

LEGISLATIVE ASSEMBLY OF MANITOBA
Thursday, 12 June, 1980

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY
SUPPLY — ENERGY AND MINES

MR. CHAIRMAN, Morris McGregor (Virden): I call the committee to order. Resolution 59, 1.(a) — the Member for Rupertsland.

MR. HARVEY BOSTROM: Thank you, Mr. Chairman. I was making a few comments when we adjourned at 4:30 and I would like to follow up on that. In looking at the Progressive Conservative policy or philosophy of saying that the government must not get involved in mineral production and/or mining development in Manitoba, that it should be left to the private sector, the problem with this is that resources don't get developed according to the needs of Manitobans. If the major control rests with the private companies, the result of that is that the benefits and the revenues from the resources flow out of the province.

If we look at the proof of this, Mr. Chairman, the Progressive Conservative Party, while in opposition, promised to reduce the taxes on the mining companies, claiming this would encourage investment and development in Manitoba, and one of their first acts when they first came to office in 1977 was to do essentially that, to reduce the taxes. They made a big deal out of that, saying that this would encourage mining development in Manitoba, mineral production. Over the two year period, as I indicated this afternoon, since the Progressive Conservatives came into office, the two-year period for which we have results in terms of mineral production, we see that if we compare 1979 production to 1977 production, that there is a 19 percent decline in the major metals that are mined in Manitoba. If we look at two of those, the decline in production is more in the order of 33 percent.

If you contrast this with Saskatchewan, where the government is clearly stating its intention to become totally involved in mining production, if you look at 1978, you see that the province of Saskatchewan saw a 24 percent increase in their mineral production.

Also, if you look at Saskatchewan, where the NDP Government has a history of obtaining larger returns from their resources, and where the government has adopted the very program that this Progressive Conservative Government abandoned and that is a compulsory joint venture program, we see that in 1978, if you just take that one year alone, over half of all of Canada's hard rock drilling exploration took place in Saskatchewan. So surely the policy of having joint venture programs, compulsory joint venture programs, and the policy of having higher revenues from the resources and government participation in development of mineral resources is surely not scaring off mining companies. In fact, in the province of Saskatchewan, it appears to be doing exactly the opposite.

I think my colleague, the Member for Inkster, made the point this afternoon, where there are minerals, the mining companies are going to be operating. The very point is, and the key point is, what are the benefits that can be obtained from those minerals? This Progressive Conservative Government, by reducing the royalties that can be obtained from the mineral development, are cheating the people of Manitoba of a very valuable source of revenue.

The other thing is that by not getting directly involved in mining development, as we see the Saskatchewan government doing under a very aggressive program, there is less development taking place. There is simply less leadership in the development of our mineral resources. If you look at the province of Saskatchewan, where there is an NDP government and where they are taking a very aggressive stance towards their mineral resources, and where they have made it very clear that they are going to get the maximum benefit for the people of Saskatchewan from the resources of that province, you can see that the revenues from the resources that the Saskatchewan government obtains is somewhere in the order of 32.5 percent of the total taxes collected by the government of Saskatchewan. Contrast that to Manitoba where the revenues from mineral resources are less than 1 percent of the total revenues collected, and this government seems intent on, if anything, reducing the revenues that can be collected from mineral resources. Certainly they are not taking the position that in the future they are going to be obtaining larger revenues from our mineral resources.

If you look at production, the resource production of Saskatchewan is increasing, and I would say it's increasing because there is aggressive government involvement in mineral development, mineral exploration, in the province of Saskatchewan. We contrast that to Manitoba where the resource production, as I indicated, of the major metals, decreased by 19 percent over the first two years of the PC government. And if you look at the development side, Mr. Chairman, Saskatchewan's Crown corporations, their Crown-owned companies, are used to develop resources in Saskatchewan. The control is with the people of Saskatchewan. It's not with the mineral companies that are based in Ottawa or Toronto or New York, or have had offices in foreign countries. The result is that the mineral production takes place at a rate and in a way in which is of maximum benefit to the people of that province. You contrast that to the Progressive Conservative program for Manitoba, where they are content to leave the resource development entirely to the private companies, where we can see that the control rests largely outside of the province of Manitoba, with very little benefits coming to the province from any existing development, or any potential new development.

There are many ways in which the resource revenues could be used to assist the people of Manitoba, if the government were to be more aggressive in the development of our resources. For example, if we were able to obtain larger revenues

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from our resource development, which I believe that we can do if we are more aggressive in our development of those resources, we would be able to apply those resources in much the same way the government of Saskatchewan has done. For example, in reducing personal income taxes. They have introduced an interesting program for the municipalities of their province, which is something which could be done in Manitoba with sufficient resource revenues, and that is a revenue sharing program which could be allowing municipalities to not simply rely on a property tax base but to have a share in the development of the resources of the province.

Mr. Chairman, another potential use of resource revenues would be to provide greater funding for its school boards and the hospital boards, and reduce the burden on the property taxpayers of Manitoba.

These are just a few of the things that could be done if we had a government that was committed to resource development, and not one which was content to simply sit back and allow the private companies to develop our resources and escape with most of the revenues of those resources. And when you're talking about non-renewable resources, once those resources are taken out of the province of Manitoba, they are gone forever, and I simply think that the government should be developing the resources in such a way that we get a greater benefit from the resources as they're developed, and not simply allow the private companies to take all of the revenues or most of the revenues out of the province with very little benefit.

And I see no hope, my colleague, the Member for Rossmere mentioned this afternoon, he hoped this government would change its ways and attempt to obtain a higher return from the resources of our province, but I simply don't hold out much hope for this government doing that thing, because their policy is very definitely one of simply allowing the private companies to do the development.

Mr. Chairman, they make the case which is false, that the government being involved in mining will somehow chase out the developers, the private developers. We look at just one example in Saskatchewan, a Key(?) Lake project which is one which has been recently developed in Saskatchewan, we see that the private companies that were involved in that development, which, one of the original participants, for example, Bell Oil Corporation of the United States, indicated to the government of Saskatchewan that it wished to sell its interest in the joint venture. As it turned out, Mr. Chairman, as the result of the private companies that were originally involved in a project offering to sell out shares in the development, the government of Saskatchewan became a half owner in that development, and are also going to, as a result of that, obtain half of the profits of any developed resource.

Mr. Chairman, this is before the government of Saskatchewan developed the compulsory joint venture program, whereby the province retains the right to participate in resource development projects. So we see private companies, not being afraid of joint ventures, but in fact welcoming them. They're welcoming government as a partner in mineral resource development, and welcoming them up to

the point of even having the government being a majority shareholder in the development.

Mr. Chairman, we had the example of the mineral discovery in north-western Manitoba, extreme north-western corner of our province, where there is a potentially significant discovery of uranium resources, where the major company that was involved in that resource said that they would not have been in the province of Manitoba doing exploration if it had not been for the government of Manitoba offering to go in with them as partners in that development, offering to go in with them as partners in the exploration process. As a result of that joint venture, there is a potentially valuable find of uranium in the northwestern part of Manitoba. It is that kind of participation by government which is important. It is important not only in the future for the province to be able to obtain a greater return from the resources, but it's important for the development of the resource, because the province should be involved to the point of directing the resource development to ensure that it's done in the best interests of the people of Manitoba.

MR. CHAIRMAN: The Member for Rock Lake.

MR. HENRY J. EINARSON: Mr. Chairman, I listened to the members of the Opposition here this afternoon, sitting in the chair for about 30 minutes, to the Member for Inkster. I appreciated his comments. He was talking about a philosophical argument, and I appreciated that. I have no objections to members opposite placing their position on the record insofar as the development of our resources of the province of Manitoba, on the record.

Mr. Chairman, I listened also to the Member for Rupertsland and the Member for Rossmere. You know, Mr. Chairman, the Member for Rupertsland, in particular, has been relating to the province of Saskatchewan this afternoon and this evening as I just listened to him. Mr. Chairman, he has been comparing apples with oranges. When we're talking about copper and nickel in Manitoba, as opposed to potash in Saskatchewan, I would suggest, Mr. Chairman, in all fairness, this is not a fair comparison when we are debating what is happening in Manitoba.

I, Mr. Chairman, am given to understand that what is happening, for instance, in Thompson, I am given to understand that things are developing up there. Things don't change in one year, Mr. Chairman. It may take maybe four years when the government changes hands to bring a kind of environment to the private sector to take their dollars and invest in the province of Manitoba, in this case, what we were talking about.

I listed to the honourable opposition members on the other side and I often wonder when I sit here and listen to them, how many of them, personally — and I don't want to be personal, in a sense, but I'm talking about the NDP Party — how many have had any experience, have really had to work for a dollar for themselves and invest for their own right in their own community? Mr. Chairman, this is something that I think is very important when we talk about philosophical ideology as to what has made this

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country and what has made this province in the past 100-and-so-many years, to the present time.

Mr. Chairman, I couldn't help but listen to my honourable members opposite and to their comments, and from myself, as one who has had to build for myself and assist my community, and I see the nodding of some of my colleagues opposite who have been fighting me on Ideology in past years, they are agreeing with me, Mr. Chairman, the point I think that they realize what I'm trying to get at. You know, Mr. Chairman, I don't think that they realize — or do they? Maybe they do realize, maybe they are just playing party politics, because whose money are we talking about, Mr. Chairman, when we talk about developing the province of Manitoba — whether it be in Agriculture, whether it be in Mining, and this is the case what we are talking about in this particular resolution — if we have some individuals who have faith in establishing the faith in the community to explore and find out whether there is copper or nickel under the face of this earth. As an elevator agent told me one time as a young man, who took a boxload of grain to the elevator, he says, you know, the almighty dollar comes out of the soil in one form or another. But you know, Mr. Chairman, my worthy opponents don't seem to understand that, that when you do understand that, you realize that it takes somebody with the intestinal fortitude, with a faith in themselves to take the opportunity to invest in a buck. They are not looking to the taxpayers of the province to do this, they have faith in themselves, Mr. Chairman.

You know, when I listen, particularly to the Member from Rupertsland, who is trying to make a case for himself on this resolution, what Saskatchewan has done, and my colleague, the Member for Gladstone, when he talked about political bed mates, I can't help but think of the time when the potash situation went to the Supreme Court of Canada under the auspices of the Honourable Mr. Blakeney. I couldn't help but feel, Mr. Chairman, that was done purposely by the Honourable Pierre Elliott Trudeau — I hope I pronounced it correctly, Mr. Chairman — I couldn't help but feel that Pierre Elliott Trudeau and the Honourable Mr. Blakeney were in bed together when he established a court situation, where the Honourable Mr. Blakeney had that timed and he won the election on it. I can't help but wonder, and I am not going to make any accusations, but I couldn't help but wonder, Mr. Chairman, whether or not the Honourable Mr. Pierre Trudeau wasn't as interested in Mr. Blakeney winning the provincial election as he was in Ottawa. My colleague, the Whip, the Member for Gladstone, was right on target, in my opinion, Mr. Chairman . . .

MR. CHAIRMAN: To the Member for Rock Lake, I wonder if we could get back on the title of 3.(a). Really, we are getting quite a bit off. There is some emphasis of trying to clean up this department tonight or tomorrow morning, and if that is so, we have certainly got to stay on the subject matter.

The Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I respect the comments you are making, and I shall adhere to your comments. But I only wish, Mr. Chairman, that you

had suggested the same thing to the Member for Rupertsland when he wandered off into the province of Saskatchewan and started to bring in the potash situation in Saskatchewan as opposed to the minerals that are being developed around Thompson and northern parts of Manitoba.

Mr. Chairman, I just wanted to place these few comments on the record. Insofar as I am concerned, I think, Mr. Chairman, they have their right to their ideology; they did it very well, and I particularly compliment the Member for Inkster — I have always respected him — on his comments he made this afternoon. But I will repeat again, I don't agree with his ideology, and I'll fight him as long as God gives me breath to fight for the kind of ideology that I believe in and of the present government of Manitoba. I want to suggest, Mr. Chairman, to honourable members opposite, that when you invest a dollar, is it not religiously fair to say that you are entitled to make a profit? Mr. Chairman, I am getting the feeling from my colleagues opposite that it is a sin, that if you invest a dollar, you are not allowed to make any profit. Profit is a sinful word to my colleagues opposite. They don't seem to understand that, Mr. Chairman. That is the message I am trying to get to them.

I really wonder, Mr. Chairman, how sincere are my colleagues opposite, who are trying to defend their position insofar as the mining development in Manitoba is concerned, particularly northern Manitoba? I wonder how sincere they really are, Mr. Chairman. I have been here 14 years, and I have been watching them, and I have been listening to them, and, Mr. Chairman, I think some of them are bordering on not being really sincere. We can't call them liars, we can't call them playing dangerously with the truth, no way, Mr. Chairman, but I just want to say to my colleagues opposite and let them know how I feel about what is happening in Manitoba.

Mr. Chairman, I am hoping and I pray that the future developments for the province of Manitoba in the next year or two years are going to be something that my opponents opposite are hoping it doesn't ever happen. I want to say to the Minister of Mines and Energy that we are going to see future potentials, because of the way we are operating this government, are going to be something that the people of Manitoba are going to thank this government for and look forward to in the next number of years.

Thank you, Mr. Chairman.

MR. CHAIRMAN: The Member for Rossmere.

MR. VIC SCHROEDER: Thank you, Mr. Chairman. After the entertainment, I would like to ask several questions of the Minister. First of all, with respect to the matter of the potash agreement between the government and IMC, can he assure us that the government has not committed itself to a specific royalty or a formula for a royalty in its preliminary exploration agreement or any other agreement with that company?

MR. CRAIK: What are the rest of your questions?

MR. SCHROEDER: Okay. The second question for now, the last page of the Annual Report of the

Manitoba Mineral Resources Limited, there is a note to Financial Statements No. 7, The Board has approved a staff bonus arrangement whereby 2.5 percent of the company's share of any discovery is to be allocated for staff bonus purposes, but the amount of allocation for any one discovery is not to exceed 400,000. The President and the Chief Geologist are to receive 20 percent each and the entire staff are to receive lesser amounts as designated.

I understand that agreement may have been kicking around for some period of time; I am wondering whether that agreement will be clicked into place as a result of this agreement, that is, will there be any funds paid out as a result of that agreement, because of the agreement entered into between the Crown and IMC?

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: The answer in both cases, Mr. Chairman, is no.

MR. CHAIRMAN: The Honourable Member for Rossmere.

MR. SCHROEDER: Mr. Chairman, based on the questioning and the discussions we had in the afternoon, it seemed to me that the Minister had not done a great deal of research on the particular company involved, IMC, and I would like to do some quoting out of its Annual Report, 1979, and I note that we get a fair amount of material out of that report for the simple reason that it is required to report under the Securities and Exchange Commission Rules in the United States. On Page 23 of that report, it discusses the Saskatchewan situation, Reserves, IMC Canada controls the rights to mine 147,300 acres of potash-bearing land in Saskatchewan. This land, of which 13,000 acres have been mined, is in the southeastern portion of the province, and consists of 76,000 acres owned in fee, 57,400 acres under lease from the province of Saskatchewan, and 13,900 leased from other parties. All the leases are renewable by IMC Canada for successive terms of 21 years, but the first term of each expiring on October 31st, 1981. During the renewal terms of the leases, rents and royalties will be established by regulation of the Saskatchewan government. The reserves in this acreage are estimated to about 8 feet thick, containing 1.3 billion tons of recoverable ore, at an average grade of 26 percent K₂O, enough to support current operations for more than an century.

It has got more than 100 years of potash in Saskatchewan left at current levels and it has been basically mining in the area of 10 million tons a year in the last 5 years. There hasn't been that much of a rise in their rate.

That very same company went into New Brunswick, as I had indicated previously, and with taxpayers' money, with our money, did some exploration and to quote its report, New Brunswick Deposits, Page 25: In March of 1979, IMC Canada sold to Dennison Mines Limited all of its rights under a mining lease on potash and salt deposits in New Brunswick. The sale of the rights to Dennison resulted in a pre-tax gain to IMC of 24 million. IMC

Canada's investment in these rights was not material. That was not a bad deal for these people. —(Interjection)— That is right, they are a good organization. We are not suggesting that there is anything wrong with them earning a profit and if anybody has earned a good profit, that is this company, which on shareholders' equity returned a return of 15.3 percent in 1979, as opposed to 16.7 percent in 1978, which is not bad dealing. Now these people are good at bargaining and I am concerned . . . We don't have to be worried about them making a profit as the Member for Rock Lake seems to indicate. What I am concerned about is that the government must treat its property, our property, in the same fashion as it would be treated if it was owned by private individuals. If you wind up giving away our property to this company, we will be upset and we will keep an eye out on that. That is what we are concerned about.

