honourable member suggesting that maybe we should buy their stock or their inventory, or encourage them to make them when they are not needed?

MR. SPEAKER: Order please. The time for question period having expired, we will proceed for Order for Return.

ORDERS OF THE DAY

ORDER FOR RETURN

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I move, seconded by the Honourable Member for Burrows that an Order of the House do issue for a Return of the following information:

1. The square feet and total cost of leased space for MPIC in the new Eaton's place and Highways

Department in the Credit Union Central of Manitoba building.

2. The allowance for leasehold improvements, if any, in each location.

3. The projected total cost for leasehold improvements in each location.

4. The cost per month per stall for parking in each location and the total cost of same.

5. Any additional costs incurred in the leasing of space in each location.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Economic Development.

MR. JOHNSTON: Mr. Speaker, we will accept that Order for Return.

MR. SPEAKER: We will proceed. The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I move, seconded by the Minister for Economic Development, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried, and the House resolved itself into a Committee of Supply with the Honourable Member for Radisson in the Chair for Department of Education, and the Honourable Member for Virden in the Chair for Department of Finance.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY — FINANCE

MR. CHAIRMAN, Morris McGregor (Virden): I call the committee to order. We are on page 47, Finance, Resolution 61, and I will call on the Honourable Minister.

HON. DONALD W. CRAIK (Riel): Thank you, Mr. Chairman. Maybe I could take a few minutes to make a brief introductory statement. First of all I want to pass on my thanks at this opportunity to members of the Finance Department staff. We've had a very busy year in the past year and there have been some changes in the department, some changes in the role of the department, not major, but I'll go through them.

In terms of the organization, the significant transfer was for the energy council appropriation to move from Finance to Energy and Mines. Page 46 of the Main Estimates of Expenditure contains a comparative summary of finance program costs and a reconciliation statement. This reconciliation accounts for the difference between the 1979-80 finance total vote and the adjusted vote as shown on the left-hand side of this year's estimates.

In terms of staffing, the Finance estimates for 1980-81 include a total of 333.28 staff man years. This is made up of 323.26 permanent, and 10.02 term. This compares with 345.48 SMYs for 1979-80, made up of 337.0 permanent and 8.48 term. This represents a decrease of 12.2 SMYs for the year.

Last year members were interested in the actual number of persons on staff in the Department of Finance. I would advise that as of March 31, 1980, there were 296 employees on staff as compared with 305 on March 31 of 1979. As noted in the Provincial Auditor's Report for the fiscal year ended March 31, 1979, substantial progress has been made toward increasing the staffing levels within certain branches of the comptroller's division. This has greatly facilitated the increased emphasis which is now being placed on enhanced financial systems and procedures throughout the government service, as well as on financial analysis and shared cost agreement control and claiming procedures.

I believe that members of this committee are aware that the department lost the services of Mel Anderson, who was the comptroller, who left in January of 1980. I want to take this opportunity to record the thanks of myself and the government for his contribution over his period of time.

Mention should also be made at this time of the method of operation of the Treasury Board. Rather than having a top-heavy administrative organization as was the case with management committee of Cabinet, the Treasury Board now operates with a minimum of support staff. Five Ministers comprise the Treasury Board with the Minister of Natural Resources, the Honourable Brian Ransom, as Chairman; Mr. Charlie Curtis, the Deputy Minister of Finance, acts as Secretary to the Board; staff support is provided as necessary by regular Department of Finance personnel. I mention this as information to members of this committee in explanation of the fact that Treasury Board has not requested any separate spending authority for 1980-81.

As noted in the Provincial Auditor's Report for the fiscal year ended March 31, members of the House are aware that 156.3 million requested in the Main Estimates for tax credit payments does not represent the actual total for this purpose. The Budget Address on May 13th provided members with full details of proposed changes to Manitoba's Property and Cost-of-Living Tax Credits and related programs as set out in the White Paper on Tax Credit Reform. In a full year, we estimate these reforms, together with the implementation of new programs, will provide an additional 29.6 million in provincial shelter and needs-related support to Manitobans.

The Supplementary Finance Estimates include 28.6 million to meet the costs of these White Paper initiatives in 1980-81, 17.5 million of which is for property tax assistance; 2.5 for pensioners school tax assistance; the other 8.6 is made up of 0.5 for shelter allowance, 1.1 for increased Manitoba supplement to pensioners, 5 million for the child-related income support program, the CRISP program, and 2.0 million for day care extensions. Now, Mr. Chairman, I hasten to add that that's applied to various periods of the year because some come in at the second half, end of the third quarter and in the case of the CRISP, the 5.0 million applies for one quarter as it comes into force January 1 and will represent about a quarter of the amount that had been indicated for the total yearly cost.

All of these provisions have been included in a 28.6 million enabling vote in Finance Supplementary Estimates. The Supplementary Appropriation Act of

1980 will contain authority for the Minister of Finance to transfer as necessary all or any part of those funds to other departments of government for implementation. Included in my comments on tabling the Main Estimates of Expenditure on March 4, 1980 was a reference to the Canada-Manitoba enabling vote, which is appropriation 26-1. This vote is utilized to ensure flexibility in the implementation of various cost-shared agreements with the federal Department of Regional Economic Expansion.

For existing agreements, 15 percent of approved projects amounts have been transferred from implementing departments to the enabling vote of the approved projects, I should say 15 percent of the approved projects amounts have been transferred from the implementing departments to the enabling vote and for new agreements and programs estimated 1980-81 requirements have been included in the enabling vote in total. The enabling authority will be administered through the financial analysis and cost-shared agreements branch of the Comptrollers Division of Finance and allocated to implementing departments on the basis of cash flow requirements.

The estimates for Public Debt and Hydro Rates Stabilization are both statutory and do not require to be voted by the House, however the differences in the amounts provided for as compared to 1979-80 are sufficient to warrant an explanation. Public Debt charges for 1980-81 are estimated to increase 11.8 million, or 17.3 percent. The major components of this increase or a net increase in interest on general purpose debt of 16.3 million, offset by an estimated increase of 4.2 million in sinking fund earnings and a decrease of 0.5 million as a result of foreign exchange fluctuations. These three major variances equate to an increase of 11.6 million in Public Debt charges.

The 1980-81 estimates for Hydro rate stabilization of 14.1 million relates only to foreign currency exchange fluctuations for issues maturing during the current fiscal year. The amount of 31.3 million provided for in 1979-80 was considerably higher because of the anticipated repayment of a large Swiss franc issue in June of 1979.

Mr. Chairman, those are all the comments I have to make at this time and pass it along to the committee.

MR. CHAIRMAN: All right. As you know we leave 1.(a) till later so it will be 1.(b)(1) — the Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I wish to thank the Minister for his opening remarks, although I would have thought that he would have given us some idea or some elaboration on his answer to my question in the House this afternoon with respect to where he now expects to end up in overall expenditures and revenues as a result of changes in conditions that have occurred since the budget was introduced and since these estimates were prepared.

He has given us some indication as to variations, which are of course obvious at this stage, but he has not yet calculated what the — perhaps he has but we haven't the information — what the impact is going to be on revenues of the climatic conditions in Manitoba that seem to be the crisis area at this

particular time. It seems to me that the Minister would have some idea at this stage as to what these conditions will mean in terms of revenue shortfall because of a much reduced level of economic activity and what it will do to the expenditure side, unless of course the Minister is going to indicate to us that he does not plan any expenditures in order to alleviate the situation that is rapidly becoming a very severe crisis in rural Manitoba.

I think, Mr. Chairman, that it's obvious to all Manitobans — but certainly to people in the southern part of Manitoba — that there are going to be major reductions in business activity as a result of the climatic conditions that we have experienced and are continuing to experience. A couple of weeks ago I suppose one could have put the argument forward that it's too soon to know but I believe the department, and I'm sure the Department of Agriculture is indeed fully aware now as to where the ballpark is with respect to the expectations of production in Manitoba in terms of agriculture and what that will mean in terms of the economy of the province of Manitoba. I think that is something that can be gleaned out through the efforts of the Minister's department. So perhaps the Minister would want to elaborate more fully on his statement in the House, or his answer to my question this afternoon, as to just where he expects to find himself with respect to total expenditure at fiscal year-end and what his revenue position is going to be from what he had originally projected.

MR. CRAIK: Mr. Chairman, the Member for Lac du Bonnet is correct in saying that I mentioned in the House that we would be addressing the question of increased expenditure. I indicated that we were likely looking at a second supplementary supply bill in order to cover the increased costs and it's still too soon to start naming a figure because it's still a moving target and that picture is still changing, day by day and week by week. So it would be premature at this point to start naming a figure, because it would probably be highly inaccurate. We are currently gathering all the information from all of the departments and by the end of the next couple of weeks, well certainly before the end of the session, we will be in a position to indicate but there appears to be very little doubt about the requirement for second supplementary supply to be taken into account. So I suppose that's really the answer, Mr. Chairman.

MR. USKIW: Well, Mr. Chairman, I don't want to make much of it other than to recognize that we expect there will have to be changes to the Minister's expenditures and indeed his revenue figures for the year. The only point I make of it is that the actions of the government of today are somewhat quite different than what the actions were of the Opposition in 1977 on this very question. In 1977 the Leader of the Opposition, who is now the Premier, belaboured the point that when we introduced our budget in April there was no provision made for potential drought conditions, which may affect revenues and which may affect expenditures — something that was not realized by the time we got into the season; something that we did not have to allocate funds for.

It turned out to be, as a matter of fact, a fairly reasonable year. But in April, on April 5th, the then Leader of the Opposition made a big point about the fact that we were misleading the House by not including the consequences of a major drought that he thought might happen, even though it was then only the 5th of April. And somehow we are now at the — this is what, the 8th or 9th June — and the Minister of Finance tells us that he's really not in a position to indicate at this stage, after having had numerous reports from his department, I'm sure, and from the Department of Agriculture, as to what the intensity of the conditions are that he is not yet in a position to give us some answers as to how much revenue loss he will experience because of the conditions and how much extra expenditures we might have to face.

You know, it really leaves open the question of whether or not the government is intending to bring about any kind of major relief measures to rural Manitoba by way of subsidy programs or support programs or loan programs or whatever before the end of this year. I don't know whether the government has in mind that all they are going to provide is what has already been agreed to, federally-provincially that is, some several millions of dollars in transportation assistance, feed supplies and so on. Because the economic impact of the conditions in rural Manitoba are such that we are probably looking at a reduction of hundreds of millions of dollars in revenue to Manitoba agriculture, and because of that reduction to agriculture, there will be a spin-off effect, a negative effect, on all of the business communities that service agriculture in Manitoba, including the city of Winnipeg. Obviously, we're dealing with something here that is quite significant in terms of proportionality and that it's at least amusing to me, Mr. Chairman, that the government is not in a position to say very much about it on June 9, after having been so expert on it on April 5 in 1977. For whatever that's worth, Mr. Chairman.

MR. CHAIRMAN: (1) — the Member for St. Johns.

MR. SAUL CHERNIACK: Thank you, Mr. Chairman. In the light of what the Member for Lac du Bonnet was saying about revised estimates, I'm wondering if the Minister could give us revisions to the estimates of which he is now aware. I'll give an example of some 4 million which apparently the Minister has found in his own estimates relating to interest payments which he says will be used in order to finance the advanced payments being made to school divisions of school grants. In view of the fact that he was able to find 4 million so early in the year, I'm wondering if he could give us revisions in the estimates of the major items so that we can have an up-to-date view of what is being requested.

MR. CHAIRMAN: The Member for Brandon East. I believe he was looking for . . .

MR. EVANS: I'd like to ask a question regarding the possible removal of indexing. I did ask the question in the House the other day, but I'm wondering whether the Minister can advise whether there has been any discussion at the staff level

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between his staff and the staff of the Department of Finance in Ottawa on a possible removal of the index on income tax and/or some modification of that system. Also, if the Minister has any idea as to how much additional revenue may be acquired if such a system were to be abolished or modified. It seems to me that abolition of the index could amount to many tens of millions of dollars for the province of Manitoba. Putting it another way, it means many tens of millions of dollars in taxation for the people. I'm not taking a position on it, Mr. Chairman, I'm simply seeking information.

There is no question that the Prime Minister has made a clear indication that they are pondering removal of the index in Ottawa for the simple purpose that they have a huge deficit in Ottawa and they are looking for ways and means to abolish or reduce the deficit at least. This has been indicated as one of the possible means that the government in Ottawa will utilize, because we are tied in with the income tax system. This therefore has an implication for Manitoba. As I said, from my quick look at the numbers, it means many tens of millions of dollars, and perhaps the Minister's staff could give us some idea of what it does imply. What is the implication in this respect?

MR. CRAIK: Mr. Chairman, on the two major questions, on the 4 million referred to by the Member for St. Johns, at the time the estimates were drawn up we went on the figures for total debt service. We're calculated about the end of 1979, towards the end of 1979, when those figures were drawn up. There was a substantial shift in the 1979-80 deficit picture from the time they were drawn up until the end of that fiscal year. The difference at that point represented at current interest rates the amount of money we would have had to borrow additionally in 1980-81 to service what originally appeared to be the deficit at that point in time, the carrying charge on that debt that we would have thought we were going to have to borrow in 1980-81 amounted to around the 4 million.

This didn't become evident until closer on past the point where our original estimates were made up. Now, when we brought in the other programs we found that it was just about the same amount as the other program the Member for St. Johns referred. So, as a result, we didn't have to provide for it because we knew that we had picked up roughly the amount it would have cost us for carrying charges on what we expected to be the financing of last year's debt. It turned out to be that much lower. It shifted by that much in about six months, five months.

On the second question, the Member for Brandon East on the indexing, we haven't had any indications from the federal government as to what their intentions might be on indexing. With regard to figures on that, at this point just to give him some frame of reference to work from, my understanding is that if there had not been indexing over the number of years since it came in, that we would have through our provincial income tax this year brought in a revenue of about 23 million higher than what we have brought in.

MR. EVANS: Mr. Chairman, 23 million, was that for the calendar year, 1979?

MR. CRAIK: 1980-81.

MR. EVANS: 1980-81.

MR. CRAIK: That's just looking at it in terms of where would we be if there hadn't been indexing and from a provincial revenue point of view it would have netted on the provincial income tax about 23 million additional. Now, it would have, of course, made a

MR. EVANS: I don't have the figures with me, Mr. Chairman, but there was a statement in the paper as to how much federal income tax would have been foregone in the year 1979, the calendar year of 1979, if the index had not applied in that year. It seemed to me it was in the billions of dollars.

MR. CRAIK: Yes, federal.

MR. EVANS: Yes, federal. I beg your pardon?

MR. CRAIK: The figures that were listed in the newspaper were something in the order of 1.8 billion.

MR. EVANS: So I suppose one could make some sort of an approximation based on our population or our percentage take that usually occurs and calculate it that way. But as I understand the Minister, your estimate is 23 million for the year '80-'81.

MR. CRAIK: Yes.

MR. EVANS: There was no indexing applied for that year.

MR. CRAIK: If it hadn't applied up to this point it would have accumulated to this year, about an additional 23 million for this one year.

MR. EVANS: Just to make sure I'm not confused on this. You talked about accumulation. There would be an accumulated figure, it seems to me, and I'm not really seeking that, if you have it that's fine, but there would be an accumulated figure that you would estimate from the day or the year that this system was put in place and then there's another figure which is precisely how much revenue was forgone, let's say, because of the indexing system. That was really my question and I guess your answer is 23 million.

MR. CRAIK: 23 million in the one year.

MR. EVANS: In the one year, yes.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. ADAM: Thank you, Mr. Chairman. A few comments to the Minister. I'm just wondering what programs the Minister intends to, in view of the serious drought that we're going through at the present time, what programs, if any, the Minister and this government intend to come up with to try and alleviate the deflated situation, the depressed situation that is now existing in rural areas of this province which I think eventually will affect the urban centres as well, because of the fact that Winnipeg,

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Brandon are the major supply centres for the rural areas? I, over the weekend, was asked by some ranchers in my area to come out and spend an evening with them and I went over Saturday night and I listened to a three-hour sad commentary, Mr. Chairman, in regard to the situation in the beef industry and the agriculture situation. Even though they've had, in the McCreary area, not so much in Ste. Rose but in the McCreary area, there was a fairly good rainfall, maybe not sufficient as what they really required, but more than anywhere else, I believe, in Manitoba. For instance, the ranchers are extremely concerned about the fact that the drought has already affected the price of livestock. I was talking to some of the ranchers there Saturday, some of them were encouraged to invest in Crown lands at high interest rates and are now faced with payments on land as well as trying to keep the ship afloat along with depressed prices.

I passed into one town on the way home and I was told by one of the businessmen that half of the town was for sale. I just drove around a few of the streets and I saw five For Sale notices on businesses. I started to ponder this a bit and I said to myself, now what would happen if we took the public involvement out of this town? If we took education; if we took the Highways Department, the hospitals, the health delivery service and the highways, hydro and telephone and if the RCMP took off, it would be a pretty sad commentary in town after town after town, surviving mainly on public service, public funds being funnelled into the economy through that way and it's really sad. It seems to me that with what is happening now in rural Manitoba, that there is going to be a great shortfall in revenues. The money has been invested. The inputs have already been put in but the revenues are not going to be there.

In speaking to some of the ranchers I said, now what's the situation? Well, they said, many of us are going to have to cut down by about 50 percent. Some will have to go out entirely because of the hay situation. It seems to me that under the circumstances — and here we are in June as the Member for Lac du Bonnet has brought out and the Minister is sitting there and can't give us an idea of what's going to happen, the shortfall or what programs — it seems to me that the Minister should be coming in with another Budget right now, a supplementary Budget to try and overcome what's going to happen. Now the United States, we know what's going on there, they're going through a major recession and this is going to spill over into Canada, there's no doubt about that, on top of what we're facing here now. I say that the Minister better sharpen up and ask his department to sharpen up their pencils and come up with something very soon because we're going to be in a very very bad situation in rural Manitoba and that's going to come into Winnipeg as well because Winnipeg depends on the rural community to survive as well. It's not just Winnipeg that survives on itself.

I would ask the Minister to ponder that very carefully because if all we've seen in the Budget, those small transfers of moneys from one sector to the other sector to help the lower income groups and so on, is not going to solve the problem in rural Manitoba.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, there are two areas that I want to deal with. One area has to do with whether the Minister can give us the dollar figure on how much money is recovered — we're talking about recovery of money or reduction of expenditures beyond which was anticipated when the estimates were prepared. Can the Minister tell the committee just how many dollars are going to be recovered from how many people because of the change in the method of calculating tax rebates? Obviously there's a figure that had to be used in order for the Minister to come up with his total estimate figure and if he didn't use it then, then there has to be a supplementary figure somewhere, because what was payable under the old tax credit system is no longer payable. There are massive recoveries there and that money is being shifted elsewhere. So I would like to know from the Minister just how many millions of dollars are going to be recovered through the change in the tax credit program. Perhaps we'll do one at a time then I'll introduce my other point later. I think this is a very significant area of change in terms of government policy and perhaps we should deal with it one at a time, Mr. Chairman.

