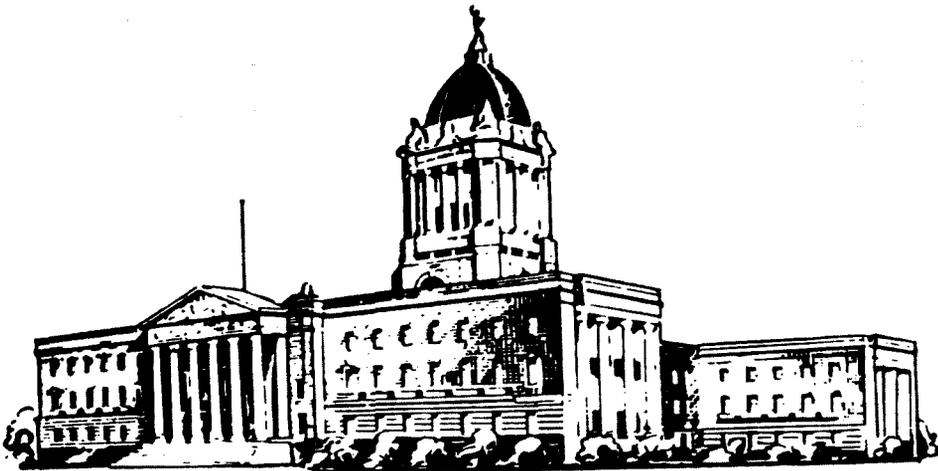




Fourth Session — Thirty-First Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty - First Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA
Tuesday, 10 June, 1980

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY — ENERGY AND MINES

Time — 8:00 p.m.

MR. CHAIRMAN, Morris McGregor (Virden): I call the Committee to order. We are in Department of Energy and Mines, Resolution 57. I will call on the Minister for his opening remarks.

HON. DONALD W. CRAIK (Riel): Mr. Chairman, by way of opening, I want to indicate my own pleasure at being able to open the estimates for the first time for a new department of government, the Department of Energy and Mines.

On Page 43 of the Main Estimates of Expenditure, you will find that it is demonstrated the comparative expenditure level for the new Department of Energy and Mines, and a reconciliation demonstrating the source of the base figure for the year ending March 31, 1980.

The department was formed in November of 1979, comprised mainly of the Mineral Resources Division, formerly attached to the Department of Mines, Natural Resources and Environment, and the Manitoba Energy Council, which had been attached to the Department of Finance.

The purposes and need for creation of a greater emphasis on energy management, allocation and conservation were addressed in the Throne Speech, and after pursuing these estimates, the members will be aware of the progress which has been made in establishing administrative and program structures in this important field.

Although the department functions as two distinct divisions, the Energy Division and the Mineral Resources Division, a common administrative structure has been created in order to facilitate financial planning, space allocation and overall direction of the department, to relate directly to a single Minister.

The expertise and background of the Mineral Resources Division, and particularly that found in the Petroleum Branch, leads to a strong working relationship between the respective divisions.

Turning first to the overall departmental administration providing for a departmental executive, central administrative services and funding for ministerial committees and the Manitoba Energy authority, item 1.(a) provides for Ministerial and Executive Administration of both divisions of the department and reflects the departmental status of Energy and the expanded role of the former Manitoba Energy Council.

Item 1.(b) provides for central administrative functions such as personnel, financial planning and control, and operational support functions which are no longer available to the respective divisions as a result of their transfer from other departments.

Item 1.(c) provides for the total administrative component of the Manitoba Energy Council, but excludes program and other costs which may arise as a result of the recommendations of the Council. The Energy Council, comprised of Manitoba citizens, will deal continuously with an advisory board

comprising many facets of the Manitoba community who are both knowledgeable and involved with energy conservation and renewable energy matters.

I'm sure the members present will agree that the restructuring of the Manitoba Energy Council as a public body is a positive step which will allow citizens of Manitoba a vehicle through which they can present their concerns and ideas to the government on energy matters.

Item 1.(d) provides for the operation of the Manitoba Energy Authority. This group, dealing with energy policy consideration, energy allocation, and the export of electrical energy, has been provided with administrative funds and discretionary program funds for carrying out, with the approval of the Minister, studies and projects related to a broad spectrum of energy-related activities.

Item 2, the Energy Division, encompasses ongoing activities pertaining to energy supply and demand, energy conservation, research and development into alternative energy sources, and energy conservation techniques.

Item 2.(a) provides for funding related to statistical record keeping, evaluation and presentations of the overall energy supply demand picture in Manitoba.

Item 2.(b), Energy Technology, provides for expenditures related to research and development in energy conservation and renewable energy, energy information centre administration, and programs designed to foster energy awareness on the part of Manitobans. This branch will also be assigned the task of administering and carrying forward the staff and program functions identified under the Conservation and Renewable Energy Program conducted on a cost-shared basis with the federal government.

The Mineral Resources Division, providing for the administration and management of mineral resources, disposition of mineral rights, regulation of mining and quarrying operations, oil production, mine engineering safety, the rehabilitation of mining land and the collection, compilation and dissemination of information on mineral resources exhibits only minor changes in the expenditure levels from the year ending March 31, 1980. This results principally from the lapsing of the General Development Agreement, the Mineral Sub-Agreement, and the Non-Renewable Resources Evaluation Program.

Some of the initiatives under these programs are being carried on and are eligible for cost-sharing under the Canada-Manitoba Northlands Agreement Mineral Initiatives Program.

Under Acquisition, Construction of Physical Assets, some 678,000 has been allotted for the operations of Manitoba Mineral Resources Limited and a further 2.5 million has been provided for exploration agreements administered by Manitoba Mineral Resources Limited as per Manitoba Regulation 328-74.

In addition, funds are also provided for mineral exploration participation agreements and mineral exploration assistance agreements.

Mr. Chairman, with those comments, I look forward to the discussion pursuant to these estimates.

MR. CHAIRMAN: 1.(a)(2) — the Member for The Pas.

MR. RONALD McBRYDE: Mr. Chairman, in regard to the general item here, which covers both Energy and Resources, I have a number of detailed, specific questions, when we get to the Mineral Resources Section, but maybe I'll give the Minister notice of a couple of those in case he wants to get the information ready.

One thing I would like, Mr. Chairperson, from the Minister when we get to that section, is the actual production figures; what was the tonnage over the last number of years, if the Minister has those figures, and he probably does, they're readily available going back 10 years, so we can actually look at production levels.

I am also wondering, Mr. Chairperson, if the Minister would be able to give us some idea, in terms of the employment in the mining industry, whether they have figures that are comparable. I'm not sure whether the figures are kept in such a way that they could be comparable over the years in terms of the number of persons, number of person hours, or however they would calculate those kind of figures.

The other figures that the Minister does have is the actual value of production and it would be worthwhile for the Minister to provide that as well, although the value of production isn't a very good figure for comparison because with the changing world market conditions, then the value of production changes according to the existing market at that particular time.

Mr. Chairperson, in regard to the Minister's comments in this general section, I don't think there is any doubt in the Minister's mind and in the minds of the legislators or the people of Manitoba that we, the people of Manitoba, are the owner of the mineral resources of our province, and I don't think there is a dispute on who the mineral resources belong to. Basically, what we have, then, Mr. Chairperson, is like a landlord situation where we are responsible for administering those resources in the most effective way, the most useful way, the most beneficial way, the most advantageous way for all of the people of Manitoba. So the government is like an interim or a four-year agent on behalf of the people of Manitoba, to make sure that we get the maximum value and the maximum worth out of our resources, so that the people of Manitoba are able to get the maximum value out of our resources.

Mr. Chairperson, the Minister is fond to quote figures that he says reflect the fact that the mining industry is in good shape, that mineral production is in good shape in Manitoba, and I think there are figures to support that things are going reasonably well at this time. However, then the Minister always adds in that the reason for this change, the reason for this improvement at this particular time is because of a change in taxation policy. I think that

when the Minister makes available to us the production records, many show that the production in terms of the mining industry has been constant over a number of years and that the relationship exists not between the local authority and the provincial authority's taxation measures, but the relationship that exists as between the world market and the world market conditions. That is where the real reflection comes in and that is where the relationship exists in terms of the health and productivity of the mineral resource that belongs to the people of Manitoba, Mr. Chairperson, and I think that you can look at the statistics a number of ways. One is comparison with other provinces that have a similar type of mineral production that we do, and that their production, their exploration, etc., changes according to world market conditions, the same as it does in the province of Manitoba. You could look at a comparison between the years when there was a different taxation system in terms of production and the present situation in terms of production. So whichever way you cut the pie and whichever way you compare the statistics, the Minister's contention is not correct. The relationship is between world markets and the relationship is pretty constant between the provinces, regardless of which political party forms the government of those provinces. The production levels are there and the production levels vary in terms of the world market conditions.

The situation we have in the province of Manitoba and in Canada generally is that basically the mining industry, the business of mining and those people engaged in the business of mining, have received more government concessions, more government support — more incentives is the preferred term, Mr. Chairperson — than any other business in Canada, and so the other businesses haven't been complaining that much. But being human and wanting to produce the maximum profits for their shareholders, the companies are not anxious and not desirous of giving up any advantage or any incentives or any opportunities that they have, so Mr. Chairperson, we hear them crying long and loud every time there is any discussion of changing the incentive structure and the beneficial structure as it now exists and Mr. Chairperson, that's to be expected. If you give someone a special advantage and then you want to reduce that advantage for the benefit of the people that own the resource, and to give more advantage to the people who own the resource as opposed to the developers or harvesters of the resource, then the harvesters are going to be upset because their profits are going to go down. They're going to lose some of the advantages they have.

So Mr. Chairperson, that is a natural condition that exists in Canada and a natural condition that exists in Manitoba, and the Minister is quite right when he says the representatives of the industries say the tax structure has a lot to do with it, because of course, they're going to say that. I would say that if it was to my advantage, I would say that the tax structure has a lot to do with it if I was going to be able to increase my profits, increase my earnings by a beneficial tax structure.

But the figures, the statistics, and the facts don't bear that out, Mr. Chairperson, so it's a good story that has been developed by the companies and by

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the Minister to protect certain interests which are probably not, or may not, be the interests of all of the people of the province of Manitoba.

Mr. Chairperson, the Minister, in trying to grab hold of figures to support his contention, on January 25, 1980, issued a press release when he reported on the major investments or the major developments, it showed the healthy situation of the mineral industry in Manitobaj. Mr. Chairperson, he refers to the underground mine development at Ruttan Lake, and he refers to the concentrator in the community of Snow Lake, and there would be no problem with the Minister's mention of those two developments, except the implication of the Minister's press release, and the Minister's comments since that time, has been that well, because of the new improved climate, we have these two particular developments, and that's the implication of the Minister's release and the implication of Minister's comments before. Well, Mr. Chairperson, anyone who wants to check the information would know that both of those developments were planned, the Ruttan one was planned ever since day one, when the building of the operation began that was part of the proposal, the last time I was there it was planned. And, Mr. Chairperson, in a similar situation with the concentrator at Snow Lake, that was in the planning stages and there was an announcement in the Mining Press of that development before October 1977, before people knew that there was going to be this improved climate in the province of Manitoba.

So, Mr. Chairperson, the examples that the Minister uses to substantiate his claim are not valid examples in terms of the implication of what he was trying to say to us. Certainly those developments have gone ahead, and certainly they are good for the province of Manitoba, providing that the people of Manitoba get the maximum benefit from the resource that belongs to the people of Manitoba. Mr. Chairperson, that brings us down to the, I think to the two agreements that were signed quite recently by the government, which agreements are Letters of Intent, or Letters of Understanding, the Minister has refused to make available to us in the Legislature, has declined the opportunity — varying somewhat, one day he would say no, and the next day he would say yes, but his last answer was no — to make those agreements available to us.

But the Minister does have to operate, because of his government's action, on an incentive system. He has no leverage, not as much leverage or no real leverage over the mining companies at this time. He is at their beck and call, or they have the power at this stage, because the more the Manitoba Mineral Resources, the more our ability to do our own exploration has been done away with, then the more and more we are forced to do whatever the mining companies want. And it reminds me, Mr. Chairperson, of the kind of situation, since we are the landlords, since we are the owner of the resources and we are allowing somebody else to harvest our resources for their profit, of a situation where a person who was described was the caretaker of an apartment block, the janitor of an apartment block, inherited the apartment block. Somebody passed away and they left it to the janitor. The janitor wasn't very confident in what he

could do with what he owned, so he gave the apartment block away to somebody else, providing they would let him continue to be the janitor. And, Mr. Chairperson, there is some similarity between that and what we have done within the province of Manitoba with our mineral resources. That is, we are willing to mine, to do the work, to get the production out of the ground, but we are not willing to exercise our authority as owners. We are only willing to let ourselves be the janitors and collect the wages from that, and not to get the maximum benefit on behalf of the people of Manitoba.

Mr. Chairperson, the agreement that was signed with Hudson Bay Mining and Smelting Company in regard to Trout Lake, as my colleague the Member for Flin Flon says, we have not now gained an interest, or a larger share in that mine, we have given up part of our share. Mr. Chairperson, in spite of all the criticism of the government's policy and programs, if it were not for the involvement of the province of Manitoba that mine would have not been discovered, how and when it was discovered. The role of the department, initially in that development, was there and I just happened to have the privilege and the opportunity to bump into a former Deputy Minister, who was downstairs for lunch one day, and I was asking him about the various things that he was pleased with in terms of his accomplishments in Manitoba, and he told of the young geologist that he sent in to deal with HBM&S and had a new person to go over the old studies and the old files to take a new look at the old information, and Mr. Chairperson, that was one of the things that led up to another development in the province of Manitoba, on behalf of the people of the province of Manitoba.

So Mr. Chairperson, with those few comments, I welcome the opportunity to deal with these estimates. I would really urge the Minister to reconsider his decision not to make available to members of the House, or to members of this committee, the Letters of Intent or the Letters of Understanding, or whatever written agreement there does exist with the potash development, and with the Trout Lake development, and I would really like him to reconsider withholding that information from us, and at this time, as we deal with these estimates to make it available to us so that we can give it our full and appropriate consideration.

MR. CHAIRMAN: I wonder if I could just, gentlemen, attract you that we are on 1.(a)(2), and our rules say, in the Minister's Compensation, that discussion on this item is deferred until debate on all items of the department's estimates is concluded. I have been pretty easy over the many departments, if we carry on and go back into replying to the Minister, then we really are not abiding by the rules. So in future, if you would just think, we are discussing 1.(a)(2)—pass - The Member for Brandon East.

MR. EVANS: I wonder if the Minister could give us a breakdown of the Salary items here? In other words, I presume this is the Deputy Minister's salary, and the Assistant Deputy Minister, etc. I'll shall repeat it for the record. I wonder if the Minister could give us a breakdown of Item 1.(a)(2) Salaries, 129,600.00?

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MR. CRAIK: Mr. Chairman, there's the Deputy Minister, Special Advisor to the Minister, Executive Assistant, and three secretaries.

MR. EVANS: Okay, Deputy Minister, a Special Assistant, an EA, and three secretaries. Is there no Assistant Deputy Minister in the department?

MR. CRAIK: Mr. Chairman, it would come in under the provisions of the divisions, and we don't have Assistant Deputy Ministers in the department by that name, but rather they are referred to as Executive Directors.

MR. EVANS: Well, could you advise us, the Deputy Minister, is his background in mining, or is it energy, or can you give us a bit of brief background? I don't believe I know your Deputy Minister or what his background is.

MR. CRAIK: His name is Paul Jarvis, he has a background in engineering, his original training was in forestry.

MR. GREEN: Mr. Chairman, is the Deputy Minister of Finance, Mr. Curtis, under this item here?

MR. CRAIK: No.

MR. CHAIRMAN: The Member for Brandon East.

MR. EVANS: I am sorry. The Deputy Minister is not an expert in Energy or in Mining, but in Forestry. Is that the answer that I received?

MR. CRAIK: Mr. Chairman, the Deputy Minister of Energy and Mines is a former Deputy of Mines and Natural Resources, and in his background, other than his education background, he has been involved in the Energy field for some years. So from the point of view of his private life he has been involved in the Energy field, and prior to coming in as the Deputy of Energy and Mines he was the Deputy of Mines and Natural Resources.

MR. EVANS: As I understand it, but I am prepared to be corrected because I am not quite sure, it is this department now that will be making many of the decisions that had been previously made by the Manitoba Hydro with regard to perhaps export contracts and western power grid and the like, and therefore the decision-making, as I understand it, in this respect at least, through Manitoba Hydro as it pertains to hydro-electricity, is now centered in this department rather than in Hydro. Is that correct?

MR. CRAIK: Mr. Chairman, the extra-provincial negotiations with regard to Hydro are to some extent involved in this department and through this Deputy.

MR. EVANS: Mr. Chairman, where is your electrical engineering advice, or is that type of advice necessary for some of these decisions, or do you still rely on Manitoba Hydro for advice? For example, when you discuss the possible sale of power to Alberta via Saskatchewan, so you would sit down at a conference with officials from those provinces. I am not sure whether their power utilities are represented or not, but my question is, for a conference such as

that or a meeting such as that, where do you obtain your advice in the field of electricity, electric power utility operations?

MR. CRAIK: There are a number, Mr. Chairman, who are involved. There are some people in the department, a larger number in Manitoba Hydro, and, of course, with the involvement of the consultants who have been engaged in the study of the Western Power Grid, there are a large number that are involved from that source. The extra-provincial negotiations to the south, to the United States primarily, involve the personnel from Manitoba Hydro.

MR. EVANS: Well, then as I gather then, your senior administrative officer, namely the Deputy Minister, isn't necessarily hired for his expertise in Energy, but more for administrative capacity, and that you rely on outside consultants, people in Hydro, for advice, let us say, in terms of electric utility negotiations.

MR. CRAIK: That is partly correct, Mr. Chairman, but the Deputy Minister is very actively involved in these studies, and, in fact, is the Chairman of the Steering Committee for the Western Power Grid Study for the three western provinces, and brings to it a background in utility knowledge as well as his other contributions that he brings to the table.

MR. EVANS: Mr. Chairman, with regard to the Special Assistant, as opposed to the EA, does the Special Assistant have expertise in Energy or in Mineral Development?

MR. CRAIK: The Special Assistant is vacant and the Executive Assistant to the Minister is vacant, and one of the Secretaries is vacant.

MR. EVANS: Is there any hidden meaning in that situation?

MR. CRAIK: Mr. Chairman, this is a department that is in the formative stages and the estimates provide for the very likely prospect of that being the requirement and for that purpose they are provided for in the estimates.

MR. EVANS: Well, I gather the Minister has an EA in his other department, Finance, anyway.

MR. CRAIK: Yes, Mr. Chairman, that is the case. The Executive Assistant in the Department of Finance, as far as the Minister is concerned, is involved in aspects that involve both Finance and Energy, but the provisions in these estimates are for a distinct department that would require normally that kind of a provision for the administration of the department.

MR. EVANS: I see. As clarification then, the 129,600 is to cover 6 positions on an annual basis, not an estimate of a few positions that are empty and a few positions that are filled for part of the year sort of thing?

MR. CRAIK: Yes, Mr. Chairman, that is for a full year's basis. We have already had some saving.

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MR. CHAIRMAN: 1.(a)(2)—pass; 1.(a)(3)—pass — the Member for Brandon East.

MR. EVANS: Again could the Minister give us a breakdown of this item?

MR. CRAIK: Mr. Chairman, the Other Expenditures are estimated at Travel — 20,000; Automobiles — 4,000; Postage, Telephone, Telegraphs — 3,000; Printing of Stationery — 6,000; Furniture and Furnishing — 2,000; and Professional Fees — 25,000; for a total of 70,000.00.

MR. EVANS: I notice this item has a comparable line for the previous year, 13,000, so you are jumping from 13,000 to 70,000. I imagine the 13,000 applied to a smaller group of people or there must be some explanation for the large jump.

MR. CRAIK: Primarily, Mr. Chairman, I would think the Energy Council's operations of the previous year, I don't have a breakdown of the 13,000, but with the formation of the new department, we are estimating that there would be additional costs on this item. For instance, Mr. Chairman, I could indicate that the Deputy Minister at the present time is in the United States on an examination of a number of the Renewable Energy Programs that are under way in the US, including the methanol-ethanol production facilities that are included in the United States as a result of the announcement in the Budget that we would be moving into the gasohol area in Manitoba, and he is presently involved in looking at those facilities in the United States.

MR. CHAIRMAN: 1.(a)(3)—pass; 1.(b)(1)—pass — the Member for Brandon East.