Again in the afternoon, the Minister made it clear that, although he has retained a 25 percent right of participation, that 25 percent right of participation in not spelled out in such a fashion as for him to be able to tell us that that gives us 25 percent of the rights which will be acquired by IMC from private parties adjacent to the Crown leases, and it may well mean that we are going to have to pay IMC for the 25 percent that it garners from Prairie Potash, and with that we are not happy. We have lost, then, 75 percent of our potash and we are going to have to buy into the 25 percent which we are going to get from Prairie Potash. No matter how the Member for Rock Lake turns it, that is not a good deal for the people of the province, and that is what we are concerned about.

MR. CHAIRMAN: The Member for Inkster.

MR. SIDNEY GREEN: Mr. Chairman, the Minister said earlier today that he has no interest in the government becoming at any time a majority shareholder in the mine. Am I correctly interpreting that?

Mr. Chairman, at the present time Manitoba Mineral Resources has some claim of which it is 100 percent owner. One of them I can recall is a claim which has a mineralized zone, but was not economical in terms of (Inaudible) The terms of reference of Manitoba Mineral Resources are that they could explore and have explored these areas.

The Member for Rock Lake says that members on this side, and I will be included in that list, I think, because he referred to me, that we don't like profits, but what the Minister is showing is that the Conservatives don't like profits. What the Minister has done is given away 50 percent — when I say given away, I make that statement figuratively — the opportunity of buying 50 percent of the shares in Tantalum Mining for 6 million, which in the last two years have produced 7 million in profit, but the Conservatives can't stand that profit, they don't want to touch it because you don't like profits. It is an evil word. —(Interjection)— Who was the one who got rid of the profits? I went into Tantalum Mines, I didn't get out.

Mr. Chairman, interestingly enough — (Interjection)— Yes, Mr. Chairman, you know the member says that we went into Saunders. A

Conservative Government and a Liberal Government in true enterprise fashion have just given 60 million, a Liberal and Conservative both, and they are both in the same bed, as you say. Sixty million dollars, which will never show as a receivable, which will never show as a loss, which is a gift to Michelin in Nova Scotia, outright gift of 60 million of my money and yours, of my money —(Interjection)— But it is the Conservatives in Nova Scotia. It is the Conservatives in Nova Scotia, who have given 60 million, Mr. Chairman, and also passed laws, anti-labour laws, in order to make Michelin possible.

MR. CHAIRMAN: Gentlemen, let's return to the heading of Mineral Resources. One speaker at a time.

MR. GREEN: Let them not talk about Saunders Aircraft in terms of profit.

MR. EINARSON: Mr. Chairman, on a point of order. I never heard anybody on the record talk about Saunders Aircraft. I didn't mention it. You reprimanded myself as getting to the resolution at hand; I hope you will do the same thing with the Member for Inkster.

MR. CHAIRMAN: The Member for Inkster.

MR. GREEN: The resolution dealt with the Conservative hate of profits, that they consider profits evil. Mr. Chairman, let's remember that Tantalum is one that we went into under Part 2. It turned out to be the best investment that the Manitoba Development Corporation ever made and it was done under Part 2, and the Conservatives because they hate profits, they consider it evil, have given away the right to purchase, Mr. Chairman, 50 percent of a company which produces 7 million, at least, in two years, for 6 million. Now, who is the hater of profits?

We got together, the people of this province, because they showed initiative and wanted to make an investment and wanted to make profits — we had faith, we believe in investing, we believe in making profits — we went in, and Manitoba Mineral Resources found a mineralized zone which may some day be viable, and the Minister, because the Conservatives think profits are a sin and evil, says that he will not become the owner of that mine, even though we found it. The public found it, the public took the initiative, the public made the investment, the public went out and got it, and what is the policy of the Conservatives? I repeat, Mr. Chairman, with tantalum, it's hand them the tantalum; with copper, which is what they have given away in the Granges, where we had 50 percent and now have 24 percent, it's offer them the copper; with potash, where we had 50 percent and now we have 25 percent, and we're —(Interjection)— Mr. Chairman, the member does not know what he is talking about. The Crown reserves of potash have now been transferred to a company, 75 percent of them, in exchange for doing 2 million worth of exploration work. So it's squash the potash. That's the policy of the Conservative Government. You know why? Because they hate profits; they can't stand profits. Profits are an evil word.

The Minister has now announced, Mr. Chairman — (Interjection)— Mr. Chairman, you brought me to order but he has continued to speak while I am speaking, now I'm going to speak back. He said we had eight years to do it. In eight years we took 25 percent of Tantalum. We were a 49 percent owner of the Trout Lake Mines, and if you were here this afternoon, you will know that we and Inco were going 50/50 on a feasibility study of potash. But I would not be a penny stock promoter and announce that as a 300 million program, because I wouldn't sell shares and wouldn't sell any kind of goodwill for any government on the basis of that kind of exploration program. It is a fact; look at the records. We were 50/50 with Inco in those very same lands, not 25/75 — 50/50. We went into a feasibility study and we were going to go 50/50 in development.

But I, unlike your Minister, will not announce that as a 300 million potash program, because that's the cheapest and sleaziest way of trying to gather support. That's the kind of thing that the people on the B.C. mining market go out and sell penny stocks on the basis that they have got a prospect. They have got a prospect, yes, and I'm saying it again, because obviously you didn't understand it; obviously you did not understand it.

We did that, Mr. Chairman, and the Minister has now announced, that in addition to giving away the tantalum, giving away the copper mine, giving away the potash, that if one of those that we have put up all the money for, one of those that Manitoba Mineral Resources, that we are 100 percent owners of, that if it's good, you know what he will do, he'll give it away. You know why? Because the Conservatives hate profits, that's why. They'd say that somebody else should make the profit, not the public, because the public should not be involved in anything that's profitable. If they throw out Saunders, let me tell you that Manitoba Forest Industries lost two and a half times as much as Saunders, and is still losing money. The biggest losses under the Manitoba Development Corporation by far are on ventures which were started and engaged in by the Conservative administration. The biggest by far, Mr. Chairman —(Interjection)— I have just told it. You just won't listen to it.

Why is it, Mr. Chairman? Why is it? Because the Conservatives hate profits. They can't countenance it; they consider it to be an evil word. Mr. Chairman, I know that the Tories have a difficult time selling anything. —(Interjection)— If the Chairman will give me permission — the Member is asking me to tell the story on The Pas Complex; may I?

MR. CHAIRMAN: This Tory is having a hell of a time to control this meeting. If we would get back on the subject matter, if we have any hope of getting anywhere. If we don't, let's go home and do something worthwhile tonight.

The Member for Inkster.

MR. GREEN: Mr. Chairman, I have been on the subject matter, except when members like the Member for Rock Lake have tried to take me off. I have been talking about the Minister's statement — (Interjection)— Well, Mr. Chairman, if you're not going to bring him to order, I'm going to go after him on every remark. —(Interjection)— You will then hear

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him, because I will go after him on every remark and then you will bring me to order.

I am suggesting to you, Mr. Chairman, that the Minister has said, that those things that Manitoba Mineral Resources explored and found and which the public is 100 percent owners of, the Minister is going to give away, and he's going to give it away in the same way as he gave the other things away. Hopefully, he's only got one more year of giveaways, maximum, and then, I tell my New Democratic Party friends, that unless they say that they will take it all back, they will have no business being in government either, because they will follow up the same thing. We are not now talking about nationalization; we're talking about taking back things that have been privateered by the Conservative administration. I want to hear the New Democrats say that they are going to take back the potash, that they will take back the copper mine from Hudson's Bay, who privateered it from the public of this province, and they will take back Tantalum, which has been privateered by Hudson's Bay with the collusion of the Conservative Government, from the public of this province. Those people don't have to lose a cent. They should get their money back; they should get interest on their money, but they should not be able to retain what the Conservatives and they have collusively stolen from the people of this province and put into their hands because the Conservatives can't stand profits. I want to hear the New Democrats say it, not just complain about the fact that the Conservative are not participating in the mining programs of this province. I'll listen for it, Mr. Chairman, because that's the only basis upon which they have a rightful reason to demand the support of the people of this province.

Mr. Chairman, the Member for Rock Lake has said that somebody came and put up the money, they are entitled to the profits. Do you know that with very very minor exceptions, the mining companies don't come in until the public puts up the money. The public does the expensive and risky and non-return producing aerial magnetic mapping, and until those maps are created and revealed at public expense, the mining companies don't touch it. So we make the initial investment, and it's the mining companies who come in, riding in on the backs of the public who made the investment and the expenditure, and do so because the public itself doesn't have the guts under a Conservative administration to go for the gold ring itself and make profits. Yes, it's the Conservatives who have profit as an abominable thing, not the New Democrats.

MR. CRAIK: Mr. Chairman, a couple of comments here if I can squeeze them in edgeways amongst this enlightening debate. First of all, I listened to the Member for Inkster this afternoon suggesting that I had somewhere along the line taken credit for the underground shaft at Ruttan and, secondly, that I had taken credit for the operation at Snow Lake. I must admit I didn't get terribly excited about it, but it did bother me because I couldn't remember ever having suggested that, that somehow there was credit coming to the government or myself or somebody else with regard to these operations. But I did find out where I think it probably came from, and it says in the Budget speech, I have it confirmed

now, this is where it comes from, and it says, Petroleum production reached 48 million last year, up 5.1 from 1978, due to the increase in the domestic wellhead price of oil. Well, that's hardly taking credit for the increase in the returns. It gives the due where it's deserving.

Then it says, Among the major mining investments completed in 1979 was a 36 million underground mine development by Sherritt-Gordon Mines Limited at Ruttan Lake, which will completely replace the open pit operations during 1980, and a 33 million concentrator built by Hudson Bay Mining & Smelting Co. Ltd. at Snow Lake.

Mr. Chairman, there's a fair difference between announcing to the public what's happening in the field of mineral resource development than having levelled at you an accusation that you are taking credit for it. So if we listen to the Member for Inkster, Mr. Chairman, we're supposed to sit, don't tell the people anything, in danger that the Member for Inkster might think you're trying to take credit for it.

Mr. Chairman, so I did a little more research, and I find out that a number of other things happened over the years. In 1977, I find that the Minister then announced a number of mine openings, and he said, There is Tantalum Mining Corporation; Dumbarton Mines Limited; Fox Mines; Sherritt-Gordon Limited, and he's talking about the mine openings. He says, These are the mine openings, 1969 to 1976. It just happens to coincide with their period of tenure of government, Mr. Chairman, just strictly by accident. Anderson Mine; Dickstone Copper; Pipe Open Pit; Manibridge; Ghost Mine; White Lake Mine; Ruttan Mine.

Mr. Chairman, I recall, and I don't really feel guilty talking about the underground to Sherritt-Gordon Mines, Ruttan Lake in the Budget, because I recall standing in the Legislature in the spring of 1968, and I announced the Ruttan Mine, as the Minister of Mines at that time. So I looked at this, and I thought, well, you know, who's calling who black here? Is the kettle calling the pot black? The Ruttan Mine is announced by the Member for Inkster in the House in 1977, as if it were his mine. I haven't gone that far, Mr. Chairman.

MR. GREEN: Mr. Chairman, on a point of privilege, I never took credit for that mine. Mr. Chairman, as a matter of privilege, I never, and I said that it was not our mine, I said that it was discovered before. But I said that the people who are saying nothing is happening because we are here, are not telling the truth.

MR. CRAIK: Mr. Chairman, let me finish. There were two more mines announced at that time, Centennial, and Westarm. Out of those 12 mines, 10 out of those 12 had been discovered prior to his tenure of government.

MR. GREEN: I said so.

MR. CRAIK: Mr. Chairman, this is the nature of the mining business, but the member got up and said, these are the mines that were opened during the period 1969 to 1976, and he was technically correct. He was technically correct. —(Interjection)— I heard

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him earlier here tonight, Mr. Chairman. He referred to discovery. He talked about discovery, and I think when he was talking about discovery, he was referring to Tantalum.

MR. GREEN: No. I never said — Tantalum was in the process of being built when we . . .

MR. CRAIK: I think I've heard him also say that he discovered the Trout Lake one.

MR. GREEN: The Granges Mine, we were involved in the discovery.

MR. CRAIK: Mr. Chairman, that's the member's claim.

MR. GREEN: That's right.

MR. CRAIK: If you haul in the Granges group, you'll have a street fight at the corner of Portage and Main over that one.

The Granges people will tell you that they were in and discovered that territory long before the Member for Inkster was ever heard of as a Cabinet Minister.

MR. GREEN: That is not nonsense.

MR. CRAIK: Mr. Chairman, then it's somebody's word against somebody else's word.

So Mr. Chairman, this is the nature of the business, and we're getting cranked up about who started what, when. Mr. Chairman, the fact of the matter is that you don't get mines without exploration and at the present time we have the highest level of exploration activity that we have ever had in the history of Manitoba. That is in constant dollars, not in inflated dollars. Mr. Chairman, we have statements, voluntarily we read, coming from operators of aircraft in the north, who say that they have never had such a busy time. We have a potash exploration group who had to go to Alberta to get a seismic crew to do their work because they couldn't find one in Manitoba. Mr. Chairman, we've got a level of exploration activity that is beyond the level that has ever been achieved in the province of Manitoba's history. Mr. Chairman, that is the story. Mr. Chairman, let me repeat. I don't take exception to the fact that the Member for Inkster announced 12 developments that had taken place between 1969 and 1976, because 10 of them had been discovered prior to 1969, and that is the nature of the business. Mr. Chairman, the problem that the other member across the way is having trouble with, the fact that the production is down in two years, in 1978 and 1979, is due to two things, (1) world market, world prices, and (2) the drought following the NDP reign because there was no exploration in some years. That is the case, Mr. Chairman.

Mr. Chairman, we have the healthiest picture in the total mineral resource development area that we've ever had in Manitoba's history, and we intend to keep it that way.

MR. GREEN: Mr. Chairman, the Honourable Minister has got a very short memory. This afternoon, I indicated that those mines were developed during our years, but it would have been abominable for me to say that we were the ones who

did it. I indicated that Tantalum started before we became the government. They had it built; we opened it in 1969. Falconbridge was found before, Ruttan was found before, I said that. What I said was wrong is for the Minister to suggest that these developments come as a result of the climate which he set in his Budget, and to pretend that the Conservative administration had something to do with these developments. It would be very wrong for me to have suggested that those developments came as a result of the New Democratic Party government. I made that statement in answer to those who suggested that nothing happened during those years, and that we had dried up development. And I indicated that all those mines had been opened under a period when the Tories were saying that we had dried it up.

Mr. Chairman, the Minister says now that they had the highest level of development that has ever occurred in the history of the province of Manitoba. —(Interjection)— Exploration. The same was true in 1977. Mr. Chairman, in exploration. In exploration, in 1977, there was 16 million spent, and that was the highest rate of development that occurred up until 1977. As far as the Granges Mine is concerned, Mr. Albert Koffman, who is sitting in this room, was exploring with Granges on 50/50 propositions, and that wasn't before I became the Minister, because the Manitoba Mineral Resources didn't start until we came into government. Granges was partners with Albert Koffman with the Manitoba Mineral Resources. They came to Koffman with the Trout Lake proposition. He said he had all that he could handle on his plate, he couldn't do any more, and therefore they went in with the government on the regulation program. It was a result of that program that they found that mine, and no street fight will prove otherwise. The only reason we could be a 49 percent owner in that mine is if it was discovered as part of the regulation program. So any suggestion — you know Hudson Bay suggests something else. The kind of scuttlebutt that takes place in mining circles is always that somebody stole a mine, and the fellow from Granges used to work for Hudson Bay. So if he is now saying he found it before he came here, Hudson Bay has a claim against him, because if he found it on their time, it doesn't belong to us at all. That's absolutely ridiculous. He found it as part of a program in which the Manitoba government was a 49 percent participant. The fact that — and I went to Sweden and spoke to Granges. I was there speaking to the company and they were very happy. —(Interjection)— In Sweden. The Granges Company is based in Sweden. I was there in Sweden talking to them about the development agreement, and as a matter of fact they were very very happy with it, and had been used to that type of thing because they had been involved with public corporations before.

But, the Minister says they now have the highest that they've ever had. Well in 1977 they had the highest that they ever had. In 1977 the expenditures in exploration were 16 million.