MR. CRAIK: Mr. Chairman, I was going to suggest that the Member for Lac du Bonnet may want to leave that until we get to that item because we'll probably go through the whole

MR. USKIW: All right. Okay. Then let me get back

MR. CHERNIACK: I didn't hear a word that was said the last total exchange, I wonder if it could be repeated. I have a little interference here.

MR. CHAIRMAN: I guess if I'd ask every member to have his mouth a little closer to the mike, I think everyone is speaking clear enough, but it's probably too much

MR. CHERNIACK: That's right. I didn't hear the Minister's last reply at all.

MR. CRAIK: Mr. Chairman, I think there was mutual agreement here, that on the tax rebate item we'd leave those questions until we got to that item in our estimates.

MR. CHERNIACK: All right, yes, thank you.

MR. CHAIRMAN: (1) — the Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, then I would get back to the main policy area and I presume this is where we should be discussing this, and that is what the government's policy is on the whole question of equalization, given the fact that the Premier is in Ottawa today discussing the new Constitution; given the fact that there is a tug-of-war on between different provinces on what should take place with respect to central government control and provincial control and how that is going to affect equalization has to be a very important area of our consideration; given the fact that Manitoba is such a heavy

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recipient of equalization payments. And it would seem to me that the Minister ought to give us some idea as to the government's thinking as to their position that is, at these conferences on where we stand on equalization on where we stand with equalization with respect to oil being part of the formula or not part of the formula, or all of energy for that matter, Mr. Chairman. That's an area, I think, that has to be debated most fully and I would have thought that perhaps the Minister could have given us some insight in his opening remarks on just what Manitoba's position is going to be on that whole question.

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

MR. CRAIK: Mr. Chairman, since this is a general topic, I should deal with that under this item. The present formula expires at the end of the fiscal year 1981-82 and the negotiations on redefining the formula are just starting to get under way at the present time. Again, the specifics have not been dealt with yet. There has been, I think, one meeting, the first meeting took place at the officials level in Ottawa last week and it's just starting to get into the discussion stage.

The western provinces have struck a committee of the four Finance Ministers for western Canada and the Finance Minister of Manitoba is chairing that committee, so that will be dealt with on that regional basis as well as the discussions which will go on at the national basis. I understand that when this was done in 1976 that the position of the western provinces was fairly seriously taken and dominated and I think maybe the recommendations that came out of those discussions and hopefully the same thing will happen again.

MR. USKIW: Mr. Chairman, I am pleased to know that Manitoba is going to play a fairly significant role at those particular meetings. Given the fact that this Minister is going to chair the position and the meetings for the western group, could the Minister explain for the benefit of our committee just wherein there is common purpose between Manitoba and Alberta? I'm trying to find in my own mind just how we are compatible in the sense that Alberta is a major oil producer and certainly wants to extract as much as they can from their oil resource, Manitoba is deficient in oil production and must import its oil from Alberta, and therefore how can we find common cause and common purpose with respect to a new formula, that is as between Manitoba and Alberta? And how can this Minister then speak for the four western provinces, given the fact that we have have provinces and have not provinces, or at least Manitoba being the have not province, it would seem to me to be somewhat presumptuous on our part to want to speak for Premiers Loughheed and Blakeney and Bennett, when they are on the other side of the coin on this issue. Perhaps the Minister would be in a position to tell us how he intends to handle the problem that he finds himself in. It is a numbers game, and he's the odd man out.

MR. CRAIK: Mr. Chairman, I think the member is a little bit mistaken on that issue. He's confusing the

equalization issue with the royalties from resources issue. They are two separate matters. The only province west of Manitoba that has taken exception to equalization principles, is the province of British Columbia, and the others have been involved and have supported the idea; they still support it. In fact, I think Alberta chaired the committee in 1976 when the present equalization formula was hammered out. —(Interjection)— No, your Crown leases and other things . . . oil plays a very major part, the royalties from the resources play a very major part in affecting the equalization formula to the point where a lot of the increases that we were able to achieve in the last couple of years were as a result of that.

So those provinces have not taken exception to the principle of equalization — in fact I'm a little surprised to hear you suggest that Saskatchewan takes exception to it. My understanding is that it's quite the opposite. Saskatchewan is in the position where they're going to rapidly move out of the receiving end of equalization and they have shown every indication of supporting it, just as Alberta has supported it over the years. I, to repeat again, chaired the western Finance Ministers Committee, the last time it was done in 1976, and came up with a fairly satisfactory formula, so I think the member is confusing the negotiations on the equalization formula, as opposed to negotiations on rights to taxation through royalty on resources.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Just on this point I'd like clarification, I'm really out of date and I don't claim my memory serves me that well. My impression is that there is a limit placed on the amount of revenues from oil resources as far as the equalization is concerned and I am satisfied that the previous government opposed it and I want to know whether this government is in agreement with that reduced amount of revenue being used for equalization purposes, assuming I'm right in my recollection.

MR. CRAIK: Mr. Chairman, now you're getting into unfamiliar territory as far as I'm concerned.

MR. CHERNIACK: Well, let me, just to be more precise, that when there was the sharp increase taking place in oil revenue benefits to the producing provinces, the then Minister of Finance, federally, John Turner, I think it was, imposed a variation to the equalization formula by limiting the amount that would be used for equalization purposes on his stated reason that that would break the federal government. Therefore, we of the non-producing provinces were losers to the extent that we did not get full equalization of revenues from oil and we opposed that and I think, I'm not even sure, I think all the provinces opposed it because all the provinces thought, well, let the feds produce the money. But to that extent we were supportive of the need for the federal government to get additional revenues which could be used to make the equalization formula more realistic and in principle, consistent. Therefore, we lost that battle and I think the question asked by the Member for Lac du Bonnet is, is the Minister and this government fighting for the status quo, or is it trying to go back

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in principle to the, as John Turner said, the integrity of the equalization system and the integrity of the formula? Which way is he going on this as one of the participants and apparently a leader in the discussions?

MR. CRAIK: Mr. Chairman, the discussions have not really started yet, but what I was asking the member was as to what position he was referring to, the non-inclusion or the ceiling limit to resources in the formula, or to where we stood on the principle of resource royalty taxation. My understanding is that we are just now really getting to the limit on the inclusion, the ceiling limit on the effects of royalties in the formula, and that's going to have to change, if you were going to allow that to come into the formula from hereon in an added and greater amount. But at the present time, we have been getting increases regularly through the, I guess it's more the Crown land lease sales than it is through the direct royalties. It's at this point in time, it has brought about, we've had increases over the last two years which weren't fully expected as a result of the increased revenues coming from that.

MR. CHERNIACK: Mr. Chairman, I don't remember the formula, I don't remember the ceiling, but the Minister said we are reaching it and I think we passed it a long time ago. My impression is that had the equalization formula been consistently maintained, we would have been substantial beneficiaries of the windfall royalty revenues by the producing provinces and we've been denied that. So I don't think we're just reaching it. I think that when it was imposed it was already way beyond the equalization formula. So now I'm confused by the Minister, and frankly, I don't know the difference between royalties and lease insofar as the equalization formula is concerned.

MR. CRAIK: Mr. Chairman, I gather that we're talking about now a second ceiling which is based on the Crown land lease sales? On all resource revenues. We're now reaching that ceiling. And the first ceiling? I think we're going to have to ask some help in to reply to the rest of it. —(Interjection)— The point of it is that we haven't started to renegotiate because the present formula locks us into the end of 1981-82, April of 1982. We have not yet started on the process of renegotiation. Staff people got started on it last week and I expect in the next few months that the other committee of western Ministers will also be starting on it as well. That's where we stand.

If you want to get further clarification on the old formula as opposed to direct revenues as opposed to Crown land lease sales, other things related to resources, I'm going to have to get in some additional support on that. There is also, Mr. Chairman, I think, 20-odd items that go into that equalization formula and this is one of them.

MR. CHERNIACK: Mr. Chairman, that one, that one of them is a very very large item, as we can well understand, knowing what happened to oil in the last number of years. I believe that, well, I would guess that the producing provinces were quite happy with the federal position. I don't remember. I don't think

Ontario was that happy with it, and certainly we were not at all happy with it. I think it's good that the point was raised at this stage so that the Minister will be looking into it and developing a policy position, because I think it's crucial, especially today.

Apparently they're discussing, amongst other things in Ottawa, they are discussing the benefits from natural resources. And we claim that the equalization formula was designed to protect the provinces, the receiving provinces, in order to create a federal system that worked, and we also claim that the arbitrary — I think it was arbitrary — imposed condition by the federal government that they would negate that feature in equalization has proven very costly to us and beneficial to the federal treasury or federal revenues.

Of course, that then ties into the other question of taxation of windfall and excess profits, but to the extent that the Minister is not familiar with it and he said they are just starting the conversations, that he is certainly now aware of the position that had been taken in the past and I am sure that he will update himself on that and then take a position. I hope the position will be consistent with the previous government's position on this question of equalization, and if not, that we find out the reason for any change because I do think that of the four provinces in the west we are the most adversely affected by this ceiling in equalization.

I don't know if the Member for Lac du Bonnet wants to pursue it further, but I feel that it's very important that the Minister acquaint himself fully with it and make this a major discussion, because one is inclined sometimes to start from where you are now and not go back to where you were. I have other questions but I realize the Member for Lac du Bonnet had a series. I just want to inject the question of indexation that was raised, whether the Minister has a stated policy on whether or not indexation should continue. That's sort of related to the federal-provincial tax scene, but maybe the Minister wants to separate it from the other question.

MR. CHAIRMAN: The Member for Brandon East.

MR. EVANS: I don't know whether the Minister was going to answer that last question.

MR. CHAIRMAN: The pause is lost. He may have the floor if he wants it at any time, but he sort of signals me and he didn't, so unless I'm . . .

MR. EVANS: The Member for St. Johns asked specifically whether the government has any position on indexing in so many words. My question is, although I understand negotiations have not yet begun on the matter of equalization, negotiations are about to begin, preparations are being made, has Manitoba yet evolved a position on equalization? Can the Minister enlighten the committee as to what position Manitoba will be moving towards or will take in the discussions on equalization?

I had a supplementary question which was, is there a western position or can there be really a western position on the question of equalization, because I think as the Member for Lac du Bonnet indicated, there could be some serious differences of opinion.

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But more importantly, have we evolved the position on equalization?

MR. CRAIK: Mr. Chairman, maybe I can deal with those two items. As I said, we're just started into the discussions at the federal level, at the officials level now, to get some of the background information available. Obviously we have a very strong vested interest in the equalization principle and so we will be taking a position to fortify the equalization concept as much as possible. The inclusion of resource revenues is going to have to be a very important part of that, but as far as the details of the inclusion or the opening positions of the various participants in the discussions are concerned, I'm not not aware what they might be, mainly because, as I repeat, it has been just set up and I don't suppose we'll probably get to it for several months yet. Perhaps we won't have a meeting until sometime in the late summer or fall at the Minister's level. But Manitoba has to take a very strong position with regard to the principle of equalization to maximize the amount of return in distribution.

Where B.C. and Alberta don't receive the equalization payments, now Saskatchewan still is a recipient. You would wonder under the formula about the formula itself because Saskatchewan, in addition to putting as I recall somewhere up close to 100 million in a heritage fund last year, was also the recipient of 60 million of equalization, and something has to rationalize itself in our system when you have that occurring if you believe and administer the equalization principle right to the nth degree. Manitoba is a recipient at about the same level as the province of Quebec. Ontario of course doesn't, although under the formula, Ontario has now without change become eligible. They said as a matter of pride and principle they would not accept it.

So the government of Canada had no difficulty in putting a small change through that was able to accommodate Ontario because I think the change that it affected was that any money higher than the average national, the average of the national income scale of the province that was higher than that would not receive it. Ontario is, of course, higher. So there are starting to be things show up in the present formula that are not compatible because of the changes that have taken place in the last few years.

Quebec receives at about the same level as we do. We're just under 300 per capita per year in both provinces, somewhere between 250 and 300 per capita, and the Maritime provinces in general receive higher amounts under equalization. So Manitoba's position is becoming somewhat unique in the west and we have a very strong vested interest in, of course, maintaining and retaining an equalization principle and fortifying it if possible.

As far as the indexing is concerned, as a matter of policy we have not had occasion to deal with this argument at any great depth. I think in general I'd have to say at this point that Manitoba would not support the idea of dropping indexing, but I have to hasten to add that we haven't addressed it in light of anything that has happened recently. I think maybe we do have to start looking at it in relation to resource taxation, equalization and the whole picture.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, the Minister of course I hope by now appreciates the point I was trying to make, and that is that there is obviously, at least logically so, there appears to be a conflict of interest between Alberta and Saskatchewan governments versus Manitoba on this issue. That's why I raise the question, how can this Minister chair a meeting that is supposed to arrive at a consensus position, that is, the four western provinces on this issue? It could very well be that Manitoba could not go along with what is desired in Alberta and Saskatchewan in particular, perhaps even British Columbia, but I would hope that the Minister, if he finds himself being cornered in that way, is going to be strong enough to withdraw from such an alliance and not subject Manitoba to the power plays that are going to take place, obviously, at subsequent meeting which will indeed determine whether we gain or benefit from any revisions of present formula.

But quite frankly there is more than that to concern ourselves with, Mr. Chairman, in that the meeting that the Minister is talking about, the expiry date of our present agreement, is the end of the fiscal year 1981-82. Now it seems to me that what we are really in danger of at the moment is that this Minister may be pre-empted by what happens at the Constitutional Conference where there is a tremendous amount of pressure for more provincialism and less federalism. If those pressures, sort of, win their day, I don't what value a conference on the new equalization agreement, what value there will be to such a conference having been pre-empted presumably by a constitutional arrangement that is now under way.

It seems to me that Manitoba should be taking a strong position at the Constitutional Conference for more federalism in order to ensure its position with respect to its equalization rights. I say rights, Mr. Chairman, because it seems to me that we should look at it as a right, that is, the idea of transfers of wealth from one region to another in order to have some reasonable equity of income and standards of living and benefits across Canada from coast to coast. If we foresake that, Mr. Chairman, I think that we run the risk of virtually abolishing most national programs that are funded jointly between the national and provincial governments. That's the true danger in this whole exercise that it seems to me that a province like Manitoba should be guarding against. Really, the policy position of the Manitoba government should be known today, given the fact that we are now involved in constitutional dialogue, and given the fact that there is a very hard push on the part of the Prime Minister for a new constitution to be developed and that likely will result — perhaps this is optimistic, Mr. Chairman — in some decisions having been made before our Minister of Finance is even in a position to have his first meeting on the question of equalization.

So it seems to me it might be a bit late to say we've got till 1982 to develop a position, I think we have to have a position developed now and we ought to say what it is. I don't think we should we wait till 1982, because at least the Premier should certainly have this in his mind in dealing with constitutional questions. What is concerning me, Mr. Chairman, is the fact that the statements that have so far been made by the Premier and other members of the

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government tend to go along with the idea that we have to reduce federalism or the power of the federal government. That is a bothersome part, Mr. Chairman. It seems to me that is the opposite direction to what Manitoba should be taking and that we ought to make sure that we have sufficient federal authority in order that we continue and improve and develop national programs for the benefit of all Canadians, rather than to breaking up into regions.

I don't recall which article it was, but there was one in one of the major newspapers not so long ago comparing Quebec separatism with what other jurisdictions or other provinces want and really there isn't much difference between them, Mr. Chairman. One is on the economic side, the other is perhaps on the cultural side, the language question and so on. But they are both the same and they both have the same impact and it seems that what's shaping up is an alliance between the two which may result in quite a substantial reduction of federal authority and redistributive powers, in which case, Mr. Chairman, we will have a Canada much less worth living in than we have at the present time. I think it's worthwhile for this Minister to participate much earlier in the game in order to buy a little bit of insurance when it comes down to where we fit in and to the redistributive process of wealth in Canada.

MR. CHAIRMAN: The Member for Seven Oaks.

MR. SAUL A. MILLER: Mr. Chairman, a few words on this question of equalization. The Minister indicated that in 1976, I think he said, that Alberta chaired the western provinces' position and I think put forward the position of the western provinces. I believe this is correct. However, what I want to caution the Minister on is this, certainly Alberta and Saskatchewan and probably even B.C. will, as they did in 1976, will call for full equalization, knowing full well though that when the crunch comes, the federal government will say, as it did in 1976, there is no way the federal government has the funds to continue on the old formula. So they shuffle that formula around. I think there are 29 different components in it; there is something like that. They put a ceiling on windfall revenues for oil. The result is that they unilaterally said, well, if you all agree, we can't do it because we haven't got the funds. The reason they didn't have the funds is we go back to this whole question of this constitution and the taxing powers of the federal government.

If the federal government is denied the full taxing powers on resources that it is seeking, and if provinces take the position as Alberta has that there is a limit to federal taxation on Alberta resources, then again the federal government will be in a position where it may theoretically agree with the Minister that there should be full equalization. But they will say to him, we can't do it. Now what I am saying, Mr. Chairman, is that you cannot separate the two issues. You can't say, we'll discuss equalization in 1981 and today we'll talk about the taxing powers of the federal government under the constitution. The two are very much bound together because one will affect the other. If the federal government hasn't got the funds for full equalization as it did maybe years ago where it was based on the

income of, I think, the highest income in the province, the one province, if they haven't got the funds they are not going to be able to accept it no matter how many provinces may agree to that approach, because they just haven't got the funds for it.

They won't have the funds if Manitoba supports Alberta and maybe Saskatchewan, but B.C., in saying that the federal powers on resources such as oil have to be limited. The bulk of the incomes, the windfall profits, will remain with the province. If that continues then the federal government will not be able to maintain the kind of equalization which I think they should maintain in Canada so that we can indeed have a country which benefits from all resources, everywhere, no matter where they are.

I'm just making these comments to indicate to the Minister that it's not enough to get the other provinces along side. They will go along side knowing full well that when the crunch comes the federal government is going to say, well, we're sorry, we haven't got the funds. That, I think, is something that I hope the Minister keeps this in mind when he meets with his colleagues and when he discusses with them the position paper with regard to equalization, but recognizing that included in that has to be their position vis-a-vis federal access to taxation from resources.