MR. EVANS: The same question, Mr. Chairman. Inasmuch as this is a new department and we have never had this information before, I wonder if the Minister can give us a breakdown of what personnel are in this item?

MR. CRAIK: It provides, Mr. Chairman, for ten staff man years that are anticipated in Administrative Services, and that will result in a Salaries requirement of 148,800, and Other Expenditures of 40,000, for a total of 188,800.00. Five of the SMYs are transfers, two are voucher accounting personnel from Mineral Resources Division administration, and three SMYs, which are made up of payroll clerk, revenue clerk, and a librarian — they came over from the Department of Natural Resources. The five additional positions are co-ordinator, personnel officer, budget and finance analyst, secretary and voucher clerk, for a total of 10.

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

MR. EVANS: On 1.(b)(2) the 40,000, again this is travel, postage, telephones, automobiles usage I guess?

MR. CRAIK: Yes, furniture, furnishings, printing and stationery, postage, computer voucher accounting, automobiles, advertising publications, and travel — 40,000.00.

MR. EVANS: Mr. Chairman, I wonder, where does the Minister gets his comparative figures, the 12,000 in this case? It is a new department, where was he lift the 12,000 from, for example?

MR. CRAIK: Of the 12, Mr. Chairman, 5 are transferred from the Department of Natural Resources and 7 transferred from the Department of Finance, which would have been — the 5 from Natural Resources would have been the former Energy, Mines and Natural Resources, and the 7 would have been from the former Energy Council.

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

MR. EVANS: Mr. Chairman, I would gather this item, 1.(c)(1), includes the salary of one person, 17,900.00. Could the Minister advise what type of person this is, and what is the function of this position, if it is one position here?

MR. CRAIK: Mr. Chairman, it is anticipated that there will be a full-time or permanent person as the secretary of the Manitoba Energy Council, and the Energy Council will become a Citizen Advisory Council on energy matters that involve, to a large extent, if I can use the term, the interface with the general public on mainly conservation issues and conservation projects that are undertaken, for instance, under the Canadian Manitoba Agreement. The Energy Council will be provided with the services of a person that we feel will be in this salary range. At the present time the position is vacant and it is intended to be filled.

MR. EVANS: Have members been appointed to the Energy Council, citizen members?

MR. CRAIK: The Council, Mr. Chairman, at this point has not been completely formed. I expect that the makeup of the Council will probably be announced within the next couple of weeks. I would point out to the member that in contrast to the existence of the Council prior to this point as being a Council made up with the Minister as its Chairman and a number of senior, either public servants or the Chairman of Hydro and so on that existed in the past, that the Council now will become a completely citizens' group. The Minister will not chair it and the Council will become a completely citizens' group representing the various cross sections of interest from the community.

MR. EVANS: Perhaps the Minister mentioned this in his opening remarks, but I don't know whether I noted it adequately, could he give us the terms of reference of the Manitoba Energy Council, the new Manitoba Energy Council?

MR. CRAIK: Mainly to advise the government on areas that involve renewable resource programs and conservation programs, and to represent the public interest in these regards as opposed to the more scientific or technical undertakings that may be undertaken by the department, but to advise the department on the community interest in these

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regards and to a degree act as the interpreter for those interests.

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

MR. EVANS: It seems to me, and I am not that familiar with the other department, but was there not a Council on Natural Resources or is that still existing — I am not sure whether I have that right name — Conservation and Resource Council? There was a citizen group for some years, I don't know whether it still exists or not.

MR. CRAIK: I am not aware, Mr. Chairman. There may have been an advisory group in the Natural Resource area, but in conservation in this respect, we are talking about energy conservation as opposed to natural resource conservation.

MR. EVANS: Mr. Chairman, does the Minister see any duplication between the two bodies now?

MR. CRAIK: No. Mr. Chairman, in this case we are looking at insulation programs, we are looking at programs that affect people directly in terms of their homes, transportation of renewable resource developments, research projects that have a direct relationship to the community at large, and this body is intended to play an interpretive role and an advisory role to the department in assessing the programs that are likely to be undertaken by the department, and I would say add to that primarily through the new Canada-Manitoba Agreement, where referrals will be made to them, to this body, for evaluation on those programs.

MR. EVANS: What about the field of hydro-electric development or pricing policy conditions for oil? You are not seeking such advice from the citizens, I take it, from your remarks.

MR. CRAIK: Well, not from this — there would not be an emphasis on that from this council. Pricing policies and allocation policies are more directly the government responsibility.

MR. EVANS: I was just wondering, the term, the title of the organization therefore is a bit misleading. The Manitoba Energy Council sounds pretty comprehensive, whereas the terms of reference do limit the field of concern for this council, as I take it. You said they should be concerned about renewable resource development and conservation and it would seem to me that you are really restricting its area of concern. I'm not really debating the point; the point I am making is that the title is a bit misleading and Manitoba Energy Council sounds far more comprehensive in its jurisdiction than what the government seems to be prepared to give this advisory body.

MR. CRAIK: Mr. Chairman, I think that there is a fairly large role to be played in the area that I have defined for the council, as opposed to the policy areas that may relate to allocation and to pricing. I don't think allocation and pricing can escape the direct government responsibility, but the role of this council will be mainly the interpretive role to relate to

the government the community interest with regard to conservation programs, renewable energy programs, etc.

I would also point out that out of the Canada-Manitoba Agreement, one of the first things that will develop is a fairly major undertaking by way of an energy information centre, which will bring together the large body of information that already exists in the public arena with regard to energy programs. They will have an input into the energy information program as well.

MR. EVANS: The Minister refers to energy information. Is that type of program — obviously it will be paid for other than in this particular vote. I mean surely there is not enough funding here for that. I would imagine the Other Expenditures may relate to some honoraria for the council members and very little left for setting up information offices or whatever.

MR. CRAIK: Yes, there are a number of other expenditures in the department that are likely to evolve from the Canada-Manitoba Agreement that has been signed about two weeks ago that would not be included in the estimates here. The energy information centre would, to a very large extent, be included in that. It is intended that the Energy Council would have an overview position to advise the government on the role of the information centre and as to whether or not it was meeting a public requirement and objective.

MR. EVANS: Is this the only area, Mr. Chairman, in the department where conservation programs will be considered? Is this where the focus is for conservation or is it to be the consideration of some other area such as the Energy Branch, for example?

MR. CRAIK: No, the Council itself will really be an advisory group to government. The administration of the programs, which will come primarily under the federal-provincial agreement, will be within the Department of Energy and Mines, which are contained in the estimates further down.

MR. EVANS: Mr. Chairman, we could discuss energy conservation programming elsewhere in the estimates. I have a couple of points I wanted to bring up in that respect if this was the only place, but if there is another place such as Energy Management or Energy Authority, I can do it at that time.

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

MR. EVANS: Could the Minister elaborate on what the function and purpose of the Manitoba Energy Authority is. It seems as though it has little staff but quite a bit of money to spend, 650,000.00.

MR. CRAIK: I'm sorry.

MR. CHAIRMAN: The Member for Brandon East maybe could repeat the question.

MR. EVANS: Very simply, what is the function of the Manitoba Energy Authority? It seems that there

is provision for little staff, but it does have a fair amount of budget to expend, 650,000.00.

MR. CHAIRMAN: Well, then we should pass 1.(d)(1)—pass; 1.(d)(2) is where the question would come in. The Honourable Minister.

MR. EVANS: Mr. Chairman, on a point of order, I wondered what the salaries — you know, was that one body, two bodies, three secretaries, or one professional?

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: Mr. Chairman, what is provided for here is a provision for a director of the Manitoba Energy Authority. Now, the purposes of the Authority are really twofold: one is the extra-provincial negotiations with regard to electrical energy, the second is with regard to energy allocation that comes under The Federal Allocation Act that has been passed in the last year, well, I guess two years, a year-and-a-half, at the federal level, which in other words is rationing potentials or possibilities in the event that they were to be invoked by the federal government. This is the agency, at the provincial level, that would dovetail with the federal Act to administer that energy allocation at the provincial level.

So the role of the Energy Authority is really the responsibility of ensuring or being the watchdog for energy supply into Manitoba, and also the party that advises the government, apart from Manitoba Hydro, with regard to energy export policy with regard to principally, of course, electrical energy. It would not exclude the possibility, of course, of the energy authority also looking at the allocation of production coming from oils in Manitoba.

MR. EVANS: This sounds like a very impression position. Energy allocation, let's hope we never come to that drastic situation where we do have to allocate and regulate energy supply. That's an emergency situation as I understand it. But the question of extra-provincial negotiations is a current question; it is a current matter. It would seem to me that this, therefore, is a very senior position. I may be wrong, but if it is a person who is engaged in extra-provincial negotiations of electrical energy, it would seem to me that you would be looking at an electrical engineer perhaps, I don't know, in a very senior person. Perhaps the Minister could tell us what person is expected to be in this position. Is there a person in this position now and what is that person's qualifications?

MR. CRAIK: Mr. Chairman, not formally at this point. At this point in time the Deputy Minister has been acting in that role in the extra-provincial negotiation picture with assistance from the personnel that he has in the department who are also fairly knowledgeable in this area, but in a formal way that position has not been filled.

MR. EVANS: What would be the qualifications you'd be looking for then for this position? And the second question, Mr. Chairman, before the Minister may like to answer is, are you now in the active

process of advertising that position to try to fill it, or are you simply going along for the present time using the Deputy Minister?

MR. CRAIK: It's intended, Mr. Chairman, that this position will be filled, with a number of the other things that are now happening in the department with its formation. This is in a formative stage too. At the present time the legislation for the Manitoba Energy Authority, has not yet been introduced to the House or dealt with in the Legislature, but the intention is that the Energy Authority legislation would provide for the back-up for this person. As far as the person who finally fills it is concerned, that is still to be decided.

MR. EVANS: Did I hear the Minister correctly? He said the type of person with his qualifications or her qualifications is yet to be decided for this position?

MR. CRAIK: Mr. Chairman, there is no foregone conclusion. It wouldn't necessarily be a person of a particular background, any formal background, it would be more the — it would probably be a person that has shown a background in terms of his professional undertakings in this area. Whether it was an engineer or an economist or whatever would still remain to be seen.

MR. EVANS: The Minister said the legislation hadn't yet been brought into the Legislature. Is it the intention of the government and the Minister to bring in this legislation in this session?

MR. CRAIK: Yes, Mr. Chairman.

MR. CHAIRMAN: 1.(d)(1)—pass; 1.(d)(2)—pass. Be it resolved that there be granted to Her . . .

MR. EVANS: Excuse me, 1.(d)(2) — what is this item, 650,000.00?

MR. CRAIK: This is comprised mainly, Mr. Chairman, of the . . . Manitoba is administering the funding for the studies under the western power grid through this item, and it's a cost-shared item with the three prairie provinces and the amount coming from the province of Manitoba on the funds that have been allocated so far, on the studies that have been allocated so far, amount to 375,000 for the western power grid. We have allocated a total amount for the fiscal year of 650,000.00.

MR. EVANS: What is the cost-sharing proportion with the other two provinces, the percentages, or the shares?

MR. CRAIK: This phase of the studies that were involved, Mr. Chairman, are cost shared 50 percent Alberta, 25 Saskatchewan, and 25 Manitoba.

MR. EVANS: I'm glad we're not paying the 50 percent, but at any rate my question on this matter was why Alberta would be paying half of the total cost? Is it because — I know it's a recipient. On the other hand we are the seller and stand to gain hopefully from the arrangement as well. Why not one-third, one-third, one-third, or I can see Saskatchewan perhaps being as more of an area in

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which the electricity is transported, perhaps taking a smaller percentage, but I don't see Manitoba necessarily.

MR. CRAIK: Alberta in this case was prepared to agree that this phase of the studies — I would point out that in the first studies that it was cost shared Alberta one-third, Manitoba one-third, Saskatchewan one-sixth, and British Columbia one-sixth. In this phase of the studies, with it being the three prairie provinces, it was recognized that there would be more study requirement in the province of Alberta to bring about a distribution mechanism for the power, if it came to pass, into the province of Alberta, to be distributed to a number of utilities that were in the province. And from that point of view the province of Alberta was prepared to agree that there would be a heavier proportion of the study requirement, from that point of view, within the province of Alberta.

MR. EVANS: I wonder if the Minister can now tell us whether this is the full amount that is expected to be expended this year, that we won't go beyond this amount, and when can we expect to get the report of the study group and is there any deadline for decisions in this matter of the western power grid?

MR. CRAIK: The engineering studies are expected to be provided to the study group by the end of September of this year, and there is some requirement for the governments involved to make their decision before the end of 1980, before the end of this year.

MR. EVANS: The other question was, is this the limit that will be spent, in the Minister's judgement, on such studies, or is there a possibility that another study, another phase may have to be undertaken requiring additional expenditures?

MR. CRAIK: It's anticipated, Mr. Chairman, that this will provide the necessary information upon which the governments can make their decision. But if that decision is positive, of course, there will be fairly extensive, then detailed requirements for the purposes of construction, but there will be not necessarily studies but design undertakings that would follow this but probably would not show up as a provincial expenditure, but would rather be an expenditure by any body set up for the power grid purposes or amongst the utilities that were involved in building it.

MR. EVANS: Mr. Chairman, I wonder if the Minister can advise the committee, what are some of the questions that the study group are attempting to answer, I mean the key questions? I would imagine that one key question is, is it feasible; does it make sense; can we land transport or transmit electric power from the Nelson River to Edmonton or wherever it's to be sold in Alberta, at a price that's attractive to Alberta? And that's, I imagine, putting it very simply, a very key question. But I am wondering if the Minister can enlighten us as to what are the key questions that are being addressed now by this study group?

MR. CRAIK: Mr. Chairman, first of all, I think that the engineering studies are at the present time looking at four alternative routings from Manitoba through to Alberta on the technical side. And then there is the other side of it that is looking at the costs and the benefits side and dealing with the governments, and there are those two phases of the study that are proceeding. It's expected that both of these will be available to the governments by the time deadline that I indicated.

MR. EVANS: That's at the end of September, by the end of September, and the decision is going to be made hopefully before the end of 1980 — this year. What amount of power are we talking about, or is there any answer to that yet? There must be some idea of how much electric power that may be involved, say per annum, sale per annum, to Alberta?

MR. CRAIK: The size of the capacity of the interchange that is being examined and which could be, I suppose, subject to change, but which was the basic undertaking, was 1,000 megawatts of capacity.

MR. EVANS: That's the capacity. Does that give us — I would understand that Saskatchewan is prepared to take some power and Alberta the bulk of it, but have we any idea as to how much might be delivered to either province in say the first year of operation, if all goes well?

MR. CRAIK: That's what is under examination at the present time. The Alberta agreement that may be entered into would deliver a supply that would rise to 1,000 megawatts by a certain date. There are indications that Saskatchewan may have an earlier requirement for a smaller amount which would fit in quite well with the overall undertaking. But all the numbers on it are still fairly uncertain, although the principle involved is based on the fact that by the year 1987 that Alberta would require approximately 1,000 megawatts of supply.

MR. EVANS: I wonder if the Minister could advise the committee as to what technical, what hurdle, what is the challenge that we face in being able to sell this power to Alberta? There is the cost of transmitting the energy. I imagine it's direct current, I'm not sure. But it seems to me that Alberta or the utility in Alberta would look at its options, the main option being thermal electricity produced by perhaps coal or natural gas or what have you, or low grade heavy oil, or I don't know what. Is that not the sort of options that the utilities in Alberta would be looking at — taking a look at it from their own rational, commercial point of view? If you are the head of the electric utility in Alberta, and I've forgotten the name of it in Edmonton — (Interjection) — No, it's in Edmonton, I think. It's not Calgary Power. I'm not sure. I thought it was the Edmonton Utility, Northland Utilities or something like that, but it doesn't matter. But if you are the head of that utility and ask yourself, well is this a good deal for Manitoba? Can I produce this power as cheaply or more cheaply by getting Alberta coal or natural gas or heavy oil or whatever may be a possible source for a thermal plant operation? Is that the sort of questioning —

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are these the sort of questions that are being asked now and answers being sought for?

MR. CRAIK: That's very much at the core of it, yes.

MR. CHAIRMAN: 1.(d)(2)—pass; Resolution No. 58, 2.(a)(1)—pass; 2.(a)(2)—pass — the Member for Brandon East.

MR. EVANS: Mr. Chairman, you're a little quick on the draw. I'd like to ask about 2.(a)(1) Salaries. I'd like to get a breakdown there.

MR. CHAIRMAN: 2.(b)(1) — all right go back to that.

MR. EVANS: 2.(a)(1) Salaries. I'd like to get a breakdown again of the type of persons in this, the number of positions and the type of personnel in that section.

MR. CRAIK: Mr. Chairman, there are a total of nine SMYs here. There will be an addition over last year of one research assistant and one secretary. This is primarily the group that has been involved in such things as the representation at the National Energy Board and other things that represent pricing and so on on natural gas. To a large extent, this will embody the former staff of the former Manitoba Energy Council.

MR. EVANS: The description here: Energy, consists of activities pertaining to energy supply and demand, energy conservation, research and development into alternative energy sources and energy conservation techniques. We talked about energy management, as distinct from energy technology, and maybe the distinction will become a little clearer as we go along, but in terms of energy management, is this group concerned at all with electricity as such?

MR. CRAIK: In as much as one of the chief people here has been very intimately involved in the extra-provincial negotiations, but generally speaking, they would be more involved in other matters that affect the energy supply in Manitoba, but not primarily on the electric side, although up to date there has been a fair amount of research work done in this group on forecasting of energy supply and demand and pricing in Manitoba.

MR. EVANS: Could the Minister now tell us what is happening to energy demand in the province. I recall some years back there were some reports prepared on energy data for Manitoba by the secretariat of the council. At one point, there didn't seem to be much growth in demand, for various reasons, higher prices, among others, I wonder if the Minister could tell the committee what is now the demand for the various kinds of energy. What has been happening in this field? I wonder perhaps if he could break it down between oil, natural gas — well, electricity we get, I guess, out of the Manitoba Hydro, but maybe he would like to comment on that as well.

MR. CRAIK: Mr. Chairman, I think it's probably, in general terms, oil and gas are quite flat in terms of their growth.

MR. EVANS: Flat?

MR. CRAIK: Yes. But electrical looks, as was indicated this morning at the Public Utilities Committee, electrical is looking at a growth rate that Hydro is predicting of somewhere around a 3 percent annual growth rate, perhaps 3 to 4 percent.

MR. EVANS: What about the shares, the percentage shares of these sources of energy as a percentage of total energy usage in the province? Is electricity becoming a larger percentage of the total consumption or is it declining? Just how are these energy sources, energy types rather, now looking as a percentage of the total pie?

MR. CRAIK: The electrical, I think, probably is growing a little bit, as I indicated, but at a much slower rate than what was anticipated some years ago. At the present time, the consumption is about 50 percent oil, about 30 percent natural gas, 18 percent electrical and 2 percent coal.

MR. EVANS: Where would the coal be used? I guess that would be the thermal plants in Selkirk and Brandon and some in the downtown central heating system, the Amy Street Plant.

MR. CRAIK: In some remote places like Baldur, Manitoba, they are still burning coal, too.

MR. EVANS: As a matter of fact, I believe there is a coal station in Brandon as well, apart from the thermal plant.

Would the Minister care to comment on this? He said that there is really very little growth for oil or natural gas. Is there any reason for this or would he care to give us any explanation for this particular trend?

MR. CRAIK: Mr. Chairman, just in case I offend anyone in Baldur, I meant in Greenway, Manitoba.

MR. EVANS: I guess maybe the Minister missed my last question, and that is, is there any explanation for this particular trend in oil and gas consumption? I believe he said that the demand seemed to be rather flat, both for gas and oil products, one major component therefore being automobile gasoline. I can think of one reason and that is the price. It would be interesting to know to what extent, well, in more technical terms, what was the coefficient of the elasticity of the demand curve for gasoline and natural gas?

MR. CRAIK: Well, there seems to be, as far as we can determine, Mr. Chairman, there is some conservation effect in the domestic scene, in the residential scene. There is a reduction, actually, in areas where there have been no new connections on the natural gas side and it appears to be related to greater conservation methods. I don't want to suggest that it's the insulation program because there is still an examination outstanding with regard to whether or not it has been effective or not in

bringing out any reduction in consumption. But there is a reduction, generally, in residential consumption in the natural gas field. There have been some expansions, with new connections, but in total it has remained fairly flat.

With regard to oil, there is some movement to smaller cars and there is perhaps some pricing effect that is taking place but, in general, in both of those, it is open still to a very large amount of speculation but that appears to be the rationale for the flattening out of the demand.