MR. CRAIK: 10 million.

MR. GREEN: Mr. Chairman, it was 16 million, and those are the figures that were given to me by the same staff and this . . .

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MR. CRAIK: 10 million.

MR. GREEN: Did the staff who is now giving you 10 million, lie when they gave me on September 11th, 1977, 16 million?

MR. CRAIK: A different guy.

MR. GREEN: Well, they gave me those figures, and here, Mr. Chairman — these are the figures that I got from our staff at the time. Mr. Chairman, these are the figures that I got from our staff. They are including different things. They are not including perhaps something that took place under a Canada provincial agreement, but these are the same figures.

Are any of these wrong, Mr. Chairman? These are the figures, and I have saved the sheet because I knew that I was going to come to this day.

MR. EINARSON: Is that the gospel?

MR. GREEN: These are the figures that the staff of our department gave me in 1977. Here are the companies that the Minister says were not exploring in the province of Manitoba, and I say that some of them are no longer here. Here are the companies. I'm going to read the list. I have to repeat it. These private companies had exploration development agreements or arrangements, or in the process of making arrangements to explore in the province of Manitoba in September of 1977: Aquitaine Company of Canada Limited, Bowden Lake Nickel Mines Limited, Canadian Occidental Petroleum Limited, A. L. Paris, Consolidated Morrison Explorations Limited, Dennison Mines Limited. Do they sound to you like companies that shouldn't be in the province of Manitoba? Some of them are no longer here — Dome Exploration Canada Limited, Desinex Resources Limited, Dupont of Canada Exploration Limited, E & B Explorations Limited, Espina Copper Developments Limited, Falconbridge Nickel Mines Limited, Granges Exploration, Ground Star Resources Limited, Gulf Minerals Canada Limited — sound like a penny ante company to you? — Knobby Lake Mines Limited, Linda Mines Limited, Manitoba Mineral Resources Limited — that's our own company, Marlene Oil Company Inc., Marmel Nickel Mines Limited, Masqua Nickel Mines Limited, Metagny Lake Mines Limited, McIntyre Mines Limited, Mid-North Uranium Limited, Noranda Exploration Company Limited, New Fort Resources Limited, Pine Day Mines Limited, Portage Avenue Gold Mines Limited, Pronto Explorations Limited, Rock Ore Exploration and Development Limited, Setting Lake Nickel Mines Limited, Shell Canada Resources Limited, Silver Standard Mines Limited, Union Oil Company of Canada Limited, United Siscoe Mines Limited, Urangesellschaft Canada Limited, W. Bruce Dunlop Limited — all of — (Interjection) — yes, because you people keep denying that it existed, and I'm going to continue to read it every year, because I want to throw the lie to the suggestion that in 1977 mineral exploration had dried up in the province of Manitoba. This was the first full year of the regulation program and it was getting bigger, and immediately that the program ended, was there an announcement that there was going to be more? Sherritt-Gordon announced that

they had to reduce their program in the province of Manitoba because the government was getting out. That was the announcement, not that they were going to do more in the province of Manitoba but that they had to reduce their program in the province of Manitoba, and this, Mr. — (Interjection) — Pardon me. Well I'm glad that they did. I think that Sherritt-Gordon Mines will explore in the province of Manitoba, and this by the way does not include Inco, and for their reason that it doesn't include Inco is because Inco years ago was given by the province of Manitoba large areas of order-in-council land on which the province was not able to explore and which they explored on their own.

But the figure that we have was 16 million. The members want to reduce it to 10 million. 10 million at that time was a high exploration level in 1977. We did not have exploration of 10 million a year in the province of Manitoba. So if they want to reduce it to 10 million and say 10 was the first year, then I say that the next year it was going to be higher, and had that program continued, the amount that would be spent on exploration in the province of Manitoba under that regulation program showed great promise of being much higher than what you have at the present time, and the reason, Mr. Chairman, that there was uranium play, is because uranium was discovered, not because I was the Minister, but because uranium was discovered very close on the Saskatchewan side.

We will be arguing about these figures continuously, but those are the figures that I had. These are the mining companies that were entering into arrangements and were dealing in the province of Manitoba, and it proves that the program was not the drying-up of mineral exploration in the province of Manitoba. It proves that the program was a shout for new horizons for mineral exploration in the province of Manitoba. And it will come again. It won't be long.

MR. CHAIRMAN: 3.(a) — the Member for Rossmere.

MR. SCHROEDER: Mr. Chairman, I noticed the mining department had some advertisements in the paper recently regarding some gravel deposits at Sedun's Corner, Manitoba and that those leases were going to be given out in a different fashion from the ordinary. That is, ordinarily when lands are open for application for mining leases, it's on a first-come, first-served basis. In this particular case, an area that had been closed for leasing was opened for submissions of applications by gravel operators, and it would be done on an allocation basis, not on a first-come, first-served basis — but on the basis of, I'm not sure whether it was need, or exactly what the criteria were. I'm just wondering whether the Minister can advise as to whether a decision has been made by his department to grant those leases.

MR. CRAIK: Mr. Chairman, I'm advised that the gravel rights in that area were withdrawn at some point in time, and then were in the process of reallocation. I don't know that that answers his question. Presumably not, but perhaps he can be a little more specific.

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MR. SCHROEDER: Mr. Chairman, I believe ordinarily when sand and gravel is withdrawn from mining, that when it is reopened there is simply a date given, and on that date it becomes open and people can go and file applications for leases on parcels of land. In this particular case it wasn't done on a time basis, on a first-come, first-served basis, and I'm not suggesting there's anything wrong with the procedure which the department went through this time. In fact it seems to me that there is some advantage to that. Instead of having one operator get the whole property, a number of people who need the gravel will have an opportunity to get leases, but I am wondering whether the leases have been issued or whether decisions have been made on that Sedun's Corner property, and if so how many leases will be given out?

MR. CRAIK: Mr. Chairman, I'm not familiar with the — the member is being a little specific here. Maybe we can take that one as notice here, and as time goes by, maybe I'll be able to get the information for him.

MR. CHAIRMAN: The Member for Inkster.

MR. GREEN: On a point of privilege, Mr. Chairman. I wonder if the Minister will produce to me the statement that he said that I made in 1977 with regard to the mines that have opened up?

MR. CRAIK: Mr. Chairman, I can obtain one for him. I have an original here.

MR. GREEN: Can I see the original and give it back to you?

MR. CRAIK: Well, I'll get a copy for him.

MR. GREEN: Yes, I'd like to see it. I'd like to see the statement I am alleged to have made.

MR. CRAIK: If the member would like a copy of the statistics on the exploration, I can provide him with that, showing the source of the 10 million.

MR. CHAIRMAN: The Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Chairman. Again to the Minister with respect to that 1978-79 Manitoba Mineral Resources Limited Annual Report, could the Minister advise as to whether any money has ever been paid on that clause 7, to any staff of Manitoba Mineral Resources Limited, and also as to when that agreement terminates? That is the agreement for up to 400,000 on a find. For instance, does it apply with respect to the Granges discovery up at Flin Flon?

MR. CRAIK: That's a clause that's been in that Manitoba Mineral Resources Agreement for many years. I don't believe there has ever been a draw on it, but I'll check on that.

MR. SCHROEDER: Could the Minister also advise as to when that agreement terminates and as to what the position of the government is with respect to a renewal?

MR. CRAIK: I'll have to check on it, Mr. Chairman. It does really come under the report of the Manitoba Mineral Resources and not here.

MR. SCHROEDER: Mr. Chairman, back to the matter of that potash lease that I have been trying to get a hold of for the last month or so and which the Minister finally released to me today. The Minister has kept saying that in fact there was no Order-in-Council issued and, of course, there was no necessity, as I understand it, for an Order-in-Council at that time. The last one prior to that was issued when the Minister was in Cabinet on June 24, 1969. He apparently was present at that meeting and, at that time, there was an Order-in-Council passed. My understanding is that when that lease expired, that in fact regulations had changed and there was no need for an Order-in-Council.

At that time, as well, there were regulations dealing with potash mining set up under The Mining Act, in Manitoba. Those regulations were terminated, I believe, sometime in 1975 or in that general area. Those regulations were terminated after this lease was entered into.

Now, under those regulations, potash was treated in exactly the same fashion as any other quarried mineral and under the regulations, of course, any leases are open documents which the public is entitled to examine on payment of the prescribed fee. There is no question about that.

Sometime after this particular lease was entered into — and it was a completely public document — the potash mining regulations were cancelled. There is no regulation anywhere, I suggest to the Minister, that would indicate that there is any reason not to release . . . Mr. Chairman, my information is that there were regulations, that those regulations were cancelled and, as a result of that, it may be that there is some argument to be made that there is not a specific regulation stating that you must provide these documents. However, there is no regulation that says that you shall not, absolutely none.

I would suggest that this whole exercise has been one of frustration. I contacted the Mining Recorder's office and I discussed this matter with them. I asked specifically whether the lease was a public document and was told, yes, it was. I was told that on payment of 2.50, I would get the full 10-page document, including the cover. I went down there the next morning and was ushered into Mr. Hodgkinson's office and when he came back and sat down in the office, he informed me that I would have to talk to Dr. Haugh, that I was not able to get that document that morning. Dr. Haugh's office was telephoned from right there — this is out in St. James — and Dr. Haugh was not available, he had left the office, is what I was told. I got back to the Legislative Building in about 10 minutes and phoned Dr. Haugh's office, and Dr. Haugh was still there.

It seems to me that when people have been informed that they can pick up a document that if there is a change of mind that there is a responsibility on the government, on the officials, to let that person know. Instead of running all over town trying to pick up the document, I think it would have been the appropriate thing for Dr. Haugh to phone me before I went out there, to tell me that he had talked to the Minister and the Minister had told

him not to release the document to me. I think that would have been a much more appropriate way of dealing with it than having me run down there and then try to get the thing afterwards. If I wasn't going to get it, there wasn't much point in me coming down there, and then not to answer the phone, I thought was certainly not a very appropriate thing to do at that time. I must say, to the Minister, I'm not very happy with that experience.

Just one final general area. This afternoon, I talked to the Minister about the whole philosophy of government involvement in mining, the whole philosophy of the public being involved in its own mineral resource development and I read a statement to him that he made back in 1970, 1971, in there somewhere, where he said that it was against his general principles for government to be involved generally in business. The Minister didn't respond. I think it is incumbent on him to do so.

We have an example of what the Conservatives did when they were in power before. We had mining development, all of it private, none of it public. Then under the NDP, we began to move towards public participation in mining. Now, it was his Ministry that decided that we would do away with the right of the government to 50 percent participation in resource exploitation in this province. We had that right; we had that right built into legislation. This government has decided no, the people should not have that right; they have taken it away. Now this government has announced several programs in which there appears to be some token participation by the government. We have nothing substantial out of it. There are agreements to agree; there are hopeful things. It's sort of like the Western Power Grid, just another gimmick, that's what it looks like. We have no statement from the Minister that he has changed his mind, that he has changed his mind about the philosophy of government involvement in our resource development. If he hasn't changed his mind since 1970, then what is he doing getting involved in business? This is not a case where we are in dire straits; this is not a case where there is a spawning period required, as he referred to. This is not a case where we have some local boys involved who need financing. This is a case of a multinational corporation whose net sales in 1979 were 1,474,000,000, and on that, or on their shareholder's equity, had a profit of 15.3 percent. They had a net earning of 120.8 million. This isn't a company that is looking for money on a short-term basis.

What we would like to know is whether in fact this government has changed its mind on government involvement in resource development. If it has, we would welcome that. We would absolutely welcome that. If it has not, then what is the government doing in pretending to keep a 25 percent right of participation in the potash lease in southwest Manitoba? I believe that we have the right to an answer on that issue.

MR. DEPUTY CHAIRMAN, Henry J. Einarson (Rock Lake): 3.(a)(1)—pass — the Member for Inkster.

MR. GREEN: I certainly would hope that the Minister is going to respond, but given past performance, it may not be.

However, before he does, before we go through the item, he has now given me the statistics of mineral exploration expenditures in Manitoba on which, Mr. Chairman, it shows 1967, 7.5; 1968, 8.5; 1969, 11.4; 1970, 14.4; 1971, 13.5. You will note that it went up in 1969, 1970, and 1971, and I'll deal with that in a minute. 1972, 8.1; 1973, 8.2; 1974, 9.8 — all in keeping with the previous years — 1975, 8.6; 1976, 8.2; 1977, the year that we dried up, by their statistics, 10.1.

Then it says, Note: It is also possible that some of government's expenditures and participation programs may have been missed by Statistics Canada. That's in 1977. Therein lies some of the discrepancy between the figures that were given and are now being given.

However, let's look at it more closely. It says: Off-property, and On-property, and gives an explanation. Off-property is where they are not exploring an existing body, and I'll read that. On-property refers to exploration of extension of ore bodies, while off-property exploration includes all other exploration work. So the off-property is the exploration which is new, not for an existing body, and which I indicated, if we're talking about exploration activities on a new basis, that that is the figure that is significant in people doing new things.

In 1977, it was 8.2 million; in 1978 it was 11.8 million, which was, in my view, still a carryover from something that was done; in 1979, the year that the Conservatives started exploration, 4 million on off-property exploration; in 1980, 6.4 million. Compare that with 1977 of 8.2 million.

On-property, which means they are working on an existing ore body: In 1979, 10.3 million. But that's something that they have found and are extending. In 1980, 11.1 million.

The off-property exploration has gone down to 4 million in 1979, which is the lowest it has been in any figure that is shown here. In 1967, it was 5, and in 1980 it's 6.4 as against 1977 of 8.2.

I don't want to make a great deal of these figures. I have been trying to answer the suggestion that mineral exploration dried up under the regulations. The 10.1, the figures which don't include some which have been missed, is the highest it was since 1971, and 1971 was a much higher year than the last year of Conservative administration of 8.5. So where is this dry-up, this fact that there was no exploration in the province of Manitoba as a result of the Regulation Program? It went up. It went up to 10.1 by these figures, and I say that these are different than the ones that were given to me, and it indicates that Statistics Canada may have missed participation programs of government expenditure.

Mr. Chairman, I am not the one who suggested that exploration died. It's the Conservatives who suggested that it died. But that's not borne out by these figures. In 1979, where there was 14.3 million, 10.3 of it was on-property exploration, which means that it was dealing with — I'll read it: On-property refers to exploration of extension of ore bodies. That means that Tantalum was looking for extensions, or Hudson's Bay was looking, or Sherritt was looking was extensions, or there was an ore body that was found. Probably Trout Lake would be one of the important ones. But exploration which can be considered new exploration programs, 1977 was the

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highest since 1970 and 1971 and is higher than 1979 and 1980, the years when you made it more profitable by virtue of your program.

MR. DEPUTY CHAIRMAN: 3.(a)(1)—pass; 3.(2)—pass - the Honourable Minister.

MR. CRAIK: The members seem to be preoccupied with what the government's position may be on these matters, with the government's involvement in business.

First of all, the actions speak for themselves. We have indicated that we are prepared to stay involved on an equity basis in mining ventures. In general terms, we prefer not to be involved in the position of operating the facilities, which is what I said this afternoon, and we have no intention of being in a majority position in operations that we may be involved in, and have indicated a willingness to be involved in, and an intention to be involved in the potash and in the development at Trout Lake.

As far as the business involvement is concerned, the member refers back to a statement 10 years ago with regard to a policy statement at that time. It still remains essentially true. The government has no intention of being involved in the manufacturing business, other types of business, types of business where the private sector has proven itself to be the main driving force, and that's the sum and substance of it, Mr. Chairman.

I find it difficult to see how the NDP can doggedly stick to that doctrine of theirs over the years, when they have a track record that has such a trail of failure to it all the way along. Show us one that you've really been successful in, and stack that up against the ones that you've been unsuccessful in. Add them all up, and where do you come? Look at the businesses that the NDP got themselves into that they were very worried when this government divested, and look at what's happened to them since. All of them, nearly all if not all of them, have been far more successful in the private sector than they have been in the public sector.

The Crown prince of them of course, is Saunders Aircraft. Tell us of one that compares. The Member for Inkster goes on at great length repeatedly about Tantalum. —(Interjection)— Well, set off against Tantalum, the units of account money you borrowed to buy the Tantalum shares and see who's ahead on that one. While you were borrowing units of account and paying 29 percent interest on it to buy shares in Tantalum. Set that off against where you stand now compared to your original investment and see whether you're ahead or you're behind. —(Interjection)— They have a great habit of showing you one side of the ledger without ever looking at the other side, Mr. Chairman. This goes on ad nauseam, over and over again, as if the people are going to be impressed by these arguments. People aren't even listening to the arguments. However, the arguments were raised, and some of us feel compelled once in a while to answer them, although I really doubt whether it really does any good to really waste your time in this kind of an exchange. Somehow the people figure this sort of thing out for themselves.

