

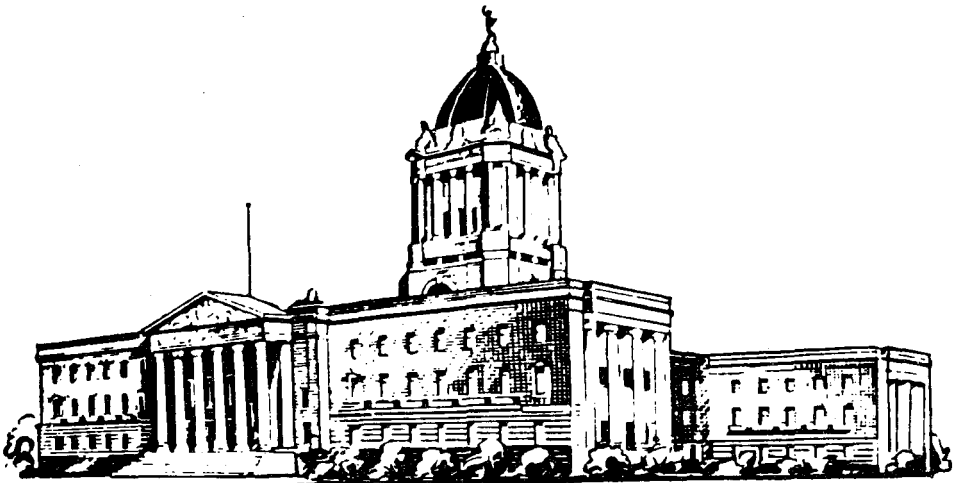


FOURTH SESSION — THIRTIETH LEGISLATURE
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**DEBATES
and
PROCEEDINGS**

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CONCURRENT COMMITTEES OF SUPPLY
ESTIMATES — INDUSTRY AND COMMERCE

MR. CHAIRMAN: We have a quorum, gentlemen; the Committee will come to order. I direct the attention of honourable members to Page 38 in their Estimates Book, the Department of Industry and Commerce, Resolution 73(e) Economic Planning and Policy Research (1) Salaries. The Honourable Member for Fort Garry had the floor when we adjourned.

MR. SHERMAN: Thank you, Mr. Chairman. I just would enquire through you of the Minister, Sir, whether the Minister had completed his response to me at that time? I think we were talking about the need for the Department of Industry and Commerce to work with other portfolios, other Ministries in the government, to get at the employment problem affecting particular disadvantaged groups in the province, and I specifically mentioned the core area of Winnipeg, the native migration problem, the lack of employment opportunity for people in that community. I appreciate the Minister's comments that it is essentially a social problem but the difficulty we have run into on this, Mr. Chairman, is that every Minister says it is somebody else's hot potato and it seems to me that the Minister of Industry and Commerce, the Minister of Health and Social Development, the Minister of Labour and maybe the Minister of Finance should be working together to try to inject some kind of capital input into that kind of community to fund market studies, feasibility studies and even perhaps in part the initiation, the launching of one or two projects that would provide employment opportunities for those people.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Yes, Mr. Chairman, I agree with the concerns of the Honourable Member for Fort Garry and I want to assure him that the government is cognizant of the seriousness of the unemployment situation with particular disadvantaged people.

I was attempting to indicate that we were working through an interdepartmental group. The department was co-operating with other departments such as the Continuing Education and the Manpower Department on the possibilities of having certain manufacturing facility components manufactured by enterprises that may receive some sort of a human resource subsidy and that these human resource or whatever you may wish to describe them, these work projects or enterprises that have been formulated to give work opportunities to people, that they would be making parts for manufacturers who are prepared to sublet on a contract basis the manufacture of those parts. And as I indicated, there is a possibility of doing this with the telephone system. We have been talking to one company that is involved in computer components to carry out this idea in the core area of Winnipeg.

I should also indicate that we have worked with the Canada Manpower people. They have an industrial training program and we do have a team of people advising businessmen and factory operators as to the various possibilities of utilizing Canada Manpower training grants. And we in fact work with the companies and with Canada Manpower in a liaison capacity. We have a little money of our own as well to encourage this sort of thing. And I am not suggesting that this is the answer but this is the extent that we have been concerned.