Manitoba, in that regard, is not a stranger with regard to what is happening in the rest of the continent.

MR. EVANS: I have a number of questions in this area, because we're getting into the meat of energy policy, Mr. Chairman, so if you will just bear with us. I have four or five under this item.

The Minister said that what was happening in Manitoba wasn't out of line with what is happening in the rest of North America. In other words, there seems to be a trend in North America for a flattening out of gasoline consumption and natural gas consumption.

The Minister mentioned that one of the chief functions of this group, which used to be with the Energy Council, was to make representations on behalf of the government to the National Energy Board. I, for one, recognize that when we talk about energy in Manitoba, our main source of energy is Manitoba Hydro, the hydro-electric sources that we have, and there is no question that that's the major policy area.

But in respect to oil, gas, coal, and what other forms of energy that are available — well, it's quite a minor item but nevertheless, particularly with regard to oil and gas — that we are affected very much by national energy policies that are laid down by the National Energy Board and, really, all Manitoba can do is to go in with reasoned arguments persuading, hopefully, the board to bring about policy decisions that are in the interests of this province of ours.

In that regard, I wondered what the government's present position is with regard to gas exports to the United States. Now, the reason that I ask that goes back to a situation in Manitoba about — I stand to be corrected — I think 1975-76, that in the winter, when housing developers in Manitoba could not get natural gas for new home construction and at the same time we had, I think, 40 percent of Canada's natural gas production being exported to the United States and here the federal authority could not deliver, could not assure a deliverance of gas to supply a growing residential demand in Winnipeg. It was, I thought, a serious situation at that time.

I have been of the view, and our government, the previous administration, has been of the view that (1) we should not as a country expand our exports to the United States. At the present time and for some many months, there has been a lot of pressure on the part of natural gas producers in Alberta to allow the National Energy Board to permit them to export greater amounts of this energy to the United States. I am wondering if the government has a particular position on this matter and whether that position has been made known to the National Energy Board in the appropriate hearing, the position with regard to

additional exports of natural gas to the United States.

MR. CRAIK: Mr. Chairman, the basic position that we have taken at the National Energy Board is if the rest of the country can be provided with the same assurance that the province of Alberta is provided with for supply, that we would not have opposition to the export; but furthermore, that it should demonstrate, on a discounted basis, in fact, that it was providing, over the long term, a return to Canada that would be greater than the return that would be achieved if it were left in the ground. That's the basic position that we have taken before the NEB and we have provided some background to that.

There is some indication, of course, from the National Energy Board that some export would lead, by way of further exploration, to amounts of natural gas that would exceed any export by some multiple, in which case an argument is entered that can't be answered by the qualifications that were put on by our position. In that regard, particularly with regard to the Pembina Field in Alberta where there is some recognition of the fact that what is required is the further exploration to discover deposits of natural gas that far exceed what is presently known or proven, that there is an argument that is presented that is forceful and in that regard we have taken the position, if that's the case and the first two requirements can be met, that we have no opposition to export.

MR. DEPUTY CHAIRMAN, Henry J. Einarson (Rock Lake): The Member for Brandon East.

MR. EVANS: On that subject, though, Mr. Chairman, there is the consideration as to the type of gas you are talking about. There is no doubt, if market opportunities exist, there is a stimulus for additional exploration and development. What I am concerned about is that we then end up having to bring forth the more expensive, more remote gas, such as the high Arctic gas, or whatever, and therefore that while we can stimulate exploration, what is happening is that we're placing a greater burden on Manitoba consumers who will then ultimately, five, ten, fifteen, twenty years down the line, be paying a lot more for that natural gas.

MR. DEPUTY CHAIRMAN: 2.(a)(1)—pass.

MR. EVANS: Mr. Chairman, we have a number of questions on this item. I still haven't had the answer to this last question.

MR. DEPUTY CHAIRMAN: I'm sorry, to the Member for Brandon East, I thought you were making comments. I didn't hear your question.

MR. EVANS: My question was, to the Minister, is he not concerned that the argument that providing more markets causes exploration and development to be stimulated; is he not concerned that what will happen is that the cheap gas, if I can use that term, the cheap, more available, more accessible natural gas, will be depleted, and that in turn, we will end up, five, ten, fifteen years down the line, as Manitobans, and as Canadians, paying more than we would otherwise. Is that not a concern, and

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therefore, isn't that a reason to impose additional natural gas exports?

MR. CRAIK: To go back to my previous answer, Mr. Chairman, the Alberta formula is for proven reserves of 30 years supply for Alberta, and the position that we've taken at the NEB hearings is that the rest of us who are down the line on the system ought to be provided with that same sort of guarantee. In 1978, the proven reserves were 60 trillion cubic feet; in 1979, the latest figures jumped to 80 tcf, and the annual Canadian consumption is about 1 1/2 at the present time. So it would appear that the Alberta requirement would have no trouble in being met and it would appear that if that guarantee is given to the rest of us, it would have no difficulty in being met by these figures.

With regard to export of these impoverishing the supplies at a future date that may be detrimental by way of requiring Arctic supplies at a later date, that argument is offset to some extent by the fact that it's maintained that some export is required to get the flow, to get the exploration work under way for further supply, wherever it may be, and of course, the Pembina field that's in Alberta is regarded as being the largest potential, and it would appear at this time that the Arctic supplies are probably a pretty great distance down the line. I don't know that present economic projections can deal with the question by the member.

MR. EVANS: The 80 trillion cubic feet, which I think the Minister said was the latest estimate of proven reserves, what percentage of that is in the far north? Or is that 80 trillion cubic feet in Alberta? Or is this all of Canada?

MR. CRAIK: It's all mainland, Mr. Chairman, and it's pretty well all Alberta. There's some in Saskatchewan.

MR. EVANS: So none of that includes the Northwest Territories, or . . .

MR. CRAIK: Mostly Alberta, some Saskatchewan, some British Columbia.

MR. EVANS: On the point, it seems to me, in Canada's national interest, from my point of view at least, and Manitoba's interest as a consuming province, to not increase the exports of natural gas, and it seems to me that there's the argument that we should be stimulating further exploration and development at this time doesn't hold water, if at 80 trillion cubic feet, using 1 1/2 per year, we have an ample supply, what does that amount to, 40, 50 years worth of supply. And that's relatively cheap gas. So why put a pressure, an upward pressure on the price of gas, the cost of gas, by exporting it. I know it's in the interests of the producers in Alberta, but I would submit, it's not in the interests of the consumers in Manitoba, or the net consuming provinces. It's in our interest to leave that gas in the ground as long as possible and to keep it there and to have it available to us in the quantities that we need at the lowest price possible.

On the question then of Polar Gas, which was a company that was very interested in bringing down

the gas from the Arctic Islands, presumably through Manitoba, was the Minister indicating in his earlier remarks that that seems now to be a fairly remote possibility? That is the development of the Polar Gas lines through Manitoba?

MR. CRAIK: With the supplies that are evident in Alberta, of course, it has pushed that prospect back, but the most recent proposal by Polar Gas is very encouraging, because what they are proposing now is a line that picks up the McKenzie, the Beaufort Sea area, the McKenzie Delta area, and the Arctic Islands in a Y-shaped line that joins together north of Alberta and then cuts down across and comes into Manitoba at the northwest corner of Manitoba and is almost entirely in Manitoba from there down. So if and when it goes, it's a very encouraging prospect as far as Manitoba is concerned, but at this point in time, the supplies from Alberta are going to be well under the costs of the supplies from the Arctic Islands and from the McKenzie Delta. I should indicate also, though, that that proposal for this Y-shaped line is going before the National Energy Board in the spring of 1981, and they are going to the National Energy Board with a proposal to start construction of the line in 1985. Whether it's realistic or not is open to anyone's guess. But that's their proposal.

MR. EVANS: Just a comment, and then a question, it would seem to me that the possibilities of approval would be rather remote. My colleague, the Member for Kildonan, has done the arithmetic, and it looks like 80 trillion cubic feet at the present rate of consumption gives you 53.3 years of supply. So on that basis, it would seem to me that the energy board may not be interested in approving it. But on the other hand, I wonder if the Minister could indicate whether the province of Manitoba will be appearing before that board on this matter, and what the position will be of the government?

MR. CRAIK: On the Polar Gas line?

MR. EVANS: Yes.

MR. CRAIK: Yes, I expect it will. We haven't formulated a position. We've indicated to them, to Polar Gas, our support of their route at this point in time. We've indicated our general approval of their route, which makes a lot of sense, not because it passes mostly through Manitoba, but because it would appear on the map, at least, to pick up two main sources of Arctic gas with the least amount of construction.

MR. EVANS: I don't know whether I want to pursue that one. I know there was a lot of talk about the possibility of Polar coming through Manitoba, and the stimulus provided by it and so on, but at any rate, my view is that it's quite a ways down the line and we may not see that development for a long time. At any rate, I'd like to go on to a question of gas pricing. Has the government a policy position on natural gas pricing? As I understand it, the price of natural gas is set at being 85 percent of the change in oil, so if oil goes up by a certain amount, the price of natural gas goes up by 85 percent of that amount.

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That may have been changed, but I understood that was the policy. Does the government have a particular position on this? Are you advocating that this be abolished or continued, or do you have any comments on that pricing policy?

MR. CRAIK: Mr. Chairman, we have exposed our opposition to this principle of pricing it at 85 percent of oil.

MR. EVANS: Totally against this very rigid connection.

MR. CRAIK: We're opposed to the principle of it being tied in lock-step with the price of oil.

MR. EVANS: Has the government proposed some options or alternatives to the National Energy Board?

MR. CRAIK: Primarily, Mr. Chairman, that we would prefer to see it priced by the market.

MR. EVANS: Priced by the market. I presume that would result in a much lower price rise than we have at the moment, given the fact that we have ample supplies of natural gas in Canada.

Just continuing on the discussion of natural gas for a minute, it seems to me that one very important structural move that can be made in Canada to make us more self-reliant in terms of oil and energy generally, is to substitute natural gas for oil consumption, particularly for heating of homes and buildings in Quebec and the Maritimes. There is some move afoot, I believe, to construct a gas line from western points to provide natural gas, particularly for the province of Quebec. I believe the province of Manitoba has investigated this; I believe I read somewhere that a brief was presented and I'm just wondering if the Minister could tell the committee what is the position of the government of Manitoba in this particular matter?

MR. CRAIK: Mr. Chairman, we have taken the position that we agree with it, providing we don't have to pay for it as upstream customers. If it's paid for for national purposes, other than direct energy consumption, we don't have any disagreement with paying our proportion on a national basis, but if it's paid for by simply charging the new construction costs to the upstream customers who lie east of the Alberta border, that we would feel an unfair imposition on the ratepayers in Manitoba, and that appears to have been accepted as a valid argument.

MR. EVANS: I think that's a logical, rational position to take. I think it is an excellent move for Canada's national energy security or however you may describe that, but at the same time, let us hope that the costs of the pipeline should be borne by the consumers that are going to benefit from this, rather than consumers upstream such as those in Manitoba.

Regarding the question of oil exports, has the province made any representation to the National Energy Board on the matter of oil exportation, exports to the United States?

MR. CRAIK: There hasn't been cause for that, Mr. Chairman. On the oil side it's down to a very very

low insignificant figure at the present time anyway. The net exchange is next to nothing.

MR. EVANS: I didn't hear the last statement. I'm sorry. I didn't hear the last statement of the Minister.

MR. CRAIK: My understanding, Mr. Chairman, is that the net exchange now is very close to nothing.

MR. EVANS: Could the Minister interpret for us? What does he mean by that statement? I think I know what he means, but if he wouldn't mind elaborating.

MR. CRAIK: The net flow of oil to the United States now is not a significant amount in the total amount. It's not in the same league as the question of exports of natural gas. We haven't had cause to deal with it as a position before the National Energy Board.

MR. EVANS: I see. So as I understand, there has been no representation to the National Energy Board on the matter of oil exports.

MR. CRAIK: I don't think so.

MR. EVANS: I'd like to go on to the question of oil pricing, which is a policy matter that obtained considerable attention during the last federal election and I guess continues to receive some considerable public attention, and I am wondering if the Minister could advise now whether the government of Manitoba is still of the view that the pricing of oil should be interrelated somehow to international oil price levels. I believe your position is not to go to world price per se, but perhaps some percentage thereof. Am I interpreting the position of the government correctly, or would the Minister like to elaborate what the position of the province is with regard to oil pricing?

MR. CRAIK: Mr. Chairman, the government has announced its position on any number of occasions, that it supports a goal of national self-sufficiency, which means that in assuming that position that there will be a price increase. It means that we will have to move up at a rate that can be adapted to by the country, but to a level that will provide self-sufficiency in Canada.

I suppose the question is, what is self-sufficiency? It is a moving target, because your conventional supplies are falling and your non-conventional supplies have to rise, so over a longer period of time it has to be a price that makes the non-conventional supplies competitive, and what that may be is going to change as time goes by. It is going to escalate in cost, but it should be well below world price.

MR. EVANS: It should be well below world price. But is the Minister prepared to say that it should be — what was the expression, in lock-step, is that the expression, with international price trends?

MR. CRAIK: No, Mr. Chairman, there is no necessity to relate it to world price.

MR. EVANS: I don't think there is any argument that the price of oil may have to go up in Canada. I

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would point out that there is some evidence that the oil companies, the oil organizations, do have profits that are not necessarily being used for oil development, but are being used to acquire other assets, real estate, coal fields, etc., which makes one wonder whether price increases do result or will result in additional exploration and development in Canada, given the fact that there simply may not be that oil availability in the views of the oil companies. I think the federal Ministry of Energy has gathered some evidence to the effect that the oil companies are not using all of their returns, their retained profits, retained earnings, for oil exploration development, which makes one wonder therefore whether additional price rises are as necessary as some people would argue.

I have in the Legislature, it has been my impression that this government has been in favour of some price that would be arbitrarily an automatic lock to world price changes, and we have argued, essentially I have argued at least, essentially the same position that the Ontario Government has argued, and I think that is a sensible position for the province of Manitoba. The province of Manitoba is a net consuming province. I think it is utter folly for us to take the position of a producing province, such as Alberta. I think one should listen to Bill Davis rather than Peter Lougheed in this case. If I could read, Mr. Chairman, a recent statement, March 4th, 1980, by the Honourable Robert Welch, Deputy Premier of Ontario and Minister of Energy in that province, a speech he made at the University of Western Ontario in London, as I said on March 4th, 1980, and I think he puts it very simply and very well, the position that a net consuming province should take.

The one question which consumers keep hammering away at is how high will the price of oil go. That has to be one of the most controversial issues in this country today. Ontario's position on pricing has been stated emphatically by Premier William Davis. Basically we believe that it is neither wise nor necessary for Canada to use the OPEC or so-called world price as a benchmark for pricing Canadian crude oil. That cartel-derived price bears no relationship to the cost of production or the real value of the commodity. Although we are not against higher prices per se, we do think any price increases should be closely linked to the cost of production and to achieving self-sufficiency without restricting our quality of life.

Clearly crude oil pricing and supply policy in Canada should be based on pricing to achieve self-sufficiency rather than on pricing to achieve world levels. I am sure that you can appreciate that there is a vast difference between those two approaches. The danger is that this country will get caught up in the rush to world prices and fail to ensure that we have enough domestic crude oil.

He goes on to state, Mr. Chairman, that Ontario will continue to make its voice heard across the land on these important issues that are vital to the future of that province and to the country.

It would seem to me, Mr. Chairman, that it makes eminent sense for Manitoba to emulate Ontario, that we should speaking up loudly and clearly in this matter of oil pricing. I might add that when we were in government, when I was a Minister with some responsibility in this area, we did meet with the

Ontario Minister of Energy, and we had a common purpose, and we went to the conference table in Ottawa and spoke with a united voice, because we both were in the position of being net consuming provinces. It was in the interests of our people, of our consumers, for us to take the position that we took. I think that there should be no question whatsoever in the minds of the Minister, in the mind of this government, with respect to Manitoba's position on oil pricing. As I said a moment ago, there is some evidence that the oil corporations are not utilizing the entire amount of revenue that they are obtaining now and there is information as well that in some cases they are getting various tax breaks that makes one wonder whether they are really responding — whether they are using sufficient of their own funds. I think there is one case where the tax breaks are such that the taxpayers are really subsidizing, very considerably subsidizing the private corporation.

Then there is information where the oil companies are not paying taxes. As a matter of fact, I have one note here which shows that Shell Oil paid not one cent for taxes in 1979.

At any rate on the matter of oil pricing, I wonder if the Minister could elaborate as to whether the government is going to take a very firm position as a net consuming province.

MR. CRAIK: Mr. Chairman, this is a fairly important point, but there are two different and entirely separate arguments. One is the oil price argument, the other is the self-sufficiency policy for the country, and Canada cannot avoid, in its own interests, adopting a self-sufficiency policy. And Ontario's argument and concern that it is tied into a world oil price level does little more than cloud over the fact that Canada has to get on with developing a self-sufficiency policy and what has to be done is that we can aim for that without causing undue difficult adjustment for the population of the country, but the conventional supplies are now on the downward trend and the non-conventional supplies have to come on. Until there is a pricing policy in Canada that brings those non-conventional supplies on, towards the end of the 1980s, we are going to be in difficulty, and we are also going to be very vulnerable to supplies from outside of Canada.

Unless there is something happens that is now unforeseen, which really doesn't even deserve to be speculated on, because that is all it would be is straight speculation, you have to accept the facts of life as they are, and that is that we are currently dependent for some 22 percent of the supply of Canada from offshore, with conventional supplies decreasing. If we get all embroiled and bogged down in this business of whether we should be paying world price or not world price, we are not going to get self-sufficiency and that is going to be the net result of the whole argument. So I think there are two entirely different and separate arguments, and if we continue to confuse a self-sufficiency goal with a world oil price goal, we are going to fall between the stools, just like Canada is wont to do periodically and far too often. I think it time we got over it.

I don't adopt the Ontario argument of getting embroiled in whether this is oil world price goal or not. What I'm simply trying to say again, for every

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chance we have had to say it for the last 18 months, is that Canada ought to adopt a self-sufficiency policy. And we are not identifying with a polarized position, anti-world price, pro-world price, 85 percent of Chicago, or anything else, but let's just see a self-sufficiency policy adopted and achieve it at a rate that Canada can live with. That is our position and that is what it is.

MR. EVANS: Mr. Chairman, I am little confused by what the Minister says, but I want to repeat this one sentence that I just read from the Honourable Mr. Welch in Ontario. Clearly crude oil pricing and supply policy in Canada should be based on pricing to achieve self-sufficiency rather than on pricing to achieve world levels. So he is making that distinction that the Minister I think was trying to make, and I am just wondering whether you really aren't saying the same thing anyway.

I appreciate the fact that we unfortunately import a large percentage of the oil that we consume and we pay for it, and it is subsidized right now by the federal government. We have made some argument in the past that we should have what is called a blended price, the new oil and the old oil. I don't really want to get into all that again, but the point is that it seemed to me and it seems to our party that it is simply folly for us to rush to world prices without seeing whether we are getting the results from it. It seems to me that there are other ways of bringing forth oil from non-conventional sources, such as the tar sands, without having to pay world prices for them. There are other techniques that are available. I say pay the price, pay the price that it requires to get the oil out of the tar sands. If we want to get oil out of the tar sands, let us pay that price. But let's not pay a ripoff price for the old oil, because all that does is give the companies a lot of extra profit that they are not even able to use for oil and exploration development.

MR. DEPUTY CHAIRMAN: The Member for Inkster.

MR. GREEN: Mr. Chairman, I am somewhat confused with what the Minister is saying with regard to self-sufficiency and I will just wait until he gets through with his civil servant so that perhaps he will hear me. The Minister has said in this House that the price of oil should be the amount that it is going to cost to produce oil from the next source, which is the tar sands, and I think about a year ago he was talking about 18 a barrel. I think that they are now talking in terms of the world price of over 30 a barrel. I think that I am low, it may be 35 a barrel, and this is the price that is being sought by Alberta and Saskatchewan — and there is a distinction there — with the acquiescence of the province of Manitoba.

The province of Manitoba has never, since the change in government, taken an adamant stand against the world price policy of Alberta and Saskatchewan on the specious reason, Mr. Chairman, that if we do that we won't be able to sell our hydro-electric power for whatever price we can get, ignoring the fact, Mr. Chairman, that hydro-electric power is sold on a very competitive basis throughout this country, competition not only with other hydro-electric power, but with other electrically

produced power, fossil fuel power, and that there is absolutely no basis for suggesting that hydro-electric power is being sold at rates which, Mr. Chairman, and I say this advisedly, if it was done by a group of companies in Canada, they would put all of the directors in jail. The price of oil is now being set by an international combine conspiracy against trade, according to the definition of our Combines Legislation, and Mr. Lougheed is very happy with the acquiescence of his friends in the province of Manitoba, the government of the province of Manitoba, to hop onto that criminal conspiracy, on the basis that he wants that price for oil.