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: Mr. Chairman, I appreciate the comments of the Member for Seven Oaks and I can see that problem shaping up already and I suspect that he went through it in 1976 at the time, the last time this go-around occurred. But, no doubt, that's the case, that there's less resistance to the idea of equalization and there's more resistance when it comes to extracting the national dollars to finance it. On the earlier question on federalism, Manitoba's position with regard, the Member for Lac du Bonnet raises. There will be much discussion on this over the next few weeks, as long as the Legislature is sitting, I presume. I think I'd better to hasten to add that Manitoba will likely take a very strong pro-federalist position. It may not appear to be in the eyes of the Member for Lac du Bonnet but nevertheless will be. I would point out to him though, on the item that's here before us, which is equalization, there has been agreement really to the point of enshrining it in the constitution, perhaps the member hasn't picked that up but the only one that is hesitant about enshrining the equalization principle into a constitution is the province of British Columbia and there's no indication that they're solidly entrenched in their opposition to it, so it's not a problem as far as the principle is concerned in Canada when you have it to the point of enshrining it in the constitution.

MR. USKIW: As long as they don't take the dollars away. One other policy area that I would like the Minister to deal with at this stage, Mr. Chairman, has to do with the, I believe they are current negotiations with the government of Canada, with respect to the off-reserve status Indians and the cost-sharing or otherwise of services to that group. I know it's an old one but I gather there has been some recent

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negotiations or there are some coming up. I'm wondering whether the Minister is in a position to indicate just what is happening in that whole area.

MR. CRAIK: Mr. Chairman, there is a three party committee, tripartite committee as it is commonly referred to, made up of the Manitoba Indian Brotherhood, the federal government Department of Indian Affairs and the Manitoba government to try and tie down more accurately the amount of transfer of costs that have taken place from the federal government to the provincial government as a result of shifts in location of people who have moved off reserves, dropping of programs by the federal government, institution of new programs, at the provincial level, that are being picked up by the people who have moved off reserve or on reserve even. The provincial government has financed in the past year some manpower for the Indian Brotherhood, so that they could do their own research and check the figures that have been coming out of the provincial government in this regard. Those studies are ongoing, there's nothing new and different recently but it appears to be moving along but it's certainly not very fast, there's some estimate from the provincial point of view as to what these transfers are costing the province and we would like to have it verified and agreed upon by at least the Manitoba Indian Brotherhood and this is why we have assisted them in their research work.

MR. USKIW: I wonder if the Minister can indicate just what figures he has with respect to the cost of these transfers that have been taking place. Can he quantify that at all?

MR. CRAIK: The very rough figure is in the order of 30 million to 35 million.

MR. USKIW: Per annum?

MR. CRAIK: Per annum.

MR. USKIW: Can the Minister indicate whether or not he has comparable figures over a period of time to indicate just how fast this expenditure is growing with respect to provincial obligations. Like is it going up at 1 million a year or 2 or 3 or 10, just what is the pattern? How dramatic in other words.

MR. CRAIK: As the population shifts take place from the reserves into the urban areas, you do see a growth there that is probably greater than the normal inflation rate. There have been some preliminary estimates, I guess, undertaken to try and determine what the pattern might be over a period of years and decades in this regard and I don't think we've tried to tie it at this point to this figure. In other words if its 35 million this year what will be . . .

MR. USKIW: Yes, next year.

MR. CRAIK: On the other hand I think there may be some figures available and if there are I'll attempt to get them for the member.

MR. USKIW: Just on that figure that the Minister used. Is he talking about an additional 35 million or is it 35 million and then less what is recovered from Ottawa under normal cost-sharing agreements. Is

that a net additional cost of 35 million or a gross in other words?

MR. CRAIK: No, Mr. Chairman, it would be the net cost.

MR. USKIW: It would be the net additional cost to the province.

MR. CRAIK: Yes.

MR. CHAIRMAN: The Member for Brandon East.

MR. EVANS: I just wanted to make a comment, Mr. Chairman, that I'm pleased to hear that the Minister has stated that the province generally will take a federalist position. I think that in this forthcoming Constitutional Conference that one of the basic issues will be provincial rights, so called, versus federal powers and I suppose it's a question that has plagued political leaders, statesmen, over the years, ever since confederation and that is to what extent the provincial jurisdiction should have, whatever authority as opposed to the federal jurisdiction. But in a country such as ours with such vast geography and certainly serious regional disparities, economic disparities, there's no question in my mind that a strong, central government, hopefully sensitive to regional interests, is better, particularly for those provinces that are, unfortunately perhaps, not up to the level of the average Canadian income. Manitoba for various reasons seems to have slipped vis-a-vis other provinces in terms of our economic wealth and these are some pretty fundamental reasons that go beyond parties. So I say that this is obviously a basic issue. My own concern has always been, when we talk about adding powers to Ottawa or to ensuring that there is a strong central government, my own concern has been that that government be sensitive to all areas of the country and not be overly concerned with the two central provinces which has the bulk of the population. This is the problem in any system where you have a strong central control. The dilemma that's posed or the challenge that's posed by the vastness of the country and the differences that exist and the need to be sensitive to people in all areas.

My experience in politics is that the federal government has not been as sensitive to the needs of Manitoba as they should have been over the years. I'm thinking particularly in the area of DREE, the Department of Regional Economic Expansion, those moneys, I don't know how you calculate fair share and I don't believe we've had our fair share in assistance from that department of the federal government. DREE has done a lot of work, has spent a lot of money in Quebec, has spent a lot of money in the Maritimes and I think in Nova Scotia, which has come a long way to a large extent because of federal assistance through that department and I am a bit concerned that over the years we haven't had the same, I believe, the same sensitivity by the federal government towards Manitoba and some of the problems that we face. For example, in the area of unemployment, quite often the federal government makes a decision on the basis of the amount of unemployment. Well, traditionally Manitoba has been

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among the three provinces that have the lowest rates of unemployment in Canada. In some years we used to be lowest, some months we used to be lowest and in some months second lowest, now we intend to mainly third lowest but we were always among the lowest three. But one reason for that is, of course, that we've been losing people for some years; whereas in the Maritimes people seem to be more stable, there doesn't seem to be the same amount of mobility and it shows up in higher levels of unemployment and the federal government acts on the basis of the amount of unemployment. It seems to me that there is a case to be made with Ottawa that in terms of economic assistance to Manitoba, that other factors should be looked at apart from the rate of unemployment because the prairies, including Manitoba, has a very mobile population. We have a population that traditionally moves. Before Alberta developed its oil there was a lot of people who left Alberta to go to Ontario, to B.C., United States and so on and we're seeing a considerable amount of rural depopulation as well in all areas, but we do have a very mobile population and so our economic woes do not show up in high levels of unemployment and yet the federal government seems to use that as a basic criteria when dishing out certain moneys through different programs.

At any rate I think there should be all-party support for this federalist position, keeping in mind the reservations one has and I know there'll be, I think, general support by the people of Manitoba with that particular position. Perhaps it's our historic position, I'm not sure, but at times I wonder whether we're too influenced by the voices coming out of Alberta and B.C. where there is a very strong feeling of provincial rights.

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

MR. ADAM: Mr. Chairman, I brought some concerns to the Minister's attention that are of great concern to people in my area, both from the producers and the business people that I ran into over the weekend and I don't know if the Minister has made any comments — if he has any intentions. If he did while I was out I'll read it in Hansard and leave it at that but if the Minister didn't reply to my concerns I would sure like to hear what he intends to do in that regard.

MR. CRAIK: I think it was perhaps before the Member for Ste. Rose came in, Mr. Chairman, that I indicated that we would be bringing in second supplementary supply with regard to the drought costs that we foresee at the time that we bring it in. As far as the details of the programs are concerned I would have to ask the member to address those questions, in the agricultural field, more appropriately to the Minister of Agriculture, but from a finance point of view, we recognize that there are going to be additional program costs, whether it's fire fighting or drought fighting in general in the agricultural area and it will be significant enough that we'll have to address it by way of additional supply. In other words, I think the member referred to a second

budget but it really all refers to additional supply money.

MR. CHAIRMAN: 1.(b)(1)—pass; 1.(b)(2)—pass; 1.(c)(1)(a) — the Member for Seven Oaks.

MR. MILLER: Mr. Chairman, I'm just wondering. Is there any increase in staff here or is it the same staff that . . .

MR. CRAIK: Under Administration?

MR. MILLER: Under Administration Services.

MR. CRAIK: Well, there's may be one decrease. No there's no change.

MR. CHAIRMAN: 1.(c)(1)(a)—pass; 1.(c)(1)(b)—pass; 1.(c)(2)(a)—pass — the Member for Seven Oaks.

MR. MILLER: Mr. Chairman, looking at last year's estimates and comparing them to this year, this Administrative Policy Branch, under Salaries, it showed 85.5 thousand, this year in the print is shows 108.7 for last year. What would account for that difference between the print last year and the print this year, in fact with the left-hand side?

MR. CRAIK: Mr. Chairman, there was one position transferred out of Administrative Policy and into another branch and that accounts for the reduction that's here.

MR. MILLER: Mr. Chairman, it's not the reduction this year, it's the fact that the printover print. Last year it was estimated the salaries would be 85.5; in printing this year's book, 1980, it's shown as 108.7, you know, a considerable increase. So I'm wondering why the discrepancy between last year's estimate and this year's figure.

MR. CRAIK: I must correct my former comment. The transfer was from another branch into here last year . . .

MR. MILLER: So there is an increase in staff.

MR. CRAIK: . . . which caused the increase.

MR. MILLER: An increase of one?

MR. CRAIK: The increase last year, Mr. Chairman, over the print last year was a transfer of a person into that branch from another.

MR. MILLER: Is he now leaving the branch again because I notice there is quite a drop? Did he go in and out?

MR. CRAIK: Mr. Chairman, apparently, now the position has been vacant and we don't anticipate filling it.

MR. MILLER: Oh, I see.

MR. CHAIRMAN: 2.(a)—pass; 2.(b)—pass; 1.(d) — the Member for Lac du Bonnet.

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MR. USKIW: I wonder if the Minister would explain to us what he intends to do with Special Studies 350,000, which is an increase of 340,000 over last year.

MR. CRAIK: Mr. Chairman, the Manitoba Assessment Review Commission is funded out of Finance Department. We have budgeted 200,000 for it and the studies that we've had done on ManFor we are estimating 100,000 and on Flyer Industries Studies, 50,000, for a total of 350,000.00.

MR. USKIW: Mr. Chairman, I presume then that this is properly the place for discussing the current activities of the Assessment Review Commission, since this is the area that is funding the program. The other day in the Committee of Municipal Affairs, the Minister of Municipal Affairs indicated that legislation was already being drafted as a result of an interim report having been filed with the government. And given that is so, I am wanting to find out from the government, or the Minister, just what the purpose of continuing hearings are at this stage if legislation is already drafted or in the midst of being drafted. Why are we still allocating funds for continued public hearings?

MR. CRAIK: Mr. Chairman, I didn't hear the exchange referred to by the Member for Lac du Bonnet. My guess would be that it is probably legislation dealing with interim recommendations from the Commission because there have been some interim recommendations and perhaps it's based on that rather than the full report.

MR. USKIW: Mr. Chairman, I appreciate that's the case. The only thing that bothers me is it seems to me that interim report should have been made available to the members of the Assembly before the Minister talked about legislation emanating from that report. But, in any event, I would like to ask the Minister then what kind of studies are under way with respect to ManFor and Flyer? What is the government wanting to discover or find from those studies?

MR. CRAIK: In the case of ManFor, it has involved, first of all, the engagement of an accounting firm to look at the current operations and they in turn expanded their examination by a look at engineering studies and then finally to advise us on what opportunities there may be to diversify, expand, protect, the position of the operation at The Pas; potential people that may be available in the business now in the private sector primarily that we could engage to become involved in the project to bring about an enhancement of its operation. In the case of Flyer Industries, much the same, except to a lesser degree, there was less required in terms of technical study in that case.

MR. USKIW: Mr. Chairman, I'm very intrigued by the Minister's statement. He is suggesting that some 150,000 is being allocated for studies to determine private sector involvement in ManFor and Flyer. Is he suggesting that he has delegated to this consulting firm, or firms, the responsibility of putting together a

proposal, or in the assisting of putting together proposals, for the sale of these two public assets?

MR. CRAIK: Mr. Chairman, I guess it's perhaps a matter of semantics. I'm not sure of the exact words the Member for Lac du Bonnet used. The firm engaged in both cases is the Woods Gordon firm and they are putting together essentially, first of all, recommendations to the government that they feel should be looked at. Secondly, they are attempting to advise the government on whether there are opportunities in the marketplace for the involvement of the private sector in the operation of both these industries.

MR. USKIW: Could the Minister indicate just when he anticipates these reports to be tabled with the government? What is the time-frame on these studies?

MR. CRAIK: Mr. Chairman, I think probably before the end of 1980.

MR. CHAIRMAN: 1.(d) — the Member for Ste. Rose.

MR. ADAM: Mr. Chairman, when we were in Municipal Affairs committee, I was attempting to get some information on the Special Municipal Loan Fund, and the Minister indicated that wasn't in his department. He said it was being administered by the Department of Labour but since the Minister is the Minister who is in charge of signing all the cheques, I am just wondering if the Minister has any information on this particular operation, since there is mentioned here of the municipalities.

MR. CRAIK: It's not in Finance Estimates, Mr. Chairman. I don't think I can give you anything meaningful on it unless it's in overall terms, that we just have to get it from the Labour Estimates that appear.

MR. 1.(d)—pass. Resolution 62, 2.(a) — the Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I would ask the Minister to give us a brief outline of the role of this particular division.

MR. CRAIK: Money in, Mr. Chairman, money out, government agencies, and the investment of funds, the borrowing of funds, the entire cash flow operation of the government eventually ends up through here.

MR. USKIW: Would the Minister describe the operation, not only the administrative part, the methodical aspect of it, but is it also a policy advisory area? Does this division advise the Minister on when to borrow, where to borrow, how to borrow, or whatever, or is it simply following the directive of the Minister with respect to inflow and outflow of capital?

MR. CRAIK: Mr. Chairman, I think perhaps there is some of both involved like there is in many aspects of government.

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MR. USKIW: Mr. Chairman, more specifically then, if the government is in need of 100 million or 200 million for a particular purpose, is it this division that looks at those needs and recommends to the Minister as to how best to acquire that sum of money in terms of where to borrow, in terms of the interest rate, in terms of the time frame, or refinancing, from time to time, as the case may be? Is this the division that is sort of the Minister's right hand or first reference point with respect to those questions?

MR. CRAIK: I think it's safe to say, Mr. Chairman, this branch is primarily charged with providing the government with the research capability and background that is available. They would be aware of different market potentials, if one were going to go into the market, but as far as the final decision is concerned about where to borrow and when and at what rate, you would also integrate into that the advice of the retained advisors, the fiscal agents, that we retain in the community at large. In other words, you would take your research information from here along with the advice from the fiscal agents that the province has generally and come up with your decision on where to borrow and when.

MR. CHAIRMAN: 2.(a) — the Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, essentially though, the Minister is indicating that he relies to quite an extent on this division on sort of advising him on the direction that the government should take with respect to its borrowing needs or refinancing needs and so on. Is that correct? This division provides advice and information to the Minister on the question of borrowings and refinancing?

MR. CRAIK: Mr. Chairman, it would provide the research information that would be required to go into the decision and technically it reports to the Deputy Minister and, in fact, does, on the final decision-making process on issues and so on, that's primarily made as a result of that information to the Deputy Minister and the fiscal agents and the Minister.

MR. USKIW: Mr. Chairman, I would like to ask the Minister whether he has full confidence in the division and in the advice that he has been receiving from this division and through his Deputy Minister, whether he has any reason to lack confidence with respect to the operations of this division?

MR. CRAIK: No, Mr. Chairman, not at all.

MR. USKIW: Mr. Chairman, then I would follow through in asking the Minister whether in retrospect, given the fact that the Minister made a big point in his Budget Speech about borrowing activities over the last several years, whether in retrospect he would say that the government received bad advice from this division and from the Deputy Minister, advice in which certain capital was acquired throughout the world and over which the Minister made much ado about the current cost of that capital, if it had to be retired today in time with the foreign borrowings. Is he suggesting that there was something wrong with

the advice that was given by this division at that particular time?

MR. CRAIK: Yes, Mr. Chairman, I can only presume that those decisions were made primarily at the Ministerial level, the types of decisions referred to. What market areas you go into, what currencies you go into, when you go, I think probably in the final analysis, boils down pretty much to a digestion of the information you get from your fiscal agents, others, the market in general and pretty well become, in the final analysis, a decision by the Minister and his Deputy.

MR. USKIW: Yes, I'm pleased to know that the Minister confirms what I had thought all along, and that was that ultimately the Minister, using the best advice that he has available to him, has to make the decision. That's why I wanted to know whether, in his opinion, the fact that these decisions were made based on such advice, whether he had some reason to lack confidence in the advisory arm of the Department of Finance, given the kind of comments and given the kind of documentation that he supplied to members of the Assembly in his Budget Address. I thought perhaps there should have been almost a wholesale firing of the department, given the fact that the Minister belaboured the fact that there were some 592 million of added costs to the people of Manitoba because of foreign borrowings.

But the Minister now confirms that he is using the same people that were used before for the receipt of advice and information on which he would make his decisions. So it seems to me, Mr. Chairman, that there wasn't much substance in fact to the Minister's allegations that somehow there was some mismanagement involved during those years when the government went into the foreign market, over that period of time, given the fact that they were using the best research material information that was supplied to them at that time by this particular talented group of people.

MR. CHAIRMAN: The hour of 4:30 having arrived, I'll leave the Chair for Private Members' Hour and will return at 8:00 o'clock. Committee rise.

SUPPLY — EDUCATION

MR. CHAIRMAN, Abe Kovnats (Radisson): This committee will come to order. I would direct the honourable members' attention to page 40 of the Main Estimates, Department of Education, Resolution No. 53, Clause 4. Program Development and Support Services, item (a) Division Administration, (1) Salaries—pass.

The Honourable Member for Rossmere.

MR. VIC SCHROEDER: Thank you, Mr. Chairman. Could the Minister advise as to what, if anything, the department has done with respect to the program Building The Pieces Together? That is, has there been an assessment of that program in the last year?

MR. CHAIRMAN: The Honourable Minister.

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HON. KEITH A. COSENS (Gimli): Mr. Chairman, we could deal with that more properly, I suppose, under (c) Curriculum Services, but I can address it at this time. That particular program falls under the jurisdiction of the Minister of Health. I can advise the honourable member that a committee has been struck to study this particular program. It includes members of my department as well as the Minister of Health's department and we have not received the final report from that committee as yet.

MR. SCHROEDER: Can the Minister advise as to when this committee began its deliberations and also as to whether there are any school divisions remaining in the province which are providing that particular program and if so, which divisions are they?

MR. COSENS: I cannot give the honourable member the exact date that the committee started its deliberations, some months ago now. Yes, there are some school divisions that are still utilizing part of the program. If he requires the names of those school divisions, I can get them for him. I don't have them, again, at my fingertips.