I could advise the honourable member that there are other areas of government that have been involved in employment creation in the inner core of Winnipeg, including our Winter Works committee of the government of which the Premier is the chairman, and there have been a number of projects that have been recently financed through that committee, I think rather useful projects, projects involving people who may not have full opportunity in the labour market, and yet projects that would involve them in rather meaningful types of work.

But we are cognizant, we are working with other departments in the area, but our resources are limited but we are doing whatever we can with our given resource capacity.

MR. SHERMAN: Is there any program, Mr. Chairman, under which groups, for example, of native peoples in the core area could go to the Minister of Industry and Commerce and ask for funding, ask for capital, to help to get a project launched? The biggest problem that they have, or one of the biggest problems that they have, is there are no angels underwriting the kinds of things that they would like to do.

It seems to me that through successive administrations our province has been particularly generous in funding and lending money and supporting various projects, some of which have turned out to be somewhat doubtful in value or longevity. Are there any mechanics under which some of the people we are referring to who might want to put a project together that would provide some employment can go to the Minister of Industry and Commerce and get \$50,000.00?

MR. EVANS: We would invite any individual or any group to come and visit with me and my staff. We don't have the capital supply within our own department but we may be able, if they have a worthwhile idea and something that Again if you are talking about a commercially viable

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project, we may, as we have done with the normal private sector, if you wish to use that term' or as we have done with many many businessmen, small business entrepreneurs around the province, we have been able to find sources of capital for them from the private institutions. We have been able to provide them with management assistance, marketing assistance. We have an array of skills right through design technology, marketing, and so on. We have our various teams of consultants that can provide the assistance. We don't have the capital funding ourselves, although MDC of course has traditionally been that source of funding. Communities Economic Development Fund has also but is of course related essentially to the more remote communities. But they could come to us if they have a good idea. We will be prepared to work with them and if we can get any money from whatever source, we will certainly try but we don't have the capital supply as you can see from the Estimates. We don't have capital supply of that nature.

MR. SHERMAN: You don't have capital supply the way the Estimates are set up I know but that doesn't mean that there aren't areas where the capital supply that you are referring to . . . That doesn't prove, though, that there aren't areas from which there could be funds drawn that aren't producing in a major sense which could be utilized in this kind of area that the Minister and I are talking about.

MR. EVANS: Yes, Mr. Chairman, if the Member for Fort Garry is talking about commercially viable projects, that is, projects that are going to have to stand on their own feet, given two or three years of start-up, that is one category. And in that case, if it has some commercial viability, there are grants, there are loans from MDC, there is even money from the private institutions. There may be various federal grants available and so on and there may be some provincial grant money available.

But if you are talking about projects because of the nature of the work force, because of the lack of training of that particular work force of what have, where there are some special social problems, let's say, then you are getting more to an area of a subsidy operation where we do have funding under the Department of Health and Social Development and where we have also been able to draw upon funding from the Federal Department of Health and Social Welfare. I am thinking of the work activity projects, for example. I guess the one in Winnipeg is called the WHIP, the Winnipeg Housing Initiatives Program. There is one in Brandon called Westbran. There is one in Amaranth — is it AWOP? — Amaranth Work Activity Project, and so on. And these are centres of employment and they are engaged in socially useful projects but they are very heavily subsidized and they are human training programs, they are not geared to be commercially viable projects. They are essentially human training projects above anything else but the people happen to be producing something that is of value to the community, whatever it may be, repair of houses in the case of the Winnipeg Project, or in the case of Brandon it may be tennis courts for community utilization or park benches or what have you. But those are two different categories. One is more in the area of social development. The first category is the area which we would be more concerned with in the Department of Industry, namely, the commercially viable projects.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Well, I don't mean to belabour the point, Mr. Chairman, but I have in discussions with people concerned with that problem, particularly in the inner core area of Winnipeg, I have run up against what I consider to be their frustration at not being able to get much beyond the paternalistic sanction of the fact that they may have a good idea—and I'm talking about people who are interested in launching commercially viable projects that would provide employment for people, and largely, I am talking about — they native people don't seem to be able to get much beyond the paternalism of acquiescence in the idea. But they can't get the capital that they need to get something off the ground.