Now, Mr. Blakeney has at least taken a somewhat more sensible position. Mr. Blakeney has said — well, you see if it is more sensible — if we go to world prices, which Mr. Blakeney says that we should, then take everything over the existing price to the world price, take it into the public hands and use that money for finding new oil. Now, is that not more sensible? It is more sensible.

Mr. Lougheed says, take that money and spread it between the oil companies and the province of Alberta and the province of Alberta will then give its share to the oil companies. That's the Lougheed position. Or, build up this Heritage Fund, which now stands at something over 7 billion, three times the budget of the province of Manitoba. If they only used their oil revenues, they wouldn't have to collect any taxes whatsoever, not one cent in any other form of taxes in the province of Alberta.

The Minister says, we're not talking about the world price, we're talking about self-sufficiency. But when he defines self-sufficiency, he says self-sufficiency means the cost of getting new oil, and approximately a year ago he talked about 18.00. Mr. Chairman, why doesn't he say the same thing about hydro power? He would be lynched if he did. He would be lynched if he told the people of the province of Manitoba that they have to pay for hydro power what it will cost to buy our next kilowatt. That's what he is saying. He is saying self-sufficiency in oil is a charging at the rate it costs you to buy your most expensive barrel.

Mr. Chairman, that is what he is saying, the most expensive barrel is the barrel we are not now getting, that's the one that has to be produced, he says, from the tar sands, and he wants to charge for every barrel, whether it's the barrel that costs 2.00 a barrel to produce — and there is still oil being sold in this country where the cost of production is the same as it was in 1973 when crude oil was selling at 2.75 a barrel, and that oil is now selling at over 20.00 a barrel and Alberta wants the world price for that oil, not the tar sands oil.

Then, Mr. Chairman, what has happened to capitalism? Capitalism now says that you pay for the barrels now that you are going to find later. When we find them, will they give them to us for nothing since we have already paid for them?

T.C. Douglas put it the best. This is a policy of pay now, pay later. Because what happens when they find that new barrel, they're not going to sell it to us at the cost of finding the new barrel, they're going to say, You have to pay the cost of finding the next barrel. You've already paid for that oil. The Minister says we should pay for it now, pay for the 17.00 oil, for the oil that cost 2.75 to produce. Now, at least if

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we have already paid for it we shouldn't be charged again, but when they produce it they're not going to sell it to us for the cost of production. They're going to say, as the Minister now says, When we sell you this oil, we have to go out and find another one and therefore you have to pay for the next one. Is that not what the Minister is saying?

I would dare him, Mr. Speaker, to sell hydro power, and that really is the difference, that shows the real benefit of the public ownership of our resource, because the public would be lynched. No government could get away with doing what they are attempting to do with the private price of oil. The government says, we are producing hydro electricity, the cheapest kilowatt is X number of cents per kilowatts, or X mils; the highest is another figure. We take the total cost of paying for it, we divide that cost and we sell it to the people of the province of Manitoba and we deduct from what we sell the amount of revenue that we get in being able to dump hydro electricity. That's what we do.

Why not take the total cost of producing all of the oil that we are now producing, divide it among the number of barrels that we sell, and sell it for that price. And next year when it costs more, sell it for that price next year.

No, the Member for River Heights says no. He says the capitalists insist that he won't make an investment; he will not make an investment. He will not seek a return. He wants to get paid before he produces it and then when he produces it, he wants to get paid for the next barrel, and that's what is happening in this country and that's the policy that is being supported by the Minister of Finance.

I am suggesting that I don't want to pay — I do not want to pay, as the Member for Brandon East says, the price of producing a tar sands barrel. I want to pay on the basis of a public utility as a public utility would charge, that we are going to take the total number of barrels produced, we are going to take the cost of producing it and we are going to sell it at those figures. And next year when it costs us more, we will sell it for the higher figure. That will produce self-sufficiency in oil, not what the Minister is saying. What the Minister is saying will produce affluence for the people of the province of Alberta at the expense of poverty of the people of the province of Manitoba.

Since when do I link with the province of Alberta? Since when am I in this sort of western conglomerate? I'm an easterner; I am east of Alberta; I am east of Saskatchewan. I am buying oil from them. I am not selling oil to Ontario. Fortunately, Mr. Speaker, the fact is that the last 10 years has seen the province of Ontario become the most anti-provincial-rights province, and they used to be the strongest provincial-rights province, and the most nationally-minded province in Canada. I say that Bill Davis is saving us from Peter Lougheed and when he does, I become a Bill Davis fan, not a westerner with Peter Lougheed, because being a westerner with Peter Lougheed is too expensive. He is going to impoverish me and I love my money more than I love my western alliance and it's as simple as all that. And when I came back from a federal-provincial conference and people said, Aren't you Mr. Blakeney's friend, I said, Yes, I'm his friend, but I don't want to give him 60 million a year. I

mean, friendship goes so far, Mr. Chairman, and I stop at paying them my money when it's not coming to them.

The Minister insists that his friends are Mr. Lougheed and Mr. Blakeney because he's a westerner. The fact that all of the province of the Manitoba in the last year, I estimated that the increase in the oil prices cost the people of this province, and I will be corrected if I am wrong, but I made the estimate last year, 60 million, which went to those provinces. I know then that there certain things happen, part of it goes into public revenue, part of it goes to the oil companies, part of it goes to the federal government, so a little bit of it is used for my benefit. But 60 million came out of this province, going in the direction of those provinces.

Now, we have some oil and I suppose to the extent that we have it, we have some benefit, but we are far greater the purchaser, Mr. Chairman, than we are the vendor. And the Minister's policy is not one of self-sufficiency, it is one of self-deprivation, self-improvement insofar as the people of the province of Manitoba are concerned.

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

MR. CRAIK: Mr. Chairman, the arguments that the Member for Inkster presents would be valid if you had in both cases a renewable resource. Mr. Chairman, if you were dealing with a replenishable resource, you can use the principal that is used by Manitoba Hydro in blending in their new cost with their old cost to arrive at an average cost for their system. But in the case of oil, you are dealing with a conventional supply that is now on the decrease and by the end of this decade, in the national interest and in Manitoba's interest and the interest of every other province in this country, it is going to have to be more and more replaced by the non-conventional supply. And from that point of view the arguments, Mr. Chairman, do not apply one to the other. The pricing of Manitoba Hydro at the present time is based on self-sufficiency, a continuing self-sufficiency. We have not reached that self-sufficiency in Canada in oil; it is a different argument and you cannot apply the two.

The goal is the same, the self-sufficiency goal. The same goal for oil as for hydro. We have demonstrated what we are prepared to do in the case of hydro; we are prepared to do the same thing in oil. We are prepared to admit that we can't hoodwink the public into thinking that it can't be achieved without some cost, and that's the difference in the position of the government and the Member for Inkster.

MR. GREEN: Mr. Chairman, I am very happy to have the distinction clearly made between the position of this government and myself, because there is a clear distinction. If the Minister who is now speaking said this 100 years ago, he would be talking about coal in those terms. He would be talking about a source of energy that was available, in those terms, which said that you have to do these things that you are now doing. The fact is, Mr. Chairman, there is no knowledge as to how much oil there is left in the world. There may be far more oil

left than what we have taken and as a matter of fact, for my authority I look to the oil companies. When they were wanting the Canadian government to get rid of oil and transport it to the United States, they said that there were surpluses for years and years and years and that there was absolutely no necessity to conserve oil. Now that they want to get 30 a barrel for oil that cost them 2.00 to produce, there is no oil.

Mr. Chairman, I am willing to say that the oil companies will get the price that it cost them to produce. What could be more a policy of self-sufficiency? Next year it costs 18.00 — (Interjection)— Well, you know, many New Democrats wanted to do that but the Conservatives would not have it. Absolutely, Mr. Chairman. Are we going to go back to that? The CCF wanted to guarantee parity prices for the price of grain and the Conservatives said, We want the free market. Yes, that happened in 1957 and in 1958, and Diefenbaker came in and said, Parity, not charity, and when he was elected, he said, 200 an acre. That's what he said. —(Interjection)— Well, he sold . . . So they wanted the free market; they did not want parity in prices. They did not want a guaranteed price for their product.

I am not suggesting, Mr. Chairman, and I don't have to get back or be led away in that direction — I am suggesting that you can provide for self-sufficiency if the public undertakes to be the vehicle that will find, look for and discover the resource, and that the people of Canada will have to pay for that resource in accordance with the cost of producing it. That's not what we are doing now. We are saying, Mr. Chairman, pay now, pay later, and when you pay later, it will again be pay now and pay later. We are always ahead of the price, substantially ahead of the price. —(Interjection)— Yes, let it be clearly said that the policy of the Conservative Government is to pay the world price regardless of the price of production. My policy is to determine the cost of production on a total basis, charge the people of Canada that price, and when you do it again, Mr. Chairman, charge the people of Canada that price. That's what they do.

You do not have the people of Kuwait paying 30 a barrel or 45 a barrel for oil. They don't pay that figure because they produce it there and they charge their people a reasonable price. They charge us a gouged price. They have gotten together; they have a cartel. It is a cartel, the leaders of which, if they all resided in this country, would be put in jail. And we are saying, Goodie, goodie, let's hop onto the criminal price. The Minister says that's the Conservative policy, fine. I'm glad the distinction has been clearly made.

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: On a point of privilege, Mr. Chairman. The Minister has never said that and the member knows that.

MR. GREEN: The Minister has said that we have to pay the price of them finding the next barrel. Mr. Lougheed says the price of finding the next barrel is the world price. I will concede that the Minister has left himself that gap.

MR. CRAIK: Mr. Chairman, on that same point of privilege, the Minister has never said that and that is not the case.

MR. GREEN: Mr. Chairman, I heard the Minister say that we should pay the cost of bringing in the tar sands because that's the next oil that we have to produce and that is the basis upon which he has said it.

MR. CRAIK: Mr. Chairman, I'm not going to debate it further with the member, except to repeat that has never been stated by this government.

MR. GREEN: It's stated in the House on Hansard.

MR. CRAIK: It's never been stated in the House on Hansard.

MR. GREEN: It's there. I'll find it.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. A. R. (Pete) ADAM: Mr. Chairman, I would like to ask the Minister, in view of the fact that the policy of this government and the Conservative policy at the federal level when it was in office was that the conventional oil prices should escalate as fast as possible to the world price, or at least 15 percent below the world price, I would ask the Minister if he has any assurance, has he seen any documentation, or has any oil company in Canada given assurance that given these increases in prices, and if we accept that as citizens of this country that we will be assured of self-sufficiency in oil?

MR. GREEN: They won't even guarantee to use the money to find oil.

MR. ADAM: Except, Mr. Chairman, that we price people, price consumers off the market. Can the Minister advise this committee whether there is an oil company in Canada today that has given assurance that if we provide this kind of money for oil that we will become self-sufficient? Can the Minister give this assurance to this committee?

MR. CRAIK: No, Mr. Chairman, I can't give the member any assurances with regard to specific prices as he's requested in that regard.

MR. ADAM: Has a Minister ever received assurance from any oil company or the entire group together, that if we provide the world price for oil that we will become self-sufficient, except by reducing demand, rather than increasing supply? Has the Minister ever received that assurance from any oil company in Canada?

MR. CRAIK: There seems to be evidence in that regard, Mr. Chairman.

MR. ADAM: But the Minister is saying there seems to be evidence, but the Minister then is indicating that no oil company has ever given assurance that if we are willing to pay the world price for oil that we will suddenly be self-sufficient. Is that correct? Is that what they're saying?

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MR. CRAIK: I would remind the member that it probably doesn't under the present circumstances require an assurance from an oil company.

MR. ADAM: Is the Minister saying that it does require?

MR. CRAIK: No, I'm saying the opposite.

MR. ADAM: All right, okay then, that's fine. Now can the Minister advise whether or not, if we transfer this wealth, these billions of dollars over to the oil industry, can the Minister assure us that those billions of dollars will be spent in exploration in Canada and not in some other country? Can the Minister give us that assurance?

MR. CRAIK: I can give the member the assurance that I don't believe that is the problem. The problem is to get together a national policy and recognize the fact that there are two separate and entirely different arguments that continually are clouded by the political arguments of whether someone believes in world price or doesn't believe in it. In the meantime we're throwing the baby out with the bath water, and we have the potential of being self-sufficient. We have a potential in Canada that no other country in the world has in the western world and we're throwing it away while we pour out all this smoke and nonsense about whether or not we believe in a world price or not. The plain fact of the matter is we're not going to become self-sufficient until we reach a price in Canada where that can be achieved.

MR. ADAM: Mr. Chairman, could the Minister explain why multinationals last year, oil companies, have spent 300 million, Canadian corporations have spent 300 million on oil exploration in the United States? Why are we paying this kind of price for oil? Why do we have to pay this kind of money for oil if we're going to be undertaking explorations in other countries and then we're going to have to buy it back from foreign sources or it will provide other countries with better self-sufficiency than they are at the present time, because that's what the multinationals did last year. They took 300 million of our dollars, paid through the gas pumps, to do exploration down in the States to the tune of 300 million. Can the Minister give us the assurance that we can stop that and compel this money to remain in Canada and be used here to find oil? Can the Minister give us that assurance?

MR. CRAIK: Mr. Chairman, PetroCan as well invested outside of Canada. So there is no assurance that somebody is not going to invest Canadian dollars outside of Canada. I can't give the member assurances of anything with regard to the national oil companies. The federal government, I am sure, has it within their powers to do so and perhaps if he wants to go straight to the horse's mouth he can go to one of the directors of Husky Oil and ask Mr. Tommy Douglas what his policy is.

MR. ADAM: Mr. Chairman, this is the Minister that talks and speaks and meets with his federal counterparts, and this is the Minister that meets with other energy Ministers in Saskatchewan and Alberta

and wherever, this is the Minister that has to determine the policy at the national level along with his counterparts. Can the Minister assure us that the money that we are going to put into find self-sufficiency on fuel oil, on conventional oil or heavy oil or non-conventional oil, can he assure us that that money will not be used to by up uranium properties and coal properties and the next set of resources rather than being spent on finding oil? Will the Minister give us that assurance? Can he give us that assurance, Mr. Chairman?

MR. CRAIK: Mr. Chairman, I've already answered that. There is one government that can undertake those sorts of considerations and that is the national government, but I repeat again that is within their power if they so decide to exercise it or to move on it. If they feel that it's required in the national interest, I'm sure that they'll undertake that consideration, but in the meantime I have to tell the member that I don't consider the oil companies, in the present equation, any more than the strawman for the likes of the Member for Ste. Rose to thrash away it. That's not the root of the problem; the problem is to get on with a national policy that zeros-in on what we have to do to reach self-sufficiency rather than preoccupying itself with the political arguments of whether you are for or against world price. In the meantime we all go down the drain. Ten years ago we were self-sufficient, this year we are 22 percent dependent on imports and it's getting worse all the time as we preoccupy ourselves with all the thermal plausible arguments, all heat and no light, with regard to whether or not we should reach world price or not. It isn't even the argument. The argument is whether or not Canada is going to undertake a policy to reach self-sufficiency.

MR. ADAM: Mr. Chairman, that is not the argument at this table. The argument is whether or not this money that we are going to hand over to the multinationals, in advance of finding the oil, whether they will use that money to find oil or whether they'll use it to buy up, invest in surpluses in the United States such as they did last year or whatever, buy up other resources and be ready for the next set of resources so that we will have to buy them back and pay twice for it. Pay what the world price will be ten years down the road when we no longer have any oil here, and pay the world price and give them the money to but it, give these guys the money to buy these resources with. This is the argument. Because the Minister can't give us that assurance that paying these world prices will give us self-sufficiency and neither will the oil companies because they're not trying to find oil. They are buying up coal reserves; they are buying up uranium reserves; that's what they are doing and they're investing these Petro dollars that they are receiving, in other countries. This is what they're doing, Mr. Chairman, and the Minister and his colleagues in Ottawa are trying to tell us that is the solution. That is the result of what is going to happen if we are prepared to submit to the oil companies.

Mr. Chairman, since 1974, and by 1985 oil prices will have gone up 1,000 percent. And we are talking about oil that has been onstream for 30 years which we were selling for 3 a barrel in 1969, which we are

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now getting 15.75 and going up to 19 this year; oil that we used to sell for 3 a barrel and pay all the royalties and the profits and the dividends to the oil companies, to the shareholders and so on.

What is going to happen, Mr. Chairman, and I would like to put in the record remarks made by Mr. John Helliwell, the University of British Columbia, in a recent speech that he made to the Tax Foundation, and he suggests that by 1985 oil industry profits will have risen by a staggering 1,000 percent since 1974. And he warns, Mr. Chairman, that the transfer of such large volumes of profits to the oil industry is even more disturbing because the industry is 80 percent foreign owned and 90 percent foreign controlled. And this means, Mr. Helliwell comments, that by mid-1980s foreign-owned firms producing oil and gas in Canada will be either repatriating large dividend flows or acquiring large new Canadian investments outside of the non-conventional oil and gas producing sectors. And that is what I am suggesting to the Minister, that all this wealth, this large volume of wealth that we're going to transfer over to the oil companies, in large part, only a very small percentage will ever be used to find oil, but rather they will be branching out into other endeavours, other areas and they'll be doing it with our money and ten years down the road, when we will need coal — we will be obliged to move to that whether we want to or not — we will have to move to uranium whether we want to or not and we'll find out that these fellows have bought it right under our noses and they bought it with our money and we'll have to buy it back from them and pay twice, three times, four times, what it's worth. That is exactly what is going to happen and I suggest to you that even the balance of payments, this large flow of dividends that will be going, repatriating out of the country, will be an embarrassment to the oil companies, and it will throw our balance of payments completely out of balance, as if they're not bad enough already. And, Mr. Chairman, five years from now, people will be demanding from their government of the day, and I don't care what stripe it is, but they will be demanding the federal government to nationalize the oil companies. There is no other way to solve this problem.

I say to you, Sir, that there is already a surplus of oil, according to March 26th —(Interjection)— Mr. Chairman, the *Globe & Mail* on Wednesday, March 26th of 1980 had this article, *Glut of Heavy Oils Mean Residual Fuel Prices Start to Tumble*. They have already got a surplus in some of the residual oils, Mr. Chairman, so the oil prices have to tumble. Mr. Chairman, we are being held up for ransom. We are being held up for ransom by the multinational oil companies and there is absolutely no reason to proceed with this kind of a policy. And the argument is not whether oil should be the world price, it's whether, if we pay the world price, whether we will get the oil. That is the question. We will get it, but we will get it on the world market. That's the only place we'll get it.

Mr. Chairman, I have already mentioned to the Minister yesterday that in a recent report that I received from an oil company, a junior oil company, they suggest that within a very few short years, they have set a value on the reserves that they will have down the road, at over 60 a barrel. Over 60 a barrel.

They already know that that oil — because there will not be any oil, and they know that they will be getting 60 a barrel for that oil. There's no way that we will become self-sufficient by increasing oil. You have no assurance, the Minister is unable to give us that assurance, the federal Minister is unable to give us that assurance, and the oil companies will not give us that assurance.

I say that people of Canada are stupid if they fall for that cruel hoax. Mr. Chairman, I suggest the people will be very stupid if they accept that argument from the multinational oil companies. No matter where you look, Mr. Chairman, Gulf shares, which were 35 or 39 a share, 30 a share last year, jumped up to 193.00. Canadian Pacific is the same. No matter where you look. Mr. Chairman, Canadian Pacific owes 900 million in deferred taxes. And the whole combined lot of them, probably all put together, I'm not saying just the oil companies, but a lot of them together, they probably have about 15 billion in deferred taxes. And it's time that they start paying their taxes, the same as you and I and everybody else. —(Interjection)— Well, I'm reading from the *Financial Post*, which is the gospel for the oil companies, Mr. Chairman, and it's too bad that the Member for Rock Lake doesn't read a little bit, maybe he would be abreast of what's happening, Mr. Chairman.

I suggest, and I will continue to suggest, that the Minister — there isn't a Minister in Canada, that will assure the people of Canada that they will become self-sufficient by increasing the price of oil.