MR. SCHROEDER: Can the Minister give the committee some assurance that the delay is not just simply a matter of a slow strangulation, a slow death of this program? Last year he repeatedly indicated to the Committee of Supply that something would be done, there would be an assessment. The Health Department Estimates had already been over and therefore everything would be moving and it sounded as though there was going to be something done. We have now passed another 12 months. There have been another bunch of school divisions, I am sure the Minister would agree, have dropped out of this program because of pressure from people like Renaissance Manitoba, and we're back here again today with nothing having happened. Surely it doesn't take that long to make a decision as to whether that program is viable for our school system.

MR. COSENS: Mr. Chairman, I understand the honourable member's frustration, but I all I can assure him at this time is that the committee has been struck, it has been studying the whole problem of alcohol and drug education and that particular program that he refers to is just part of their general study. I would hope that the results of their study are forthcoming very soon.

MR. SCHROEDER: Could the Minister indicate what the term Division Administration, that is in 4.(a), what is the Division Administration and could he explain the function of those people?

MR. COSENS: This particular Division Administration has the responsibility to provide the planning, the supervision, the co-ordination, and all aspects of the department's activities which relate to the instructional programs in Manitoba schools and also, of course, to the accompanying services, to teachers, to children, necessary to achieve the kind of quality and appropriateness of programs and equality of educational opportunities, support services, that we see as necessary. This division also

has administrative responsibility for post-secondary career development programs and for student aid.

MR. SCHROEDER: Is this the group which would, for instance, be developing educational programs for children with special needs and if so, what are they doing?

MR. COSENS: That particular branch of the department comes under this particular heading but we're talking in 4.(a) about the administration of the complete Program Development and Support Services unit in the department which, as the honourable member can see, covers several sub-units dealing with Curriculum Development, Curriculum Services, Native Education, Vocational Education, Child Development Support Services, which is the particular area that the member is referring to as far as special needs is concerned. In 4.(a) we are looking just at the administrative component.

MR. CHAIRMAN: The Honourable Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Chairman. Yes, I'm just looking at the chart now from the Annual Report of the Minister which indicates what he's just finished saying. I apologize. I've been away at the Municipal Affairs Committee for a while and I'm just coming in here and trying to get my feet on the ground with this one.

Could the Minister advise as to where this entire department, the Program Development and Support Services Division, is heading in terms of funding, say over the last three or four years? Is its amount of funding going up in percentage terms, in terms of the entire Department of Education, or is it sort of staying stable, or is it an area which is receiving less funding percentagewise than the other areas?

MR. COSENS: Mr. Chairman, I think it becomes obvious if one looks at the estimates to see that the funding is increasing from year to year in this particular area. Some components of the whole area are increasing more than others. Certain years there are initiatives taken that require the expenditure of more money. The honourable member will notice as we move through this particular grouping within Program Development and Support Services that there are new initiatives being taken that require additional funding as I mentioned before, from year to year. On a percentage basis I must tell him that I haven't computed what percentage increase has taken place from year to year. I notice last year that we were looking at some 17.9 million in total in this area; this year we're looking at 18.7. I suppose it wouldn't be too difficult to work out that particular percentage increase. But it does vary from one component to another under that heading.

MR. SCHROEDER: Thank you, Mr. Chairman. Yes, I've just noticed with my own figures here, as the Minister says, that last year it was 17,965,000 and the year before that it was 17,035,000 and I've just done an approximate calculation. From that particular year it has only gone up — that is in the last several years — it's only gone up by a total of

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10 percent. Are there areas within this entire division of Program Development and Support Services, which have had a decrease in funding and a decrease in staffing and if so, which ones are they?

MR. COSENS: I suppose the first one that comes to mind, Mr. Chairman, would be 4.(d), Native Education, where the honourable member will notice that there is some diminution in the amount of money allotted for salaries.

MR. SCHROEDER: I'm sorry.

MR. CHAIRMAN: (a)(1)—pass; (a)(2)—pass; (a)—pass. (b) Curriculum Development (1) Salaries—pass — the Honourable Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Chairman. Last year the Minister had indicated that this particular group was proposing to develop a clear and comprehensive core curriculum statement for K to 12 and I'm just wondering how you're getting along with that curriculum development statement.

MR. COSENS: Mr. Chairman, that's very close to completion. I have seen some drafts of it and I would expect the completion very soon.

MR. SCHROEDER: Has it been done for some grades, and if so, is any of this available or are you waiting to have the entire statement available?

MR. COSENS: It covers from K to 12, Mr. Chairman, the complete program, and I'm waiting until we have the final draft before I would release it, and of course I will forward a copy of it as soon as it's completed to the honourable member.

MR. SCHROEDER: Yes, Mr. Chairman. Would this be the appropriate area in which to deal with children with learning disabilities?

MR. COSENS: Mr. Chairman, that I think naturally falls under 4.(j), Child Development and Support Services, and that deals specifically with the services that are provided to special needs children.

MR. SCHROEDER: Yes. Could the Minister then advise as to what the curriculum development people have been doing in the last 12 months?

MR. COSENS: Mr. Chairman, they have been carrying on an ongoing revision of curriculum guides and I can be specific in this regard. They have new curriculum guides that have been published and distributed for use in the following areas: science, K-6; mathematics, 7-9; Ukrainian, K-6; science, 7-9; music, 7-9; German, 10-12. And they have also produced a guide called Education for Independents and this is a program to enhance the quality of community life of trainable and our multiply-handicapped mentally retarded persons. In addition they have also produced a resource book on early childhood and it's been distributed to all elementary schools. Those are the basic curriculum directions that have been taken in the past year.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MRS. WESTBURY: I thank you, Mr. Chairperson. Is this the section under which we can ask the Minister about specific curricula in the department? Yes, he's nodding. So I would like to ask, I'm most concerned about some of the reading I've been doing about what they call values education and I'm wondering, apparently this is being taught — if that's the word — in Ontario and other parts of Canada; and I'm wondering if values education is being — the words I want to use are not as complimentary as taught so I guess I'll stick to taught — in the schools in Manitoba. The Minister looks a little puzzled, maybe he wants me to explain what I'm talking about. — (Interjection)— All right. Could the Minister tell me whether this is being carried out in Manitoba at all?

MR. COSENS: Mr. Chairman, I can advise the honourable member that we do not have a departmental course in values that is being taught, not a course as such. It's quite, of course, within the jurisdiction of certain school divisions in this province to have materials on values taught in their schools, if this is their desire, but this is not an initiative of our department at this time.

MRS. WESTBURY: I take it then, Mr. Chairperson, that it's also not the intention of the department to include it in department curricula at any time in the near future, or the foreseeable future. My concern is this, Mr. Chairperson, I really feel that in a day and age where there is so much pressure on us not to teach the Lord's Prayer and other religious prayers and teachings in the schools, I find it quite extraordinary that in the province immediately to our east, and possibly in other provinces in Canada, they are making the children in the classroom face up to specific areas where they have to evaluate their classmates or people in a particular situation to decide which of these people should live and which should die. I find this a very dangerous trend and I would hope the Minister would use his influence to see that this kind of teaching does not go on in our province. If indeed the school boards are free to use values teaching in their curricula, I hope that the Minister would intervene in this and perhaps make sure that it is done in a different way from the way it is taught in Ontario.

Perhaps there may be something useful in values teaching, but the way it's being described, it certainly sounds as though it's nightmare teaching and something far beyond what we should be imposing on our young teenagers and those even younger than 13 in this area. I am relieved to hear that the Minister is not aware of anything in this particular area of teaching and I hope he will reassure us that he is going to ensure that if it is being taught, it will be very carefully evaluated by his department.

MR. COSENS: Mr. Chairman, I certainly can give the member that assurance. I think she probably has just read the same article as I did this weekend where it said that all ministries of education across Canada in fact were teaching values. I suppose, Mr. Chairman, in the broadest sense, schools have always taught values. I hope that they have. I would hope that cheating, lying, stealing, respect for fellow human beings and so on are always part of the school curriculum. Perhaps not just as part of the

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course but certainly they become part of the whole environment.

The type of thing that the Honourable Member for Fort Rouge refers to, where children are subjected to making rather emotional and what I would call very heavy psychological decisions at a very young age, I consider rather dangerous and I certainly do not support nor do I have any enthusiasm for that type of education in our schools. It's quite possible that with mature students at the senior high grades and so on, a certain amount of this, that is carefully developed, carefully scrutinized, and delivered by well-trained, and specially trained people, might well be in place, but only with the more mature type of student.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. J. R. (Bud) BOYCE: Mr. Chairman, we're pausing for a moment to consider a point here that is very important and I would agree with the apprehensions expressed by the Member for Fort Rouge, and the tone of reluctance of the Minister to come to grips with the problem. I would agree with what he has just said, the difficulty in dealing with the problem. But nevertheless, Mr. Chairman, it's a problem that we ignore at our peril because it won't go away, and I don't think we can turn the clock back. Nevertheless, it used to be that the people within the system hung forth a set of values that the people could choose or reject or attempt to emulate or some other manner of developing and coming to grips with some of the realities of life.

But I say we ignore it at our peril because the children are being asked to make, on a daily basis, value judgements in a milieu which the school, as an instrument of social progress, has by and large ignored. I'm thinking of television as an instrument of education and no one can ignore the fact that it exists.

We as a former administration took a lot of flack about two approaches to the problem, the one that was referred to obtrusively a moment ago as building the pieces together and as I suggested to the Minister, I didn't think that was necessary a panacea or anything else. Nevertheless, it was an attempt to come to grips with the problem, albeit perhaps crass in some areas, but nevertheless the political difficulty in dealing with it I think the Member for Transcona made reference to the Renaissance group as a group which would attack that kind of a presentation and some of the criticisms were well founded. But nevertheless, if we continue to proceed on that particular path, then we are just continually hiding our head in the sand and ignoring the problem. So I would encourage the Minister to continually try to come up with some approach to it and it is important enough that if some instrument is developed, then perhaps we could have some concurrence on both sides of the House to proceed with it. I would agree when he said it shouldn't be used by inexperienced untrained people. The people in their training should understand the limitations of such tools so that it is important that we try it.

You know, this is 1980, Mr. Chairman, and in the early 60s some people who were involved in the educational system, for example, were saying, drugs

are becoming a problem with younger people. Oh, not in our school, not in our area, there are no problems at all. So people hid their heads in the sand and as a result we have considerable difficulty within our society with people, for some reason or other, looking for chemical support systems to cope with life. I don't think that the educational system should necessarily be the only instrument of society in helping deal with these problems. This is one of the reasons, Mr. Chairman, that I have been pressing the Minister for three years to try and have them enunciate a policy of what public education is in this province, just how much of an instrument of socialization is the public school system expected to be, how much of an educational system in the sense of inculcating people with the skills and experience necessary to survive. The Minister has chosen to avoid answering my question, to my satisfaction at least, in concrete terms which would tell the people of Manitoba how he and his government view the public schools' educational system in this regard.

I had come to the conclusion, Mr. Chairman, in listening to the debates on this line by line, that I wasn't going to enter the debate anymore. I was just, in fact in response to a question from my colleague from Transcona, I said I'm not going to ask any more questions, because it's —(Interjection)— the Member for Rossmere, excuse me — that the arguments I wanted to debate will be made relative to the two bills presented for our consideration. But I was provoked to speak on this particular question because the Minister said, no, this government is not dealing with it and I just wanted, if I could, to encourage him to try and deal with it.

Just while I'm on my feet I want to thank the Minister, last year he undertook to have the staff forwarded me the development of the curricula branch and I want to thank the Minister and his staff for sending me these developing curricula and some of them I think are excellent revisions, Mr. Chairman, and I think that over the years, as these things work through the system, that they will be of great assistance. But once again, I'm not suggesting, Mr. Chairman, that we go back three years and bring out the Building The Pieces Together and dust it off and implement it in the system but I would suggest that perhaps he just use that as a starting point and to put it into the hands of people who he and his department have seen are capable of delivering or utilizing such instruments. And the Member for Fort Rouge, while I share her apprehensions, I would once again repeat that by ignoring the problem it won't go away. As a product of a generation or maybe two generations ahead of the people that are in the system at the present time, Mr. Chairman, our generation by and large was encouraged to read and look and see different people that had different lifestyles, aims, objectives in life and the thing to do perhaps was try and emulate these people, they called it hero worship when I was a kid and one of my heroes was Horatio Nelson, the old admiral. —(Interjection)— No I was raised on Little Lord Fauntleroy and the rest of it but that's another thing. But nevertheless you can't get away from teaching values and to just ignore it, I don't think it does the public one bit of good. I don't know how many people have heard of the trial lawyer Louis Nizer who wrote a book, in retrospect, on the Rosenberg trials

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and he was commenting on the judge who was charged with the responsibility — and I'm going to relate this to this line of the estimates, Mr. Chairman — but he is talking about this judge and he said to this judge, everything that this man was entered into his judgement and I believe that this is true of teachers. You're involved with youngsters on a daily basis and it's impossible for teachers not to project a certain attitude and so, as a result, values are being taught and even as bad as the Building The Pieces Together may have been, one of the side effects of it was in having some of the teachers involved it. Some of the teachers told me, it was of utility to them because it pointed out to them, in a different way, some of the things which were taking place in the classroom. So for somebody to say we don't teach values in our educational system, I think is fallacious. I think that perhaps a better way of doing it and the first step in reaching this better way is facing the necessity of it because on television, people say to me, you know, the violence and everything else is on television — I'm not going to get off on that particular bent. But nevertheless the children in our society are in a school system for hours and hours a day and if there is going to be any balance on what society is all about, surely to heaven the place to have it at least presented, not in competition with that which they see on television, but nevertheless it should be at least presented to the youngsters in our society as they are in a socialization position or function. But, Mr. Chairman, as far as I'm concerned, I would suggest that too much more time on the estimates of this particular department is not too fruitful because it's very difficult to elicit specific answers from the Minister. We've had three years of rather nebulous answers. When we get down to the bills I will lead him off the list of questions I have asked him for over three years, starting with his opinion on the task farce report, as I suggested the other night. Nevertheless the Minister is very successful in dodging the issue and I just suggest that, in this particular area, Mr. Chairman, that he accept his responsibility and develop something which we can use in our system.

MR. CHAIRMAN: The Honourable Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Chairman. I would agree with the Member for Winnipeg Centre when he says that we must consider the teaching of values in our schools; I think I agree with the Minister that it must be done very carefully I don't think I could put it any better than Dr. David Downie did recently in an article in the Manitoba Teacher and I would like to quote from that article, it's on page 3 and it's the May 1980 edition. Dr. Downie confesses that he finds it difficult to put his philosophy of education in life into words that make sense, he prefers to talk about his concerns:

My major concern is that we never lose sight of the preeminence of children, they are our first responsibility. Sometimes that means conflict with parents or peers but that's part of it. I agree that parents must have the ultimate say in deciding what is best for their children. However, when educators believe that the parents are wrong they have the

professional responsibility to do everything in their power to make the parents see it differently. I'm also concerned about the personal development of students. They must be taught that there is more than one solution to any one problem; they must be shown that people are motivated by many different values. I know that brings us headlong into conflict with the whole values question and parents who want their children to know nothing else but their own values. I don't have the solution to the problem. I think there are some universal values around which we could build a relatively acceptable program. In any case, the worst thing we could do would be to forget about it; that would be dangerous. We must do everything we can to get the different factions of the human values question together, strive toward acceptance of common goals and a commitment to make it work. I would suggest that that is a position that I would find very easy to adopt and I see the Minister is nodding his head. I hope he would agree.

While I'm quoting, I would like to quote from the Mennonite Mirror, May 1980 Edition, page 29, it's an editorial entitled Renaissance or Dark Ages.

The Renaissance group is once again raising its bigoted head in this area. The self-appointed fumigators of our literature recently ran an ad. in the 'Carillon' aimed at parents of the Hanover School Division and surrounding district; the ad was designed to discredit the public school system. It ran such deliberate provocative headlines as 'pornographic literature', 'psychological tampering of students' and 'invasion of privacy'. Hanover teachers and officials are understandably upset over this smear campaign. There is probably not a more responsible or concerned school division in the province than the largely Mennonite, Hanover division. But the dauntless freedom fighters of the Renaissance like to throw their verbal stink bombs into all directions.

In defending the ad, Terry Lewis, Western Regional Director of Renaissance, takes a swipe at the mirror for its March, 1979 editorial censorship. He says, Here's a religious body — accuracy is not one of Renaissance's strong points — that is giving credence to a book that's pure filth. The book he refers to, of course, is Margaret Laurence's, The Diviners, one of the finest novels ever written in this country. More and more the Renaissance people, or at least their leaders, are showing themselves in their true colours. They are not the well-intentioned, but misguided moral watchdogs we had earlier assumed them to be. No, they are ignorant bigots full of spite and venom who are trying to spread their hate campaign through society in a vicious attempt at thought control. Their efforts should be indignantly opposed and rejected by all mature, responsible members of society. If not, far from bringing about a moral renaissance, as their name implies, they will plunge us into a new dark age of cultural ignorance, more superstition and mass fear.

I would suggest to the members of this committee that it is our responsibility to look at ways of providing values and leadership to our children. I would suggest that it is not impossible. There are many values which all of us share together and I would urge the department to move on in this area.

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

MR. D. JAMES WALDING: Thank you, Mr. Chairman. The Minister notes that there is to be one staff man year less in this year than last year. If he has already answered the question, I'll move on, but can he explain why there is this reduction in the coming year and perhaps give us a breakdown of the salaries component in this section?

MR. CHAIRMAN: The Honourable Minister.

MR. COSENS: Mr. Chairman, one person from this particular section has been transferred to Curriculum Services and that accounts for the difference in salaries in that regard.

MR. WALDING: Mr. Chairman, there was some considerable discussion in this committee last year concerning a newly-introduced program in Ukrainian instruction. I wonder if the Minister can give us a report of this program.

MR. COSENS: Mr. Chairman, in regard to the Ukrainian-English bilingual program, it started in September of 1979, and as the honourable member probably knows was begun in six classes, one kindergarten and five Grade 1 classes in four school divisions with a total enrolment of 113 pupils. Three Grade 1 classes are official pilot classes; the other two Grade 1 classes and the kindergarten class are additional classes that were approved by myself. The pilot classes exist at Ralph Brown School in the Winnipeg School Division, that's a Grade 1 class with some 22 pupils; Regent Park School in Transcona-Springfield School Division No. 12, a Grade 1 class; Beausejour Elementary School in the Agassiz School Division No. 13, a Grade 1 class. There are additional classes in H.C. Avery School in the Seven Oaks School Division; Oakbank Elementary School, again, in the Transcona-Springfield School Division.

Just to refresh the memory of the honourable member, the Department of Education funds the pilot classes by providing the teachers' salary, text and resource materials for teaching the Ukrainian language and consultative and supervisory services. Those additional classes that were started at the request of school divisions receive materials developed by the department and consultative supervisory services.