But how the NDP can stick so doggedly to this position, whether it's in mining or manufacturing or chinese food or aircraft, or whatever it is . . .

MR. DEPUTY CHAIRMAN: The Member for Rossmere on a point of order.

MR. SCHROEDER: On a point of order, Mr. Chairman, we are dealing here with minerals. The questioning has been with respect to natural resources. The Minister is all over the field. I would ask him to remain in discussions of minerals as opposed to other areas.

MR. DEPUTY CHAIRMAN: To the Member for Rossmere, I appreciate his comments and from the tenor of the debate that I have heard all evening, I think it is pretty well on base. If that's the wish of the committee, then I'm going to have to rule on everyone. If the Member for Rossmere wants to take that, then that's fine. But I don't think the Member for Rossmere has a point of order at this stage.

MR. CRAIK: Mr. Chairman, the Member for Rossmere is absolutely right and I will desist.

MR. DEPUTY CHAIRMAN: I just want to be fair.
The Honourable Minister. Order please. The Honourable Minister has the floor.

MR. CRAIK: Mr. Chairman, I'm finished.

MR. DEPUTY CHAIRMAN: I see. Okay.
The Member for Rossmere.

MR. SCHROEDER: Yes, thank you, Mr. Chairman. The Minister, as I just finished indicating, had been going all over the place and he was talking about businesses other than mining. I would refer him back to that statement of his back in 1970; it dealt with Crown corporations to exploit resources, natural resources. It had nothing to do with all of those things he was talking about, and that was what he was opposed to in principle at that time. I have no difficulty whatsoever in accepting the fact that people can change their minds in 10 years. All I'm asking him to do is state what his position is with respect to natural resources. And there is some ambiguity. There we had it 10 years ago, it was something with which he disagreed wholeheartedly, 10 years ago.

Now, there is an article in the Winnipeg Free Press dated Saturday, May 3, 1980, by Bob Lowery, and in that article, datelined Flin Flon, he is quoting the Minister as saying, in dealing with the northern mine, He said, however, that this interest — I'm sorry, I'll just start one sentence earlier. In this instance, the government is directly involved because it owns 40 to 50 percent of the mineral rights in the area. He said, however, that this interest will be sold when the development is complete.

Now, based on that, and based on what the Minister said 10 years ago and based on what the Minister said three minutes ago, I have absolutely no confidence that we will remain involved in this business. And that is what I am asking the Minister to clarify for us, although we have a right of participation of 25 percent on putting up the money in that potash — of course, we would have to buy 25

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percent apparently, of the private rights, in order to get into this, although we've given away 75 percent of the public rights — I would like to know whether, on balance, if that mine is going to go, the Minister is prepared to say yes, we are going to do that, and in principle, he is prepared to state that in the future he would like to see public participation in mining to the extent of 25 percent or 20 percent, or 50 percent or whatever the numbers are, and if he has changed his mind since 1970, could he explain on what basis he is now in at 25 as opposed to zero, or 25 instead of 50? Clearly there has been a change from the 1960s when mines were opened and they were all 100 percent owned, ordinarily, I believe all of them, were owned, by non-Canadians. Now, in the '70s, we had some mines opened which were partially owned by Manitobans. And apparently this will continue in the '80s. It may continue, it may not. It depends on exactly where the Minister and the government stands, and the Minister's answer up until this point in time hasn't been very clear.

MR. CRAIK: Mr. Chairman, I can tell you that unless the feasibility study demonstrates that the province has a good chance of getting a return from its equity position, it will not have a position in it. We're not going into that mine to lose money, I can tell you that.

Mr. Chairman, on the further point, with regard to the Bob Lowery statement, that was asked in the House and I answered it. Where he got that statement, I don't know. I don't write the paper, he did. I was asked that in the House and I straightened that out. Whether it's straightened out to the paper's satisfaction, I don't know.

MR. SCHROEDER: The Minister says that that statement was straightened out. I didn't hear exactly how it had been straightened out. Did he agree that that statement had been made, or did he say that it had not been made,?

Further to the point that the Minister made in terms of getting into the mineral resource development business in order to turn a profit, I would hope that the government would never enter into it for the purpose of propping up a loser. I think that that was one of the difficulties that governments face right across this country in getting involved in losing companies to try to keep things going. Look for winners. And that's what that legislation, as I understand it, gave us the right to do. It didn't say we had to have 50 percent of every mine. If some idiot wants to set up a mine that's going to lose money, it didn't mean that we had to put 50 percent public money into it. But if we had something that looks good, looks like it's going to make a reasonable return for the people of the province, then we had the right to participation to the extent of 50 percent, and that is something that the Minister has taken away from us. He hasn't gotten anything back in return. Not a thing. But what he's done is, he's taken that away from us.

MR. CRAIK: I've listened to this speech many times, Mr. Chairman, there's nothing more to say to him.

MR. DEPUTY CHAIRMAN: 3.(a)(2)—pass; 3.(b)(1)—pass; 3.(b)(2)—pass; 3.(c)(1)—pass; 3.(c)(2)—pass; 3.(d)(1)—pass; 3.(d)(2)—pass; 3.(e)(1)—pass; 3.(e)(2)—pass; 3.(e)(3)—pass; 3.(f)(1)—pass; 3.(f)(2)—pass; 3.(g)(1)—pass; 3.(g)(2)—pass. Resolution 59, Resolved that there be granted to Her Majesty a sum not exceeding 3,048,300 for Energy and Mines—pass.

Resolution 4.—pass — the Member for Rossmere.

MR. SCHROEDER: Yes, Mr. Chairman, what is the acquisition, what property was acquired for the amount referred to?

MR. CRAIK: This, Mr. Chairman, is Manitoba Mineral Resources. Mineral Exploration Agreements, 1980-82, 2,500,000; Operating Funds 678,000; Mineral Exploration Participation Agreements, 50,000; Mineral Exploration Assistance Agreements 9,000; for a total of 3.237 million.

MR. SCHROEDER: Mr. Chairman, there is 2.5 million for mineral resource development agreements?

MR. CRAIK: Mineral exploration.

MR. SCHROEDER: Mineral exploration. Are those new areas of exploration, or are these continuing programs?

MR. CRAIK: That's the funding that the province supplies to Manitoba Mineral Resources, and that kind of detail you had the opportunity to go into when they were before you.

MR. SCHROEDER: Thank you.

MR. CHAIRMAN: 4.—pass; Be it resolved that there be granted to Her Majesty a sum not exceeding 3,237,000 for Energy and Mines—pass.
Now to Resolution 57, 1.(a)—pass.

MR. CRAIK: Mr. Chairman, I wonder if there would be a disposition of this . . .

MR. CHAIRMAN: Be it resolved that there be granted to Her Majesty 1,117,300 for Energy and Mines—pass.

The Honourable Minister.

MR. CRAIK: Mr. Chairman, we're finished a little before 10:00. I wonder if this committee would consider going into the DREE Enabling Vote. We can do it under Executive Council or we could do it here. If the committee is willing, we would look at DREE Enabling Vote here. It's one item. Maybe the members would want to do some checking. It's on Page 90, the Canada-Manitoba Enabling Vote. What is done here is that 15 percent of the funds under the DREE Agreements are put into an enabling vote, and it's thereby possible to move the funds, in the case of program shifts, from one area into another, and so the DREE Enabling Vote here, you can see the total, comes to 10 million this year. It covers the Value-Added Crops Production Agreement; the Tourism Agreement; the Industrial Development Agreement; the Special ARDA Agreement; the

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Energy Agreement; the Water Development Agreement; and the Northlands Agreement.

Now, they're debated elsewhere on the issues, but they do require the vote.

MR. CHAIRMAN: Resolution 121, 1.—pass. Resolved that there be granted to Her Majesty a sum of 10,014,200—pass.

MR. CRAIK: That is all the estimates that I have to put before the Committee.

MR. CHAIRMAN: Committee rise.

SUPPLY — EDUCATION

MR. DEPUTY CHAIRMAN, Albert Driedger (Emerson): I call the committee to order. I would like to refer members of the committee to Page 42, Resolution 55, Item 6. Universities. 6.(a) — the Member for Elmwood.

MR. RUSSELL DOERN: Thank you, Mr. Chairman. I would like to welcome you to the committee and say what a pleasure it is to see your smiling face and your bright blue eyes.

Mr. Chairman, I would like to reiterate a comment I made at 5:30 and say that the Minister was beginning to sound a bit like D.L. Campbell. Now, that's not necessarily bad, because D.L. Campbell was a very fine gentleman. He sat in this House for 47 years, which is more than I can say for anybody in this House, 1922 to 1969 was a long time. But the Minister did seem to take a line that he was going to remind the committee and the universities that, I guess, their fate was tied to the Manitoba economy, and maybe more than that, maybe tied to agriculture. I would hope that he would never quite take that position, because the danger in that position is that it's usually never the right time to provide sufficient funding for certain courses and certain programs like university programs. I can remember, and I ask the Minister for some assistance here, but I can remember people talking in the early Sixties and through the Sixties about the need for programs that run for more than one year. If you go on a year-by-year funding, it is very difficult to operate in terms of any, if not long-term planning, even intermediate planning.

I see the Minister of Cultural Affairs, who has just graced the Chamber, is here, and I think she too would appreciate the concept — well, I'm glad I didn't make that remark to the Member for Fort Rouge, who might have interpreted it as a sexist remark. You have to be careful what you say to whom, or whom you say to what. Mr. Chairman, I was just exchanging remarks with the Minister of Highways.

MR. CHAIRMAN: Is the honourable member finished with his comments?

MR. DOERN: Mr. Chairman, now I forgot what I was going to say. Let me begin again, and simply say that the Minister of Cultural Affairs would, I think, agree that when it comes to cultural organizations, funding has to be more than one year at a time, that there has to be — and she nods in agreement —

there has to be longer-term planning than 12 months. I assume that the Minister of Education would also agree.

He is more familiar, however, with universities in terms of their funding requirements on an operating basis or a capital basis, and I wanted him to just elaborate on that particular point, as to whether he believes that the funding provided for the universities should be tied to the economy, tied to the agricultural sector and/or whether he believes that it should be for longer than a one-year period, whether he believes in three to five-year terms on capital of other requirements. I wonder if he could make a comment in that regard.

MR. DEPUTY CHAIRMAN: The Honourable Minister.

HON. KEITH A. COSENS (Gimli): Mr. Chairman, out of the comments of the Honourable Member for Elmwood, I would like to respond, at least in part. Certainly I don't think there is anyone in the Chamber that would not agree that funding inevitably will be tied to the economy of the province. The honourable member infers that it should be tied to agriculture and so on, or that I was inferring it. He is attempting to put words in my mouth, because I did not infer that at all. I did say that it is tied to the economy of the province and government revenues are based, to a large extent, on what is happening in that particular sector, and I don't think that that is a profound statement at all.

When the member asked the question, I think he probably was reasonably sure of the answer that he was going to hear.

I understand that in the past, five-year plans have been contemplated by universities and also, I am told that on the basis of those five-year plans, what happened was usually a complete disaster, that they have almost come to the conclusion that attempting to project five years into the future in the society that we live in today is a very difficult thing indeed. Even three-year plans sometimes run into problems in the third year. But I have no problem with the concept, Mr. Chairman, of looking at particular needs and staging them over three years or four years, particularly in the area such as capital, where we can perhaps make determination of a much more concrete nature, where things are not liable to change so drastically.

As far as projections on program needs, that is a problem, Mr. Chairman, that is very difficult to nail down, so to speak, in a society where a great deal of change is taking place and where, as I mentioned earlier, we are looking at declining numbers of young people coming through the school system; this is bound to have all sorts of implications, and is having implications for the university system at this time.

MR. DOERN: Mr. Chairman, I wanted to point out to the Minister the danger of his approach. He is always saying to me that I am putting words into his mouth. I want to point out to him the danger of his position in regard to being the Minister of Universities and Colleges in Manitoba, that if he is not going to give direction or not indicate preferences, then words will be put into his mouth, not by me, but by people in the university. They will

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meet with him; they will make plans and presentations to him, and when they leave, they will say, you know, when I made that point, the Minister blinked; or, when I made that point, he smiled or he blew smoke in the direction of so-and-so or away from so-and-so, and that is the danger of being enigmatic and of not giving people direction or not being explicit about a particular position.

Mr. Chairman, the universities of Manitoba are in trouble and that is what this debate is about, and I want to provide the Minister with some more statements and quotations from people in the positions of responsibility, and I quote from an article in the Winnipeg Tribune of June 9th, an editorial headed 'The University Is In Trouble', and it quotes U of W President Harry Duckworth, who is listed here as Henry Duckworth and it quotes him as follows as saying that his institution has reached the point where there is just no way we can balance the budget. That is presumably what President Duckworth said. It is entering its third year of deficit budgeting and apparently the Science Labs, he says, We can longer replace or even repair equipment. Then it mentions that Brandon University has had to cut teaching positions and so on.

I would now like to refer the Minister to a article in the Tribune written by Frances Russell, and this was on June 11th, and this is a more moderate tone in regard to an earlier article that she wrote on June 4th called 'Restraint Rocks the U of M'. After that, and I guess after a letter, from Dr. Campbell, I gather she met with him and that he, first of all, said that some of her statements were exaggerated and then she interviewed Dr. Campbell and came out with maybe a more moderate series of statements, but in some ways equally devastating, equally strong, about the problems of the University. I would like to quote extensively from that article, Mr. Chairman.

It says, for example, that Dr. Campbell agreed with the general tenor of the article. He first of all said that the earlier article of the week previous was somewhat exaggerated, but he said that in general he agreed with the tenor. Now I want to give some quotes from this second article, which was in yesterday's paper. Dr. Campbell said, The universities of Manitoba are seriously under-funded relative to those in other provinces, and gradually the service they provide and the quality of education they offer will decline.

In the last five years the University's funds have risen by 30 percent while inflation has increased by 50 percent. Dr. Campbell said that the most serious impact of the restraint has been on the University's buildings and equipment, but in the past two years they have had 1.6 million to maintain a plant with an insured value of 340 million.

So there is the problem again, Mr. Chairman, cut down on maintenance, defer maintenance, and then wait a while, and, of course, what happens is that you will pay probably tenfold. He said that Our equipment is running down. He said, Science could spend 2 million to replace obsolete equipment in that faculty alone. It is a real problem for the future. Students must use obsolete equipment, it may still be operational, but it is out of date. Surely, Mr. Chairman, that is a serious concern, that if you are using obsolete equipment, that sooner or later it is going to become common knowledge, and people

will say you are not getting a first-rate education. I assume that it should be a goal of all of us who are concerned with education, to have a first rate education. If we are satisfied with second or third rate, well that is another matter, we can debate that.

Then he said that — for example, engineering — students are still using one item that is 65 years old. I trust that is not a professor. And he said that in dentistry, up until a year ago they were using chairs dating from 1955; that the style of chairs had changed, and that was affecting the practice of dentistry. These are not my quotes, these are examples given by the President of the University of Manitoba.

Then he talks about doubling up students, not having courses available, and so on, saying that they have had to cancel subscriptions in academic journals, and that the number has been placed as high as 400 in the past two years alone; and not enough money for books. In this section of quotes from Dr. Campbell, he concludes: It is a serious matter. In the last three years the average budget of the University's faculties and schools has been cut by 6.4 percent, excluding salary increases, and academic salaries are generally below all the major western universities.

That is Dr. Campbell, and those of us who know him, know he is quite a general spirit, quite a friendly person, and a man whom I think speaks in measured tones, and that strikes me as a pretty powerful indictment of the government's policy in regard to Education.

At the Law Faculty, the Dean is Jack London, and he says that they are in financial difficulty, but he says they are not in danger of losing accreditation.

Dr. McPherson, who is Associate Dean of Science, says that his faculty has considered cancelling first year labs in Chemistry and Biology for the past several years, but has decided against it, because it is inconceivable to try to offer these courses without labs.