When one considers the funding that has, as I say, been available, there are a number of projects through a number of administrations in this province and all of which have pursued the same practices in that respect, I don't find much satisfaction in the Minister's answers on this point because it seems to me that what is primarily his responsibility, or responsibility that's spread throughout the Executive Council, there has to be an economic attack made on the problem. It would seem to me that economic planning should involve a branch, a department, an office, where some funding, some capital was available to those people who have got a viable project and can't get it anywhere else. So the Minister says to me that they can then go to MDC. But do they go to MDC with the blessing of the department, with the blessing of this branch, with assistance that means they can get the MDC loan, or do they go into that jungle all on their own?

MR. EVANS: Well, first of all, I want to assure the Member from Fort Garry that we respond positively to any group or individual that comes to us, whether it comes to see myself, my deputy, or anyone in the department' if they have an idea that they wish to pursue. And goodness knows we deal with thousands of inquiries throughout the year, and 99 percent of them are from very very small enterprises.

Now, you've talked about the problem particularly with native groups. We do not have any capital in our department to give them, if you wish, or to lend them. But as I said, if by responding positively,

certainly if they have something commercially viable, we would do whatever we can to get financing. But the MDC is taking through hard experience, a very tough look at any loan application these days. So we will them but MDC has to make up its mind whether they wish to loan money.

Having said that, I know CEDF, Community Economic Development Fund, has been quite active in this area, and has provided that type of capital which the member, I believe, speaks of, that loan assistance that doesn't seem to be available from the private sector, from the banks, the trust companies and so on for employment generating enterprises in these so-called remote communities. But thus far, to my knowledge, they are not operative in the City of Winnipeg.

MR. BANMAN: Thank you, Mr. Chairman. I'd just like to get back to one of the questions I asked before supper break, and that was with regard to productivity. The Minister mentioned that his department, or this particular branch would be putting out study that they are doing right now. I wonder if the Minister could tell us whether there is any study as far as productivity that has been done in, let's say 1974 or 1975.

MR. EVANS: We have one that started in 1975. This is the productivity monitor. This is a study that will provide data on Manitoba's industrial productivity that can be used as a base for program development and evaluation. This is by the department and some planning by the department and for policy formulation.

But I wanted to get back beyond this particular branch. We have engaged in various large scale productivity studies of various industries as the member may recall, the hotel industry, the foundry industries. As a matter of fact, I would submit that the expansion of Monarch Industries at Winkler relates back to a foundry industry productivity audit that was conducted by our department in co-operation with that industry group about three or four years ago. We've completed productivity studies of several industry sectors and that information is available. We did one on the trucking industry in co-operation with that association and we did one with the furniture industry and so on. This wasn't necessarily conducted by this branch, however. Is that the . . .

MR. BANMAN: Yes. We're being asked to vote an appropriation here of almost half a million dollars and I think that we would like to have some pretty concrete examples of what that particular department is doing. We're increasing the salaries of that particular department by more than 20 percent and I wonder what we can expect for some \$80,000 more and that's basically why we're asking what kind of stuff is coming out of that particular branch.

MR. EVANS: I just reiterate, Mr. Chairman, that most of that increase is the provision for general salary increase plus annual increments. That's the bulk of the increase in the salary component.

I tried to indicate in the afternoon, Mr. Chairman, some of the general activities of the branch. I can say that it has been very, that I can recall, and especially has been very active in our negotiations and discussions with the Federal Government on matters pertaining to trade and tariffs, for example. A great deal of analysis was done on the impact of the Canadian tariff on Manitoba's economy and in co-operation with the other western provinces, this branch was active in formulating a position for western Canada to present to the Federal Government for its current round of negotiations in Geneva pertaining to the general agreement of tariffs and trade — that's the GAT negotiations that are now going on at Geneva. That particular branch has done all the backup work for the department so that we in turn are able to co-operate with our sister western provinces in this respect.