I also can remind the honourable member that language and instruction in those bilingual classes are English and Ukrainian on a 50-50 basis. In all classes English is spoken in the morning and Ukrainian in the afternoon. Subjects taught in English are English language arts, science and mathematics and subjects taught in Ukrainian are social studies, art, music, phys ed and Ukrainian language arts. In those particular schools, Mr. Chairman, that have music and physical education specialists, the bilingual classes also have additional periods of music and/or physical education with the specialists. The curriculum prescribed by the Department of Education is followed in the bilingual classes the same as in unilingual classes.

Mr. Chairman, I could go into greater detail on this particular program. I might report that has had very

favourable acceptance by students, teachers and parents. There is an increasing demand from certain other school divisions to become part of the program. We are in the second year; we will be evaluating very carefully what has happened up to this point before we move into the third and final year of the pilot program.

MR. WALDING: Mr. Chairman, I am pleased to hear from the Minister that the program seems to be so well accepted and I gather from his remarks that the students there are progressing well within those programs at those school divisions. Can the Minister indicate to us whether there is an expansion of the program anticipated for the next school year? If so, is it the school divisions themselves that will introduce these or is the Minister planning to expand on the pilot program basis so that the department will be funding it?

Just for the record, Mr. Chairman, I wonder if the Minister could indicate whether the amount of 62,000 in assistance in (b)(3) is the amount that is going to this program and entirely to this program. Is that the sum total of the department's contribution to the program?

MR. COSENS: Mr. Chairman, in answering the honourable member's last question first, yes. It is the sum total of moneys that are flowing directly. On top of that, of course, there are consultative services, supervisory services that are provided, and teacher in-services that take place for the teachers, all of the teachers who are involved in this program, whether they are in the pilot or whether they are in the school division initiated programs.

His question as to expansion, in 1979-80, there was a total of five Grade 1 and one kindergarten class, three of them constituting the official pilot group, and the others that were established through local initiatives. In 1980-81, 13 and possibly 14 classes will operate; two kindergarten, six Grade 1 and five Grade 2, Mr. Chairman. The Winnipeg School Division No. 1 will be expanding one Grade 1 and one Grade 2; Transcona-Springfield, three Grade 1 and two Grade 2, for a total of 5; Seven Oaks School Division, one kindergarten, one Grade 1 and one Grade 2, for three; Agassiz School Division, one Grade 2 class, of course, carrying on with the pilot; River East School Division, one Grade 1; and Dauphin-Ochre School Division, one kindergarten class. There is a possibility of a 14th class in Winnipeg No. 1 if that's approved by the division board, Mr. Chairman.

MR. WALDING: I thank the Minister for that information, Mr. Chairman. Can he indicate then if the 62,000, which is the amount that the department is providing towards these programs, does that represent an expansion of the pilot program, or does that mean that the 62,000 will be teachers' salaries for an entire year as opposed to the 30,000 for last year?

MR. COSENS: It does not represent, Mr. Chairman, any expansion in the programs. Last year, we were looking at a partial year in this regard as far as the salaries were concerned. This year, we are

looking at a full year; the 62,000 represents the full payment.

MR. WALDING: Mr. Chairman, considering the apparent success of this program and the success of the French immersion and bilingual programs, is the department receiving requests, either from school boards or from parent groups, for the expansion of these types of programs into other languages?

MR. COSENS: Yes, Mr. Chairman, we have had requests and of course it would be our intention to expand this into other languages. In our original concept, we were talking about heritage languages program and if we are talking about heritage languages, then we would be prepared at the end of the pilot period, pending of course our evaluation of how successful these courses have been — the pilot courses in Ukrainian — that we would expand. Now every indication at this time, Mr. Chairman, would be that they are being successful, that they are providing a certain need in the community and the indications, again pending the evaluation, are that it would be certainly worthwhile to the students concerned to proceed into an expansion of this program at the end of the pilot phase.

MR. WALDING: Mr. Chairman, I'd like to ask the Minister then whether these requests are coming from school boards or from parents or from both. Can he also indicate which is the next most popular or in-demand language for bilingual education?

MR. COSENS: Mr. Chairman, if we were to look at the ethnic origins of people in Manitoba, and of course we are a province of minorities, the second largest language group in Manitoba would be people of German ancestry. I would imagine that there would well be some demand from that particular area to consider this type of program for the German language, but we have had a proposal at this point from one school division in regard to native languages. I believe it was Cree that was being proposed by that particular school board.

MR. WALDING: Mr. Chairman, I would move to another topic if I might and I believe it still comes under this same heading. There is reference in the annual report this year, I believe it's under this heading, that the Manitoba Teachers' Society had proposed a course in lifestyle studies at the high school level. There is no indication of what lifestyle studies means or is composed of. I wonder if the Minister could enlighten us as to what the intent of that course was and how it stands with the department right now.

MR. COSENS: That particular request, Mr. Chairman, I believe originated with the home economics teachers in Manitoba who presently are teaching many aspects of what some might terms as life skills, including such components as nutrition, child care, health, areas of that particular nature. And so the proposal that was received from the home economics teachers' association really was a concept that involved putting all of those particular areas together in a course that would be offered to all students in the high school curricula.

That particular matter is under study at this time, Mr. Chairman. We're looking at the feasibility of that particular course. We run into the problem, Mr. Chairman — I think the Honourable Member for St. Vital will appreciate this — that whenever we consider a new course for our curriculum then we also have to consider that students will have to make a choice between it and some other course that already exists. It sometimes becomes rather difficult. What will they sacrifice in order to take a new course that we place on the curriculum?

MR. WALDING: Mr. Chairman, there were a couple of other items that my colleague for Ste. Rose brought to the attention of the committee last year and I wasn't sure whether this would come under the same headings or be included in Lifestyle Studies, but it would seem to be a natural follow-on from that particular part. I found the note in the report, Mr. Chairman; it's on Page 8 and it says under Activities of the Curriculum Policy Review Council and the Program Review Committees — some of the more general highlights are listed below. It says: A proposal from the Manitoba Teachers' Society for a high school credit course in lifestyle studies was carefully reviewed and plans made for follow-up in conjunction with other aspects of the school board program. That was what I was referring to and I assume that is what the Minister was referring to when he expanded slightly on it.

The other two areas that my colleague from Ste. Rose had mentioned last year, and the Minister had said that he had considerable sympathy for, were the matters of preparation or the filling in of the income tax forms. Also the matter of the general democratic process, the political process, the methods of government which the Minister had mentioned, were at one time covered in a program called Civics. Perhaps it was a rare example of unanimity that the Minister and my colleague from Ste. Rose saw eye to eye on the desirability of such things being taught, particularly in the high schools. I wonder if he can report as to any progress that has been made over the last year and whether we might see the reintroduction of some modified civics program, and perhaps by a different name, which would give students a better appreciation, I believe, of our democratic parliamentary system and the values of such a system, to the benefit of the country.

MR. COSENS: Mr. Chairman, to the Honourable Member for St. Vital, I can give him some assurance that in the development of the new Social Studies curriculum for the province — and this is under way at this time — that particular area concerned, the one dealing with government at all levels, municipal, provincial and federal, is being addressed and the final draft of that Social Studies curriculum will contain areas, both at junior and senior high, in regard to the study of government and the democratic process.

The area of income tax forms, however, has not been addressed, I say, with some regret because I think it is a very practical piece of knowledge that every citizen in our society does have to contend with at some time, particularly when they become wage earners in our society. It is addressed to some extent, in some business courses and by some

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teachers but, of course, is not a separate subject in itself and I think rightfully would belong either in some type of consumer course or a business course within our curriculum.

MR. WALDING: I thank the Minister for that information. I was particularly concerned with the second of those two that I mentioned, the civics one. I'll just give the committee an example. I was invited a few months ago to speak to a high school class — not in my constituency but a neighbouring one — of grade elevens and I was given, I think, a couple of hours, perhaps an hour and a half something like that, to speak to them and rather than talk to them about partisan politics I decided that I would talk to them about the electoral process and how one goes about casting a ballot and the actual mechanics of it and, in fact, the whole electoral process itself. These were students approximately 17 years old, so they would be in a position where they would be able to vote perhaps at the next provincial election, perhaps even the civic election this year, and there was considerable interest, Mr. Chairman, from those students in knowing the basis of the electoral system; who may vote, and where they may vote and the actual mechanics of taking a piece of paper called a ballot and putting the appropriate mark on it and the reason why a piece of it was torn off before it was put in the box. The questions that flowed afterwards indicated to me that they had received no information of this type before in the school and that this had come as something completely new to them.

I would also say it appeared to be very much appreciated by the students who had listened to it. I felt a little concern at that time that here were students on the brink of adulthood, about to be able to cast their first ballot and having no information of what they were doing and how the process worked or even what happened when they walked into that room with the notice outside that says, Poll whatever number it is. So I would urge the Minister to take this into consideration and perhaps pass on my concerns, and his as well if he has them, to the appropriate program review committees or the council itself and urge them to take steps to provide these sorts of courses in the schools.

I have one other matter I wanted to question the Minister on — I'm not sure it's entirely in this department or this section but I don't know where else to bring it up — and that's the matter of a new federal copyright law that was passed perhaps last year some time and I understand there are some fairly stiff penalties involved in it with any breaches to copyright. Now, given that there is a certain amount of photocopying done in the schools and students are perhaps required to photocopy various materials for projects that they might have, has the Minister given any guidance or any recommendation to the school boards, or even directly to the schools themselves, as to the effective of this new federal copyright law on the schools and school divisions themselves? Has he indicated any protections that they might have from the provisions of that or what they should or should not do and those things that they might avoid in the schools, to avoid becoming in breach of this new Act?

MR. COSENS: Mr. Chairman, I must tell the honourable member that this has not been a topic that I have addressed in the last year at all. I know that it has reoccurred, not only on the school scene but I think it also applies to people who are in the music field who, on occasion, find it necessary to duplicate music. But up until this point — and again I'm not giving any legal interpretation — I don't think there has been any great hue and cry against the copying of material that will be used just in the school. The exception that is being taken by the publishing firms is where materials were copied for resale. That, of course, is something that has caused some controversy. But as far as instructions to schools from my department in this regard, there have been none issued recently.

MR. WALDING: Mr. Chairman, I'm certain that publishing houses and music publishing companies would be concerned about reproductions for sale but I'm under the impression that the new copyright law goes further than that and that there is a concern over copying materials that are, in fact, not for sale. I do know from experience, just to give the Minister an example, that the talking books that the CNIB provides for many students who are blind requires a preamble at the beginning of it that the publishers or the author has waived the copyright provisions of it and those would certainly not be books that were sold or produced for any commercial reasons.

The Minister says that it has not been a concern, there has been no hue and cry raised over it. My concern is that there not be any hue and cry in the future and that perhaps there should be pretty clear guidelines laid down to the school boards so that both them and the principals and the teachers themselves know what is permitted and what they should guard against. So if the Minister has not yet done so, I would recommend that he apply himself to this particular Act as to what dangers there could be for teachers and for schools and for school boards in the province. If he doesn't want to give a legal opinion himself, I'm sure there are others within the government who could provide that legal opinion and perhaps he should have it reviewed and give some guidance to the school boards.

MR. COSENS: Mr. Chairman, I certainly will take the honourable member's remarks under advisement. As I have mentioned to this point, it has not appeared to be a huge problem in the educational system nor has it been brought to my attention by people in the educational system or, in fact, by publishers, who I'm sure would have been first to contact me in that regard if they felt that there was some flagrant misuse of duplicating machines and materials within the school system. However, I appreciate his remarks. I will take them under advisement.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MRS. WESTBURY: Thank you, Mr. Chairperson. I'm encouraged to continue after the Minister so completely answered my last questions. I wonder if the Minister is aware of a program that has been developed in the United States called the Junior

Great Books Program. This is a program where classics, children's classics and for senior classes adult classics are made available to the students but not in the traditional way, not just for reading but for analyzing, for studying, for learning values. The discussions are led by trained leaders and 40 percent of the trained leaders are parent-volunteers. This was sort of sent out of Chicago — and I'm not one of those who thinks anything that is started in the United States is either bad or good for that reason and I don't imagine the Minister is either — but I wonder if he is aware of this program and if not, if perhaps somebody in his department could look into the program and see if there is some way in which this can be adapted for use in Manitoba because it certainly does seem to be an excellent program, from what I've read about it, and encourages children to read and try to comprehend the classics in a way that I don't think is being done now.

Also, Mr. Chairperson, in May a report was released concerning research which had been paid for by the Children's Hospital of Winnipeg Research Foundation into the television viewing of children in the hospital during the day and concern was expressed by a child psychologist at that time — now, I think this probably comes somewhere between this Minister and the Minister of Health, but I do feel that perhaps this is something he may want to interest himself in. Between 1:00 and 4:00 p.m. this child psychologist reported: 60 percent of children in the hospital are watching television and 77 percent of them are watching soap operas and the psychologist suggested that soap operas, for a variety of reasons, are not the very best viewing for children as a steady diet. There was a suggestion that it would be quite easy to install and not too expensive to install closed circuit T.V. using videotape facilities which could be used again and again because of the turnover of patients. The time most of the children are in the hospital apparently, is between 7 and 10 days, and they could have serials such as *Lassie* and *Charlie Brown* and other programs which are considered more useful and better for the children than the soap operas which apparently they are watching now. I certainly wouldn't have wanted my children, when they were growing up, to watch some of the stuff that we have on TV between 1:00 and 4:00 in the afternoon, Mr. Chairperson. Perhaps the Minister would look into this.

There was a children's hospital in San Diego which decided to make this conversion to a closed circuit type of TV programming and it was all paid for apparently by a car dealership, but I do think that there are volunteer organizations which with some leadership from the Minister would perhaps consider making this part of their project and providing better TV for the children who are forced to stay in the hospitals for a period of time.

I also was interested to hear . . . I was going to bring this up under the next item, 4.(c), that the Minister did refer to the fact that one school division had asked for or had proposed having classes in Cree. And it has been suggested to me, Mr. Chairperson, that for the urban native families, this might be a desirable way to start off their education in the early grades. Perhaps it was School Division

No. 1, I don't know, I would suspect it might be. I wanted to suggest that for a lot of the people who are urban natives, one of the problems that they are having difficulty coming to grips with in the city is the fact that they are not taught in early childhood pride in their ancestry and pride in the lore and the music and the crafts of their ancestors.

I wanted to suggest that perhaps money spent in development of programs such as teaching them in their early grades in their ancestral tongue, Cree or Salteaux, whatever it is, might pay off in dollars in later years through the development of pride in who they are and where they have come from. The suggestion that was made to me was that in their earliest years in school they should be taught in their native tongue, and most of them are Cree I believe, and by the age of 8 or 9 or 10, that they be moving into English language classes and introduction of white culture so that they would in fact grow up with some sense of their own values and some feeling of pride and dignity in their ancestry and in their own culture.

Thank you, Mr. Chairperson.

MR. COSENS: Mr. Chairman, to the Honourable Member for Fort Rouge, I appreciate her remarks. I personally have no familiarity with the junior grade books program. I have merely heard of it and I am sure there are people within my department who are aware and if it has positive implications for our system, if it could be utilized in the system and enrich children's lives in the area of literature, certainly it is worthwhile considering, so I thank her for the suggestion.

On the matter of the TV viewing in hospitals, Mr. Chairman, that is a little more complex and I would have to discuss this matter with the Minister of Health. As far as the soap operas are concerned, Mr. Chairman, I would suggest to the honourable member if children in hospitals are watching these programs in the afternoon, it may well be because they are being visited by adults who don't want to miss one program and as a result the children are being exposed to the program to accommodate whoever happens to be visiting them at the time. However, I'm not making light of the honourable member's concern. I think it's a real concern. There are certainly videotape programs that exist within my department that could possibly be utilized in this type of situation. I would certainly again take her suggestion under advisement. If there is some utilization that can be made of the educational films and videotapes that we have in that situation, I would like to see it happen.

The final point made by the Honourable Member for Fort Rouge I would like to address when we get to the Native Education Branch, Mr. Chairman, because some of her concerns I think are being addressed by that particular branch and that type of thing that she refers to as far as native people are concerned is happening in the production of materials, under native awareness courses that are being conducted by that particular branch of our department, that in part I think will dispel some of those concerns that she has about native people living in the urban area in particular.

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MR. CHAIRMAN: The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Chairperson. When we were involved in this section of the estimates a number of years passed and I believe probably on a continuous basis, I had approached the Minister in regard to a concern I have over the way the image of the working person is presented in some textbooks, not all textbooks, but that from time to time when reviewing the textbooks we come across what I believe to be some very negative statements about the value of unions in a working person's life as well as a general disregard for the contributions that workers themselves have made in regard to improving society, their value and their benefit to society.

I have to relate a small story to you which I think points out one of the problems. I had the pleasure of being with the Minister two weekends ago, I believe, or three weekends ago, the record may indicate, in Lynn Lake, when he had the opportunity to dedicate the rebuilt portions of the West Lynn Heights School. I listened to the Minister with some great interest as he was making his presentation and I have to commend him on a very well done presentation to the people who were assembled there for the ribbon-cutting process. He mentioned that there were many people that he was to thank in regard to the completion of that building and he mentioned first that of course one has to thank the designers, and there was a representative of course of the architectural firm there, who, I believe, it was his 61st birthday on that very day and the Minister singled him out for some commendation and also some reference to the fine job they had done.

The Minister proceeded to work his way through the list and I believe took opportunity, which I was pleased to see at that time, to thank the teachers for the changes that they had undergone and for their being part of the process of bringing that new addition about. But after he had thanked everybody, I noticed that there was one, in my mind at least, outstanding exception, and that was he had not thanked the workers, the people who had put the bricks in place, the people who put the carpentry in place, the people who had put the flooring down, the people who had with their own hands and their brawn and their brain, built the actual structure itself. And that I don't bring to your attention to chastize the Minister, because it is a common mistake that is made, it is a common problem that we as workers face, that people don't recognize the value of our input and our effort and our labour into the system.

And that in fact is the case with the textbooks in the schools. Far too often we see that the railway was built by one person, if we are to read the textbooks, who had a tremendous amount of input and was out there, if one would take the textbooks literally, laying the steel with his or her own bare hands. We see that great monuments have been built by individuals. Very seldom is there any mention of the value that the workers themselves play in building our society. I note, according to the Annual Report, that the policy review committee did a number of task force or participated in a number of task force and committee reports and implementation proposals in regard to curriculum,

and I would ask the Minister if anywhere in their studies do they sit down and discuss this, what I believe to be a very pertinent problem in regard to the value of the worker not being fully explained in the textbooks of this province? Do they take an opportunity to examine that problem, and if so, do they come up with any recommendations or reviews?

MR. CHAIRMAN: The Honourable Minister.