Then further down, Dr. Noel Bentley says that he stands by his statements regarding the impact of restraint on the university. He says that there is now a split within university ranks about how to deal with government cutbacks. Some advocate quiet lobbying, while others think this has been unproductive and think it's now time to go public. That, of course, is the dilemma, Mr. Chairman, of the university deans and administrators and faculty, the temptation, maybe the necessity, and maybe the danger of going public, of making strong public statements or demonstrating. One might motivate the government, or one might cause a reaction in the government.

These are all statements. Towards the end here, it says, Dr. Campbell favors the quiet lobbying approach. Well, I think that that would not surprise anyone who knows Dr. Campbell. He says that a public case is a two-edged sword and towards the end it says that obviously, well, this is now Frances Russell writing, saying, Obviously Dr. Campbell wants to protect the university's reputation, and saying in the end that, As a rule, governments won't act until there is public pressure.

So obviously the dilemma is how do the people at the university convey their concerns to the Minister?

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The Minister keeps saying, well, I give them a block grant and it's up to them to set their priorities.

Mr. Chairman, I want to read a couple of paragraphs from this month's Alumni Journal, which I just received today. Maybe it's been out a few days or a few weeks, I don't know, but I just received it today. The editor's page was really quite dramatic. The opening sentence is: Can a province the size of Manitoba afford three universities? Maybe this is a think piece of a piece to be provocative but nevertheless it still really kind of shakes a person up when you consider that until 1967 we had one university, and then we turned United College into the University of Winnipeg, and Brandon, I guess College, turned into the University of Brandon. Now, it says, The Seventies have assaulted the three universities with a variety of common and isolated difficulties and the double whammy blow that sent them reeling was their loss of favoured status on the government's list of spending priorities, coupled with a savage and prolonged bout of inflation.

I said earlier, Mr. Chairman, that the Minister of Highways has apparently more clout in Cabinet than the Minister of Education, that when it comes to dollars and it comes to percentages, he is doing very well. I don't know if it's powerful debating skills unbeknownst to the members of the Opposition, good around the table, or what, but the Minister of Education, I have to say, I assume that in Cabinet he fights, Mr. Chairman, I don't know. He could go in and, just as the people in the education field read him, they have to read his enigmatic preferences, maybe he reads the Premier's enigmatic preferences. I don't know whether he goes in and fights hard for the dollar that he needs for his department or whether he takes the position that if the Premier doesn't favour education, he shouldn't favour education — go along with the tide. Only he could tell us that.

This article goes on to talk about the high cost of equipment and makes this point which I made earlier, that with declining enrollment that the university has beefed up its student recruitment program and is in fact in competition with Brandon and Winnipeg. Of course in a way that's a good thing. The Minister himself said this was very healthy; competition; good old free enterprise; survival of the fittest, and all that stuff from the last century.

Mr. Chairman, that's one way of looking at it, but another way of looking at it is that maybe there's a lot of expense and a lot of wasted energy in competing for the same number of people, and perhaps it's very costly.

I read to the Minister the end of this editorial. I don't know if he read this. I ask him whether he happened to read this in the latest issue of the Alumni Journal. It says in the last section here that in announcing the grants to universities this year, the government said in effect that there is no more money, none for any of them. The government's view is perhaps this: They look at the universities, see that they're still offering their programs, still producing qualified graduates, and still balancing their budgets — well, not quite balancing their balances — and it says, sure they are, but not without considerable resourcefulness and juggling.

What happens when the three universities go as far as they can in cutting and coping? What next?

What are the survival options open to them, band-aid tactics like bingo or a bake sale? Hardly. More joint programs between universities; lop off a faculty; close a department; sit down and divide the spoils by rationalizing the existing facilities and schools among the three of them. These are possibilities as painful and popular and heretical as they might be, but the ultimate option rests with the government, which in this decade will surely have to answer a legitimate question already being posed. Can a province the size of Manitoba afford three universities? Will the time come for someone to draw straws?

I ask the Minister if he has reference about that comment or about the comments of Dr. Campbell as quoted in the paper, of Dean London, of Dean McPherson, or of Dr. Noel Bentley.

MR. DEPUTY CHAIRMAN: Order please. I would like to refer the member to Rule 3(32), Item 1, out of Beauchesne. On March 17th, 1933, a member was quoting a newspaper and debate was ruled out of order by the Deputy Speaker who said that the rule is quite clear that quoting of a newspaper, an author, or a book which reflects upon debate before the House, either directly or indirectly is entirely out of order, because members are here to give their own opinions, not to quote the opinions of others.

MR. DEPUTY CHAIRMAN: The Member for Elmwood.

MR. DOERN: Mr. Chairman, just on a point of order, I was born in 1935.

MR. DEPUTY CHAIRMAN: I just quoted the rule of Beauchesne to the Member for Elmwood. The Honourable Minister.

MR. COSENS: Mr. Chairman, you don't want to take away the honourable member's chief research source, one of our newspapers, because he has been reading the same article over and over all afternoon, and he is now starting to go round and round the mulberry bush with his questions. I have answered, I would think, in entirety, most of the questions that he has placed pertinent to those particular articles or article that he keeps coming back to. Of course he does admit that the president of the University of Manitoba did refer to the article in question as being exaggerated, incorrect in many instances, and deplored the particular approach.

However, the president, as I have said before, and I am not surprised, in fact I would expect that he would react in a certain way by referring to the fact that certainly the universities need more money. University presidents have always said that, with the exception, as I mentioned earlier this afternoon, of a time in the Fifties, shortly after the second world war, when they did feel that the funding that was received from the governments of the day was adequate. And I quoted a past president of the University of Manitoba, whom I met at the convocation this spring, who added that particular note.

However, there was, I thought, something significant in the points that the member was bringing out. He mentioned that the president said the one area where the universities had felt the pinch to the greatest extent had been in buildings and

equipment, and I think that's a valid point, Mr. Chairman. I have no dispute with that at all. No doubt they have been under-funded in that area, and not just under-funded in the last three years. The member mentions a piece of equipment that's 65 years old. Three years ago it was 62 years old, and so on. But the honourable member picks that out as a very significant item, and makes some snide remark about whether — he hopes it isn't a professor who's 65 years old that is being referred to.

I have to say, Mr. Chairman, that certainly the president is making probably a very valid point when he says that the universities do need more money in regard to building maintenance and equipment, and as I mentioned earlier this afternoon, it would be my hope that we will be able to increase that particular allocation.

But the other points, Mr. Chairman, that the honourable member has been referring to are really the same points that he brought out this afternoon, the same references to the same article, I believe, and really he is merely reiterating and going round and round the mulberry bush. I don't see too much value in that. I am interested in the point that he brings forth, however, apparently printed in the University of Manitoba Alumni Journal, and he speaks of that as the only — he almost infers that that is the only university in Manitoba. I remind him that we do have two others.

The point that he brings out from that particular article, is the one where someone suggests, are we approaching the time where we can only afford, or we only need one university. Mr. Chairman, I can't give a definitive answer to that at this point, but I do suggest that down the road in 1985 or 1986 that there will be hard decisions that have to be made. I pointed out this afternoon that the catchment area, if you wish the reservoir of talent, the potential recruits for university coming out of grade 12, is diminishing each year. I mentioned that last year there was a total of some 14,000 and some young people graduating out of grade 12. The university received or recruited 18 percent of that amount. I also pointed out to the honourable member that in 1985 it's predicted and projected quite accurately that there will be some 11,000 students graduating from our grade 12 classes in this province, a drop of over 3,000, Mr. Chairman, and this is something that will continue on into the late Eighties. It is going to create problems in enrollment for the universities, severe problems, and the smaller universities are again going to find problems in keeping their enrollment to a size that makes them viable operations. The challenge then, Mr. Chairman, will be to look at some rationalization, that's inevitable, four or five years down the road, to make sure that the programs that are being offered do make them viable institutions, and again I'm talking about our smaller universities.

If we look at some of the models that exist elsewhere in North America, some of the smaller universities or colleges have added a community college aspect to their operation and they have become in fact combination universities and community colleges, where they are offering not only the academic programs that we associate with universities and the professional programs, but they

also have added a technical aspect that we associate in our province, and in most provinces of this country, with our community colleges. That may be one of the solutions that will be considered at the point where enrollments in the traditional courses become too small to justify their retention. I only throw that out to the member as one of the possibilities that we could be looking at five or six years down the road as far as our smaller institutions are concerned.

Certainly there is no use adopting a head-in-the-sand approach to this problem. We know that there will be less young people coming through the system. The figures are there, and unless in some way the universities can be successful in luring more young people to university training to balance that out, to increase that 18 percent, that back in 1975 I believe it was, was somewhere around 23 percent, if they can increase their percentage of young people coming out of grade 12 who have decided to go on to university, it in part will balance this drop in enrollment that we are seeing. But certainly university people across the country, Mr. Chairman, see no easy solution to that problem. Perhaps the honourable member has a solution.

MR. DEPUTY CHAIRMAN: The Member for St. Johns.

MR. SAUL CHERNIACK: Thank you, Mr. Chairman. I've had the opportunity to hear many Ministers of Education speak in defending their estimates. I am trying to remember if I was ever in the House when I heard a Minister of Education, who is also an educator, and I must say, Mr. Chairman, that to the discredit of his profession, he sounds to be very much like every other Minister of Education I heard, dealing in numbers, dealing in statistics, dealing in bodies, and I've not heard very much about the objectives of the government or his own objectives in the field of secondary and higher education.

Mr. Chairman, —(Interjection)— That's right, but I'm really speaking about people that I've faced across the way. I never saw Bobby Bend in operation.

Mr. Chairman, in the public schools system where education is compulsory, we know that the number of children that are available to fill the seats, or on the other side, we know that there are a number of seats must be made available for the children of certain age groups that fit into the various grades in the public school system and we plan on that basis, but in the field of higher education at the universities, Mr. Chairman, there are never enough seats available, places available for the number of students who, in my opinion, ought to be filling them, because, Mr. Chairman, the universities are, to a large extent, elitist in the sense that they pick either, or both, the cream of the intellectual crop of students, and also those who can afford to go.

I want to tell the Minister that for years we have debated from this side of the House — when I say this side, I mean the side I happen to be on from time to time — that we feel that higher education must be available to all who have the capacity to absorb the knowledge and who can learn, without regard to ability to pay. And in a small way, Mr. Chairman, when we were in government, we tried

very hard and succeeded in a small way towards that goal.

In the last several decades, there have been tremendous changes in availability of funds to assist people to go to university. I'm thinking of grants and loans, federal and provincial, and that has obviously made some difference. In my day, Mr. Chairman, I don't remember that there were any particular grants available. There were scholarships available, but they were limited, and I do acknowledge and appreciate the fact that they were available to those who had the mental capacity to rise to the top academically, but there was no help that I can recall of any real assistance to the student who couldn't afford to go. And I remember vividly in my time, which was depression time, Mr. Chairman, that there were a few, very few, but there were a few, who were able to struggle through the daily worry and concern of having to support themselves or having to live in a house where the working parent was having a very tough time, but there were a few who made it through the university, but very few. I always thought that being the son of a lawyer I would just having automatic sailing, and Mr. Chairman, there was a terrible shock that I suffered somewhere around 1934 when I got a job in the summer, and that wasn't easy to get, I only got it because my employer was a friend of the family's, and when I saved 200 by the time registration day rolled around, my father asked me if I would please spend my savings on that year's tuition because he couldn't afford. And that's speaking as a son of a lawyer, so you can well imagine how many in that time had great difficulty.

But Mr. Chairman, there are still many today who are unable to go to university for financial reasons. We spoke, in our party, and in opposition and in government, about the hope that we would eventually reach the stage where ability to pay was not a factor to deprive students of university education, but that ability to absorb would be the only criteria. And when we were mocked at by the conservatives across the way, who always said that's a utopia you're talking about, we could never afford to do that, our answer was that we were not insisting that every student who wanted to go to university should be able to go, but rather that every student who proved that he or she had the capacity and the desire to measure up to the standards and qualifications, no matter how high they are, should be enabled to go, and that meant selectivity on the basis of capacity to learn and not on the basis of financial ability.

As I say, Mr. Chairman, I think we made some progress, some strides towards that. I understand it was mentioned this afternoon that the previous government tried to and succeeded in seeing that the universities did not increase their fees to the students. I am told that the Minister replied that that was control of the universities, an independent body with government control. I don't know what actually was said this afternoon, I wasn't here. But I want to tell the Minister that the NDP government in Manitoba never took on itself the function of telling universities how to operate, and the University Grants Commission had moneys allotted to it which they had to distribute amongst the universities in such a way as they saw fit, bargaining, fighting, arguing. I know several times I recall being called to

meetings, as Finance Minister, to see whether we could provide some additional funds to the Grants Commission for certain projects that they felt really were important.

But at all times, we made it clear that we hoped that they would be able to manage within the moneys allocated to them, without having to raise fees, because we felt very sincerely, Mr. Chairman, that fees were a hardship on many students, and should not, in any way, prevent them from achieving their academic goals.

That is the difference between the Tories and the New Democrats, I think, Mr. Chairman, because when we saw the Tories come into power, we saw them immediately cancel taxation of those in the wealthy brackets and concurrently start to up user fees. If this Minister would say, it's only right that people who get advantage should pay user fees, okay, that would be the debating point. I'm not sure he's ever said that. I think instead, he has said, well, it's up to universities. It's up to them to figure out how they can manage, and if they want to increase tuition fees, this Tory government would not stand in their way.

It was that kind of an attitude which made us very fearful about Medicare, for example. We were very fearful that the Tories would be bringing in fees that would be designed to bring revenues on a user basis from patients. Well, that hasn't happened, and I hope it doesn't happen, but it wouldn't surprise me if it did, because they have done that in other fields, and particularly in university education.

I don't say that the Minister of Education instructed universities to increase the fees, but I say he has starved them into it, and I do say the Minister of Education did raise the fees of the Community Colleges, so it's nothing that's strange for him or hard for him to take.

Mr. Chairman, the item before us reads that through the University Grants Commission, the government provides grants to the universities, four of them, as a supplement to other income to enable them to maintain the quality of service at the existing level. I don't know if it's worth the trouble, Mr. Chairman, I'd sort of like to go back to an NDP estimates and see whether they use the same wording, as a supplement to other income. I hope not, because even that wording seems to suggest that the government sits back, and says, well now, you guys raise your money, and we will supplement your need. That's what it suggests. It's maybe just playing with words, but the words are there.

But it says, to enable them to maintain the quality of service at the existing level, and Mr. Chairman, that, I believe is incorrect. I believe it is wrong to say that the government is enabling them to maintain the quality of service at the existing level. Mr. Chairman, there isn't any doubt in the world that just as the government found it necessary to increase, say, hospital grants in this last year, and will increase them more, is because you can impose restraint for one year and if there is fat, it goes, then you can impose restraint the next year, and then they start digging back and saying, well, we can do without this or that, we have a surplus of some equipment or whatever, but by the time the third year rolls around, it's no joke anymore, they cannot manage. And it is, I believe, the deliberate attempt of this government

to starve the agencies, its agencies, in order to bring them to the knees and force them to start looking for money elsewhere. In this case, the universities have found money in several ways, one is in raising fees, the other is in reducing services.

I believe that the statements made by the three university professors are an indication that they are worrying about the maintenance of the quality of service at the existing level. That's what they are saying. And if this Minister wants to close his ears by saying, well they always say that, they all do, that's fine. But let him, himself, go out there and find out. I don't know whether he's done that. I'd like to suggest that there is truth in it. Maybe exaggeration, if we are to believe what he says that they all do, everybody wants more; even MLAs, some of them anyway, and Cabinet Ministers, seem to want more. But they have the power to get it and, in this case, it's up to them to raise tuition fees at the universities to get it.

Mr. Chairman, I'd like to hear this Minister make some statement about policy or philosophy as to who should have access to the universities. I want to suggest to him that the ideal for me would be a time when there are no tuition fees, where students are able to go to university only on the basis that they have proven their ability to learn, to absorb, and that there can be a selectivity, even to the stage of there not being more students than there would be now, as long as they are selected on other than the ability to pay. Because it's trite, especially speaking to an academic, as I am doing now, it's trite but it must be repeated when you are making a point, that the higher the educational level of the population, the higher the productivity, the higher the return to the province in income tax alone, but setting that aside, the higher the return in productivity, in growth and development. So that there should be a tremendous drive for trying to get as many top students into universities, even to the extent where it would be good if we could subsidize them so that they didn't have to stay away from university, not because of tuition fee but because they still needed to supply their own needs of maintenance. And that is not a revolutionary or radical thought, but if it is, let's consider that.