I have also indicated that the branch is engaged in various other specific studies and as I said, two of them are published, they are available in the libraries and we can get you a copy, I guess, if some extras are available. There have been various studies done on towns and communities. We're nearing a completion of a Winkler Impact Study. This was the study requested by the Mayor of Winkler. I met with the mayor a year and a half or so ago and we have now completed, or nearly completed, a very intensive study on the social and economic impact on the town of the recent industrial developments there. This has taken a great deal of work.

There are other impact studies proceeding — Portage la Prairie. There have been various miscellaneous studies affecting the economy — a youth migration study is going on to determine factors influencing the out migration of young people, young Manitobans from rural Manitoba to wherever they may be going.

As I indicated, there is a large Import Substitution Study completed. That is where a study was completed of import leakages, as the expression is, of the provincial economy, and a listing of commodities that might be replaced by domestically-produced goods, and so on.

There has been a study at the present time, the Minneapolis Market Research Study. That is a study of the Minneapolis market in some depth to further probe opportunities for Manitoba manufacturers. Now as you know there are many Manitoba manufacturers who are selling in the Minneapolis market at the present time, quite successfully, and that's fine. But, what the department is looking for through this branch is for other opportunities. What else might we be selling there that we are not now? This is another example of the type of work that has been going on in that branch.

MR. CHAIRMAN: The Honourable Member for Crescentwood.

MR. STEEN: Mr. Chairman, to the Minister. In looking at the year ending in 1976, in Salaries for this particular division you had \$387,845.89. Last year you budgeted for a decrease down to \$293,500 and this year you're up \$86,100 to \$379,600.00. You mentioned in answer to that question earlier that you have a transferee and a contract employee. In (e)(2) Other Expenditures, in 1976 you were \$78,327.77, last year you were very close to that figure at \$82,500, and this year you're down to \$67,100, and yet you mentioned earlier that you have more people that are going to be working in this department, yet they are going to use up less money in Other Expenditures. In looking back at the report of '76 I see there that you've got professional fees of \$16,791.00. Is that what's been reduced from this year, or can we expect that you will be going to Cabinet at some future time for Special Warrants for additional moneys for this particular item?

MR. EVANS: Mr. Chairman, there's no intention to go to Cabinet for Special Warrants. The professional fees, this item of Other Expenditures includes \$17,700 this year for professional fees to support various specialized studies of a short term nature. It also includes moneys for printing and stationery, some moneys for travelling, certain support requirements, but the decrease is part of the general restraint program that the government has undertaken, Mr. Chairman. I can indicate to the honourable member the decrease of \$15,400 which is shown is made up of a decrease of \$8,300 on availability for external consultants and professional fees, reduction of \$1,000 again because of reduction in the dependency on specialized outside consultants; \$2,000 in the travel budget, a reduction there; a reduction of \$7,600 for various hospitality functions through hosted meetings. This is inter-provincial meetings or federal provincial meetings, etc., that they get involved in plus reduced support services requirement for some studies done in rural Manitoba with the rural regions working group and there's a reduction there of \$8,500.00. Now there are some additions, increased charges for work processing and xeroxing \$6,500 and increased charges regarding Centrex — (Interjection)— Oh, that's the central telephone system, that's where you dictate over the telephone instead of having your own direct secretary. That's an increase of \$5,000.00. Then there's another increase here — I'm not sure — it says Automobiles, \$500.00. At any rate that nets out to a net decrease of \$15,400.00.

MR. CHAIRMAN: The Honourable Member for Crescentwood.

MR. STEEN: Mr. Chairman, to the Minister, how do you stand on Advertising and Exhibits.

MR. EVANS: I don't believe there are any funds here for Advertising and Exhibits. I'm sorry, there's a \$1,000 but that's advertising for positions.

MR. STEEN: About two years ago Public Accounts showed \$10,603.19 expended in that area. That item you don't use anymore in your accounting procedures?

MR. EVANS: I believe at that time the information branch was included in that. It was lumped into this group, and it would relate to a function of the Information, Promotion and Publications section of the department.