MR. COSENS: Mr. Chairman, I'm not aware of any particular recommendations in that regard. The people in my department and on my committees who look at curriculum and look at curriculum materials and textbooks are very conscious today of bias and misrepresentation. Certainly this is one of the things, or these are some of the things rather, that they do take into consideration in evaluating any materials that are going to be introduced into the classrooms of the province. Whether in fact they are meeting all of the expectations of the Honourable Member for Churchill in that regard or not I hesitate to say, Mr. Chairman, but I certainly was not aware of what he would imply would be some bias that might exist in textbooks today against those who do the work in our society, so to speak.

MR. COWAN: Thank you, Mr. Chairperson. If the Minister was not aware, then I would suggest that he has not been following very closely some recent activities, especially of academics who are concerned with curriculum and the impact it has on students in regard to the undervaluing of the role of the worker in our textbooks. It is in fact and well documented over the past number of years that this is a very serious concern. One of our own professors, Ken Osborne, just came out with what I believe to be a very comprehensive study in paper in regards to the treatment that workers receive in the textbooks. I'd be more than pleased to share that with the Minister, although I know that he can get it from his own department because I imagine they are fully appraised of the content of that review and it has been published publicly in magazines and journals. I'm surprised that the Minister is not aware that some persons are very concerned with that problem.

To pursue the issue further, I would ask the Minister if he is aware of any books that have been removed from the recommended reading list, or if he is aware of any books that have not been allowed to be put on the recommended reading list because of a bias that they may show against workers or workers organizations such as unions and associations.

MR. COSENS: Mr. Chairman, I would have to check on what particular materials have not been accepted, for any number of reasons, including those that the honourable member mentions. I'm not sure about his reference to a certain individual in calling him one of our own professors. I'm not sure who he believes that professor belongs to. However, maybe I can add that that particular individual that he refers to is on the social studies working party. Perhaps that will remove some of the honourable member's apprehension, because I understand that the role of workers is something that is being addressed in the

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new social studies curriculum that's being drafted at this time.

MR. COWAN: Thank you, Mr. Chairperson. To set the record straight, when I speak of an individual in this instance, Mr. Osborne is one of our own professors, I am referring that to the fact that he is a professor at a university in Manitoba and I would have hoped that the Minister would have taken it in that manner instead of suggesting that there might have been other implications. That as it is, it has already been done, and I just wanted to make certain that the record is straight, that by referring to him as one of our professors, I am in fact saying that he is one of the professors working here in the province of Manitoba.

The Minister really hasn't soothed any of my apprehensions for a number of reasons. One, because we have brought this matter to his attention in the past and, as a matter of fact, when I was not a part of this particular body and was working with other groups, I brought it to the attention of the previous government in much the same vein, that I was dissatisfied with what was in the curriculum in many instances and I felt the role of the worker was undervalued and underrated throughout. So it is not a new concern, it's not a concern that his government has been advised of singly, it is a concern that has been outstanding for some time and has been brought forward to each government in regard to doing something about it.

But when we brought it to the previous government, they did set about to develop a curriculum that would pertain specifically to the value that workers have had and also the value and the role that unions have played in Manitoba. This was a curriculum program that was put forward in, perhaps not the most finished and polished form, but at least was put forward in a presentable form for use in the schools. I recall talking to the Minister about it in these very estimates a number of years ago and the Minister said that he had asked for that to be withdrawn because of the bias that he had seen in it. We had a very long discussion about that particular bias and the Minister, at that point, indicated that in regard to the future use of that curriculum guide he would have that book brought to the attention of the Curriculum Review Committee and would ask for some decision to be made as to whether or not that book should be allowed to be promoted by the department for use by teachers who wanted to either update themselves or update their classes in this specific area. I'd ask the Minister if that review has been completed and what decision has been made, if any?

MR. COSENS: I can inform the honourable member, Mr. Chairman, that that has been done and that type of material will be certainly taken into consideration as new texts and new support materials are brought into the curriculum.

MR. COWAN: I would ask the Minister then to be more specific as to what he means by that type of equipment. Will teachers who request it be provided with a fairly substantial book on labour history that was developed as a curriculum guide or will that curriculum guide be made available to those persons

who might be writing books in the future, because those are two very different processes by which this material can be introduced into our school system. I'm not certain that one should exclude the other but I would like to know from the Minister now if it is his intention to make that book available to individual teachers that may request it from him or request it from the department.

MR. COSENS: Mr. Chairman, if it's recommended for use in our schools, then yes, it will be available.

MR. COWAN: Then, to set the record straight, is that book in fact recommended; is that curriculum book that was put together by the Manitoba Federation of Labour and the government of Manitoba Working Group on Labour Education, will that book, the book which the Minister tabled or presented to me two years ago, be recommended for use in the Manitoba school system?

MR. COSENS: Mr. Chairman, it's still under consideration and I can't give the member any assurance that particular book will be the one that will be recommended. It's quite possible that some of the material in that particular book will be utilized and made available to schools but I cannot give him any assurance until I have received some recommendations from the curriculum committee in that regard.

MR. COWAN: Thank you, Mr. Chairperson. Well, it's been some time since the Minister indicated that he was going to give this particular book to the Curriculum Committee for their review. At the time, perhaps unjustifiably so, I had anticipated that it would be a speedy review because what the review in fact was, was to determine if the Minister's bias should keep that book from the school system. In other words, the Minister explained that he had a particular bias in regard to this book or felt that this book was overly biased in its presentation and he felt so upon further discussion, he explained, because of his own particular bias, because every individual in this House has a bias, and we had a long discussion at that time in regard to what role our own personal biases should play in our activities in this House. So I had anticipated, because of the nature of the removal of that book, that the Minister, with all due haste and all due speed, make certain that his particular judgement was either, in this instance, confirmed or in fact was rejected by the Curriculum Review Committee and here it is a number of years later and we still don't know. I'd ask the Minister if he can, at this time, indicate when we should expect such a decision to be made.

MR. COSENS: Mr. Chairman, this is the type of decision that is made by the curriculum committees that are dealing with the revision of the social studies curriculum. If, in their opinion, parts of that particular book can be utilized in that social studies curriculum, then that is the recommendation they will make and it will be part of the draft curriculum.

MR. COWAN: Well, the Minister indicates that the social studies committee will be determining what parts of that book, if any, should be used in regard

to a curriculum guide. I would ask him right now if there is any comprehensive curriculum guide in regard to the role of workers in our society or in regard to the role of labour unions in our society, that are available now through his department to social studies teachers, who may wish to emphasize that particular area or just may wish to update themselves on what is happening and how they can better present that material to their class. I ask him that question because other jurisdictions have very comprehensive curriculum guides on the role of the worker and the role of the workers' organizations in the development of society. I would wonder if our jurisdiction here, the province of Manitoba, has seen fit to develop such a comprehensive program for injection into our school system in one way or another.

MR. COSENS: Mr. Chairman, I would have some difficulty with the honourable member's definition of comprehensive. There are materials that are available, yes. Whether the honourable member in his definition would term them as being comprehensive or not, I cannot really say. We do not have a separate course in that particular area, just as we don't have a separate course on the role of those in business or the role of people in some other aspect of life, but certainly we do have support materials that are available, on a variety of topics.

MR. COWAN: Thanks, Mr. Chairperson. I'm not expecting the Minister to be able to know what I would consider comprehensive and what I would consider not to be comprehensive, so what I would ask the Minister to do in this regard would be to provide me with a list of those support materials and also examples of those support materials and, if they are not too bulky, which I imagine is the case, if he could he provide me with examples of all those support materials that have been designed specifically to deal with the role of workers and workers' organizations in our society. Having received that, then I would feel more comfortable in trying to determine whether or not I believe it to be comprehensive and will be more than willing to explain to the Minister why I did or why I did not believe such to be a comprehensive review and a comprehensive support system for those teachers wishing to teach that sort of material.

MR. COSENS: Mr. Chairman, I can certainly make available to the honourable member any particular materials that we make available to the schools of this province in that regard.

MR. COWAN: Thank you, Mr. Chairperson. I thank the Minister for that commitment and look forward to receiving that material as quickly as possible so that there might be time to peruse it before the Minister's salary comes up, at which point we would have another opportunity to discuss it, in not as great length and not as great detail, but to discuss it generally so that the Minister can have the benefit of whatever information I can provide him with and he can use as he sees fit.

But I do want to make the point that it is my belief, from looking at the materials that are on the recommended reading list and from going through

some of them, from looking at some of the materials that going into the school, that the working person in this province is not illustrated in a comprehensive way and, in many cases, a beneficial way in many of the textbooks and, in specific, the working persons organizations are many times referred to in very negative terms.

I can only recall an incident of a book that I pulled from the Lynn Lake Library. It was used in that community a number of years ago, and this would precede my activity in this House. In going through it, I came across a particular section that talked about the union to which I belong, the Steelworkers' Union, and it said that the Steelworkers' Union is a notoriously strike-prone union, which is far from the case, I can assure the Minister, and it also indicated — it was a United States book I might point out — it also indicated that in the United States, the steel production capacity of the United States had never been fully reached because the union was notoriously strike-prone and prevented such from happening. That was perhaps a more blatant example of some of the negative implications of that book but it was in fact not an isolated one, and there were many more of varying degrees of subtlety within that book.

I had the opportunity to go through a number of books that were on the recommended reading list for the province and were used in that particular school and found other instances of that sort of bias built into the materials that the children were receiving in the schools. I've talked to this subject before in this House and have said much the same thing and I wish to put it on the record again that, in that particular instance, I believe what those books are doing, especially in a steelworkers community or a community that is populated primarily by steelworkers and their families, what those books are doing is turning the children of the community against their mothers and fathers, who are members of the union; and they are mothers and fathers who, in many instances, are very proud to be members of the union and play a very active role in the union and see the union as a very positive factor, yet when they send their children to school — schools which I might add they pay for through their tax dollar — when they send their children to those schools, they are in fact subjecting their children to this sort of indoctrination that presents their union and their role, by implication, in the union in a negative light.

I don't believe that is fair to the student and I don't believe that is fair to the worker involved and the union member involved and I especially do not believe it to be positive to our society, as a whole. I believe that it will result in conflicts, confrontations and stresses that need not be. What I would far prefer to see is a textbook that presented the role of the unions and the activities of the unions in the most unbiased light possible because I believe their role to be positive and I think if you look at their activity, without subjecting your own value judgements on it, you will find that the role that these organizations have played throughout our history has been a very positive role and that in fact there is much for members of these organizations to be proud of, and especially there is much for children of members of these organizations to be proud of also. So I believe it is an unfair use of our taxpayers money to use it to buy books that in fact

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turn children against mother and father and in fact turn children against a very positive force in a society.

So I bring that matter to the Minister's attention for probably the third year running. I imagine I'll have to bring that matter to the Minister's attention again. I imagine I'll have to bring that matter to the attention of the Minister that follows that Minister, regardless of what government they belong to, because I believe that the problem is of such significance and to such an extent that it will take us a very long time to root out this sort of bias and to root out this sort of indoctrination from our textbooks. But it is a goal to which I dedicate myself because I believe it is very important that the children receive, at the very least, an unbiased presentation of the role of workers' organizations in developing our society and I believe, further to that, that they deserve a recognition or that they deserve to perceive from their textbooks a recognition of the role that they will play — because most of them will go into the work force — that they will play in building a better society. It is a very positive role.

Just as the Minister neglected to mention the workers who had laboured in building that building in his dedication, so do our textbooks neglect to mention the workers who have laboured throughout our province, throughout our country, throughout the world to put us to the state where we can stand in this House today and make these sort of speeches. Somebody built this; somebody built these desks; somebody is building the offices of today. They are playing a very valuable role and we must now acknowledge that role and we must now encourage others to participate in that sort of work, so that a person does not go into the work force at age 17 or 18 feeling unhealthy about what they are going to do, feeling negative about what they are going to do, but that they go in with a very positive attitude saying that I'm a very productive member of society; the Legislator is a very productive member of society; Mr. Van Horn was a very productive member of his society; the lawyer is a very productive member of society. But the butcher is a very productive member of society, the carpenter, the labourer, the school teacher, that any person who brings their brain and their brawn to force to build a better society is in fact playing an equally productive role in building their own future and building their world.

So I believe that sort of acknowledgement for the activities of the working person is long overdue and I am somewhat disappointed that I cannot entice from the Minister more assurances that such is being done; I'm somewhat disappointed that the Minister can't come before us today and speak to some very positive statements that have been made, some very positive programs that are ongoing and show us a whole list of changes which are necessary and overdue, to assure members of this House that he, too, acknowledges that role and he wants to see it become a vital and important part of our curriculum.

So having said that, I hope I have offered the Minister some encouragement to report back to us next year that such has been undertaken and such has been accomplished, to at least the best of his ability, given the time constraints that he faces, at least the first step has been taken.

I'd ask the Minister now if there has been any — and I apologize to the Member for Rossmere who has been waiting patiently for me to finish that presentation, but I believe this, too, to be a very important subject — I would ask the Minister if he has, or directed his curriculum policy review committee or program review committee, to examine materials relating to workplace, safety and health in our textbooks. The reason I ask that is because we all know that vocational education is becoming a more important part of the educational system as time goes on, and we're placing more emphasis on it; we are providing more concrete examples and programs for persons to learn how to be workers as they leave the school system; it is not so academically orientated as it was previously. About two or three weeks ago I had the opportunity to go to speak to one of the schools in the city that has a very comprehensive industrial arts program, and I spent the whole day there and probably talked to 600 students throughout the whole day, and talked specifically about workplace, safety and health. I talked about it in generalities, but I also talked about it in specifics, and the teachers there informed me that their industrial arts shops are actually considered to be workplaces under The Workplace, Safety and Health Act and that they do come under the provisions of that Act, and yet when I started to talk to the students about, well, what do you know about safety in your shop? What do you know about the chemicals that you're using in the shop? Because they're painting; they're using mineral oils; they're using industrial oils; they're using industrial solvents; they're using some very potent and toxic chemicals in their shops, as well as in their school labs; they're using these same types of chemicals.

The Minister knows full well that there's been some problems in the past, and that either his department or, I believe it's the Workplace, Safety and Health Department has felt it necessary to develop a manual for school laboratory safety, because that was an area that there was a need and that manual was overdue. So I commend them upon developing that. But when I talked to the individual students, No. 1, they knew very little about the workplace, safety and health division; they knew very little about their responsibilities and rights under the legislation; they knew nothing about their responsibilities and rights under the legislation in their own particular workplace; they knew nothing about that. Also, that they in fact wanted to know, that they had, what I believe to be, a very definite need for that information; that they suggested to me that they wanted very badly to have more information on that.

Also, those same students — and I asked each class that came through — to indicate how many of them were working part-time and how many of them were working full-time outside of school as well as going to school, and I would suggest that the majority of them were working part-time, by and large, the great majority of them, perhaps 75 to 85 percent of them were working part-time, and that a very small number of them were working full-time and carrying on their school work as well. When they're out working, they're working in industry and they're many times working where they may be subjected to industrial hazards, and I talked to them

about that. And they said, yes, we are, and here are some of the things that are happening. Yet they had no idea of how to go about dealing with those industrial hazards they faced outside the workplace, and they had no idea on how to go about it dealing inside the school where they did come under the Act.

I would suggest to the Minister that this is a perfect opportunity to develop within the students and future workers, a safety health consciousness, as well as to give them the skills to deal with problems that they are going to face as workers. It is one thing to go up to an employer and suggest that you are going to take some action against that employer because you believe the conditions to be unsafe or unhealthy when your job is at risk. That is difficult indeed, and if one is going to do that, one wants to be certain of what procedures to follow and one wants to be certain of their rights and their responsibilities and their protection under the legislation.

It is another matter to go up before a teacher and try in, what I believe to be, a more amicable situation, discuss those problems. So I would hope that the Minister would encourage the formation of workplace, safety and health committees within the industrial arts classes in the schools so that the students can understand what it is that committee is supposed to do, what role that committee plays, what function that committee plays, so that the student can understand their own particular contribution to that committee; so that the students can understand why that committee should be there and what it can do to protect them. Because I'm certain if the Minister of Education talks to the Minister of Labour about this subject, he will find that one of the reasons that they have not been able to bring more committees into being within this province — and I don't believe it is a substantial enough reason to stop the formation of other committees, but the Minister obviously does because he has not developed any other committees, and he has given this as a reason being for that non-development — and that is, that the committees themselves are not functioning efficiently and effectively and as well as they could be in the workplace.

Why don't we educate the students when they're in the school system, how to make those committees function better? Why don't we educate them by actual practice? Let them set up a committee. Let there be management representation on it, in this case it would be teachers and administrators. Let there be worker participation in it, in this case it would be students, and we would have, in fact, a working functioning committee in an atmosphere that will enable the individuals participating on that committee, to develop their skills in the most positive way. They should not have the confrontation that exists outside of the school, so it would enable them to learn a bit about the safety and health problems they may face. But it would far more importantly enable them to deal with those problems, using the legislation that this government has seen fit to keep in place, and which this government, by that action, have condoned and have suggested is good legislation, legislation that they've kept in place with very few changes, I might add. So that, in fact, they will be promoting their own legislation — actually

they'd be promoting the previous administration's legislation — but they'll be promoting legislation that they have kept in place, and developing skills among school children and young adults in order to be able to make the best use of that legislation. I think that's a very important role that schools can play in regard to industrial and vocational education. Vocational education does not have to be simply picking up a tool and learning how it works, or working on a drill press, or learning how to make a square cut, or learning how to make a mitre cut, or even learning how to do geophysical work. This should be also part of the community colleges, but that's a different subject altogether.

Vocational education can also mean teaching students, and I would suggest that it should mean teaching students how to deal effectively with their workplace; how to be a better worker, and we will all agree that better workers are safer workers. Or to put it the other way around, the safer a worker is, the more productive that worker will be and the more value and benefit that worker will be in their job. The healthier that worker is, if they can avoid the sort of insidious toxins and hazards that far too often workers are subjected to because they have not been informed fully of the properties of the materials they work with, and do not know how to go about finding out those properties, then those healthier workers will be more productive, and those healthier workers will be of more benefit to our society at large. I know the Minister shares my concern and shares my belief, that we should have the most productive workforce possible.

I would hope that the Minister would use his office to develop those sorts of programs, to put those sorts of programs into place and to make certain that they work. Now I want to be very specific here, that I'm not talking about a lecturer from the Workplace, Safety and Health Division coming in and doing a one-day lecture or two-day workshop. I am talking about actual workplace, safety and health committees in place that are performing a viable function and have granted upon them — because the industrial arts place, as I have been informed, and I may stand corrected on that, is a workplace — have upon them the rights and responsibilities and the powers of any workplace, safety and health committee anywhere in our society. I would hope that the Minister would, in fact, see that that is done as soon as possible. He will be doing not only his own department a service, but the Ministry of Labour a service, as well as doing all workers within the society and the specific individuals on those committees, a great service.