MR. EVANS: Thank you, Mr. Chairman. I think the Member for Ste. Rose spoke very eloquently on the reality of the problem, and that is paying ransom prices, paying world prices, held up for ransom is not going to provide us with oil self-sufficiency. There's no question. And I don't know what the province of Manitoba can do about it. We're a small province of about a million people, I don't know how much clout, if any, we have at the tables in Ottawa or wherever conferences are held, but I say we would be doing the people of Manitoba a favour if we stood behind — and I say this with some hesitation, alongside of Bill Davis rather than Peter Lougheed. I'm not subscribing to all the policies of the Conservative government of Ontario, but in this one area it makes eminent sense for Manitoba to side with Ontario, as we did when we were government.

There are a number of things that we can do, Mr. Chairman, to obtain energy self-sufficiency besides paying ridiculous, outrageous prices for oil. You know, the Minister has said, he seemed to be rather nonchalant about prices of oil going up. But the fact is, when the price of oil goes up, not only does it contribute to inflation, but according to the studies, again released by the Ontario government, they've calculated the number of jobs that are lost because of increased oil prices. And there's one thing too that we should remember, that our lower oil prices that we've been able to achieve thus far in Canada have enabled our industry to be more competitive with other countries than it would have been otherwise.

But at any rate, Mr. Chairman, there are other ways and means that we can pursue to achieve security and self-sufficiency of oil. I mentioned one item earlier, and I would go back to that, and that is,

a great deal of the oil that we imported to Canada is imported, not into western Canada, or even Ontario. It's imported into the Quebec region and to the Maritimes, and there is no question that we have to get on with the job as a country in providing Quebec and the Maritimes with an oil pipeline system that enables them to switch out of oil and to go into natural gas. I think if this is done, you'd see the statistics, the dependency by Canada on world oil supplies being reduced substantially. You may say this is a long term measure, I don't think it is that long term.

Also, there has to be greater effort made on the part of provinces to utilize coal where it makes sense. It's ridiculous for the province of Nova Scotia to be burning oil to produce thermal electricity, to produce electricity by importing oil. The job of converting the thermal plants of Nova Scotia has to be got on with very rapidly. They have ample supplies of coal in that province, I would submit, and that's something that has to be done also to achieve self-sufficiency in Canada.

Further, Mr. Chairman, there are many many ways that we can become more careful in the use of oil. There are many many programs of conservation that we can promote. We could promote other alternative sources of energy such as electricity, and certainly we have abundant supplies of electricity in this part of Canada. Indeed, as part of conservation, we could be promoting more public transportation, a greater utilization of railways, for example, as a way and a means of utilizing, of being less dependent on oil products.

The use of electric vehicles. I see where Gulf Oil has now announced a major breakthrough in battery powered electric vehicles, and I think there may be more to come. I'm not suggesting for this part of the world where it's very cold, but in other parts of the country, there seems to be greater possibilities of electric vehicles, of battery powered vehicles. So there's no question in my mind that governments collectively have to engage in incentive programs to substitute, to encourage the substitution of the more plentiful forms of energy that we have in Canada, the natural gas, electricity, the propane, and so on, for crude oil. And part of that effort to become less dependent on offshore oil is to encourage greater conservation, greater use of insulation, greater use of public transportation and so on.

At any rate, I would also say, Mr. Chairman, in conclusion on this point, that I would hope that in the future the government and the Minister will take a very firm stand at the conference tables and supporting a national viewpoint rather than an Alberta viewpoint, because it is certainly in the interests of the people of Manitoba to do so.

MR. CHAIRMAN: 2.(a)(1)—pass — the Member for Winnipeg Centre.

MR. J. R. (Bud) BOYCE: Mr. Chairman, in listening to the response of the Minister to the Member for Inkster and the Member for Ste. Rose and some of the comments made down at this end of the table, I wish it was on the record of the province of Manitoba a comment by Premier Lougheed in the opening of the session in Alberta this spring. It will stick in my mind, of course, the difference between

the philosophy of this government and the philosophy of the Conservative government, the Progressive Conservative Government in Alberta. To paraphrase what Mr. Lougheed said, he said, Bring your capital, bring your risk capital, don't bring your debt capital, because we want investment in the province of Alberta, and we expect you to re-invest a goodly part of that in the province of Alberta, and if you don't, we will look at our tax structure. An entirely different attitude between that of the government of Alberta. Of course, they buy airlines and they get into business if it is to the advantage of the people of Alberta.

But I really am dismayed at some of the responses, because it was right on the nose, the question from the Member for Ste. Rose, what guarantee have the people of the province of Manitoba that the attitude of the government who is representing us is going to give us self-sufficiency. There's no guarantee at all. But Mr. Chairman, the record will speak for itself. I'm going to get a copy of the — I took it out of context, it's very easy for the Premier of a province to stand up when they have 2 billion to spend on their budget without the necessity of sales tax and the rest of it. But nevertheless, the fact that here's one government who looks to the private sector for investment in the province, but gives them fair warning that they expect them to re-invest it in the province of Alberta.

When the Minister was asked, what guarantees we could elicit from the oil companies, that the moneys that we were going to advance them, as pointed out by the Member for Ste. Rose, that this would be invested in oil exploration towards self-sufficiency, the Minister couldn't give us any guarantees, and I might be misinterpreting his statement. If I am misinterpreting it, I wish he would correct me. But he has not even asked them for any guarantees. He hasn't even used this as an approach to the problem. And that's the way the record stands, that this government, on our behalf, is not representing the people of the province of Manitoba to move toward self-sufficiency. The Member for Inkster pointed it out, that we as Canadians have to pay for oil, the cost of exploration, the cost of production, we have to pay that. And we expect that. And I don't think any responsible person would argue with that.

But nevertheless, I think it's — well, I was so shocked to listen to the by-play that was going on around this table when the serious questions were being raised about the horrendous price which is being charged for oil by a cartel and we are following right along into it, and this government hasn't given me, as one citizen of the province, any inkling that they are protecting the people that I represent as far as seeing that the moneys which are being prepaid to the oil companies are being reinvested, not for future profits — and I'm not against profits, I don't like to see any corporation in the dilemma that Chrysler Corporation is at the moment — but nevertheless this money should be reinvested in that which we are prepaying it for. And the government has given no indication whatsoever that they are acting on our behalf in this regard.

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

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MR. EVANS: I wonder if the Minister could elaborate on the people under Salaries in this section, please.

MR. CHAIRMAN: The Energy Technology Branch, the amounts, four staff man years, Salaries 89,700, and Other Expenditures 180,000.00. The SMY allocation is for branch director, three co-ordinators for energy information section, renewable energy section, and energy conservation section. The rest of the expenditure will be required for the general expenses.

The Conservation Programs and Alternative Energy Programs, and others will fall in under this area and that is their primary undertaking and responsibility.

MR. EVANS: In the area of technology and energy conservation, can the Minister advise whether there is any effort being made in the area of — well, I'll use one example — to bring in equipment to help spot energy loss in residential buildings, for example, or commercial buildings. The Ontario Government has recently announced a five-year program called Heat Save for 60 Ontario centres. It is a 4.9 million program of thermography which will cover 60 communities by 1985, and it could result in a saving of energy of 20 million gallons of fuel oil annually, according to the Energy Minister of Ontario. They have had six pilot projects in the past three years.

What thermography is, or a thermogram is, is an aerial heat picture. Dark shades indicate areas in which homes are adequately insulated, while the lighter shades show where heat is escaping. The Ministry of Energy has combined thermography with the use of computerized home energy audits to assist homeowners in making their homes more energy efficient.

My question is, is there anything along these lines that the Minister or the department is considering? They have even got some pictures here of their thermographs. This is a home with good insulation, because of the dark area; this is a home showing a lot of heat loss.

Is there anything along these lines in these funds or are there any programs being developed along these lines?

MR. CRAIK: Yes, Mr. Chairman, there is the Aerial Thermography Program and the RetroFits on buildings and houses, the use of wastes, solar energy utilization, use of waste heat, biomass, and the energy bus program all come under this appropriation here, it's on the appropriation.

MR. EVANS: Well, they come under the appropriation, but what is going to be done in terms of thermography? Is there anything that is outlined at the moment?

MR. CRAIK: There is already a program under way in the Brandon area by Manitoba Hydro in that regard. They have been proceeding on it in that area.

MR. EVANS: When you say there is a program in the Brandon area, you mean a thermography program?

MR. CRAIK: Yes.

MR. EVANS: Could you elaborate on that.

MR. CRAIK: No, I can't, Mr. Chairman. It is just nicely getting under way and I don't have full details on it.

MR. EVANS: What about the solar demonstration in the building; is the Minister at all familiar with that and is it still operating?

MR. CRAIK: It hasn't been, Mr. Chairman, but there are some procedures under way to continue on with that work and in the community as well, in both the direct and indirect solar energy projects. Most of these, though, will come under, again, the Canada-Manitoba Agreement on demonstration-type programs in housing, principally, involving both the active and passive solar collector principle.

MR. EVANS: Where would we find that in the estimates? Is the Minister suggesting that it is under the Manitoba Housing and Renewal Corporation estimates?

MR. CRAIK: No, it is currently under the Enabling Vote under the DREE Agreement.

MR. EVANS: We haven't come to that yet?

MR. CRAIK: No.

MR. EVANS: I gather from the Minister's statement that — he rhymed off a number of things but I'm not sure whether these are intentions of good things to come or whether the government has launched on some things. You mentioned biomass. We have been funding the Biomass Institute of Manitoba for many years. When I was Minister, I recall some — (Interjection)— I beg your pardon? I didn't hear that complimentary statement, the usual ministerial statesmanlike statements that you get from the Member for — wherever he's from. I didn't hear that.

Mr. Chairman, the Biomass Institute has been financed for a number of years. Is the government planning now to increase the funding of that organization; is there something new here or is it just a continuation of what's been going on, which has been a rather modest subsidy to that organization?

MR. CRAIK: I agree with the member. They have made a valuable contribution and we'll do whatever we can to retain them as a national body based in Winnipeg. They are primarily an information group at this point in time and they perform a very valuable role in that regard.

MR. EVANS: Some few years back, we undertook a major study regarding the possibility of a national biomass project in Manitoba. We had to approach the federal Minister of Agriculture, Mr. Eugene Whelan. Unfortunately we were turned down, and I was wondering whether there has been any initiatives taken recently to get the federal government interested in investing some moneys in a biomass research project here.

MR. CHAIRMAN: 2.(b)(1)—pass . . .

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MR. EVANS: I just asked the Minister a question; I guess he didn't hear me. I will repeat: Mr. Eugene Whelan, the Minister of Agriculture, was approached some years back and we completed a rather extensive study of the possibilities of a national biomass research project to be undertaken in Manitoba — it would have been a multi-million dollar project — and I was wondering whether there is anything new on that or is there any possibility of persuading the feds to put some money into Manitoba. It was quite an extensive, technical study paid for — I'm not sure whether it was done through the Energy Council or through the Department of Industry and Commerce, but it was a major effort and it took a couple of years to prepare that study. We went after the federal government but we didn't get very far.

MR. CRAIK: It is probably embodied now in the present studies that are going on by the federal government to establish a national alternate energy centre somewhere in Canada, and they are talking about Winnipeg as a possible location for it.

I don't want to suggest by that that there should be speculation, that something is pending, but the federal Minister of Immigration and Employment has indicated that on occasion. I believe he was advocating this during the course of the last federal election and has mentioned it since, so I would have to assume from his remarks that there is some possibility of that occurring, although there hasn't been anything specific come from the federal government that I am aware of.

MR. EVANS: Are we on (b)(2) or (b)(1)?

MR. CHAIRMAN: (b)(1) yet, but it will pass. (b)(1)—pass; (b)(2) . . .

MR. EVANS: On (b)(2), what is the 180,000.00?

MR. CRAIK: Grants, we have allocated 10,000; Travel 5,000; Automobiles, 1,000; Postage and Telephones, 1,000; Printing and Stationery, 2,000; Furniture and Furnishings, 1,000; and Professional Fees, 160,000.00.

MR. EVANS: The 160,000 is the significant item. What would the professional fees be? I thought that the Minister was saying that we might have a thermography program in Manitoba, which would cost a fair amount of money but at the same time could save Manitobans a lot of money. Certainly that is not sufficient for that program. What will you get for these fees? Are they studies into possibilities of taking on new programs?

MR. CRAIK: Yes. They are not earmarked at this present time, Mr. Chairman, but I can indicate that we do intend to undertake studies with regard to groundwater, heat pump feasibility studies, experimental studies and so on, to further explore the potential of the use of that source of low-grade energy source.

MR. EVANS: I had one final question in this area. I don't know whether anyone else has. What are the priorities that the Minister has in this area of

technology? There are many many things to be done, but what would he itemize as the major thrusts?

MR. CRAIK: Mr. Chairman, the number one priority has to be to find more efficient uses of our electrical energy in Manitoba, and that's why we are looking specifically at possibilities for low-grade temperature energy recoveries such as a groundwater; that has already shown significant potential in this area. It gives an efficiency factor that multiplies the recovery that you can get from ordinary, say, resistance heating by a factor of two to three to one that you would get out of that ordinary energy recovery technique, and that will have to probably embrace a degree of technology that takes on groundwater supplies, other low-grade temperature supplies and the utilization of heat pump symptoms, that are tied in combination, that over a period of years will probably — may well lead to a technology base that will multiply the efficiency of the use of electrical energy.

In general terms, the number one priority has to be to develop a technology base that can vastly improve the efficiency for the likes of domestic residential-type buildings and the use of energy in them primarily from electrical sources.

MR. EVANS: I am not going to elaborate on it or pursue that at the moment. Just one last question. Does the Minister have, in the department, any pamphlets, any documents, any information on supply and demand of energy? When we were in government, we produced two or three of these over the years. This one happens to be for 1976, prepared in July of 1977 by the Manitoba Energy Council Secretariat, and it was made available to the public.

I am wondering if the Minister and his department have some materials, whether they could be made available to the committee when we convene next, pamphlets or . . .

MR. CRAIK: There is a mid-1980 issue that will be available, probably not during the sitting of the Legislature, but will be out some time mid-1980, July, August.

MR. EVANS: Do you have a 1979 issue?

MR. CRAIK: No.

MR. EVANS: So there is no information at the present time?

MR. CRAIK: Not in a sort of public brochure that is available at this time.

MR. EVANS: So there will be one available in the mid-1980s. Will the members of the Legislature have access to a copy?

MR. CRAIK: It will be for public distribution.

MR. EVANS: I find a lot of government publications or documents are listed in the acquisition lists of the library, but you know, they are not readily available to the public. I think that it would be worthwhile to have something like this sent to each MLA as a matter of course for their information.

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MR. CHAIRMAN: 2.(b)(2)—pass.

MR. CRAIK: Mr. Chairman, we will undertake to make sure that the members of the Legislature are on the mailing list so that when this is available it will go out to them.

MR. EVANS: Very good.

MR. CHAIRMAN: 2.(b)(2)—pass. Resolved that there be granted to Her Majesty a sum not exceeding 748,100 for Energy and Mines—pass.
The Member for Dauphin.

MR. JIM GALBRAITH: Mr. Chairman, I move Committee rise.

MR. CHAIRMAN: Committee rise.

SUPPLY — EDUCATION

MR. DEPUTY CHAIRMAN, Albert Driedger (Emerson): I call the committee to order. Resolution No. 53, Item 4.(k)(1)—pass — the Member for Elmwood.

MR. RUSSELL DOERN: Mr. Chairman, before the dinner hour we were discussing the Department of School Broadcasts and I just want to ask a few questions and make a few comments here in regard to what appears to be some cutbacks. The Minister says there's no cutbacks and I would like to explore that with him and in particular what appears to be an evolution in the classrooms. I guess the last time he was in a classroom was two and a half years ago. I have to tell him that the last time I was in a classroom was about two years ago. So I guess we are both about the same in terms of recent classroom experiences.

But what I would like to ask him is this: He seems to suggest that a television set per se is useless and I guess the use of television in the schools in a classroom goes back to the 1950's and used to be a rarity to see a television in a classroom at that time, from my experience. It was a major event when a TV set was lugged into the classroom and then there usually wasn't a proper display area. The TV stand which is simply a higher than normal stand compared to in a home, was just beginning to make an appearance and I suppose now is common as well. But given the Minister's remarks, I just wonder if he could report as to the extent of video taperecording machines — is he suggesting, and he should know better than I — is he suggesting that these are common every day equipment in the schools of Manitoba. If one were to go into a typical elementary, junior high, high school, would there be one or more machines so that programs could be recorded and replayed or they could be purchased in cassette form, etc., etc? I wonder whether he could comment on that.

MR. CHAIRMAN: The Honourable Minister of Education.

HON. KEITH A. COSENS (Gimli): Mr. Chairman, I don't have those particular figures readily available. I can assure the member that from my own experience

and from what I'm told by people who are in the schools fairly regularly these days that in cases where schools don't have them, at least the school division has this type of equipment and it is rotated from school to school. I can tell him that as far north as Brochet they happen to have one of these sets in the school and we don't get much farther north than Brochet. I found these sets in a number of northern schools in fact and I would suggest to him that they are quite common in the school system today. Also mention that this particular branch, last year, reproduced some 2,018 video tape programs.

MR. DOERN: Mr. Chairman, just a point of clarification here. I assume that the grants made to school divisions tend to be what you might consider to be block grants, but I was just wondering whether there was any special consideration in the formula, either specific grants for specific purposes here or whether there was some sort of consideration given in the formula to the purchase of video taperecording equipment, or is that strictly a decision for the division and for the school itself?

MR. COSENS: That's a matter of local option, Mr. Chairman. If I can remember correctly, some 10 or 12 years ago, I think, there was a grant for that purpose that may have resulted in some equipment being installed at that time but since then most school divisions in fact have one or more of these machines and I would suggest to the honourable member they are quite common today.

MR. DOERN: I'm now looking at an article from the Free Press of March 15th, concerning the headline which says, CBC Wants To Drop School Broadcasts, and I ask the Minister whether — a couple of points here — whether it was the CBC that initiated the cancellation of school broadcasts or whether it was a 50/50 thing participated in by this Minister, and whether he felt from day one of his administration, that the school broadcasts had outlived their usefulness, or is this a decision he's only arrived at in the past couple of months?

MR. COSENS: Mr. Chairman, first of all, I might say that certainly it was a mutual disposition on the part of both parties that these particular programs had outlived their usefulness; and the second part of the honourable member's question, I might tell him that for some years now and probably before I happened to take office, there had been some feeling among people in this particular branch that these programs were not being fully utilized and as a result there was some question as to their utility.

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

MR. DOERN: Mr. Chairman, another question growing out of this article is the reference to high production costs and that is the point, I think, that interests me the most, namely will the department still continue to produce the same number of films? For example, I'm now looking at the annual report — and remember and bear in mind, Mr. Chairman, that all this time we are part of a, I believe, western region, so we participate in an exchange of

productions and so on. For instance, reference is made here in the annual report to, new productions 13, repeated programs 36, productions aired for Manitoba schools western region 36, and so on and so on. So I'm saying if we are going to go from production that is shown on-air at a specific time during the day to production that is put in the cassette, or in the can, and then distributed later, are we still going to produce the same number or a greater number of similar programming, or are we also going to not only have less shown on the air but produce less at the same time?

MR. COSENS: Mr. Chairman, I am informed that we are even more optimistic than the honourable member, feeling that we can produce even more programs in this way, our production costs will be lower using our studios and I would expect on the basis of the information that I have received from my department that we will be able to produce even more programs in the coming year.

MR. DOERN: Mr. Chairman, I just want to point out to the Minister that before if a program was watched, let's say in English or History, Science, that that could be taken off the air at no expense, so that you simply tune in at 10 o'clock or 2:00 o'clock and the program is there and you turn the dial on the TV set and in a sense it is free. What about in the future, if you want that program, do you have to then pay for a cassette to the department or same thing I guess, send in a cassette which costs, I suppose, between about 40 and 80, or is the department now going to buy thousands of cassettes and loan them or give them to the school divisions?

MR. COSENS: Mr. Chairman, I will answer that particular question, but I would like to go back to a statement that the honourable member made earlier in his remarks. He somehow attributed to me the statement that TV was useless. I did not make that statement and I certainly do not agree that that particular electronic medium is useless at all and I did not say that, so I would like to correct that. The cost of the video tape is something that is borne by the local school division and I suggest to the honourable member whether they use it as he suggests, as they have sometimes in the past to tape a program that is being shown on air, or if they send it into the department to be taped, there is still a cost for that particular cassette. That is no increase in cost whichever way they may choose.

MR. DOERN: Mr. Chairman, I don't believe that's quite what I said. I think I said that the television is useful, but that the government is useless.