I started, Mr. Chairman, by saying that in the public school system, we know how many students should be going to school and we have to accommodate them. The Minister is talking about universities where it is expected that there will be a reduction of — did he call it the catchment area? In any event, a reduction of the graduates coming out of high school, and therefore, he implied, and I inferred, that he was saying that there will therefore be an expected reduction in the students going into universities, and then that's something to expect. And I say, that's pretty wrong. That's pretty bad. He should now be able to take advantage of what? Of a physical capacity of the universities? Of the staff in the universities? All of which are geared for more students, and there isn't the slightest doubt in the world that there are students out there at the high schools who would love to take those places at the university.

I think that it is now a challenge to any government which is in a situation of declining school population to improve the standards, never mind to

enable them to maintain the quality of service at the existing level, I say this is a time to improve the standards and the services, so that we can do a better job and, by doing a better job, produce better graduates who can make an even greater contribution to Manitoba. I think that that's a valid objective, something that should excite any Minister of Education who knows that this is an opportunity that was denied during the time of the school population growth. But now in a declining population, rather than just on a per capita basis as they are — I was going to say gleefully doing, but I don't know if it's gleeful, but to the satisfaction of government — they are cutting back on grants to the public school system because of population, because of the per capita payments, this is the opportunity for them to take advantage of a situation and start working towards an improved educational system and improved services at that level.

I think it's a philosophical approach, because the Minister and all his colleagues can talk as much as they like about mess inherited, Mr. Chairman, by now they know the nonsense they're talking. By now they know, Mr. Chairman, that there was no mess, that there is no mess today. There is trouble, Mr. Chairman, there is trouble all over the world with inflation; there is trouble all over the world with people who are starving and need help; and there is blood being shed all over the world for reasons like that. But in Manitoba today, the only trouble we see is imposed restraint by the Tory government and its impact on the economy of the province. That, we see. Now, I don't for a moment, suggest that that's all that does it, because inflation is an even greater factor and oil costs are even a greater factor, so let's not think that I am only blaming all the problems on the restraint.

But Mr. Chairman, this is not the time for the government to be doing what it's doing, nor has it been. The result is that because of this peculiar approach they have to the funding of the necessary services to the community, the universities are not going ahead. Mr. Chairman, there's nothing more important that a government can do, in my opinion, than to look after the needs of the greatest resource that a people has, and that's its children, its population. Health is essential; shelter is essential; education is essential.

In the field of health, we are staggering now, with the unions being brought to the line and being made to accept — well, we're seeing it happening now, we don't know the outcome. There will be a settlement, Mr. Chairman, but it will be on a minimal return to the people who are in the lowest income bracket. In shelter, we are not seeing much being done about people in the low bracket. Mr. Chairman, this government's policy is not deliberately designed, but has the result of adversely affecting those young people coming out of high schools, who are also in the lowest income level, because that's where it hurts most, not the sons of lawyers, because I made it, even in the depression. The children, the sons and daughters of the people who are in the low-income groups are the ones being affected by this government's parsimonious attitude in the field of education and now in the field of universities, where they have a different position because of the availability of space.

I would like to hear this Minister tell us a little bit about his long-range hopes for the education of our children at the university level. I would like to know his philosophy in that regard and how it matches up to what he is doing now, and I'll bet you, Mr. Chairman, the word mess rises to his mind right now.

MR. COSENS: Mr. Chairman, I have followed with some interest the remarks of the Member for St. Johns. He has spoken in previous years to this particular topic and in the past has said some similar things. I find in part I can agree with part of his philosophy, where he wants to see the most able young people attracted to our universities. I have no quarrel with that at all; certainly we all submit to that.

He points out, and says it is trite and it is common knowledge that it is to the benefit of the country and the province to improve the educational levels of our citizens; no one quarrels with that at all.

However, I do have some difficulty, Mr. Chairman, with some of the other statements that he makes. He implies, of course, that universities are only places for the rich, that —(Interjection)— Well, he said that they cater to the elitist, only those who can afford to go. In a day of student aid, Mr. Chairman, I would like to know who the young people are, who with the assistant of student aid, cannot afford to go to our universities, who cannot afford to pay that 615.00 for a year at university. I would like to know the young people who are prevented from going because of that sum of money. And when he talks about tuition fees, he said, That's the difference between Tories and NDP, you know. Mr. Chairman, to my knowledge, there are tuition fees charged right across this country in every province — there might be one exception — and I don't think all of the governments across this country are Tory; there may be one or two that aren't. But, the strange thing, that even the NDP Government of Saskatchewan charges tuition fees, Mr. Chairman. In fact, they increased them this year, and they charge greater fees than what we charge in Manitoba.

So what we are hearing from the honourable member is not NDP philosophy, we're hearing St. Johns philosophy, I suggest. There may or may not be a difference, but certainly there is a difference between the philosophy of the NDP Party in Saskatchewan and the party here in that regard.

The other aspect, of course, Mr. Chairman, is that the Honourable Member for St. Johns implies that if we were not to have any tuition fees at all, that our universities would have many many more students there. I suggest to him it would make very little difference, because the 615.00 the students will pay in tuition fees this fall is not a deterrent and that is not the factor that is keeping the figure at 18 percent, as far as the number of Grade 12 graduates who are going to university. That is not the factor that has caused that percentage to go down in the last few years and it is not the factor, Mr. Chairman, that will cause that situation to increase in the next five or six years. Because the factor that the honourable gentleman does not mention, nor does he deal with at all, is that there are many more different careers and different types of training competing — I use the word competing, because the Honourable Member for Elmwood talked about

competition between universities to attract young people, and it's true. There are entrance scholarships now handed out to every high school in Manitoba, I believe, by most of our universities, trying to attract the cream of the crop intellectually to certain universities, but that's the game, I think, fair game.

I say to the honourable member, that he will see in the next four or five years, even a greater competition among the trades and the technologies for the young people who are coming through our high school system. I think we will be facing a rather serious situation, Mr. Chairman, because the salaries that are paid for people with particular trades training and particular training in certain technologies will probably equal those being paid, or perhaps surpass those being paid to some people who graduate from our universities, and therein lies a real dilemma, and it is something that our universities, I think, are aware is coming. I don't know that they have any strategies at this time to attempt to cope with it, but I think it is a situation that we will face, and it is a real dilemma, Mr. Chairman. Because no government is going to say, Well, we can't see our young people moving into training in technology and trade and as a result lowering the number of people who are going to our university. No government is going to take that particular stance because we need that type of resource in our community. The industrial potential of our province will depend in large part on the number of young people we can train as tool and die people, as machinists, and in many of the other trades. If we don't have them, then we are going to have to rely on immigration to provide that type of training, and they tell me that that particular reserve in Europe that once was available, that could be tapped to provide that type of skilled workmen, is no longer there.

So when the honourable member, Mr. Chairman, suggests that the way to solve this problem is just to remove that 615.00 — Once we get rid of that tuition fee, he says, as our party would do, then we will have young people thronging to the universities, because it's only 615.00 that's keeping them away, — in spite of the fact, Mr. Chairman, that he knows that the student aid today does take care of those who have particular need. I have not been made aware in three years, Mr. Chairman, of a young person with valid need who wanted to go to university and applied for student aid who was not able to get it. No. I have challenged different people on that side of the House to let me know of individuals who were not able to get to university because they couldn't get the assistance, either in loan or bursary, to help them go to university. I haven't been given one example. I haven't had one letter from a young person saying, I want to go to university but I don't have the particular financial resources.

So I say to the Honourable Member for St. Johns, that I appreciate he is very idealistic, but he must look at the situation realistically. If we are going to attract more young people to our universities, then we are going to have to devise other strategies than merely taking away the tuition fees. And I am not saying that there aren't strategies that can't be used, Mr. Chairman. For instance, I know that the statistics bear out that the majority of young people who go to university are from our urban centres, that the rural

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young person does not go as often to university, or at least the incidence or percentage of the young people from the rural part of the province attending university is not as high. Again, because they have to move away from home in many cases, they have to travel great distances, and I suppose if we establish that as one of the deterrents and one of the drawbacks, Mr. Chairman, then we have to look at some new ways of delivering a university education. —(Interjection)— It is not a matter of money. The Member for St. Johns is hung up on this business of money. He thinks that money will solve everything, and maybe that is a Socialist strategy, use someone else's money to solve problems, but I suggest to him that is not the problem, that is not the problem at all.

The problem evolves around many other factors. Perhaps we haven't done a good enough selling job, and I don't like using that term, because really we shouldn't have to sell something that is worthwhile and productive, that will enrich people's lives as a university education will, but for some reason we have young people today who are looking at other alternatives, they are looking at other types of training. At one time, of course, there was a large differential between the type of salary that people could receive, at the type of income they could receive at the end of a university training, as opposed to alternative types of training, whether it be in trades, technologies, business, but today, Mr. Chairman, that particular gap no longer exists, and the universities are now facing the problem that they are competing for students with other types of training, where the end of the training results in an income for the individual that is about the same as the university degree. That is another complicating factor.

So I say to the honourable member, I appreciate that he is looking for a solution, but I say to him his solution is not the one that will work at all. It has been tried in some places, and it is not the solution; it is simplistic and it is not the factor that is keeping a number of young people away from our universities at this time. We must find other strategies if we are to increase that percentage of young people who should be going to our universities.

I don't know what percentage of young people the Honourable Member for St. Johns thinks should go to university. If 18 percent of the total number that are going through our high schools today is going to university, would he agree that 30 percent would be a reasonable number, because I think we all realize that individuals differ, and that some are not inclined towards academic pursuit, some of them are more interested in working with their hands, others are more interested in business skills, and being involved in that particular area. I don't think he would ever say that we would want to, or it would even be feasible for 70 percent of our students to go on to university, unless, of course, he is suggesting that we change the type of curriculum offered at universities very very radically.

I threw this particular option out a little earlier to the Member for Elmwood, when I said as we move into the late Eighties, we are looking at a diminished number of young people, This will cause problems for our smaller academic institutions, and it may be necessary at that time for the academic institution to adopt a different model of delivery and look at

accommodating some of the technologies that now are resident in our community colleges.

So again I say to the Honourable Member for St. Johns, I appreciate his remarks, but I think he has come up with a solution that is simplistic. It may be attractive to certain people from a vote-getting point of view, but I would hope that he can rise above that particular strategy, that he is prepared to come out with what he thinks are solutions that really will help the particular situation and will be of assistance to the universities, and ultimately to all citizens of this province.

MR. DEPUTY CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, when I sat down and starting listening to the Minister, I said to the Member for Seven Oaks that I was not going to respond, because I felt that there was no need to, but as I heard the Minister I felt more and more the need to rise and point out to the Minister several things.

Firstly, and that is the last thing he spoke on, that I am looking for solutions. Does the Minister have a problem? Is he looking for solutions? Because, Mr. Chairman, I asked him for his philosophy, his expectations, his hopes for the future; I heard nothing. I heard him say that my solutions weren't good enough. I didn't hear one word as to what his problems are, because he has no problems about providing money —(Interjection)— Pardon, I was listening much more closely than the Minister is listening to me. It is clear that when I spoke I was not saying that tuition fees is the one thing that is keeping students out of the university. He must have heard me talk about other needs that they had, for shelter, for —(Interjection)— You see, Mr. Chairman, the Minister heard. Of course, why am I getting upset about this, why am I getting aroused? The Minister only hears what he wants to hear, and that is legitimate, because he is on the spot where he has to justify his estimates and therefore it is not helpful to him to go beyond what he wants to respond to.

I said, Mr. Chairman, very clearly that it was the policy of the previous government, and it is my hope that tuition fees, rather than rising will be reduced, and I said there are many other costs involved keeping students away from universities. I mentioned there could well be a time when there are no tuition fees, and indeed there may be payments to students. The Minister must have heard me say that. He says he heard me last year; I am sure I said it last year, but the Minister ignored that. He says that my solution is keeping tuition fees down.

Mr. Chairman, that is only part of a much bigger problem, but this Minister, I think, doesn't have any problems. He certainly has not said, I want to do this, I can't do it. He didn't say that. He asks me, rather than he, as Minister of Education making a statement as to how many students ought to be coming into university. Where has he been all the last two and one-half years? Has he not got a program? Does he not have objectives? Does he not know what he wants to accomplish in the field of higher education? Is he nothing more than a bookkeeper?

Mr. Chairman, when I spoke this evening, I started by saying this is the first time I recall facing a Minister of Education who is an academic, but I didn't think he was any different to the others. I think, Mr. Chairman, I have not heard from his aspirations in the field of education as Minister. So let's not talk about solutions if he doesn't want any, if he doesn't see the need for solutions.

Solutions, I think, are to design the admittance policies of universities, to see to it that students are able to come to university regardless of their ability to pay, and don't let the Minister pretend that this isn't the barrier now. No matter how many times he says, show me the student who is not going to university because he can't afford to do it, surely he knows better than that. He even told us, he said there are fewer coming from the rural areas than from the urban areas, and he said, well, they would have to travel long distances. Mr. Chairman, they don't have to travel long distances if they are able to live in the city and have decent housing and decent shelter and decent food, decent transportation. They can't come because it costs them more, of course, it costs them more. A person coming to university from — I am not sure where the Minister lives, it may be Stonewall, it may be Gimli, wherever it is, has a much greater distance to travel to go to the University of Manitoba. So either he gets up very early in the morning and commutes, like some of our Ministers apparently do, or he has to change his housing to be in Winnipeg, which some others of our Ministers do, the same kind of a problem, only we give an allowance to Ministers. I don't say we, I voted against it. But he, probably he himself gets an allowance but I'm not pulling him out separately. I know, Mr. Chairman, and you know, because you too are a commuter, that Ministers who are getting a car supplied to them and what I think is pretty good remuneration for their services, never as much as their work involves because, as the Minister of Health says, They should be overworked and underpaid, but the Ministers who live outside of some radius outside of the centre of Winnipeg get an allowance to travel in and out.

Well, let me tell him that if the students who come from rural areas had an allowance to make it possible for them to go the universities in the urban areas, that would be a help. That's not a solution. I never talked about a solution. I think anybody who looks ahead, be he socialist or anybody else, knows there is no ultimate. You have never reached the end of your aspirations. There is an expression about the goal being always beyond your reach, and always should be, because it shifts, and should, Mr. Chairman, unless you are a Tory, then you reach backwards, you're pedalling backwards to catch up to where you ought to be, in your mind.

Mr. Chairman, the fact is that this Minister has no right to say my solutions don't help. I didn't pose them as solutions. But I don't know his solutions, because I don't know that he visualizes his problems. I visualize his problems as being a deteriorating service to university students, which is getting below the existing level of the quality of service — I read from the phrase that's before us — as indicated by educators, rather than reaching further ahead.

I would not, as a Minister, be satisfied, Mr. Chairman, to bring before this House and this

committee an item which says, Provides grants as a supplement to other income to enable them to maintain the quality of service at the existing level. I wouldn't like to be the Minister that does that. I would like to be the Minister who thinks in terms of improvement.

So, Mr. Chairman, what brought me to my feet was the suggestion, the inference that he drew from what I said, that tuition fees alone makes the difference. That's really what brought me to my feet, the fact the he himself indicated the reason for fewer rural students coming to the urban universities as being a financial matter. Of course, there may also be a heart-tug at being away from home but university students, if they can't adapt to being away from home, are maybe not mature enough to go.

The main point I made to the Minister was that I would rather see the same number of students differently selected and, if he wants to bargain with me, I would rather see a lower number of students at the university, providing I was guaranteed that we got the cream of the intellectual crop at the university level, selected not on the ability to pay.

I tell you, Mr. Chairman, that I have been out of university for a little while now, in my day it was clearly ability to pay that was the first, the very first qualification to go to university, clearly. The second one was the kind of education one had before coming to university. That was another problem and I really don't pretend to know the level to which our rural schools have raised their standards to be able to compete equally. Mr. Chairman, I can tell you that, again, when I was in university, many of the rural schools did not have the same capacity to prepare students to go into the academic life at the university. I hope they have now. But that was a problem; that was clearly a problem. If it is a problem now — and I'm not saying for a moment it is — I am not familiar with that standard of service, but that may well be it.

He says the solution for all socialists is money. That's nonsense, Mr. Chairman. I think he would know it's nonsense and, if he doesn't know it's nonsense, he doesn't know anything about socialism. It's just like his First Minister talks Marxism, as if he had ever read beyond the first couple of words in the title page.