MR. CHAIRMAN: The hour is now 4:30. I am interrupting the proceedings for Private Members' Hour and committee will resume at 8:00 o'clock this evening.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: We're now under Private Members' Hour. Monday's first item of business is

resolutions. The first resolution on the Order Paper is Resolution No. 12.

The Honourable Member for Fort Rouge has 10 minutes on the sub-amendment.

**RESOLUTION NO. 12
AMENDMENTS TO INCOME TAX ACT —
HISTORIC BUILDINGS**

MRS. WESTBURY: Yes, Mr. Speaker. I have a lot to say on the sub-amendment, and I'm really going to have to gallop, I think, to get it said, since it was a lengthy sub-amendment.

Mr. Speaker, in speaking to his sub-amendment, the Honourable Member for St. Johns stated that the owner of the historical building is very often put in a serious dilemma of being terrible citizens, not good corporate citizens, for daring to want to rebuild it into a valuable economic building. But I want to remind the Member for St. Johns — I hope he'll read it in Hansard — that in both the Bank of Commerce and the Bank of Nova Scotia there were no plans for rebuilding when the owners applied to demolish these buildings, and to see what the result would have been, one only has to look at the old McIntyre Block site, in other words, another parking lot in prime, almost Portage and Main location.

The Bank of Commerce was proposing a small park, a portopark, something like that, for the site of the Bank of Hamilton and the Bank of Commerce. Now, specifically speaking to the paragraphs in the sub-amendment:

Paragraph (a) Transference of authority. I must remind the proponents that the Historic Buildings Committee appointed by the city of Winnipeg already has representation from all three levels of government. It already has representation from Parks Canada, which is federal; Historic Resources Branch, which is provincial; and the Department of Municipal Affairs, provincial and two city councillors, as well as city staff. However, there's nothing wrong with the paragraph, of course, except that it's stating a need for something which already is in place.

Paragraph (b) Providing a property assessment formula. The wording of this paragraph is disturbing, Mr. Speaker. The words reduced value of heritage property because of restricted redevelopment opportunities implies that in every case where you have heritage designation that automatically reduces the property value. This may be true in some cases, as it seems to have proved to be in the case of the Bank of Nova Scotia, where the market value is based on the potential development of the site, but it is not true in such buildings as the Old Spaghetti Factory, which has been redeveloped and that particular building has improved in value.

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

MR. CHERNIACK: I wonder if the honourable member would permit a question on that precise point.

MRS. WESTBURY: Mr. Speaker, I'm afraid I'm going to run out of time. I only have 10 minutes. If there is time at the end, perhaps we can get into questions.

In Winnipeg, if these historical buildings are demolished, who's going to build the new buildings? I suggest that there just isn't that much demand for new building in Winnipeg. To go on to Item (c):

Providing for federal and provincial grants in lieu of the tax losses suffered by municipalities, etc. This implies automatically that there is a loss in connection with heritage designation. I want to suggest that a study of the impact on various tax incentive programs in the city of Portland, Oregon, concluded that their legislation, which included the new Urban Renewal area, The Historic Landmarks Bill, the Rehabilitation Improvement Exemptions and the new Multiple Housing exemptions, will increase taxes of the average homeowner in that city by less than 1 percent, or about 6.00 per year in the short run. However, the bills do provide for exemptions for a period of time only, and because the exemptions are granted for the purpose of new construction, preservation and improvements, it's anticipated that in the long run the property tax rates will fall below the amounts that they would have been if the legislation had not been adopted. Short-term costs are expected to produce long-term benefits in that city of Portland, Oregon.

In other words, what they are saying is that through short-term property tax relief the renovations and improvements generated will, in the long run, more than compensate through increased tax revenue in the future. So the blanket statements about costs and losses are not proven facts. If you examine historic districts, such as the New Orleans' French quarter and Quebec City's historic district, you can see the rise in property values and other revenues.

Item (d), paragraph (d), now this is one of the most controversial and complex things that ever comes up when you are talking about historical restoration and incentives to owners of historical buildings, Mr. Speaker. The decision of the U.S. Supreme Court in the case of New York City versus Penn Central in connection with Grand Central Station, the court ruled that heritage designation does not constitute expropriation if it is done in the public interest and in a manner which does not violate due process. Part of their resolution refers to damages resultant from limitation of the use of property and we could argue that designation is really the same as a former zoning or land-use control. It does limit the use of the property, but the owner of a house in the middle of an R-1 residential district doesn't feel entitled to compensation because he is not entitled to build a 40-storey office building or other commercial building on that property.

Item (e), of course — Item (d), there's so much more to be said, but I'm afraid I'm going to just run out of time — is what we're proposing in the original resolution and delighted that they saw fit to include this in their sub-amendments, Mr. Speaker. Another argument in favour of the amendment, which is only been touched on briefly in all the discussion, is the proven success of similar amendments in the United States under the Tax Reform Act of 1976 of the U.S. Congress. A study of that Tax Reform Act by the Heritage Conservation and Recreation Services of the U.S. Department of Interior reached these conclusions, Mr. Speaker. An overwhelming majority, that is, 93 percent of people responding to the

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questionnaire indicated that the provisions of the Tax Reform Act are bringing about an increased awareness of an interest in the preservation of historic building stock. A dozen or so instances exist in which the incentives are bringing about revitalization of entire neighbourhoods or districts. In many other cases, the rehabilitation of one or two buildings in a historic district or central business core has had an influential ripple effect on neighbouring buildings. The incentives, it continues, are also playing a key role in revitalizing a number of important landmarks, such as the Bellview Stratford Hotel in Philadelphia, the Chrysler Building in New York and the Hotel Texas in Fort Worth, Texas, none of which would have renovated without the favourable tax treatments.

Just commenting briefly on the remarks of the Member for Rossmere that statistics show tax incentives are used by owners of large and small projects alike. In 1978, figures show that nearly one-third of the owners had budgets under 100,000.00. Another one-third had budgets between 100,000 and 500,000.00. They are not just large-scale developers who are applying for certification, also independent businesses.

I want to remind the members of the House that the level of public support on this whole issue of heritage and historical buildings was exemplified in the results of a question asked in the Winnipeg public attitude survey developed by the Winnipeg Development Plan Review, 85 percent of the people questioned agreed with this statement: Many historical buildings in Winnipeg's downtown are worth preserving, Mr. Speaker.

The last point I want to make is this, that the suggestion was made that when I referred to assisting the construction industry during my opening remarks, Mr. Speaker, that remark was challenged by later speakers, and I want to suggest that HUDAM has recently set up a renovation council. This is after they had some meetings with the city staff and with the people appointed to the Historic Buildings' Committee. This is because they were so concerned about the number of skilled tradesmen leaving the province and now they've set up this council, a renovation council, to try to stimulate more renovation work.

I just want, in concluding, to congratulate HUDAM, who are putting their money where their mouth is. They have moved their offices into the Fort Garry Hotel so that, in fact, they are not only assisting through the establishment of a renovation council, they are positively assisting in the preservation of a beautiful historical building, which is a Grade 2 historic building, if I remember correctly, the Fort Garry Hotel, by moving their office into that building. I think it's appropriate that they should be congratulated for this, Mr. Speaker.

MR. CHERNIACK: Mr. Speaker, does the member have time for a question?

MR. SPEAKER: About 30 seconds.

MR. CHERNIACK: That's enough, Mr. Speaker. In view of the fact that the member says that in many cases there won't be any losses, then why does she want to compensate for loss by income tax

reduction, and if there is no loss, then why would she expect that the sub-amendment would provide for payment?

MRS. WESTBURY: I'm sorry, I understood the first part, but not quite the last phrase of the question. It's an incentive matter, Mr. Speaker, there is concern among developers and owners of buildings . . .

MR. SPEAKER: Order, order please. The honourable member's time is up. The question before the House is the sub-amendment.

The Honourable Member for Ste. Rose.

MR. ADAM: Mr. Speaker, I don't intend to make too lengthy comments on this particular resolution, except to say that last night we watched a program, Cities, in which Peter Ustinov was involved. It had to do with the city of Leningrad, mainly the city of Leningrad, and how they approached and solved the problems of maintaining their heritage and their historic structures and buildings in that country. It was mentioned in the program that under a socialist type of state government that it was possible to preserve these lovely, actually gorgeous, fantastic buildings of the past, past Europe, but under the free enterprise system, it was very very difficult. It was really an enlightening program to watch and see how many of these historic buildings were completely demolished during the last World War. They were all restored to the original construction in order to preserve that heritage.

I know that my colleague for Point Douglas advised me the other day that in Poland the same thing happened in that country. Many many historic buildings, practically all of Warsaw was destroyed during the war and that all these historic buildings had been reinstated to their original designs.

I want to say to the Member for Fort Rouge that if she really wants to save all these historic buildings, she is going to have to move to that kind of a system, because under our present free enterprise system it's almost impossible to preserve all our historic buildings. All she has to do is watch the program that we watched last night on cities, Mr. Speaker, and to watch Peter Ustinov describe the beauties that abound in the city of Leningrad. She may also confer with my colleague for Point Douglas and find out what they did in Poland to restore all those magnificent buildings that were destroyed during the Second World War, Mr. Speaker. She will find how we can maintain all these beautiful buildings. I just want to point that out to her before we vote on this resolution.

MR. SPEAKER: The Honourable Member for Seven Oaks.

MR. SAUL A. MILLER: Mr. Chairman, just a few words on this. Looking at the sub-amendment the Member for St. Johns introduced, to me, I really feel very strongly that the issue is not should there be the protection of heritage buildings. I think everyone's agreed to that. The point made by the Member for Fort Rouge saying that the public now is conscious of their heritage and wants to retain it, I don't think

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anyone questions that. I think the question before us is how do you best do it. I've always disapproved of the idea of some form of tax incentive through the tax system. The tax system is hidden from public scrutiny. You know, the integrity of the tax system is secrecy and I would much rather — I think in all cases when supporting this type of effort — that any support that is visible is accountability, the public knows exactly what's involved. It isn't enough to just have a bunch of people saying, now, we think this is a beautiful building; we are going to push to have it declared as a historical or heritage building and go into City Hall convincing council that it should be so declared and then City Council saying, well, by all means, let's declare it.

The individual who owns the building is deprived of the freedom to do with it what he wants. If we follow the Member for Fort Rouge's thinking, it would then be a change in the Income Tax Act whereby the owner of the building could take advantage of some income tax incentives so as not to lose by having that building declared a heritage building.

So it's not a question of should there or should there not be buildings which are treated as historic sites. Certainly, everyone agrees to that, but I think the way to do it is, firstly, it shouldn't be left to one level of government. I think all three levels of government should have to be involved in this, that the city should not lose revenue. That revenue has to be supplemented if there is a loss. Not always is there a loss, as the Member for Fort Rouge points out. In smaller buildings you can retain the facade of the building; you can retain the feel of the building, the visual, certainly, and still put the building to use. So that not every building has to be treated the same way. But where there is a loss, then it should be up to the senior governments to assist the municipal, and not full assistance either because I think there has to be a break in the municipal government so that they don't go around declaring everything is a historical site, that they, too, have to recognize a certain financial responsibility.

So there are three levels of government involved, (a) it's visible, (b) it requires the participation of all three and the concurrence of all three, and the other aspect is that the developer or the owner is now deprived of the right suddenly to put the building to the most effective use financially. He has acquired the building over many years, perhaps, or recently. He bought it as a building with certain zoning and suddenly he's told, you have to retain it; you can't tear it down; you can't do anything with it, retain it. Now, I can see, faced with that, he says, well, look, I am being denied the rights of what anyone else might have to do with that building what I want. I want to tear it down; I want to replace it with a newer building, with more square footage that I can rent, with more effective square footage, a more modern design and now, I'm not allowed to do it. Can I say that person does have to get some protection? But I don't think it should be through The Federal Income Tax Act because it's easy to say that, to say, well, let the federal government be out that money; it's not our problem. I don't care what level of government it is, I want it above board. If indeed there is a loss to that individual to retain that building, then that loss has to be covered. It should be covered by all three levels of government, not just

the federal. That loss has to be visible to the public so the public knows what is involved in declaring historical sites. It's all very well for people to say this is terrific, this is a beautiful building, we mustn't tear it down. But I want them to understand that in doing so there is a cost, a cost which they must participate in, the visible cost, not something that's lost somewhere in Revenue Canada which no one ever knows about and no one ever sees and maybe goes on for years and years and years. I want it visible, accountable annually so that it's the entire community that has a stake in what is declared a historical site and what isn't declared a historical site and the cost to the community as a whole. We are richer for it in the long run but let's not kid ourselves, there should be an immediate cost to the community and that cost should be shared, as I say, between all levels of government, both provincial, federal, and municipal, and that's why all levels of government have to be involved in the declaring of it and the acceptance of it as a historical building and determining that it should be retained, as to the level it's retained at, whether it's totally retained or just the thought or what have you, or just a plaque to memorialize it and there's no cost involved at all.

I think the amendment we're dealing with is a very valid one. It doesn't, as I say, try to push off to some other level of government the realities of what it means to have the historical sites named and maintained, that these heritage properties then become the concern of the entire community, local, provincial, and federal, and that it not be something that by virtue of the ownership of the building, depending on whether it's a multi-national company or not, that they can offset certain costs against their total tax impact on a national basis, on a federal basis. That should not be the method in which it is done.

The Member for Fort Rouge says that in other cities that it's worked, I don't doubt it has, but I think we can show a little imagination and not just use the old traditional, in almost every instance, well, let's figure out an incentive. What incentive? Let's allow them to offset certain costs against the federal government, against Revenue Canada. That is not the kind of incentive I like to see. I like to see it open, above board, so that the citizen in the city and in the province know what's involved and that, although there is an immediate cost involved to them directly, the long term cost of retaining our heritage, retaining the feeling of what the city was like 50, 60, 100 years ago — and as time goes on, that's going to become even more important — that we all share in this desire and therefore we all share in the responsibility for it and not simply, as I say, pass it off to some other level of government and say, well, if it's not going to cost us any money, we can be sports. Everybody can be a hero if it doesn't cost them any money. I think this is important enough that the community has to be broad on side to recognize that they have a responsibility, they desire something, there's a cost involved, and that cost is something they have to share in.

So the idea that there should be an authority at the three levels of government is good and of course, it goes without saying, that an assessment formula has to be derived at which takes into account the reduced value. Because if you have a

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building where you cannot get full rent on it, you cannot utilize it in its most effective way and are still assessed on the basis of a square footage which is not useable, then certainly this is unfair. The municipality certainly should be able to come up with an assessment formula which recognizes that if you have a ceiling with is 30 feet high in a building and it's just air, that it's not revenue bearing, it cannot bear revenue and that should be taken into account.

Again, as indicated earlier, the federal-provincial grants have to play a role in that because the municipality will be losing assessment and therefore they shouldn't have to suffer for it, that provision of compensation to the owner for damages resulting from limitation of the use of the property because of such declaration, and that of course is valid because the owner can, I think correctly, say I bought this building in good faith. It was zoned for commercial use. There was nothing to indicate that I could not put on a 30-storey building or a 20-storey building, and suddenly you come along and say, leave it, it's got six storeys there, we'd like it the way it is, you can't touch it. So there has to be some sort of compensation. And whether compensation is a one time, one shot affair, or whether there is some annual compensation, that can be worked out, but in the final analysis there has to be some compensation to the owner himself, not the compensation which is sort of suggested by allowing him to use the cost of this building to offset against other income from other resources that he may have, other businesses that he may be operating, nationally or internationally. I think my own feeling on these things always is that, to hide behind Revenue Canada or The Income Tax Act, to hide things from public scrutiny thereafter, because once it's in there, it's gone, it's lost, you don't know what's there, you have no idea what has been written off and what hasn't been written off. You have no idea whether in fact the resultant damages were anything like he thought they were, or the owners thought they were. Very often you find yourself in the sense not just covering resultant damages, you find yourself in a position where because of the write-off capability of that firm or that organization, there is no real loss at all. It's simply deducted from federal income taxes that they would otherwise have to pay.

I feel strongly that we have to be more above board and acknowledge that there is a cost in retaining these historical sites, that the best way to do it is to have it open to public scrutiny so it's examined regularly, so that the city knows what it costs them, if anything, the owners know what they're losing, if anything, the province knows what it's losing, if anything, and the federal government as well. Then you're not locked into something forever, then you're also in a position where you can monitor it because I suspect that in many cases, as the Member for Fort Rouge pointed out, there is no loss. There is a possibility of a loss, but in fact after they put their minds to it and the architects go to work on it and the improvements that are made within the existing shell are such that in fact it can be put to economically viable and feasible uses, so that there are no losses as such. So I would hope that the House would endorse this amendment and support it.

MR. SPEAKER: Are you read for the question? The question before the House is the sub-amendment to the amendment as proposed by the Honourable Member for River Heights, and the sub-amendment as proposed by the Honourable Member for St. Johns reads as follows:

That the amendment be amended by deleting all words following the words Government of Manitoba and replacing same with the following: take the initiative in consultation with the Federal and Municipal Governments to develop an all encompassing program which may take into account many factors and approaches such as:

(a) Transference of authority to declare properties as Heritage properties to a Commission comprised of representatives of Federal, Provincial and Municipal Governments who would have a direct responsibility of financing the costs which result from such declaration.

(b) Providing a property assessment formula which would take into account the reduced value of heritage property because of restricted redevelopment opportunities.

(c) Providing for Federal and Provincial grants in lieu of the tax losses suffered by Municipalities because of the impact of reduced assessed value, without however relieving the Municipalities of a fair share of such loss commensurate with fringe benefits receivable from tourist and renewal development and with the associated costs resultant from Municipal decisions to declare such properties as Heritage properties.

(d) Provision of compensation to the owner for damages resultant from limitation of the use of the property because of such declaration.

(e) Enactment of amendments to the Income Tax Act to recognize accelerated depreciation of renovation costs attributable to maintenance of the historic and architectural features of such properties, and to create a disincentive to demolition of such buildings for tax advantages.

QUESTION put on the sub-amendment, MOTION defeated.

MR. SPEAKER: We are now dealing with the amendment to the resolution, the amendment as proposed by the Honourable Member for River Heights.

QUESTION put on the amendment, MOTION carried.

MR. SPEAKER: Are you ready for the question on the main motion as amended?

QUESTION put on the main motion as amended, MOTION carried.

RESOLUTION NO. 13

COMMERCIAL FISHING REGULATIONS

MR. SPEAKER: We now proceed to the next resolution, Resolution No. 13, on the motion of the

Honourable Member for The Pas, the amendment as proposed by the Honourable Member for Dauphin. The Honourable Minister of Education has 17 minutes.