Mr. Chairman, the other point I wanted to ask is that according to the CBC there is an option of remaining on the air for one year that has been given to the government. Is the government going to exercise that option or pass on it?

MR. COSENS: We will be exercising that option, Mr. Chairman.

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

MR. DOERN: Then I have to ask the Minister why he is going to do so? I mean some people think that the program should be continued. The Minister sees little value in the programming, so why is he going to continue it? Is there some phasing out problem?

MR. COSENS: It is a matter of phasing out and phasing in the other concept, Mr. Chairman, and I don't think a one-year allocation of time for that phasing to take place in is out of the way at all.

MR. DOERN: Mr. Chairman, I will conclude here by making a couple of observations. One is that even now, according to press reports, there is still a general audience for school broadcasts of some 3,700 children, and if one assumes that there are roughly 30 in a class, then it looks as if there is 120-odd classes that were watching an average program, which strikes me as a pretty significant viewing audience, and that therefore there must still be considerable merit in those times however inconvenient they may be, and with the use of video tape recorders and so on, even whether or not they are watched at that particular time they could always be recorded and then shown later. I think the system that the Minister is suggesting is that rather than record what you want, you have to write in and send your cassette in to get the program, which might not be as convenient.

Mr. Chairman, I just wanted to really ask a question and put in a plug, and ask the Minister whether his department also buys Canadian films of a commercial nature, either short or long types of films — and I will give him an example. There was a little short this year on the fellow who sings the national anthem from Montreal — Roger Doucette, is that it? Doucette or Dousay, however it is pronounced — and that was given a prize at the Cann Film Festival.

The other film that I want to draw to his attention, and there is many feature length films that are produced now, and there is all kinds of documentaries and so on, but there is a excellent film that was just produced and just shown that I would like to see in the department and widely distributed in Manitoba, because it was a fascinating film, Mr. Chairman, 30 minutes, called *The Strongest Man in the World*. It is about an old Ukrainian fellow up north named Swystun, who was at one time, for 30 days, the strongest man in the world according to the Barnum and Bailey Circus —(Interjection)— I'm sure the Member for Gladstone could bend iron bars in his teeth, but other than him very few people could.

I simply want to point out that this film first of all has a lot of merit to it. It is short, it is made by, I think, Manitobans, although not all of it, Mr. Chairman, the sound track was done by Jack Palance, who is an American actor, but it showed life in a small community, I never heard of the place before —(Interjection)— I don't know. Is it in his constituency? It's 170 miles away —(Interjection)— no, it's not Oakburn, it's called something else. Alta was the name of the place. I simply want to point out that it showed some Manitoba history, showed the architecture of the area, showed some intriguing characteristics of the people in the area, showed the Ukrainian Canadian community in the area, and

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showed a colourful, original character. I thought it was a superb film, and I thought that the success of it has already been demonstrated, hundreds and hundreds and hundreds of people crowding the Winnipeg Art Gallery the day I was there, to see this film.

Mr. Chairman, the suggestions are that they came to see me, but I have to point out that I am now speaking and the galleries are empty, so I cannot believe that that was the reason that they came. Modest MLA that I am. So I simply ask the Minister whether he does buy, whether it's a policy to buy short films, and I want to recommend this kind of thing to him in particular, because I want to tell him, making a broader statement, that the average student in Manitoba, I still believe, has a brain that is largely American rather than Canadian, that the average student in this province, I think is still bombarded by American ideas which come through television, which come through records, which come through movies, which come through magazines, and the amount of Canadian production and Manitoba production is very small indeed. —(Interjection)— Well, I think that the CBC, Mr. Chairman, does in fact make some films and does in fact have some production that is extremely good, and I think probably their radio is better than their television, and they have made situation comedies, to me, like the King of Kensington, which proves that we can be as bad as the Americans. Doesn't prove that we can be as good as the Americans, but as bad as the Americans. But the CBC still, nevertheless, does have public affairs broadcasts, and does have some drama, although I can't be very enthused about some of the television drama that's on, but whatever there is that's Canadian usually is CBC. It's not normally commercial broadcast stations.

So I'm simply saying to the Minister that in his own way, and to a very small extent, he can still produce original Canadian and original Manitoba production, and he should do whatever he can in that regard to, first of all influence the students in the sense of, acquaint them with their own history, and secondly, and this would not be his main interest, but secondly to also provide some opportunity for local writers and actors and producers and so on so that they also have certain skills.

MR. COSENS: Well, Mr. Chairman, let me try to reduce the honourable member's apprehension in this regard. We do buy a large number of Canadian films, we do exchange films that we have produced in this province with other provinces, and when the honourable member says that we give a chance to our local writers and producers, I refer him to the book written by a Manitoba native, William Valgardson, called *God is not a Fish Inspector* that was made into a film by the Department of Education, just recently received an international award. So I can set the member's apprehension at ease somewhat and suggest to him that we are following that policy and will continue to follow it.

MR. DOERN: I just ask a final brief question, Mr. Chairman, not specifically related to this. I am thinking now of again, the general influence to counter this overwhelming American influence that we all experience. I just want to ask the Minister

whether the writings of people like James Gray who writes a sort of a popular social history, whether those writings are common throughout the school system, or whether they are rare and not on the curriculum?

MR. COSENS: That question is not pertinent to this section, Mr. Chairman, we would have to go back to the curriculum section. I'm not aware that Mr. Gray's writings are on the particular reading lists that are attached to the literature curriculum at this time.

MR. DEPUTY CHAIRMAN: (k)(1)—pass; (2)—pass; (k)—pass. (l)(1)—pass; (2)—pass; (l)—pass — the Member for St. Vital.

MR. D. JAMES WALDING: Not quite so fast, Mr. Chairman. I wanted to ask the Minister under this branch whether there are any vacancies in the 24.22 positions?

MR. COSENS: No, Mr. Chairman.

MR. WALDING: I'd like to ask the Minister how many enrolments there are in correspondence courses for this present year, 1979-80, not including the adult upgrading?

MR. COSENS: For 1978-79, I have the complete figures, Mr. Chairman. For 1979-80, the figures are up to date until December 31, 1979. I don't have the breakdown for January to this particular date. I can give the honourable member the particular breakdown, however, for 1978-79, and I'll give him the particular breakdown as it applies to each grade level and so on.

The adult enrolment in the year 1978-79 was some 497 people. In grades one to three, 19; grades four to six, 19; grades seven to eight, 139; grade nine, 362. In level one which corresponds to grade 10, 2,518; level two, 1,691; and level three, 1,401. In high school, and this figure applies to those people who are attending high school and taking correspondence courses as well, 4,298. The previous levels I referred to are people taking high school subjects by correspondence, but not attending high school — when I referred to levels one, two and three.

MR. DEPUTY CHAIRMAN: l(1)—pass; (2)—pass; l—pass. m(1)—pass — the Member for St. Vital.

MR. WALDING: Mr. Chairman, on a point of order. The Minister had the floor and had merely paused in his remarks.

MR. DEPUTY CHAIRMAN: The Honourable Minister.

MR. COSENS: Mr. Chairman, we have to be right to the point here I gather. Under home study, we have some 2,348 enrollments, a total under residents, that is taking in the figures I have just given the honourable member, of 6,552, some 94 non-residents, Mr. Chairman.

MR. WALDING: Thank you, Mr. Chairman. The Minister gave me some figures that I didn't ask for and I was following along with him on Page 62, Table

4, which indicates a total, not including special adult upgrading, of 5,610 as enrollment in correspondence courses.

The Minister gave me another figure of 4,298, and I am unclear from his remarks whether the 4,298 is included amongst the 5,610 or whether that should be added to the figure to give a total.

MR. COSENS: I don't have the particular figures right here that the honourable member is referring to. I have broken these figures down in relation to those who are attending high school and taking correspondence subjects as opposed to those who are taking high school subjects and not attending school.

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

MR. WALDING: Mr. Chairman, I believe the Minister is conferring with his officials to clarify the position. Just to repeat that, the figures I was looking at was on Page 62, Table 4, which is headed Enrollment in Correspondence Courses, with no breakdown there as to whether the students are attending high school or not. The figure given for the total for the year under consideration, 1978-79, is 5,610. The question that I was posing to the Minister was whether that is the grand total including those in high school, whether the figure of 4,298 was contained within the total 5,610 figure.

MR. COSENS: Mr. Chairman, I have some difficulty between the two sets of figures I have before me; those on Table 4 that the honourable member refers to in all probability are quite accurate. It maybe have something to do with the way this particular table is broken down. I would suggest that those figures that he is referring to in the Annual Report are accurate and do cover the total high school enrollment.

MR. WALDING: Mr. Chairman, the Minister, in partial answer to the question that I asked him, indicated that he doesn't have the latest figures for the current year, 1979-80, but he had them up until, I believe he said, December. I wonder if he could give me those figures on a total comparable to the figures given in Table 4, in other words, the total for December of 1979 for Grades 1 to 9 and the three high school levels?

MR. COSENS: Mr. Chairman, the figure for the three high school levels is 2,752, from July 1st, 1979 to December 31st, 1979. That's four months or the fall term of 1979-80 school year. Grade 9, the enrollment for the fall term is 173 as opposed to 362 for the full year in 1978-79.

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

MR. WALDING: Mr. Chairman, I am not sure that the Minister has given me the full figures, in other words, comparable to Table 4.

MR. COSENS: These are the figures for the four months, the fall term, Mr. Chairman, although it is stated here as July 1st to December 31st, 2,752 enrollments at the high school level for the first term, and at the Grade 9 level, 173 enrollments as

opposed to 362 for the full year 1978-79. Again, we are talking about school years here, Mr. Chairman.

MR. WALDING: Mr. Chairman, I am unclear from the Minister's reply whether these two figures that he gave me could be expected to remain the same for the balance of the school year, or whether there is some other factor in here which would change the total for the year? What I am seeking is a comparison of the present number of students taking correspondence courses to compare with the figure for the last year of 5,610.

MR. COSENS: Mr. Chairman, under the heading High School Students, down to the present date, May of this year, the end of May, the total would be 4,606.

MR. WALDING: Mr. Chairman, the report mentions that these figures given for the last two years are for the year ending June of each year. Since we are almost at that time now, would the Minister expect there to be very much change from that figure of 4,606 that he gave me?

MR. COSENS: No, Mr. Chairman, I would not expect much change.

MR. WALDING: Then, Mr. Chairman, I would like to ask the Minister whether he has an explanation for that apparent very drastic drop in the number of students taking correspondence courses? To give the Committee the figures for the last three years, they are in 1976-77 year, 4,568; 1977-78, 4,822, an increase of some 200; 1978-79, 5,610, an increase of 750 in rough figures; and it would appear from the figures the Minister has given us this time a drop of some 1,000 students taking correspondence courses. Given reports of courses being dropped in different school divisions, and I quoted a few of them yesterday, it would seem strange that the number has decreased so dramatically in one year.

MR. COSENS: Mr. Chairman, I have to agree with the honourable member. it's my understanding that there has been an increase, but the figures that I have in front of me do not support that. The 5,610 are quite correct for 1978-79. I notice that there's been an addition error in the figures that are in front of me. I would like to have the opportunity to have these figures checked out with that particular branch to make sure that the July 1st, to December 31st, figures are in fact quite accurate. However I would expect, Mr. Chairman, that if we were to double the July 1st to December 31st figures and, in fact, we could add a little bit more because we are dealing with a four-month school term there. The six month term of January to June is longer and there are probably more people involved in that relationship. I have to tell the honourable member that it is my understanding that there has been an increase in the number of enrolments at the high school level. I would expect there would be an increase and I expect that there will continue to be an increase, if for no other reason than small high schools that are faced with the declining enrolment problem find that in many cases they don't have enough students to offer a particular option and as a result students who

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desire that option either must choose something else that is offered in the particular high school or else follow the correspondence course option. Not only would I suggest to the honourable member that we will see an increase this year, I expect we will continue to see increases in the number of students, particularly from small high schools, who will select this particular option.

MR. WALDING: Mr. Chairman, I shared the Minister's impression that there would be an increase in the enrolment in correspondence courses this year. If the Minister has given me an undertaking that he will ascertain the full figure for this year that would be satisfactory, Mr. Chairman. I would look forward to receiving that from the Minister.

I had intended to ask the Minister as the next question that, given a certain increase in the enrolment for this year, whether the 24.22 positions were adequate to handle the additional load. I suppose that's a difficult question to answer without knowing what the additional load is, but is the Minister satisfied, or can he give us an assurance that there will be no diminution of the quality of marking and service that correspondence course students will be receiving?

MR. COSENS: I think the honourable member has to understand that the correspondence school branch employs approximately 50 course writers on a part-time basis, Mr. Chairman, and they also of course have the instructors, typists, on a fee-for-service basis. And this year, as well as in past years, they have been able to develop new courses and to revise courses presently on the correspondence curriculum, develop new sets of examinations and they have also provided consultation to some 110 schools, as well as conducting some 10 workshops in the province.

MR. WALDING: Just one last question, Mr. Chairman. The Minister mentioned that there were some new courses introduced in the last year. If it's not too long a list, I wonder if he could inform the committee of what they were.

MR. COSENS: Mr. Chairman, there were three new courses added to the program in addition to those existing courses. I don't have those particular titles in front of me at this time but the number of additional correspondence courses added were three.

MR. CHAIRMAN: (l)(1)—pass; (2)—pass; (l)—pass; (m)(1)—pass — the Member for Fort Rouge.

MRS. JUNE WESTBURY: Thank you, Mr. Chairperson. I've been hearing a great deal about student aid ever since about 10 months ago when I became a candidate for the seat that I now hold. There are a great many students resident in the Fort Rouge constituency and they are very concerned about what they feel is a lack of understanding on the part of the present government of the situation in which they find themselves. It seems to be their impression that it's much harder to receive student aid now than it was in the past and while they don't object to that, they feel that there is very often unfair and insensitive requirements placed on them. I'm

told that the number of applications has dropped over 5,400 in five years from 14,313 or something in 1975, to almost 9,000 in 1979, and the reason for this is not that the students no longer need the aid, it's that they are in some despair that it will be available to them and in fact students are feeling that there just isn't the same opportunity now for them to obtain assistance and so continue with their education as there has been in the past.

Words that I was given by people involved with student organizations in describing the branch are not very kind, but I feel I must repeat them in order that this House should understand the feeling of antipathy that the students — not that they feel towards the branch, but that they feel that the attitude of the branch towards the students — words like unfeeling, bureaucratic, stringent, heavy-handed, about giving assistance to the students.

I understand a 1979 UMSU survey indicated that, in this survey, 71.9 percent of students said they were either dissatisfied or very dissatisfied with the Student Aid Program. The award ceiling of 1,800 maximum in bursary and 1,800 in loans has not been changed in three years. I understand that the bursaries only are a matter for this government, Mr. Chairperson, but in fairness I am adding the other level of government as well. And the feeling among the student is that if the ceiling is not increased they will have to give up their studies, many of them, and in fact for those whose parents are not able to pay for their university education it will again, as it was many years ago, become impossible for students to continue their education, Mr. Chairperson. I, for one, feel that this would be a retrogressive step in Canada; that secondary education should be available to those who are willing to work for it, and as long as they can keep their grades up to a reasonable level, it should be available universally, you might say, to those who are willing to put their backs into the program and really work for their education. I am afraid that the students feel that at the present time this is not the attitude of this government.

MR. COSENS: Mr. Chairman, I could sum up some of the honourable member's remarks by saying nonsense, because that's why I have just heard. I would suggest to her that if a group of parents polled some young people as to whether they thought their allowances that they received from mom and dad were accurate, they would find that 80 percent were not satisfied and would say, We are not receiving enough. So when she cites polls in that order and says, well, that shows that certainly they are not receiving enough, she is not in fact stating any figures to prove that particular position. She has listened to someone who is taking a particular position that they in turn have not attempted to substantiate. I can tell her that the average award to students at our universities and post-secondary education last year was 700 more than it was the previous year.

It is quite true that the number of applications have decreased over the years, as have the number of university students decreased over the number of years. Now, the two, I suppose, are not in complete concert, that we have seen a larger decrease, in fact, than the number decrease. There are other factors

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that come into play, Mr. Chairman, and I would suggest to the honourable member that she might, on checking, find out that a larger number of students today do work at part-time jobs, not only through high school, where I believe a recent survey indicated that somewhere between 70 and 80 percent of students in high school work, but that a large number of university students also have part-time work. This may in part account for the fact that there are less applications.

The other factor that has to come into play is that in the last three years I have not heard any utterances to the effect that students were having a difficult time finding summer jobs, and that in part is probably due to the Student Employment Program of this government that has employed thousands of students in the past few summers.

Again, Mr. Chairman, I point out to the honourable member, there are a large number of factors that come into play here that do have a bearing on the number of people who apply for student aid. I think it's unfair and unjust to say that the Student Aid Branch is insensitive. I would suggest that any branch of any government that is handing out somewhere in the area of 4 million or 5 million of taxpayers' money has some responsibility to be accountable and to ask those who will benefit from those moneys, who will be the recipients, to produce some proof, unless the honourable member is suggesting that it should be handed out willy-nilly and with no regard to any requirements. We have heard some of the stories in that regard, that a number of years back, student aid was going to people who were able to buy very nice sports cars and take rather extended trips to the Continent and so on. I don't think she would agree and I don't think the bulk of students agree that that's the way student aid should be handled.

I am somewhat surprised, Mr. Chairman, that the Honourable Member for Fort Rouge would, on the basis of one or two reports that may or may not in fact have a certain amount of justification to them, judge a complete branch. I have to tell her that I have talked to a large number of students who are receiving student aid and are quite pleased with the treatment that they have received from the branch. They would be much happier if they didn't have to provide some verification of their summer earnings and they would be happier if their car didn't have to be accounted for in the determination of the size of their bursary or of their student loan, but at the same time, they realize why these things have to be done.

To say that the branch is insensitive, Mr. Chairman, is far from correct. I might also tell the honourable member that on the latest figures that we have, there is a very small number of students who fall above that 3,600 line who have needs that exceed that particular line and those that do exceed it by perhaps 100, 200 or 300 in total. That is not a huge amount, Mr. Chairman, and of course in some cases, some of these students do have recourse to other agencies as well if there is no other means of support.

I could tell the honourable member that the number of applicants now who do qualify for awards is higher as a percentage than we have had for several years. 69 percent of those who apply in the

university area are successful in receiving awards; in the technical, the community college and the nursing school area, some 68 percent; in the secondary awards area, some 85 percent of the applicants receive some award.

So the picture that the honourable member is painting in this regard, Mr. Chairman, is not accurate.

MRS. WESTBURY: Mr. Chairperson, I didn't use my own adjectives. I clearly said that these were words that had been given to me in describing the feeling of some of the students towards the branch.

Mr. Chairperson, last night when I made a comment, the Honourable Minister said something to the effect that all mothers would like to hand off their kids to day care any time in order not to have to look after them and I challenged that. I think it is just as foolish to make that sort of generalization as to say that nearly all students think that they don't get enough allowance from their parents. We are talking about adults here. The government has legislated that they are adults, and they are adults. These people are not, many of them, receiving allowances from their parents.

I have another couple of questions, Mr. Chairperson. First of all, I would like to say that while the Minister did make reference to students working, I want to say that when they do work, they pay taxes the same as the rest of us do and part of those taxes go towards other programs and they expect that part of them will also go towards providing sufficient assistance so that post-secondary education can be available to all of those who qualify academically for it, Mr. Chairperson.

I wanted to ask the Minister about part-time students. I understand that part-time students trying to finish off their degrees don't qualify for student assistance and since they also don't qualify for merit awards either, they sometimes have more difficulty than full-time students. I wonder if any consideration is being given to allowing them to be included in Student Aid, or in fact, if the information I have been given is incorrect, I would appreciate being told that, too.

I also have another question about summer employment opportunities. A young woman that I knew a few years ago, and this was under the previous government, became aware of a job that suited her qualifications, which had been in the area of child care, and this job was a government summer employment opportunity job, I suppose you would describe it as. This young woman applied for the job and was told she couldn't have it because she was living at home and although she was over 18, her parents were able to afford to keep her and so she could not have the job, even though she had been selected by the employing people as the best person for the job. She was told that if she would leave home at the age of 19 and go to live on her own, that she could have the job. When I was made aware of this at the time — as I said this would be six or seven years ago — I was pretty outraged, and I wonder if the Minister would tell us if that is still the situation in the department, because I personally take a very dim view of young people being encouraged by government to leave home and being

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told that they could only have a job if they would, in fact, leave the parental home.