But if that's his thought of socialism, he's got to go back to school, Mr. Chairman, but I'm not going to debate that with him. I'll just tell him I reject the thought that money solves everything but, Mr. Chairman, to those who don't have it and you, I believe, know, Mr. Chairman, to those who don't have money, it means an awful lot and it may well mean the difference between going to university and not going to university. Although we, in eight years, did not turn it around, we sure made a stab at it and all that we tried in that respect has been adversely affected by the Tory government's restraint program.

One final thing, I would think that the Minister shouldn't have much trouble looking at the applications for grants and loans — are they still grants? — (Interjection) — Yes, a mix of loans and bursaries. I know, Mr. Chairman, and I don't know if you do and I guess the Minister doesn't, I know many people from low-income families to whom debt is an anathema and who will not be able to take the emotional threat to acquire a debt repayable at the

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end of graduation — when they leave, whether they graduate or not — and not to know the market for employment when they leave the university. There are some people to whom debt is very easy to slough off, but there are very many to whom it is a real problem. If the Minister doesn't know that exists, then it's not for me to lead him from the hand; he can find that out. But I know that there are people who have not applied at all for bursaries and loans, and there are people who have applied and changed their minds when they realized the burden that they were set out to do.

So, Mr. Chairman, let him not pretend that anybody who wants to go can go. I've known those who made it but there the struggles they had to get it are those that are not enviable, especially by those who had the financial ability to go. I don't think the Minister has applied himself, in discussing this, to the problem for which he says I have no solution. I have never pretended I had a solution to the problem, as I see it, but I don't know that he has a problem for which he is seeking a solution.

MR. DEPUTY CHAIRMAN: (a)—pass; (b)—pass; (c)—pass; 6.(c) — the Member for Elmwood.

MR. DOERN: Mr. Chairman, one point that I wanted to make, just to reiterate, is that I listened with considerable interest to remarks of the Minister when he talked about some hard reassessments that will have to be made in the future. I refer in particular to an assessment of the relationship between the three universities and the possibility of some weeding out of diminution in their services and some hard rationalization. I wanted to just ask a few general questions here and then perhaps we can move along.

The Minister is quoted on March 4th in the Free Press as saying — I seem to recall him saying something like this; maybe he can explain his comments — that university students should consider themselves lucky that tuition increases will only be about 8 percent this year. So I ask him whether that is in fact that is his view, that he said they were lucky at the amount of tuition increase?

MR. COSENS: The particular statement may be out of context a bit, Mr. Chairman, but I think the word probably should be fortunate, if we were talking about comparisons with some increases that we see in tuition across this country, where tuitions in some cases have risen 14 percent or more in certain universities in this country. In comparison between what I was seeing at that time in some other provinces and 8 percent, yes, we were fortunate that they weren't higher.

MR. DOERN: Mr. Chairman, I had a specific question here about the University of Winnipeg. I am told that they have a kind of an archives or picture library called the Western Canadian Pictorial Index. I don't know if the Minister is familiar with that. I am told that it's a part of the Media Department, that it is extensively used by schools, and that it has a very sort of fascinating variety of photographs on Western Canadian history; everything from pictorial history of the Winnipeg Blue Bombers, which was recently accessed because of the 50th anniversary, to all

kinds of interesting photographs of people and buildings, etc., and I'm told that this Western Canadian Pictorial Index is now going to be eliminated or severely cut. I ask the Minister whether he can make a comment on that particular division.

MR. COSENS: Mr. Chairman, I must admit that I don't have any great familiarity with that particular project. It has not been funded by the University, to my knowledge, or by the government, and has been self-supporting in its operation. I was not aware that the project was in any difficulty. I thought it was thriving. The honourable member informs me that is not so. I have had no communication to that particular effect. It is my understanding that it is a worthwhile project and that it is utilized by not only schools, but other educational institutions; people doing research, and so on, find it most useful. I appreciate the honourable member bringing it to my attention.

MR. CHAIRMAN, Abe Kovnats (Radisson): The Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, I ask the Minister, since this is information that just came to me in the last day or so, I ask him whether he would investigate that particular project, and he agrees to see whether something can be done. He would first of all have to assess its financial position and its worth in the community, which seems to be established, and perhaps he might take some action, maybe in conjunction with the Minister of Cultural Affairs, to see whether we can preserve what appears to be a useful historical pictorial record.

I also wanted to ask the Minister whether he had any views about a rather novel situation at Brandon, where when a student goes to register to university, he is asked whether that will be cash or charge. Apparently we've now reached such an advanced stage that you can use your charge or mastercharge to pay for your tuition. I have never been very keen on charge accounts. I have a few myself, but I don't have charge or mastercharge, maybe I feel left out. But they certainly charge high interest rates and it strikes me personally as unwise, on the part of students, to use this method or mode of payment. I don't what they charge nowadays. I guess a few years ago, or a year or so ago, it was 18 percent. I wouldn't doubt that it's more like 24 or — 21 percent says my colleague from Seven Oaks. I am just wondering whether the Minister feels that this is any of his concern or whether what's good enough for Brandon U is good enough for him.

MR. COSENS: Mr. Chairman, I wasn't aware of this particular practice. It's a universal practice in our society today, and as long as it is being applied to adults, those of adult age, my first reaction is certainly not one where I would get too disturbed about it. As I say, if it's being used in every other aspect of our society, I can see nothing wrong with it being used in this particular respect. I can agree or sympathize with the honourable member. We each have our own personal beliefs about financing and personal indebtedness, but putting that aside, Mr. Chairman, the practice itself is a universal one in our society, and if a particular university has chosen to

use that as one mode of payment, I take no exception to it at this point.

MR. DOERN: Mr. Chairman, I wanted to ask the Minister whether he is prepared to reverse himself, or at least take what would appear to be a reversal. He appears to be a defender of the restraint policies of his government. I don't think there is much doubt about that, and I wonder whether he shouldn't be doing the opposite, in the sense of rather than defending cutbacks in the public school system and cutbacks in higher education, whether he shouldn't be going out into the community and starting with his own Cabinet, which is probably the hardest place, but going out into the community in an attempt to sell people on the notion or on the importance, or on the idea of the value of education. I think it's all too easy to simply follow the leader and toe the line and say that we have to tighten our belts and we have to eliminate fat, and maybe a little bone and muscle as well, but I wonder whether he shouldn't be also considering himself as a bedrock spokesman for, first of all, prevent an erosion of education and higher education in Manitoba, because he doesn't appear to be doing that.

There has certainly an attempt been made recently by some of the universities to persuade people, to educate people on the economic impact of the university community. That surely is a positive step. If one simply views the universities as some kind of a useless costly exercise, then I think the conclusion is let's cut back, but if one looks at some of the values of the university — I'm talking about economic value as well as cultural and intellectual values — then I think a case can be made. His government in the 1960's, maybe times were different but the Roblin government at least had a record of making substantial progress in the field of education, particularly in the consolidation of schools. They were prepared to break ground, and they were prepared to take flak with a view to attempting to rationalize an out of date and archaic school system, and they were willing to put some pretty big bucks into education. Now times have changed and the government has changed. We've been through a couple of governments and we're back to the sort of Campbell-Bracken approach to certain social programs, pay as you go, and so on, and on.

I know that Dr. Campbell, I believe who was an economist himself, had a news conference in December of last year and they claimed that the economic impact analysis that they made showed that Manitoba taxpayers received 45 million of the 78 million allocated to the institution last year in wages, taxes and other economic stimulators. They broke that down. I just give a couple of examples. They said that there is a net cash inflow to the province from the university of 24 million. They said that the university costs provincial taxpayers less than 33 million to operate although initial public fund allocations came to 78 million; that it provides employment.

I mean think of an industry in Manitoba that employs 3,300 people. I can't think of any, other than the railways. I don't know what others there are. There must be more but I can't think of them. — (Interjection)— City of Winnipeg. Well, that's another

government, and of course the province of Manitoba, and I guess the federal government does, as well. There aren't very many and another 1,000 part-time jobs, and that the U attracts 20 million in grants from all sources for research, 14 million from outside the province. We know now that there are people going around, I guess up and down the country, trying to raise funds for the university. I know that Jim Daly, who's an old friend of mine going back into the 1950's in the track and field sphere, I know Jim Daly is going around up and down the country full-time trying to raise money for sports facilities, and he's raised X millions of dollars.

To conclude on this article, it said that Dr. Campbell had asked the province for a 14.2 percent funding increase in 1980 to keep up with inflation, and it says that he said that it has become clear that the university is an asset to Manitoba's economy.

I ask the Minister whether he's familiar with this economic impact study; whether he buys the information contained in it, and whether he is prepared to stand up in this Chamber, in his caucus, and in his Cabinet, and outside of this building, in an attempt to fight for the preservation of our educational system so that we can be assured that it will continue to be first class, and not slip to a second class level?

MR. COSENS: Mr. Chairman, I have to respond to that particular statement or challenge, if you wish, by the honourable member. I would find it very difficult, Mr. Chairman, to imagine that there is anyone — and I suppose I'm not being too modest when I say that — who believes more strongly in the value of university education than I do myself. I am not going to pursue that. I also have not missed an opportunity in speeches that I have made or in my talks to small groups or groups of students in high schools across this province in the two years, eight months, that I have been in office, of promoting post-secondary education to those same young people and advocated the value of that education; not only economically, Mr. Chairman, because that's certainly one side of the picture, but advocating and promoting it on the basis of the enrichment that accrues to the individual and just in the matter of human development, and that is something that is sometimes difficult to measure, Mr. Chairman.

I was interested in the honourable member's remarks regarding the part that educational institutions and people involved in education must play in telling other citizens about education. I have to also tell him that in some of the earliest discussions that I had with people at the university, faculty members and so on, this is one of the points that came up in the discussion, and I guess I am responsible for bringing up the particular point. I said to those individuals that I felt that if there was one glaring weakness, not only among university educators, but among educators generally, that they sometimes adopted the attitude that what we are doing is just so excellent and so worthwhile that we don't have to tell anyone about it, that it is self-evident and everyone knows that what we are doing is wonderful. And that may sound a little naive, Mr. Chairman, but the reaction that I received from many people in the educational community was, you know, you are right. We have fallen down in that particular

area. We have not gone out to the citizens who pay taxes in this province, and who may not have been associated with university education, or post-secondary education themselves, and really done any promotional work, or if we wish to call it in the language of our age today, PR work. We haven't brought out the economic benefits of university education, of post-secondary education. We haven't brought out the human benefits to everyone in society. I can report, Mr. Chairman, and I take no credit for this, but I can report that we seem to be seeing more of it lately, not only at the university level, but we're seeing it also at the secondary, at the school system level, where educators today do realize that that's important, that they want the person who is paying the bills, the taxpayer, to be fully aware of what he is getting for his dollar, with the hope of course, that he will be more prepared and more willing to pay that dollar, and do it somewhat cheerfully.

So I have no problem at all with what the honourable member is advancing. I am certainly a proponent of it myself; I will continue to be, and I appreciate the fact that he also has this particular sentiment. I know that some of my colleagues feel that I maybe go on at great length on this particular topic, almost ad nauseam, Mr. Chairman, but if one believes in something, then I feel that they have a responsibility to try to convert as many others as possible.

MR. CHAIRMAN: (c)—pass — the Honourable Member for Transcona.

MR. WILSON PARASIUK: Mr. Chairperson, I hope I don't go over a lot of ground that has been covered already. When you're in different committees, sometimes that happens. I'd like to ask the Minister if the Universities Grants Commission does any analysis of its own with respect to the level of spending by governments on universities in other jurisdictions, if it passes on any of this information to the universities themselves so that the university boards have some knowledge with which to try and then allocate the funds, or is it just something where the Universities Grants Commission comes to the government and says, this is what we think the universities need? In short, does the Universities Grants Commission act as a conduit, or does it act as a body that makes decisions? I think that's something that has confused me in the past and I would like to get a clarification from the Minister on that.

MR. COSENS: Mr. Chairman, the Universities Grants Commission, of course, avails themselves of any studies that are available, not only from our province but from other provinces. They conduct a certain amount of research themselves; they also utilize other research facilities, and on the basis of that particular material, they then are in a position to make decisions. So they do more than act as a conduit, Mr. Chairman, they do make certain decisions on the basis of information that they have before them.

MR. PARASIUK: The reason why I'm asking that, Mr. Chairperson, is that I think that the government

has to, either through the Department of Education or the Universities Grants Commission, play a bit of a stronger role in terms of looking at the needs of society and determining the extent to which universities in fact, are able to meet those needs, given funding allocations, or given the allocation of this 101 million, which is a very large amount. Is there any direction given to the boards of governors, the administration of the universities, or is this money just doled out to the universities in the hopes that somehow they will be able to make informed decisions over amounts that are pretty large? And when you find, say the Dean of Engineering as he did last year, getting up and saying, we aren't getting enough money — we have a world where the technology is changing so much, say, in the whole engineering field, whereas I would think that there has not been any great changes in technology with respect to classics or the teaching of French or the teaching of humanities. I'm wondering whether in fact there is sufficient work being done in areas like computer sciences and areas like pure science, applied science, engineering, some of the other areas where undoubtedly there are big changes taking place, and I'm wondering whether we, as a society, are able to really, through the instrument of government provide for those types of changes. I think that probably more work is done by the government in trying to determine whether the community college courses, which are post-secondary courses as well, do in fact, relate to, say, the needs within society. In part, these are needs determined by the market, somewhat difficult to predict; in part they are needs determined by changing technologies; and if you look at the curricula of let's say the Red River Community College now as compared to five years ago, as compared to 10 years ago, undoubtedly has made some big changes. If you look at the number of students in basic programs, again there have been some big changes.

I think at the university level, there is probably a genuine belief that knowledge for its own sake is very important. The ability to be able to adapt to change is not necessarily something that's taught in the course per se, but it's done through a variety of courses. I think there is a tremendous value say, for the humanities, for the pure sciences, for the social sciences, but at the same time, you have a number of faculties that I guess have been there for a long time and are fairly entrenched within the power structure of the university and are possibly able to make some fairly strong demands on the allocation of this global sum sent out by the Universities Grants Commission.

I'm just wondering if there isn't some group, be it in the university, I don't know if the president of the university has a research group that does this type of work, or whether it's the Universities Grants Commission that does this type of work, or whether it's the Department of Education. I know that universities are very sensitive about their independence in that sense. I can recall that a number of Manitoba professors were involved in contributing chapters to a book that came out about 1965-66, called A Place of Liberty, where they talked about the university and how important it is for the university to have some independence, so that in a

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sense you don't have taking place in the universities what is taking place in more totalitarian regimes, especially in the Thirties.

So I can appreciate the universities' sensitivity to freedom, at the same time, given the fact that resources are quite scarce, I think that there has to be some understanding on the part of the universities that they will have to try to become more aware of the changing trends in society, especially in the area of technology. We have a university, the largest one, the University of Manitoba, which covers basically all disciplines. It isn't a specialized university dealing in technology as some of them are in the United States, so when you have a composite university such as we have, I think it's very important for there to be some objective group, either relating to the president, relating to the board as such, or relating to the Universities Grants Commission or the government, which does this type of analysis, and I just wonder if the Minister can inform me of whether it's taking place and who does it.

MR. COSENS: Mr. Chairman, to the Honourable Member for Transcona, the universities themselves, of course, conduct ongoing research into programming, perceived needs of society; that type of research of course, is initiated quite often either in the university establishment itself or through the Board of Governors, Board of Regents of the different institutions who may require certain types of information to enable them to better understand what is happening or to make certain decisions. The Universities Grants Commission, also, as I've mentioned before, does a certain amount of research, and of course is also able to utilize the research that's being done across the country in this regard, and to bring this altogether in one.