MR. COSENS: Thank you, Mr. Speaker. I wanted to speak on this particular resolution because I must tell you and members of this House that over the past few years I have come to know many people involved in the commercial fishing industry in this province and, in particular, in the fishery that I know best, the Lake Winnipeg fishery, and in the time that I have come to know them, I have grown in my admiration for them, Mr. Speaker. They are people who work very hard for their living. They brave the elements, often for a very small reward. In fact, Mr. Speaker, in the south end basin of the Lake Winnipeg fishery, a fisherman fishing all three seasons would gross something in the neighbourhood of 10,500 before paying his expenses. This is for three seasons, Mr. Speaker, and in particular I would like to note the winter season where we can picture these men going out under winter conditions, under intense temperatures, pulling nets from icy waters, and of course if you look at those who've been in the industry for many years, their gnarled hands will attest to the type of fortitude it takes to remain in that particular industry. For many of them fishing has been part of their whole life and they are prepared to put up with those types of working conditions.

However, they are prepared to put up with them, Mr. Speaker, but at the same time they have a great number of concerns. When I started speaking a few days ago, I mentioned what some of those concerns were, and the Minister of Natural Resources has attempted to address some of those concerns in the proposed policies that he presented a few months ago, and I would like just to touch on a few of those just for a moment.

One of the great concerns of fishermen, one of the prime concerns, Mr. Speaker, has been the matter of quotas. Fishermen realize, as well as everyone else, that there are only so many fish in a lake. That is a resource that has to be husbanded and husbanded carefully. But by the same token, they point out to me, as I'm sure they have pointed out to other Ministers of Natural Resources, that the idea that a fisherman who was fishing a number of years ago at the time that certain licence regulations were brought in, that fisherman should receive a quota of 9,000 pounds, and another fisherman who was fishing at the same particular time should, in the wisdom and judgement of those who were licensing at the time, receive a quota of 4,000 pounds, is not equal. It is inequitable, Mr. Speaker, and I am very pleased at this time to note that the Honourable Minister of Natural Resources has moved to try to remove that inequity and I understand that just recently he has rationalized that particular quota situation on Lake Winnipeg so that all fishermen will receive a 9,000 pound quota in the future. I would say that is one of the most positive moves that's been made in the fishing industry, particularly on Lake Winnipeg in recent years, Mr. Speaker, and I can report to my colleague the Minister that the type of reaction that I have received from the fisherman that I know well in that particular lake has been most complimentary on

that particular move. In other words, the fishermen now are being treated in an equal way.

Another aspect that has caused some problem over the years, Mr. Speaker, is the great debate that is being carried on for some time over the ownership of licences. The Minister in his proposed legislation has suggested that licences be replaced by leases, and of course when this particular proposal was placed before the fishermen — and it was the wrong time to do it, Mr. Speaker, during a federal election, because as I mentioned earlier it was a time for politicians to take advantage of the situation and perhaps distort and feed on the fears and apprehensions of the fishermen — but the suggestion that leases should be owned, Mr. Speaker, is not one that the fishermen do not approve of completely. They do have concerns, that they would not want to see leases bought up by large companies — and that's a legitimate concern, Mr. Speaker, and I know it's a concern that the Minister of Natural Resources has, he wouldn't like to see that happen either — and through consultation and discussion with the fishermen, what would have arisen from that proposal, would have been a policy that would have guarded against that type of thing; that would have ensured that local fishermen would have been able to buy those leases; and fishermen who are out on the lake, Mr. Speaker, because I think honourable members should be aware that we do have people who hold fishing licences in this province, who are never on the lake. They haven't been for some time. Their licences are utilized.

Well, the Minister came out with a proposal, and because of the apprehension, because of the fear that was fed in many cases by politicians who were looking for federal votes, the fishermen decided at the time that this policy was not one that they could embrace. Since then, Mr. Speaker, looking at the policy calmly and rationally, the type of feedback I'm receiving is, yes, it can work if certain controls are built in. In fact, not only can it work, it would be a good thing, because I think we have to picture the situation, Mr. Speaker. When a fisherman who has been on the lake for many years and owns a boat and all his equipment, passes away — as does happen, many of our fishermen today on that particular lake, Mr. Speaker, are rather elderly; we don't have enough young people coming into that particular industry — but let me go back to the situation, where a fisherman's wife finds that on his passing she is left with a boat and his equipment. In the situation today, she may be able to sell it, she may not be able to. If he had owned that particular lease, Mr. Speaker, it would be possible for her to sell the lease, the equipment, the boat as a package, and in some way have a legacy from the years of hard work that her husband had embraced on the lake. But today that isn't possible with the particular system that we have. The boat may rot; it may never be used; she can't sell it and there is no legacy there.

So I point that out as one of the results, Mr. Speaker, of the fact that the policy that the Minister placed before the fishermen of this province, did not receive that rational quiet reasoned consideration at the time it should have received it. It is now receiving it, Mr. Speaker, and I'm very hopeful, I'm very

positive that the fishermen now looking at that policy, and with some guarantee from the Minister and his department that certain safeguards will be built in, that the fishermen will be prepared to adopt many of the suggestions that the Minister put forward.

The fishermen tell me, Mr. Speaker, that as far as the Freshwater Fish Marketing Corporation is concerned, they think it should stay in place. But they do feel in a country where we prize our freedom, that an individual should have the opportunity to opt out — and of course that opportunity does exist today for sales within the province — but they feel it should go one step further for those who wish to opt out and not be part of that marketing; that they should also have export privileges outside the province; that doesn't exist today. But there are a number who would like to have that sort of privilege. They feel that would in truth give them the opportunity that they should have as free citizens of this particular country.

Mr. Speaker, I don't intend to go on at great length on this topic. I rose because I felt that something had to be said about the way these policies have been treated when they were presented to the fishermen of this province. It was unfortunate, as far as the timing was concerned, that it was in the midst of a federal election. I can say to honourable members opposite, that now that the policies can be looked at quietly and rationally by the fishermen of this province; now that consultation can take place between the Minister's department and the fishermen without other people trying to distort the picture, that I am quite positive that some very worthwhile things are going to happen as a result of the Minister of Natural Resources initiative and, Mr. Speaker, I am quite pleased to support the amendment to the resolution.

MR. SPEAKER: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Speaker, the previous speaker is quite concerned that somehow the policies were introduced during the federal election campaign, that the hearings were held during the federal election campaign, and this was an unfortunate situation and that some person or persons then distorted the Minister's good intentions for the fishermen of Manitoba. Mr. Speaker, as my colleague pointed out, that is precisely the matter in which the Conservative Party of Manitoba got elected.

Mr. Speaker, the Minister is wrong about the timing, because it is fortunate for the commercial fishermen of the province of Manitoba that this policy was being forced down their throats at a time when there was a federal election campaign on. Because, Mr. Speaker, I would say that if there wasn't a federal election campaign on, this Minister of Natural Resources would have never reconsidered. He would have just went ahead with his policy, a policy that he devised without consultation with the fishermen, a policy that came out of his office, a policy that was opposed by the fishermen in all the hearings that were held by the department. Mr. Speaker, it is very fortunate that there was a federal election campaign on.

It is also very fortunate, Mr. Speaker, that there were some elected representatives who were willing to represent their constituents and bring forward the concerns and the upset of their constituents with the policy that was being rammed down their throats by this Minister of Resources that we have here now. Mr. Speaker, just the same as this amendment, in its broad generalities, tries to cover over the fact that this Minister has made a serious mistake, that he has bungled the responsibility of his portfolio, Mr. Speaker, the amendment will not cover up that fact. The same as when the previous Minister for Parks made a serious bungle with the condominium development in the White Shell, the actions on that side couldn't cover up that mistake.

To say when the Minister of Municipal Affairs makes a serious bungle in handling a problem in the LGD of Alexander, there's nothing that's going to cover up the fact that there's been a serious mistake made. The same when the Minister of Northern Affairs makes a serious bungle in terms of trying to persecute and punish the Metis Federation, that kind of serious bungling will not be covered up by an amendment to a resolution. Mr. Speaker, the Minister of Resources came up —(Interjection)— Yes, the Member for Gimli is right, not 100 percent of the fishermen were 100 percent satisfied with everything in the fisheries and, Mr. Speaker, I don't think that they ever will be. The best that can be done is to find a way to deal with the fisheries that's generally acceptable, and then in full discussion and consultation with their fishermen, to see what improvements can be made, what changes can be made to make it even more workable.

But, Mr. Speaker, I can recall a meeting I went to in the constituency of the honourable member who spoke just before me, at the training centre there in Gimli, and there was a public meeting and the fishermen said certain things about the quota system. I think the general tenor of the meeting was, well, there probably shouldn't be a quota system at all. We'll just go out, and whoever gets the most fish first, is the way it will work. Mr. Speaker, at that particular meeting none of the fishermen spoke against that idea. After the meeting was over, a number of fishermen came to me privately and said, well, I didn't want to say anything because those few local people said, this should be the way it is, but we think the quota system should be kept as it is. So, Mr. Speaker, there's been that kind of a general dissatisfaction, and there always has been. There have been changes and improvements made in full consultation with the fishermen but, Mr. Speaker, you still have some fishermen that were not entirely pleased with the situation as it was.

Mr. Speaker, what we have here, in order to deal with some of the problems, and one of the problems — I'm surprised that the Minister of Education talked about the shortage of young people going into the fisheries — because one of the main problems in my constituency, that part of my constituency that falls on Lake Winnipeg, was the fact that people were unable to get licences, that they were unable to get into the fishery. Mr. Speaker, I don't know of any region of Lake Winnipeg where there is not a waiting list of fishermen that want to get into the fisheries; where there are not people who are trying to accumulate enough points so they become eligible to

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take over the next licence. So, Mr. Speaker, I'm not sure if that's a real concern or a real problem in the Lake Winnipeg fisheries. In some of the more isolated or remote lakes in northern Manitoba, Mr. Speaker, that might be a problem in terms of licensing where, in fact, the fishermen are not anxious to go to the extra expenditure necessary to harvest those remote lakes, but a lake like Lake Winnipeg where there is good prices and a limited number of licences to take advantage of the fisheries, then this is not a problem.

So what we have then, if we look at the Member for Gimli's comments, is the Minister bringing in a solution to some of the concerns that the fishermen have. Mr. Speaker, from the response of the fishermen, and as I understand the solution brought in by the Minister of Resources, it is like the old saying, Johnny, bring the hammer, there's a fly on baby's head. Mr. Speaker, that is what happened in this case. There are some concerns that could be dealt with, as the Member for Gimli pointed out, with some minor changes, with some minor adjustments to the existing regulations but, Mr. Speaker, instead we have a whole new policy being brought forward, not in discussion with the fishermen, not recommended with the fishermen, not even being recommended by the senior civil servants involved in Fisheries in the province of Manitoba, but a policy that came forward strictly from the Minister and a few people around the Minister who are at this time unknown.

Mr. Speaker, there was no doubt, the Minister made it very clear in his letter last fall, this policy will come into effect June 1. Mr. Speaker, the Minister cannot change that; the Member for Gimli cannot change that. It's in the Minister's letter that went out to all the fishermen last fall. This new policy will come into effect June 1.

The key element in the new policy, Mr. Speaker, was the method of allocating licences. That is the crux of the issue; that is where the disagreement came in. Mr. Speaker, the basic question that the fishermen had to deal with was whether or not they wanted licences to be allocated on the basis of who had the most money, or licences to be allocated on the basis of who had the most experience or the most points under the point system. That is the crux of this issue; that is the crux of this resolution.

The Minister is saying that licences shall now be allocated on the basis of who can pay the most money for those licences and the fishermen saying, no, we are afraid of that system; we are afraid that an outside company, or one or two big fishermen, will buy up all the licences and we will lose control of the fisheries here at our local community level and local fishermen will lose those licences.

Mr. Speaker, in the *Opasquia Times* of Wednesday, February 6, 1980, a report on the local fishermen's meeting, one of the fishermen said it this way, and I quote, One guy could come in and buy the leases and own everything. Mr. Speaker, that is exactly what the Minister proposed; that is exactly what he outlined in his letter last fall and that is exactly the policy that was to come into effect on June 1 of this year.

Fortunately, Mr. Speaker, fortunately there was a federal election campaign on. The federal Conservative candidate saw the disaster that the

Minister was implementing on the fishermen of Manitoba, and was able to convince the Minister to temporarily withdraw his new licensing regulations. I say fortunately, unlike the Member for Gimli, who would, I assume, preferred to have this new system stuffed down the throats of the fishermen without the fishermen being able to change those particular amendments.

Now, Mr. Speaker, there is the key aspect of the proposal which is the method by which licences will be granted. The other aspect that upset the fishermen and is a concern to members on this side of the House was the manner in which the Minister went about imposing his regulations, which was by a letter to the fishermen saying that this was going to happen on June 1st, period, and there would be some meetings to explain these new regulations which would come into effect on June 1, 1980.

Mr. Speaker, then the Minister relied upon his civil servants to go out and take the flak, to go out and get the criticism, something like the Minister of Resources did with Manitoba Hydro in the South Indian Lake issue. The Minister stayed in the building here and stayed away from and sent his civil servants out to take the flak in regard to the high level diversion. This Minister, Mr. Speaker, relied upon his civil servants out to take the flak in regard to the high level diversion. Well, this Minister, Mr. Speaker, relief upon his civil servants who had to go to this meeting and take the flak from the fishermen of the province of Manitoba.

One of those officials, Mr. Speaker — here's a report again from the *Opasquia Times*, Although no shouting matches occurred between the fishermen and the government officials, the rapid-fire questions were aimed at the chairman, Bruce Wright, a fishery's biologist in The Pas and Ed Johanson, a fishery's officer, two provincial conservation officers, Jack Dean and Bob Huck were also on hand. The news of Ransom's decision to suspend implementing the new policy was announced by Wright just before the meeting and it seemed to take the hostility out of the air. Although the policy was originally scheduled to take effect June 1, 1980, the Minister announced Tuesday that the general reluctance by fishermen to accept the new policy was his reason for indefinite suspension. Mr. Speaker, again, I say it's fortunate that there happened to be a federal election at that time.

But, Mr. Speaker, in regard to the key crux of this policy proposal, the matter of allocation of licences, Mr. Wright explained it the following way and, again, I quote: The leased one spot (the price is not yet established) becomes the property of that fisherman. Like the owner of a ski-do or a piece of land, it can be rented out for a period of time or assigned to someone to do the fishing for the fishermen. It can be sold, too. It becomes part of the owner's estate and thus can be willed to son or daughter.

Mr. Speaker, so there was no doubt in that official's mind what this new proposal meant to the fishermen. There was no doubt in the fishermen's mind what this new proposal meant to the fishermen.

Mr. Speaker, when the Minister of Resources talked on this particular resolution, he quoted the fact that there has been some fish decline and I believe he was using Lake Winnipeg figures. I think that is a fair situation. The crux of the Minister's

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remarks, Mr. Speaker, however, was that this would be beneficial, this new policy, because it would reduce the number of fishermen. It would reduce the number of fishermen. Therefore, if you have so many fish, you have less fishermen, you can get more money per fisherman. Mr. Speaker, this, as I say, is the general approach of this Minister in terms of the fisheries' resources. This has been an approach of this government in terms of other resources. Why have small farms when you can have big farms; why have small fishermen when you can have big fishermen, when you can have one or two big fishermen running the industry?

Again, Mr. Speaker, the representative of the Minister at the meeting in The Pas, and I quote again from Mr. Wright, it offers you legal access to the resource for 20 years. The new policy develops a healthy and productive fish industry, since when you compare the old way to the new, the return per capita to fishermen has been declining. With the leased system there will be a reduction in the number of fishermen fishing.

Mr. Speaker, that is basically what the Minister said to us in his comments and that is what the officials said in the meeting at The Pas. This new lease system will mean a reduction in the number of fishermen fishing. So the policy, the goal of the policy is to get rid of some of the people who are now commercial fishermen in the province of Manitoba. That is the goal and that is the effort, and I'm pleased that the Member for Gimli agrees with that policy and agrees with that effort to reduce the number of fishermen, to get some of his constituencies out of the fishing industries so that the others can be better off during the course of their endeavours in the industry.

Mr. Speaker, the other comment by the Minister's representative at the meeting . . . And I'll have to indicate that I was not at that meeting in The Pas and I had not discussed that meeting with the fishermen at The Pas. However, they did send me a copy of their questions and expressed their concerns about the new proposed policy. Mr. Speaker, the government official said, in being interviewed by the local newspapers, and I quote again, OWright said later that the major objection to the policy is the way it was brought down without consulting the fishermen and giving them some input.

Now, Mr. Speaker, this reminds me of discussions we had when I was on that side of the House. Then Leader of the Opposition, the First Leader of the Opposition, Mr. Spivak, indicated, well, you're not consulting enough with northern people in your programs and I outlined for him the extensive effort at consultation that had taken place.

Mr. Speaker, this government's attitude and this Minister's attitude have been reflected very clearly in the policy that this amendment attempts to justify and attempts to make that in fact tries to make it look as if fishermen have been involved in the discussion of this issue. The Minister's own official admits that the fishermen were not involved and the Minister will have to admit that the fishermen were not involved. The Minister prepared the policy. The Minister sent out a letter to fishermen. The Minister said that meetings will be held to explain this new policy which will come into effect June 1st. That's the way the matter was handled; that's the way the

matter was bungled by the Minister. This is, I think, Mr. Speaker, the only bad mistake or the only serious mistake or the only bad bungle of this particular Minister but, Mr. Speaker, there is no way that this amendment can cover the fact that it was a bad mistake by the Minister, that the Minister did the wrong thing and went about it in the wrong way.

Mr. Speaker, what the original resolution proposed was that the Minister completely withdraw the new regulations. The Minister is not willing to do that. He indicated he's not willing to do that. What the Minister might be willing to and what the Minister of Education might be willing to accept, in order to save face, in order to cover up the bad mistake that the Minister made, is that the regulation would be so drastically changed that it will no longer be the regulation that the Minister was intending to implement. And Mr. Speaker, that would be satisfactory. If the Minister changes the regulation so it's no longer the regulation that he attempted to shove down the throats of our commercial fishermen, then, Mr. Speaker, I think that will be acceptable to the fishermen in the province of Manitoba.

The other benefit, Mr. Speaker, and I told the fishermen in my constituency the last time I was there that the other benefit is that this bad mistake by this Minister has led him to listen to and be more responsive to the fishermen, because he knows that he did the wrong thing; he knows that this policy that he attempted to shove down their throats was not acceptable, and since that time, since he was . . .

MR. SPEAKER: Order please, order please. The hour being 5:30, when this subject next comes up, the honourable member will have two minutes remaining.

The Honourable Member for Gladstone.

COMMITTEE CHANGE

MR. JAMES R. FERGUSON: Thank you, Mr. Speaker. Before we adjourn, I would like to move a substitution on Public Utilities, and substitute the name of Mr. Ransom for Mr. Orchard. (Agreed)

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: I move, Mr. Speaker, seconded by the Minister without Portfolio, that this House do now adjourn and resume in Committee of Supply at 8:00 o'clock.

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