MR. COSENS: Mr. Chairman, I would certainly sympathize with the honourable member on her last point. I do not have jurisdiction over any of our employment programs, and she is referring to a situation that happened, I believe under the previous government, but I certainly find that a rather deplorable situation, if in fact, as the member states, it did exist, and I am not questioning the fact. I would hope that that sort of thing is not happening now. On the other point, regarding part-time students, for a student to qualify, they must be taking 60 percent of a full course to qualify. And I suppose the criteria there is that in most cases, those who are taking part-time courses are also working and as a result do have income.

MRS. WESTBURY: I would just ask that the Minister have a look at that. Sometimes they are housewives who are trying to complete their education and while they may have husbands who are working, they may really find it difficult to continue and complete their degree, and I just wonder if the Minister would have a look at that, Mr. Chairperson. I can see that he doesn't feel that I'm making much of a case, but I would appreciate it if he would go back and have a look at it and perhaps he will agree with me that some accommodation could be made instead of having rigid rules around the program.

Now, students have questioned the figures that the branch uses to calculate how much money is required to live. They tell me that a student living away from home receives 87 a month more than a student living at home. I wonder if the Minister would confirm that. 87 isn't very much for all of living expenses for those who must be away from home, and obviously some, especially rural students, must be away from home. Could the Minister confirm that? And I have been asked to suggest that the maximum be raised beyond the present 1,800 per year, the maximum bursary assistance, and that the loans bursary ratio be lowered.

MR. COSENS: Mr. Chairman, I didn't catch the honourable member's last remark. I'm informed that the difference between living at home and living away from home is a little over 100 per month as far as the allowance is concerned.

MRS. WESTBURY: There is one other thing, Mr. Chairperson. I understand students have to start paying back their loans six months after graduating, and that, on the face of it seems fair enough, but I have been asked if it wouldn't be possible to have that stipulated as six months after they are employed, since some of them have had difficulty in obtaining employment in their field. If that could be changed to read, six months after they get a job, and I'm told that education officials at the university support the students in this request.

MR. COSENS: Mr. Chairman, I'm informed that where a student graduates and has some problem finding employment for any number of possible reasons, that if they remain in touch with their bank,

that extensions are provided where there is good reason for them not finding employment. I also should mention to the honourable member that for the last number of years I have done income tax forms for a number of students and to say that if people work that they pay tax, income tax, is not correct. While you are attending university, you do receive a fairly good exemption, and as with most part-time jobs, unless it's a very lucrative job, you usually don't go beyond the exemption level.

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

MR. DOERN: Mr. Chairman, I'm looking at some material sent out on student financial aid programs of 1978-79, and it lists in there that bible colleges like the Canadian Mennonite Bible College, Canadian Nazarene College, Mennonite Brethren Bible College and the Winnipeg Bible College were eligible only for secular programs. But I gather that there has now been a change, and that as the government has moved from shared services to direct aid to private and parochial schools, they are also moving in this direction in regard to bible colleges and that the student loan aid program has also been extended and that there are now bursaries and loans for students at some five religious schools that were not formerly eligible, some 272 students. So I'm just wondering if the Minister could indicate why there was a change in policy in this regard?

MR. COSENS: Mr. Chairman, I believe we were the only province that did not make it possible for students in that type of educational institution to receive a student loan, and that has been rectified and we are now in the same particular category as the other nine provinces of this country. As far as bursaries are concerned, these can only be earned by students who will be taking ordained ministry or priesthood programs. These are the only students in this type of educational institution who would qualify for bursaries. However, all students in these institutions can qualify for a student loan.

MR. DEPUTY CHAIRMAN: (m)(1)—pass; (2)—pass; (m)—pass. (n)(1)—pass — the Member for St. Vital.

MR. WALDING: Mr. Chairman, my attention was misdirected there for a moment there. Are we on (n), Post-Secondary Career Development? I did have a few questions of the Minister on this department. I suppose the first one has to be, why is there an amount of just over a million dollars here and the indication from the Minister that there are only two people under this branch, or positions for two people, which leads to the question of why we don't have a breakdown here of the Salaries and Other Expenditures as we do in other branches?

MR. COSENS: I'll get that for the honourable member. Mr. Chairman, there are nine people employed in this particular branch. Nine.

MR. WALDING: I wonder if the Minister could explain the discrepancy from the staffing changes paper document that he gave out at the beginning of the section, which indicates two staff man years on

the adjusted vote, 1979, and the same requested in 1980-81.

MR. COSENS: Mr. Chairman, I am referring to 16(4)(n) and (o) together. I think of these as actually one branch. They are administrated and operated as one branch. We do run into some confusion here because of the Canada-Manitoba Northlands aspect of the program. In total, if the honourable member will look at the particular sheet that he is referring to, he will notice two under (4)(n) and seven people under (4)(o), for a total of 9 in this particular branch.

MR. WALDING: Mr. Chairman, that doesn't answer the other question I asked as to why there is not a division here that shows Salaries and Other Expenditures.

MR. COSENS: The answer is one that the honourable member may not accept with any great grace. I understand there never has been, Mr. Chairman, and government I suppose as much as anyone else is the victim of habit and tradition.

MR. WALDING: Thank you, Mr. Chairman, I will accept that, hopefully in good grace.

Mr. Chairman, I read in the Annual Report that there were four programs administered under this section. I wonder if the Minister could give us a little information about each of them. Such questions arise as how many people are involved with each project? How many people are graduating each year? What is the success ratio of those people finding jobs in the area that they were trained in?

MR. COSENS: Yes, Mr. Chairman, I would be pleased to go through those particular programs. In the Special Mature Student Program at the University of Manitoba there is a total enrolment of 42 and we will have the same enrolment in the next year, 1980-81. The anticipated graduates from that particular program in 1980-81, will be 15 and also we would expect about the same graduation ratio in 1981-82.

In the Special Mature Student Program at Brandon University, there were 15 people enrolled in the fiscal year 1979-80; there will be 8 in the fiscal year 1980-81. The honourable member may or may not remember that we are phasing out of that particular program in Brandon University. The rationale there was that many of the students wish to get into the faculties that were not present at Brandon University. They were interested in Agriculture, Interior Design, faculties of that nature that do not exist in Brandon, and as a result we have been in the process of moving the Special Mature Student Program from Brandon to the University of Manitoba, where those particular faculties are available.

In the particular program at Brandon, there were seven graduates this year and it is projected that there will be eight next year.

In the Special Mature Student Program that is offered at Brandon General Hospital, we have 20 students enrolled in the program this year, 3 graduating in 1980-81. We would expect to have 20 students enrolled in the fiscal year 1980-81 with a graduating class in 1981-82 of 8 people.

In the Special Mature Student Program that operates at Red River Community College, in the fiscal year 1979-80 we had some 20 people enrolled, that is a two-year program and we do not have graduates as of 1980-81 in that program. However in 1981-82, it is anticipated there will be some 6 graduates.

In the Brandon University Northern Teacher Education Project, better known as BUNTEP, in fiscal year, 1979-80 we had a total of 117 students enrolled; in fiscal year 1980-81 we anticipate an enrolment of 157, an increase of some 40 students, Mr. Chairman; and the graduating class from that particular program in 1980-81 is anticipated to be 20 and in 1981-82 a graduating class of 35.

The Winnipeg Education Centre had an enrolment of some 60 students in 1979-80, and in fiscal year 1980-81, Mr. Chairman, that enrolment will be maintained. The graduating class in 1980-81 is anticipated to be 6 and in 1981-82 a graduating class of 15.

The Special Pre-Med Studies Program that operates at the University of Manitoba had an enrolment of 10 students and we would anticipate a further intake of 10 students this year, and of course it will be a few years until we have graduates from that particular program. The goal of that program is to enable young native students to move into medical studies and as the honourable member knows that takes some time. So that we had a total of some 274 students in fiscal year 1979-80, Mr. Chairman. In fiscal year 1980-81, a total of 332 plus an additional 10 students into the Pre-Med Program, making a total of 342, Mr. Chairman.

MR. WALDING: Mr. Chairman, I am interested in the Special Mature Student Programs. I would like to ask the Minister whether the students attending those programs are generally local as far as their place of residence is concerned, or do they tend to be northern or rural students? In other words, those going to Red River and the University of Manitoba, would they be mostly Winnipeg residents and those in Brandon tending to be Brandon residents, or are these people from northern or remote communities that are brought into the cities for these programs?

MR. COSENS: Approximately two-thirds, Mr. Chairman, would be from northern communities, approximately two-thirds into those programs.

The honourable member asked me another question and I don't have the figures with me. I am not aware that they are readily available, but they well may be, I know they were a year ago, as to employment of graduates in these particular programs. I know a year ago the employment statistics were very encouraging and I have no reason to believe that they aren't just as encouraging this year, but if he would be interested in those particular statistics, I am sure they are available.

MR. WALDING: Mr. Chairman, still under this particular section, when the Minister indicates that some two-thirds of the students would come from northern areas, does the Minister have any indication, not necessarily figures, an indication that those two-thirds would return to their home

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communities on graduation to take up employment or seek work in northern areas?

MR. COSENS: Mr. Chairman, as far as the Teacher Training Programs are concerned, the answer would be yes. The BUNTEP Programs, of course, take place in the communities. They receive their training in the communities and as a result, in those particular teacher training programs, the vast majority of the people do work in the north.

In the Special Mature Programs where we have people engaged in law, social work, fine arts, agriculture, arts and science, almost every faculty at the university, on graduation, of course they are free to move to whatever location they may wish to. I don't really have the statistics of how many return to their home communities or, in fact, return to the north.

MR. WALDING: Thank you, Mr. Chairman. The Minister answered the question that I asked him and the question that I was going to ask him next, as a matter of fact. When I asked him about students returning to their own communities, I realize the difficulty of obtaining statistics of that nature. I had asked him whether he was of the impression that this was in fact happening, which I assume was the intent of the program in the first place.

I had wanted to move onto BUNTEP next and ask the Minister about the success ratio of graduates there finding teaching positions in the north, but again the Minister has answered that question.

I would also like to ask a similar question about the Winnipeg Education Centre, which I understand caters mostly for inner-city residents of Winnipeg. I would like to ask him, again, if he has an impression of what happens to graduates from that course, whether they do become certified and take up teaching positions and, if so, do they tend to stay in the central Winnipeg area or is there a tendency to move to other areas?

MR. COSENS: Again, Mr. Chairman, in this particular program, I understand that the employment level is very high, that not only are these people employed in the core area of Winnipeg upon graduation, but that we also are invaded by recruiters sometimes from other cities in Canada who have particular core city problems and are looking for people who are trained and experienced in life in those particular areas and they, in some cases, have hired graduates away to other provinces.

MR. DEPUTY CHAIRMAN: Before I recognize the Member for St. Vital, for the benefit of the dedicated members who are in the House, the half-time score is Montreal 14, Winnipeg 6.

The Member for St. Vital.

MR. WALDING: Mr. Chairman, still on the Winnipeg Education Centre, does the Minister have any figures as to the success ratio of students entering that project, in other words, how many drop out or, conversely, how many follow the course and graduate?

MR. COSENS: Mr. Chairman, that type of figure can be too simplistic. I can tell the honourable

member that the success rate is 75 percent and I would then caution him that he not react by saying, oh, 25 percent of the people drop out and are lost. In some cases, the people who drop out are dropping out to drop into another type of educational training, because of the initial motivation and success that they have found in this particular program.

MR. WALDING: I am glad to hear that from the Minister, Mr. Chairman. I would just like to ask him whether, when he says a 75 percent success rate, is that an accurate figure or was he just using any figure for illustration?

MR. COSENS: It is accurate.

MR. WALDING: It is accurate. Thank you. I would like to ask the Minister whether he considers this project to be adequate for the needs. Since it has apparently been so popular with recruiters from other centres, could it be that it would be to the advantage of Manitoba that the project is expanded to take in a larger number of students and hopefully graduate a larger number of teachers?

MR. COSENS: Mr. Chairman, we have been considering that possibility quite seriously. I might mention to the honourable member that some other provinces now are following with similar programs and are starting very similar programs to what we have in this regard.

MR. WALDING: Mr. Chairman, perhaps the Minister would just refresh my memory as to how long the Winnipeg Education Centre has been in operation.

MR. COSENS: I understand that it has existed since 1972, Mr. Chairman.

MR. WALDING: I wanted to move now to the fourth item under this branch, which I understand is a new project. The Minister has told us that there are 10 students attending and anticipate a further 10 this year. I'm not sure whether he said how long the course was. If so, I missed it. I wonder if he could just tell me again.

MR. COSENS: Once again, Mr. Chairman, it is very difficult to deal in absolutes. The course can vary, depending on the individual and their point of entry, if they are entering into the course having had previous university training, then I suppose we are talking about two to three years; if they are entering the course with perhaps most of their high school training, then I would expect that we would have to add another year to that particular qualification. So I hesitate to deal in absolutes, probably two to three years would be a typical program.

MR. WALDING: Mr. Chairman, the report does indicate it's to prepare students to compete for entry into medicine and other health-related professional areas. I would like to ask him whether this is the same course for all 10 students, or whether there is a difference for those wishing to enter medicine as to those wishing to enter other health-related professions?

MR. COSENS: No, it is one course, Mr. Chairman, a pre-med course, in fact, that is the same for all students.

MR. WALDING: I would like to ask the Minister then if there is a certain standard required of students entering into the full course and, if so, what is that standard?

MR. COSENS: If I am clear, Mr. Chairman, in what the honourable member is asking, students who would be going on to enter, say, the Faculty of Medicine, and that is the chief intent, although there is no requirement that be the faculty they enter, would be judged on their own merits, the same as any other student. Whatever standards are required by that faculty are the standards that they would have to meet.

I'm not sure, Mr. Chairman, if that is the question the honourable member is asking, but that would be the requirement to get into medicine for these people, the same as any other particular student.

MR. WALDING: Mr. Chairman, the question was not what standard the student would have to reach to enter into medical school itself, the question was what standard do the students have to meet, if there is one, in order to get into this pre-med scheme?

MR. COSENS: Applicants for the particular course, Mr. Chairman, would of course have to be able to show a large amount of commitment and have a demonstrated aptitude in mathematics and science and science-related subjects.

MR. WALDING: Mr. Chairman, perhaps to be a little more specific, is there a required academic level that these students must reach before entering into this course?

MR. COSENS: No, I think, Mr. Chairman, that is really what mature student means, that any mature student in this province can attend university and the universities are not too concerned about what their academic background is. They give that mature student an opportunity to demonstrate what their ability is at this point in their life. So the entrance requirements as a mature student may vary very widely.

MR. DEPUTY CHAIRMAN: (n)(1) — the Member for St. Vital.

MR. WALDING: I think just one more question, Mr. Chairman, and that is how the 10 applicants are chosen. Are they required to make application to the Minister or directly to the university or by some other method?

MR. COSENS: Mr. Chairman, they apply to the university and there is a team composed of people from the university and from our branch, post-secondary careers branch, that would sit down discuss their career aspirations and their experience and so on with them at that time.

MR. DEPUTY CHAIRMAN: (n)(1)—pass; (n)—pass; (o)(1)—pass; (2)—pass; (o)—pass — the Member for St. Vital.

MR. WALDING: Mr. Chairman, I don't want to be out of order, but I noticed that under Construction and Acquisition of Physical Assets there are various amounts listed there. I wonder if there are any amounts under Item 7 that would apply to the education component of the Minister's department, as separate from Continuing Education and if so, might we ask questions on them at this time before we leave this part of the Minister's department?

MR. COSENS: I was just checking, Mr. Chairman, in regard to Item No. 7. The community colleges of course and the universities are quite straightforward. If the honourable member is asking if there's anything under 7 at all it would fall under 7.(c) and there are a number of schools that are being built either in Frontier School Division, schools such as Norway House, Wanipigow, Duck Bay, that fall under this particular area. I was trying to think if there were any others that would apply. I think there is one other and that would be Hillridge that was referred back in Item 3, as one of the schools that falls under Assistance to Schools in Remote Settlements. A new school is being planned in the Hillridge or Ebb and Flow community. That's the only particular reference other than those schools being built in Frontier School Division.

MR. WALDING: Mr. Chairman, could the Minister indicate then how much of the 7.5 million is going to the construction of schools and whether there is any amount of that 7.5 million going for the construction or acquisition of physical assets under this section of the Minister's department, other than schools?

MR. COSENS: No, Mr. Chairman. I would like to double check that, but I'm almost absolutely sure when I say to the honourable member that that total amount is accounted for under the building of new schools in Frontier School Division and the one exception that I've mentioned at the Hillridge School at Ebb and Flow.

MR. WALDING: Mr. Chairman, let me be absolutely sure that I'm hearing the Minister correctly. Is he then indicating that the 7.5 million is all for the construction of schools?

MR. COSENS: Yes, Mr. Chairman.

MR. DEPUTY CHAIRMAN: (1)—pass; (2)—pass — the Member for Fort Rouge.

MRS. WESTBURY: I'm sorry. I didn't know how to stop you. Thank you, Mr. Chairperson. I know that saying stop is not the required way of handling this, so I beg your pardon.

I'm sorry, I think maybe I stopped to you to soon. Are we on 5.(a)?

MR. CHAIRMAN: Resolution 53, Item 4.(o)(1).

MRS. WESTBURY: Okay, I'm sorry, I was too soon.

MR. DEPUTY CHAIRMAN: (1)—pass; (2)—pass; (o)—pass. Resolution 53, resolve that there be granted to Her Majesty a sum not exceeding 18,748,700 for Education, Program Development and

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Support Services—pass. Resolution 54, Item 5, Community Colleges Division, 5.(a)(1) — the Member for Elmwood.

MR. DOERN: Mr. Chairman, a couple of general questions here. One is, some of the courses being offered in the community colleges seem to be very brief and I was just wondering if the Minister could make any general comments on that general comment, namely that it seems that in some cases people are going into our community colleges for three months or six months and coming out with some kind of a degree or some kind of an apparent expertise which doesn't seem to be a sufficient period of time. I was just wondering if the Minister could give us any indication of the average length of courses or the length of some of the shorter courses, and whether there's any intention of extending them or intensifying the period of time in which people acquire these skills and qualifications.

MR. COSENS: Mr. Chairman, first of all let's correct any wrong impressions. People are not coming out of our community colleges with a degree after taking a few months in a particular course. There are certain short courses that have been requested by industry that are being offered by the community colleges that may run a matter of three months. These are, as the honourable member can well imagine, not courses that are covering a wide range of skills or training but are very specific in the particular skills that are required. The refresher nursing course, for instance, takes six weeks and this is merely as it suggests, an opportunity for those who have been away from nursing for some time to upgrade their skills and in fact refresh themselves as to new developments in the nursing field. There are a number of courses that fall into that category.

MR. DOERN: Mr. Chairman, I want to ask the Minister if he has any figures on outmigration in regard to community college grads, and I want to tell him that I had an interesting conversation with a fellow yesterday that I just literally bumped into, who was telling me that he was from Crystal City. It's too bad the Member for Rock Lake isn't here and that out of 32 high school graduates, he said 14 went to Alberta, out of his class, nearly half left the province.

Now I have a press release here from February 15th, and having been a Minister I know how these press releases are concocted. Sometimes the Minister has words literally put into his mouth. This was a Department of Labour, and it said here that Mr. MacMaster said, this study shows that in past years about 90 percent of our community college grads are finding jobs in this province. And then it says, and Mr. Cosens said, — I hope you know that you said this — this study proves the value of a community college education and the training it provides for subsequent employment. Community colleges are a valid alternative to the universities for many people and the career successes in this study verify that.

You're not a community college grad — (interjection)— Oh, you commend his statement, I see. I was just wondering whether the Minister of Mines was — and you're not a community college grad, because they didn't have community colleges

in 1914, but you were only less than one year old at the time.

Mr. Chairman, the point I'm making is that this study is very interesting because the study says that 90 percent of community college grads find work in Manitoba. But when you look at the press release itself, it then says at the bottom that this is based on those who responded, and that was only 61.6 percent. They sent out forms or they did some kind of a study and 60 odd percent replied and of the 60 odd percent, 90 percent were remaining in Manitoba, so I don't think we can place too much reliance on a 90 percent figure. It might be lower, it might be 60 or 70 or 80. I don't know what.

I simply say to the Minister, does he have figures? Can he provide us with figures on later, shortly, on university students because of the brain drain that's going on, and in regard to community colleges? Does he have figures or does he simply rubber stamp the figures that the Minister of Labour provided?