But the honourable member, Mr. Chairman, is really suggesting something that would be quite a dramatic departure from what has been the traditional stance in this province. He is suggesting something that's a rather dramatic departure from the particular university Acts that we have in place today, and the Universities Grants Commission Act, because he is talking about government becoming more directly involved in the policy-making decisions of the universities. Now I hope I'm not putting words in his mouth or misreading what he is saying, but the implication of what I was hearing, Mr. Chairman, was that the Member for Transcona said, 101 million is a lot of money. It's taxpayers' money, and the government is handing this across through the Universities Grants Commission, and it really has little jurisdiction over how the universities decide to employ that money. He's quite correct. But Mr. Chairman, over the years, this has been the customary way of approaching this particular aspect of our society. I don't know if the honourable member is advocating that we should depart from that particular way of operation. I think we can look at other jurisdictions where governments have become very involved with the university community, and I think the results in some cases have been rather disastrous. I realize that there are implications when we try to preserve the autonomy of these institutions, that we can be accused of standing by and watching taxpayers' money being utilized in ways that, as a particular government, we may not

agree, but by the same token, Mr. Chairman, to go the other route, for a government to become directly involved in the policy-making of universities, to start dictating to the universities what programs they may offer and what programs they can't offer, who will be appointed Dean in a particular faculty, and who will not be appointed, I suggest Mr. Chairman, would be a disastrous situation. Although I certainly at times can stand by and be somewhat sympathetic to the Honourable Member for Transcona in the concern that I personally might feel that I would like to see the universities approaching a certain area a little differently, at the same time I'm prepared to respect that autonomy, Mr. Chairman. We do have people appointed, in fact private citizens appointed to the boards of our universities, the boards of governors, the Board of Regents at the University of Winnipeg, who represent the taxpayers of the province; who will provide a balance, I suppose to the university community, if you wish; who are there to make sure that the wishes of the citizens are being represented, that the university is remaining in touch, to remind the academic segment that there is a society out there that feels it has certain needs, and if the university is not meeting them, then it is up to those citizens who represent society to bring it to the attention of the universities.

I, again, say to the honourable member, yes, I admit that this is a unique type of relationship that exists between the government of this province and has existed between the government of this province and its universities, but unique as it is, it has been working, Mr. Chairman, and I feel will continue to work, and the choice between the type of system we have and the opposite system where government interferes directly, to me is no choice at all. I could not subscribe to that type of system in any form, Mr. Chairman.

MR. DEPUTY CHAIRMAN, Bob Anderson (Springfield): The Member for Transcona.

MR. PARASIUK: Just to clarify for the Minister, I am not advocating that type of a change. What I am saying though, is that I think there has to be a bit more informed dialogue between the universities and the government, and I don't know whether in fact this dialogue should take place through the Universities Grants Commission. I am wondering whether the government is not really abdicating a certain role that it can play without imposing conditions, without getting into Draconian measures like appointing deans or anything like that.

If you look at some analogous situations, we have independent autonomous school boards. I think the Minister has taken great pains to tell us that these school boards are autonomous, that the school boards are independent. At the same time there are a number of —(Interjection)— Not quite as much. So what we say, we say that, I guess, maybe school boards on the one hand, who have publicly elected trustees, and in a sense are then accountable to the public directly, can't be trusted. I am just saying this hypothetically, given the logic of what the Minister was saying — can't be trusted as much as appointed members to boards. I don't think it is that situation at all. I think that historically one set of institutions evolve one way and the other evolve the other way. I

think that school boards play a very valuable role, but they do relate to the Department of Education quite a bit more.

Therefore, I am wondering whether it is not a time when possibly the government could sit down with universities and talk about their needs a bit more openly, more frankly; sit down with, say, all three presidents; sit down with the three boards of governors — I don't know if the three boards of governors have ever met together with the Minister — and look at some of these matters. Because, when you start looking at the role that the Department of Education plays with school boards, in a sense that is a very critical period in a child's life or a young adult's life, but at the same time when you get to university level that basically is going to be that person's last contact usually, with formal education. I think the thing that has concerned a number of parents has been that circumstances have changed so much in the last 15 years, whereas in the past parents may have saved up to put their kids through university, or in a sense tried to get their children to really want to go to university, get a university education. They find that the children who get a university education can't get a job, and yet they find at the same time that there are a number of areas where people are publicly stating, gee, we need more computer technologists, we need more geologists, we need more people in a certain area.

I am not certain whether universities are that aware themselves of those particular needs. I don't know whether the universities have sufficient research capability to do that, or whether they are able to relate to the professions, or to industry well enough, to get an idea of what is emerging and where there are emerging demands. Because if people save up a lot so that their children, or children save up a lot so that they can go to university, and they find having gone to university that they can't get a job, that is an incredibly frustrating experience. I think that there should be more dialogue. That is all I am saying; I am not going beyond, and I wouldn't want the Minister to come to that conclusion from what I have said, that is not really what I am implying at all. But I do think it is time where we can have some discussions between the universities and government; we can look at some of the things that we have been looking at with respect to community colleges.

I know, for example, that the federal Department of Manpower does some work, and the province doesn't always agree with what the federal Department of Manpower does in this respect, but there is some attempt made to look at emerging demands and to look at ways in which maybe some of the community colleges can complement their activities. Maybe some of that is needed between the universities right now.

I was in a bit earlier, and I heard my colleague mention that there was an editorial, I guess, in the UMSU Alumni Journal, where the question was asked, do we need three universities? I certainly wouldn't want to go back to one university, but I think it is a legitimate question to ask whether in fact there isn't too much duplication between what the three universities are undertaking, that that is a legitimate question to ask. Can, in fact, our money be spent more effectively between the three of them?

Possibly there could be a bit more specialization on the part of one university as opposed to another. Should the three universities all be attempting to set up graduate schools? Because graduate schools are specialized; they need a base and they become very expensive. And if those are legitimate questions to ask, who, in fact, should be the catalyst to bring these parties together to raise some of these questions? In my estimation, it should be the government. I think it would be difficult for one university to do it; possibly it could be the Universities Grants Commission, but I think the government should be involved in some of those discussions as well.

I think there is a tendency sometimes, and we have had this when we have discussed estimates with the Minister of Health, to hide behind the buffer, which is the Universities Grants Commission, or which is the Board of the Manitoba Health Services Commission. You know, there is some benefit from having a buffer. I can appreciate the Minister occasionally needing a buffer, it allows a bit of a cooling-off period, but at the same time, I think it is very important that a Minister is still to be involved, because ultimately when you go through that estimates process, the Minister is going to have to play a very important role in Cabinet through that estimates process. The Minister is playing a very important role when is defending his estimates, and for this 101 million, really in a sense it is the estimates of the Universities Grants Commission, and it is not the Chairperson of the Universities Grants Commission that will get up and publicly make the defences, it will be the Minister.

When people debate whether universities have received enough funds or not, ultimately the defender of the appropriateness of the level of funding will have to be the Minister. We are not going to expect the Chairman of the Universities Grants Commission to get involved in that debate.

I just say that I just raise this, not to try and raise the spectre that we are going to bring about some radical changes or that radical changes are indeed necessary, but I do think more discussion and dialogue between the universities is important, and it hasn't been taking place, in my estimation. I think more discussion openly between the universities and the Minister would be useful and I don't think it has been taking place publicly. I think the public would gain a bit more if that did in fact happen.

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

MR. DOERN: Mr. Chairman, just by way of clarification, I probably have another fifteen minutes or so on the Acquisition and Construction of Physical Assets, and if the Minister is agreeable we would be prepared to go through the Grants Commission and the Acquisition and Construction of Physical Assets, and then attempt to finish tomorrow. So if the Minister is agreeable, we will take it up to there in the next short while, then perhaps we could adjourn. —(Interjection)— Salary, well, I would certainly attempt to complete Salary tomorrow. I mean I can't give you that guarantee, I would only say that would be what I would intend.

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MR. DEPUTY CHAIRMAN: The Member for Rossmere.

MR. VIC SCHROEDER: Mr. Chairman, just on that, I think a lot would depend on what else happens tomorrow. —(Interjection)— Well, we think we will finish, but I wouldn't want to give an ironclad guarantee.

MR. COSENS: Mr. Chairman, I am prepared to accommodate the honourable gentlemen opposite in that regard. Their intention, if I understand it, at this time, would be to complete Acquisition and Construction of Physical Assets; that would only leave Minister's Salary to be considered, and they are suggesting that can be considered tomorrow. I can't give them that guarantee that it will be considered tomorrow; I don't think they can give me that particular guarantee. I understand that bills are usually taken under consideration on Fridays, but I see no reason why we can't work through the Acquisition and Construction of Physical Assets at this time.

MR. DEPUTY CHAIRMAN: (c)—pass; 6.—pass.

Resolution No. 55: Resolved that there be granted to Her Majesty a sum not exceeding 101,495,200 for Education, Universities Grants Commission—pass.

7. Acquisition and Construction of Physical Assets (a)(1) — the Honourable Member for Elmwood.

MR. DOERN: One question here, Mr. Chairman, for Red River. How much of that amount of 800,000 is for structural repairs in that ongoing program, and how much is for others?

MR. COSENS: Mr. Chairman, it is my understanding that this amount does not account for structural repairs. I think the honourable member is referring to what has been a certain structural problem that has had to be addressed at the Red River Community College, that has amounted to some millions of dollars in costs over the last few years. This particular amount of money is in the main used for the purchase of equipment and minor repairs through the Community College at Red River, and then also a sum is set aside for the same purpose at the other two community colleges.

MR. CHAIRMAN: (1)—pass; (2)—pass; (3)—pass; (4)—pass; (a)—pass; (b) Universities — the Member for Elmwood.

MR. DOERN: Mr. Chairman, the first question here is, how is it that there has been a decline from 3.7 million in capital to 1.5 approximately, a significant reduction?

MR. COSENS: The appropriation a year ago, Mr. Chairman, was less than the 3.7 that appears here. However it was supplemented part way through the year with an additional 2 million, so in actuality this figure would have been less than 2 million without that supplement, and that accounts for the discrepancy in the two amounts.

MR. DOERN: Mr. Chairman, I just want to underline the Minister's own words here. I think I

quote him directly, when he said that the strongest pinch has been felt in capital. He said that earlier.

I want to mention a couple of points. One is that it was said by Dr. Perkins at the end of January that in addition to his leaking diningroom roof, water in the soup, he said that —(Interjection)— Well, it's the best that I can do, gentlemen, at this time. He said that he didn't want to sound ungrateful, but he said, It won't allow us anything for a catch-up. —(Interjection)— I'm quoting Dr. Perkins. He is saying, in effect, that the kind of money that is being given is not allowing the university to keep pace with their renovations and maintenance, and repairs and expansion. I think that is something that has to be taken very seriously.

I also want to say to the Minister that, in addition to Dr. Perkins at Brandon, that Dr. Campbell said that he had a mixed reaction to this year's grant increase and he said, and I'm quoting from January 29 in the Tribune, the province's support for capital projects is, really short-sighted, in my view. He said that the original allocation of 1.5 million was made for the three universities and St. Boniface College. He told the province that wouldn't be enough and the province then gave an additional 2 million.

I am saying that I have to say to the Minister that we are concerned about the amount of money being spent on the physical plant at the universities. There is little or no money for expansion and there is very little money for ongoing maintenance and, sooner or later, Mr. Chairman, the chickens come home to roost. —(Interjection)— Well, I'm talking to some farmers, Mr. Chairman, I am trying to make it understandable. I don't want to get into that high-falutin intellectual stuff that some of us learned at university.

Mr. Chairman, the other specific area I wanted to ask the Minister about — and this is the last point I want to raise tonight, essentially — is that the government has considered building a 6 million fieldhouse for the University of Winnipeg. —(Interjection)— I don't know if it is for the University of Winnipeg or if it's not for the University of Winnipeg. Considering building a 6 million fieldhouse. My friend from Wolseley says it's for Wolseley. I don't know, is it in Wolseley Riding? —(Interjection)— You certainly do. I have to say for my friend from Wolseley that, no matter what the government does, I don't know whether he is going to get re-elected this time. If we can't do it with our present candidate, we'll get Murdoch back in the field, but we'll get him one way or another. —(Interjection)— He ran second, I think, and I think the honourable member, he ran second at one time, too.

MR. CHAIRMAN: Could we keep to the topic.

MR. DOERN: Mr. Chairman, I am being misled by the government. My own members are admonishing me for reacting to government debate.

Mr. Chairman, I am talking about the fieldhouse and this is a 6 million project. It has some peculiar terms of reference, however, that do concern me. I support the concept. I went to the meeting at the Norquay Building. I spoke publicly at the hearing, which was chaired by the Member for Crescentwood. I have a couple of concerns, however, about the

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project. I won't mention the fact, other than in passing, that it should be built in Elmwood, but that's another issue. I won't mention the fact, Mr. Chairman, that they took the RehFit Centre out of Elmwood and put it back onto Taylor Avenue, after we had carefully taken it from Taylor Avenue and put it into Elmwood. I would have accused, Mr. Chairman, the government for making that political move, if it hadn't struck me that we had also made a political move, so I remained silent on that point; but ours was a correct move, it was correct both in fact and politically.

I just want to ask about the fieldhouse. There are a couple of dangers involved in that particular project. There is a need, and I'm talking now in relation to the university and I'm talking in relation to capital and so on. There is, first of all, a need for a track and field complex in Winnipeg and in Manitoba. There is no such real complex. Yes, there are some dirt tracks and there is the gritty grotto, as it is called, out at the university, and there is the RehFit Centre track, which is apparently already overloaded. But there is a need for a track and field facility.

My first concern, Mr. Chairman, is that there are all kinds of other sports that are trying to get in on the act. When I went to that particular meeting, I heard all sorts of requests for every sport imaginable to be included in that complex, and if the government attempts that, it will surely fail because they'll attempt to get everything into the complex and they'll have something for everybody, but it will be a failure.

One fellow even got up and talked about the newest sport — I can't remember what it's called — it's called a bi-athlete and it's not what you think; it's a fellow who goes skiing along, he skis along and at a certain point, he whips out his shotgun and fires at a target. I don't want to stay on this topic too long, it's fraught with danger. But that's one of the newest sports and this fellow said make sure that's included on the grounds of the complex. Some of the constituents of the Member for Wolseley would probably be able to win a sleeping contest on the grounds of the fieldhouse.

The other point that I make, Mr. Chairman, is that the Minister of Fitness gave the following terms of reference: You can build it anywhere you want, you can study any site that you want, however, it has to be roughly on the St. Paul's College site, roughly north of Portage, and close to the University of Winnipeg. You can build it in Elmwood or you can build it in St. Vital or Seven Oaks, anywhere you like, providing it is still within those parameters. So we know that he's thinking of the St. Paul's College site, and we know that he is also attempting to kill two birds with one stone. He is trying to satisfy the U. of W. need for an athletic complex, which they have had in mind for quite awhile, and he is trying to satisfy the needs of the track and field group, of which I am a keen supporter and former athlete. Well, the Member for Wolseley tells me that he was an athlete in track and field, too. I don't remember him. Was it the 100 metres or the pole vault? Whatever it was, Mr. Chairman, I don't remember him. Or perhaps a broad jumper?

Mr. Chairman, I simply conclude by saying that when the point was raised, when the discussion took place at the Norquay Building, I want to say that I

saw the athletic director of the U. of W. get up, and he was fairly annoyed, and he had a right to be because he was being lambasted over and over and over again. Everybody was suggesting it was a sinister plot on the part of the U. of W. and that they wanted this for themselves and they would try to control it and they would cut everybody out sooner or later, and the U. of W. really was quite innocent. I don't know if this is what they want. They want their own fieldhouse and the government is going to attempt to satisfy them and satisfy the community, and these two aims may be not compatible.

Mr. Chairman, I simply want to ask the Minister, on this last point, whether he has any comments on this 6 million complex and whether he will also look into it to ensure that perhaps there isn't a basic flaw in the aim of the government, that however well-intended or however politically motivated the government is in regard to that fieldhouse, that they should not attempt too much and, in the end, not satisfy either group.

MR. COSENS: Mr. Chairman, I am well aware of those concerns and I have followed with some interest the particular deliberations of the committee who have been looking into the feasibility, I might say, of a joint use facility. There are examples of that type of facility in North America, where an institution and a municipality have been able to share a particular facility, and it has worked reasonably well. I believe the Saskatoon situation is the closest one to Winnipeg, and I believe Minneapolis may also have similar types of facilities.

I know, Mr. Chairman, that there are some problems that can arise and can be associated with that concept. I am going to view with great interest the report of that particular committee, at such time as they finalize that particular document.

MR. CHAIRMAN: (b)—pass — the Honourable Member for Winnipeg Centre.

MR. J.R. (Bud) BOYCE: Just one question. Does the CBC still own that old St. Paul's College site? — (Interjection)— I wonder if the Minister could take the question as notice and find out for us whether the CBC does in fact still own it.

MR. COSENS: Mr. Chairman, I will take the question as notice because I am not absolutely sure, although I would be almost sure that they in fact still do own that particular site. I can almost assure the honourable member, but I will take it as notice and confirm that particular answer.

MR. CHAIRMAN: (b)—pass; (c)—pass; 7.—pass. Resolution No. 56—pass. Resolved that there be granted to Her Majesty a sum not exceeding 10,157,400 for Education, Acquisition and Construction of Physical Assets, 10,157,400—pass. Committee rise.