MR. COSENS: Mr. Chairman, I'm not an expert pollster, but I know that polls are conducted and conclusions are reached on much smaller samplings than the honourable member refers to in this particular survey. The people in the community college branch feel that the survey is quite accurate and of course they were consulted and worked with the people in Manpower on this particular survey. I'm rather satisfied myself that it is very close to being accurate. In fact, I saw some figures some time ago and I wish I had them with me at this time, Mr. Chairman, that would indicate that we are net gainers in this respect, that we also have community college graduates from other provinces coming into Manitoba and that we gain more than we lose in that regard, but I don't have that particular study available and I regret it at this particular time. I hadn't realized that the topic might come up during these discussions.

MR. DOERN: Mr. Chairman, can the Minister provide us with some percentage increase figures in regard to fees or average fees or whatever, in the past three years. We know, for instance, some of the figures that have been attributed to government policy in regard to the universities. I'm just wondering, in regard to community colleges, whether the Minister can indicate whether average fee increases, say this year are 8 or 10 percent, and also what has happened since his administration came into office, what kind of annual increments there have been.

MR. COSENS: Mr. Chairman, I don't have the figures for the last three years. The fees have increased though, over the three years in total, from 21 to 30 a month. They are still not out of line, Mr. Chairman, I would suggest with community colleges across the western provinces. In 1979-80 the tuition at Manitoba community colleges was in total some 270 for the year; at Confederation College in Thunder Bay, 345; at Kelsey Institute of Applied Arts and Science in Saskatoon, 320; at the Southern Alberta Institute of Technology at Calgary, 285; and if we go a little further west, Mr. Chairman, the British Columbia Institute of Technology at Burnaby

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charges 445 a year for tuition. We have raised our tuition to some 300 a year, Mr. Chairman, and it's based on recovering 6 percent of the provincial cost for the training of students, 6 percent of the cost of training students.

MR. DOERN: Mr. Chairman, just on a general matter of the Minister providing us with information. I asked him, I believe about a week ago, and then about four or five days ago, for information on students and schools and so on, in regard to private and parochial schools. Does he now have that information, or can I expect that today or tomorrow? I've been waiting some time already.

MR. COSENS: Mr. Chairman, the honourable member and his colleagues have asked for a great deal of material. My officials have kept track and recorded these requests and I have forwarded a considerable amount of this material, either to the Honourable Member for Elmwood or to one of his colleagues. It's quite possible I may have given that material to one of his colleagues and he hasn't received it. However, if he will check on that, I will check with my officials to see if, in fact, it has been delivered.

MR. DEPUTY CHAIRMAN, Mr. J. Wally McKenzie (Roblin): (a)(1)—pass — the Honourable Member for Fort Rouge.

MRS. WESTBURY: Thank you, Mr. Chairperson. There were a few concerns that were expressed to the Minister by the Provincial Council of Women, and I just would like to ask him if any progress has been made in satisfying these concerns in recent months, Mr. Chairperson. In relation to this particular branch, the Provincial Council of Women of Manitoba, in their summary of recommendations submitted to the Cabinet, suggested the following three things, (1) that females should be sought as representatives on the Apprenticeship Board; (2) the need should be stressed through public relations and personnel support to stimulate interest in pre-apprenticeship courses for both sexes; and (3) that supportive staff be provided to help combat the negative pressure on females in pre-apprenticeship and apprenticeship courses. And in following this up with the Provincial Council, Mr. Chairperson, a few weeks ago, I was told that one of the problems is that women who are suited to trades training are not made aware, while they are in high school, in the same way very often that young men are made aware that this training is available to them, and therefore they don't know that they can request the pre-trades training course.

I'm told that none of the courses offered are advertised outside of Canada Employment and Immigration Offices where it would become obvious to women that if they were suited to that sort of work they would know how to make the appropriate application. And furthermore, that counsellors in the schools, generally speaking, do not consider offering non-traditional trades training courses to women, just because it hasn't been done in the past and so, quite understandably, it doesn't come to mind for them to make these suggestions when this is available and when perhaps some of the women should be made aware that it is available. I wonder

if the Minister could tell us whether any progress is being made, whether his department is consciously making an effort to suggest to career guidance counsellors that they should remember that some women, just as some men, are suited to trades training and that they should make a positive effort to propose this kind of training when it appears suitable to the women under their care.

MR. COSENS: Mr. Chairman, I thank the honourable member for her remarks. I think they certainly are timely. I can tell her that we do have certain directions that have been taken that I think do respond, in part, to some of the things that she has been mentioning. We have pre-trades training in place in our community colleges now for women; we have orientation programs for women, and special counselling for women who are interested in pursuing trades at our community colleges and we have appointed women co-ordinators at the colleges on a part-time basis. I might add that we also had a male nurse graduate at Assiniboine Community College. That's the other side of the picture, I would suppose. And I also might tell the honourable member that I visited Keewatin Community College for their graduation exercises, I believe it was a year ago, and at that time, they had their first young woman graduate from their Mineral Sciences course, the course dealing with the mining industry. I believe that was a first for Manitoba, and perhaps that type of occurrence will be something that sets a pattern and will encourage more young women to pursue those particular careers and those particular training patterns.

MRS. WESTBURY: Mr. Chairperson, I thank the Minister for the information, and I'm glad to see that he's keeping an eye on this, and hope that he, and his department, will consciously promote this sort of alternative training for those to whom it is suited.

Mr. Chairperson, I wonder if this is where I should ask about the block funding for post secondary education. How does one judge from these estimates how much is coming from the federal government and whether the provincial government is meeting the block funding from the federal government on a 50-50 basis?

MR. COSENS: I think the particular subject that the honourable member is referring to, Mr. Chairman, should be dealt with with the Minister of Finance. Those particular figures are not received by my department. Moneys that flow from the federal government go directly to the Department of Finance. I'm not trying to evade the question, I just say that he does have those figures at his disposal.

However, I would mention to the honourable member that she will notice the figures in the estimate, under the heading, Recoverable from Canada, and these are the figures, of course, that account for the payment for the Manpower students who receive training in the community colleges.

MR. DEPUTY CHAIRMAN: (a)(1)—pass; (a)(2)—pass; (a)—pass; (b)(1) Program Development Evaluation, Salaries—pass; (b)(2)—pass; (b)—pass; Red River Community College (c)(1) Salaries — the Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, I wonder if the Minister can give us an update on the structural repairs that have been going on at the college for some time, as to whether he has any dollar figure on how much has been expended on that project. At one time, a couple of years ago, the total cost estimated to make repairs to certain buildings, due to some architectural design flaws, engineering design flaws and some construction flaws, was up to 6 million. I wonder if the Minister can indicate how much money has been spent to date and what the total projected cost of those repairs is.

MR. COSENS: Mr. Chairman, again, I'm not trying to be evasive. That particular area does fall under the jurisdiction of Government Services, the former Department of Public Works. I understand that the figure in the area of 6 million is quite correct but I could not give the honourable member really an update as to how much of that amount of money has been expended to this time.

MR. DOERN: Mr. Chairman, I was just trying to get this information to inform the Minister of Natural Resources and to remind him that there has been inflation and there might have been new costs incurred. But I would ask this Minister, who is directly responsible, as to whether there has been any particular inconvenience in terms of what buildings are being repaired and what is being done as it relates to the students. If there are any buildings that are closed or if there are any buildings that are not being fully utilized, or if there is any loud pounding going on that is proving inconvenient, or whether the condition of the structures are such, and the repairs are such, that it's not inconveniencing in any way, shape or form the students or the teachers.

MR. COSENS: Mr. Chairman, I understand that any of the construction that would fall into that category has been completed. The type of work that is now going on is underground, underneath the building and certainly is not causing any problems from the viewpoint of inconvenience to either the instructors or the teachers. I can well imagine that at the point where construction was taking place above ground that there was some inconvenience and I have to appreciate the fact that the students and the instructors were most accommodating in that regard.

MR. DEPUTY CHAIRMAN: (c)(1) — the Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, one question I would like to put to the Minister here is that I understand from people at the college that the college is possibly suffering from too much success, that it is indeed highly successful, and that the demand for the services at Red River is high. There is, if not overcrowding which I am not certain of, there is certainly some long lists of students awaiting entry. Now the problem here is that if you try to accommodate everybody tomorrow, then a week or two later or a year or two later, you might have excess capacity. But at the moment, it appears that there is a large number of people anxiously waiting to get into the institution. I just wondered if the Minister had any comments here as to whether this

is in fact so and whether he has any plans in terms of accommodating these students, either by some kind of a semester system or more instructors or greater use of the buildings, or whether he has any plans to enlarge physically the Red River Community College.

MR. DEPUTY CHAIRMAN, Albert Driedger: The Honourable Minister.

MR. COSENS: Mr. Chairman, this of course is a situation that I think we probably all would be very pleased to have in every aspect of our operations; that if you are so successful that you are bursting at the seams and require more accommodation and people are wanting to get in, I think that is a very good sign. We have waiting lists, I'm informed, in over half of the 80 courses that are offered at Red River. Now that, I suppose, when one first hears it is a rather shocking statistic. However, I would counter that by reminding honourable members that in fact some people do apply at a number of institutions and when the actual classes start in the fall we often find that those waiting lists shrink, and shrink to the point that we in fact are short of students to fill out the full complement for a particular class. But it's quite true that at this time of the year we do find that we have a large number of students on waiting lists for the fall. As I say, once again, many of those names evaporate because people go to other institutions. They have put their applications in to a large number of different institutions. We also, of course, have the situation where we have certain courses where we attempt to restrict the enrolment. I'm sure the honourable member realizes, as do all members, that we would be doing no kindness to young people if we were to turn out hundreds of people trained in a particular skill where our society only requires two or three dozen more a year. I can think of, perhaps, the trade of watchmaker or watch repairman where they tell me that the demand for people in that particular area today are not very great at all. So we would certainly be making a great mistake if we were to enlarge our class enrolments in that regard and turn young people out on the labour market with that particular training, knowing full well that there are no job opportunities open for them. So that also accounts, Mr. Chairman, in part for the fact that we do have waiting lists in many of the courses.

In order to accommodate the demand for training, we of course have utilized other facilities throughout the city. The Brooklands Junior High School has been utilized for training; the new Provincial Garage is being utilized for a number of automotive training programs, and in this way we feel that we are coping reasonably well with the demand at this time. In spite of the fact that certainly we do have waiting lists and some people are rather appalled to find that they are a long way down the list, as I say in many cases we find that those waiting lists shorten very rapidly in the fall of year and that when we phone people who are on the waiting list to tell them that there are vacancies and that they will be welcome to enrol, we find that they have already moved into some other particular institution that they had applied to at the same time as they applied to Red River.

To this point, Mr. Chairman, then we feel that we are accommodating the demands. There are certain

areas where there are needs in our society, where we would be very pleased if more students were to enrol. There are some very vital areas in our industrial segment or our community where certain skilled tradesmen are needed, we are not getting young people applying for training in these particular areas, and it is still necessary to look beyond Canadian shores to try to find people to take those jobs. I would be very pleased, as I am sure all honourable members would be, if in fact Manitobans were interested in some of that specific training.

MR. DOERN: Mr. Chairman, on one specific and perhaps the Minister has answered this generally, but not specifically. Does he have any planned physical expansion of Red River Community College or any of the other community colleges at this time?

MR. COSENS: Of course, we do have an expansion at Assiniboine Community College, Mr. Chairman, that is more than planned. It will be under way very shortly and we would hope that construction would be starting this fall and that we would be looking at completion in 1981. Of course, this is something that I would be very pleased to go into some detail on, in that particular section on the Assiniboine Community College.

As far as Red River is concerned at this time, or Keewatin, we do not have any anticipated expansion planned at this point. We are watching enrolments rather carefully, watching the public demand for the usage of our facilities, and if in the next year or so we do see indicators that would make that necessary, then we would have to consider that particular action.

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

MR. DOERN: Mr. Chairman, since the Minister was accessing the Provincial Garage and since the government has finally decided to use it rather than hold it deliberately out of use, in a few months it will not longer, I assume, be available to Red River Community College. Then what will the Minister do?

MR. COSENS: Mr. Chairman, I understand that we have a lease on that particular facility that goes beyond a few months, it is a matter of years.

MR. DOERN: So the Minister of Government Services will then utilize the building for its original purpose, but that portion that the Community Colleges is using will continue to be used?

MR. COSENS: I can't speak for the Minister of Government Services, Mr. Chairman, but I understand we have some 25 percent of the area that is dedicated to our usage, and that we have a three-year lease on that particular space.

MR. DOERN: Mr. Chairman, no one can speak for the Minister of Government Services. He can't even speak for himself sometimes so we take that for granted.

Mr. Chairman, the other question I want to ask is, is there a relationship between junior vocational schools, like R. B. Russell and Tech. Voc. and

therefore high schools that are vocational, and the Red River Community College. Can a student actually go through a stream and sort of stay in a particular stream and go higher and higher levels just as one can do in the academic process, or they not really blended as perhaps they should be or could be?

MR. COSENS: Mr. Chairman, I can't let the honourable member's remark about my colleague pass, because I must say the Minister of Government Services is never speechless, never has any problem finding words, and I think the Honourable Member for Elmwood knows that.

In regard to the particular students and the particular high school facilities that he refers to, he's quite correct if he implies that these students can get credit in particular apprenticeship courses and pre-employment courses at the community colleges, as they pass from the particular vocational school to the community college.

MR. CHAIRMAN: The Member for Fort Rouge.

MRS. WESTBURY: Thank you, Mr. Chairperson. Some time ago I asked the Minister some questions about the tool and die apprenticeship program at Red River and about the third year of this course about which concern was being expressed that this was going to be offered at the new Winnipeg Economic Development Centre at an estimated cost of 500,000 to establish the course at that facility because it did not have the equipment there which is available at Red River. Perhaps the Minister could spend a minute or two elaborating on why this course was — I understand there was a shortage of room at Red River, but perhaps some rearrangement could of been made so that the third year of the course could have been offered at Red River instead of going to a new facility where I understand there are no libraries for instance, and I understand the new building was intended for an Economic Development Plant and not for a training centre. Could the Minister please just spend a minute or two explaining why it was not possible to continue the tool and die course at Red River and why it had to go to another location, at apparently a greater cost.

Also, while he's thinking about his answer, in view of reports that students at Red River were expelled because they were late with their fees — has there been an investigation into this matter? Is it decided that a little more latitude will be allowed this year or in the coming year, or is it decided that the new attitude which apparently was new in the last program and which was considered by some of the students to be harsher than previously, would the Minister please tell us what the intention is in that connection?

MR. COSENS: Mr. Chairman, in regard first of all to the tool and die trade question. It was anticipated at one time that we would have reasonably large enrolments in that particular area, numbers beyond those that we could accommodate at Red River Community College, and there was serious consideration given to installing equipment and supplying that type of training at the Technology Centre. However, unfortunately we have not achieved

those enrolments, we are not seeing that number of young people or people who are interested in pursuing a trade that is in very short supply, a trade that many industries in this province do require at this time and one that I understand pays a very good wage to those who have received that training. So this is the reason that the Technology Centre was considered and considered quite seriously. It's my understanding at this point that enrolments have not justified that particular expansion. It is quite possible and I would be hopeful that a year from now it would justify use of additional facilities. To this point we can accommodate the enrolments that we have.

On the matter of late fees, the member refers to a situation where certain students, after receiving written warnings by registered mail and several announcements over the PA system at the college, had refused to pay their fees and where they also, I believe, in all cases had been interviewed by the college administration that has to find out if there was any good reason why they could not pay them. There were still some, I believe a very small number, I am not sure of the exact number at this point, that seems to have happened a long time ago but at any rate, Mr. Chairman, what it resulted in was the administration of the college sat down with the executive of the student council of the college, discussed the matter because the student council was also concerned about this particular situation. After all, 99 and some percent of the students had paid their fees and they felt as well as other people that certain people shouldn't be exempted from that responsibility. So as a result of the meeting between the administration and the student council, they have come up with a new policy regarding late payment of fees that probably parallels or is similar to that that you would find at universities, where if you are late, you pay a certain penalty, and both parties seem to think this is a reasonable way of approaching that particular problem.

MR. CHAIRMAN: (1)—pass; (2)—pass; (c)—pass; (d)(1)—pass; — the Member for Elmwood.

MR. DOERN: I think I'll just mention that I believe that we can get through this section very quickly and I assume that we are going to adjourn after that. So I just want to ask the Minister if he can give us an outline, sort of feeding him a question in the manner of the Conservative backbench, giving him an opportunity to say what he is planning in terms of an expansion at Assiniboine Community College?

MR. COSENS: Mr. Chairman, my colleague from Brandon West, of course, I think would be very pleased to even provide that particular information. He's very interested in that expansion, as we all are and quite pleased to see it going ahead. We are looking at a 6.3 million expansion to the Assiniboine Community College, some 93,000 square feet that are being added to the main building, and this particular expansion does a number of things. It consolidates the facilities of the Assiniboine Community College. I have just mentioned earlier that Red River Community College had found it necessary to move into different types of temporary accommodation around the city; Assiniboine Community College had been operating for some

time in a number of alternative locations. The unfortunate part of this arrangement was that these alternate locations were not always very appropriate to the type of training that we were attempting to carry on at the Assiniboine Community College.

This expansion then will allow a consolidation of that particular training into a modern, proper type of facility and of course it also enables us at the same time to introduce a new two-year farm machinery mechanics course at Assiniboine Community College. This course will lead to a diploma. It will be offered next fall, the first year of the course, the second year in the autumn of 1981 and we're looking at enrolments of about 60 students in that particular program.

The expansion will not only accommodate the farm mechanics course, it will also accommodate a number of the other particular courses that are offered at Assiniboine Community College; it will also enable the college, at the same time, to have an adequate library for the first time in its existence. I heard the honourable member the other day speaking on a particular bill, I believe, that had to do with public libraries, and he was bemoaning the inadequacy of certain libraries that he had seen throughout the province. I must tell him that if he had looked at the library at Assiniboine Community College, that he could have added it to his list. It probably would not have been a library that would have been declared adequate to a small junior high school. We now will be able to expand and provide Assiniboine Community College with proper library facilities, as well as a day care facility, facilities for motor vehicle body repair training, auto painting, collision repair areas, general shop areas.

In short, Mr. Chairman, this addition will really allow the community college in Brandon to provide more courses, to provide courses under adequate conditions and in proper training facilities, and will allow the program to be enhanced with the addition of certain rooms, certain facilities that should be and weren't part of that particular program. I know the people in Brandon are very enthusiastic about this new facility, as we are, and we are sure that it will improve the training capability of that particular community college and will be an asset, not only to the people of Brandon, but of all western Manitoba.

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

MR. DOERN: Mr. Chairman, is there a waiting list at Keewatin Community College for courses and is there any planned expansion?

MR. COSENS: Mr. Chairman, we do not have waiting lists but we have been expanding Keewatin Community College courses into the Thompson area as well. We have a satellite campus located in Thompson, offering Keewatin Community College courses in that particular city.

MR. DEPUTY CHAIRMAN: (1)—pass; (2)—pass; (e)—pass; (f)(1)—pass; (2)—pass; (f)—pass; (3)—pass; (f)—pass; (g)(1)—pass — the Member for Elmwood.

MR. DOERN: Mr. Chairman, I just wonder if the Minister could explain this item, New Programs; apparently it is a new section, presumably with one SMY. Why has this been broken out and where was this contained before?

MR. COSENS: Mr. Chairman, I'm informed that there was no funding provided in this particular section last year and this is why it appears in this form in this particular year. As the honourable member notices, there was no provision at all in '79-'80 for this particular section. However, under this area we do have certain new programs — I've already mentioned the farm machinery and mechanics. Reading and study skills also will be offered at the Assiniboine Community College and there are probably other courses as well, if the member is interested in pursuing that at some length.

MR. DOERN: Mr. Chairman, I assume this is one SMY and I ask the Minister, if so, who that person is or if it's a couple of people?

MR. COSENS: Mr. Chairman, this accounts for contract funding for a person to develop a particular course or courses.

MR. DOERN: Can the Minister give us a brief list of what new courses these are, other than farm machinery?

MR. COSENS: Yes, Mr. Chairman, I understand farm machinery mechanics and gerontology are the two courses that are accounted for under this particular area.

MR. DEPUTY CHAIRMAN: (1)—pass; (2)—pass; (g)—pass. Resolution 54.

Resolved that there be granted to Her Majesty a sum not exceeding 28,077,600 for Education, Community Colleges Division—pass.

The Minister without Portfolio.

HON. EDWARD MCGILL (Brandon West): I move the committee rise.

MR. DEPUTY CHAIRMAN: A motion for committee rise? All in favour? (Agreed)
Committee rise.