MR. STEEN: Mr. Chairman, to the Minister. So my fear of having employees either idle because they haven't the moneys to carry on their functions, or possible Special Warrants isn't likely to occur.

MR. EVANS: No.

MR. CHAIRMAN: Resolution 73(e)(1)—pass; (e)(2) Other Expenditures—pass; (e)—pass.

Resolution 74 Enterprise Development Group—pass. (a) Administration, (1) Salaries (a)(2) Other Expenditures—pass; (a)—pass. Resolution 74(b) Small Enterprise Development, (1) Salaries. The Honourable Member for La Verendrye.

MR. BANMAN: The Minister mentioned in his opening remarks that the department had sort of shifted gears and was concerned about developing the businesses that we do now have, the small enterprises in the province of Manitoba, to help them be more productive, to encourage them to expand instead of going after maybe some multi-national investments of a larger nature.

Now, I would at this time like to ask the Minister several questions. First of all, we are having a problem and it comes back to the productivity problem and I've spoken to a number of smaller manufacturers in the province, they feel we are definitely losing our competitiveness as far as productivity is concerned to countries which you call low labour countries such as United States, because I think if the Minister will look at the productivity rates — and I've spoken with several people in my own riding who have done analysis of their operation versus something down in Texas and if you look at the per unit cost when you take in the consideration of the problems with labour force up here and productivity and other related expenses such as heat which they are not faced with down there, our position is definitely becoming one which is not conducive to good proper investment development.

A further question is, I'm wondering if the Minister and his department have done any studies to see what the impact of the inheritance tax has done on reinvestment of new capital and capital being drained out of the province and I would refer the Minister specifically to instances such as farmland being sold to foreigners. We've got a bill in front of us right now, but I know several instances where there were fairly large tracts of land sold by individual farmers who — and the Minister I think would agree me — would be crazy to stay in Manitoba. They might have a \$500,000 or a \$750,000 sale and to

stay in Manitoba and keep that money invested in Manitoba would be absolutely crazy because if they are 55-60 they are looking at providing proper estate planning to pass that on to their sons and daughters. So that's a problem' I think we are losing a lot of capital that way.

The other thing that is happening with a lot of the small investors is that they are being trapped by the inheritance tax and I think the Minister should have a real close look at that. We're going to be the only province in Western Canada that has an inheritance tax and even if we escalate the exemption clause, such as was alluded to in the Speech from the Throne, we're still in a negative position as far as that is concerned.

The other problem, and I think members of the department will have run across that, and I asked the Minister several questions the other day on that, is the paper work involved as far as small industries is concerned. You look at just a small business: environmental records have to be kept; The Revenue Tax Act has to be administrated; the new capital asset tax, we're looking at different government restrictions as it involves licensing and bonding; we're looking at Statistics Canada forms that have to be filled out; we're looking at Retail Sales Reports; the different collections and taxes and premiums that have to be collected for the government in order for this business to comply with all the laws that are being thrown at it. It is a major concern to a lot of the small enterprisers who are not that well-versed with bookkeeping and I would just say the small three, four-man operations, which the Minister knows, are one of the most efficient operations that we do have and I think the Japanese have proven that out, the smaller the unit, the more efficient.

Another problem that faces small business in Manitoba — and I'm wondering if they've done any studies on that and to be fair to the Minister, it faces all, I think, most of the businesses in Canada and that is the problems of the capital gains tax, especially as it applies to transfer of business between families, the drain of capital with regard to income taxes. We've got the capital asset tax and then, of course, we've got the problems of the inheritance tax which I won't go into because I mentioned it before. But all these different taxes are resulting in one thing and that is the draining off of valuable investment capital that should be poured back into the businesses to increase productivity by buying new machinery, by developing proper new plant facilities and thus enhancing the returns, not only to the entrepreneur but also to the people that are involved in that particular field of work. So I think it's a two-edged sword, where both people could benefit. So I was just wondering if the department has done any studies with regard to that because this is small business at its best and, as the Minister mentioned, this is the direction he wants to take and I would agree with him on that basis. I think we've tried to lure big companies in and I don't think, no matter what political stripe, we have been successful in really establishing a good base as far as those businesses are concerned. So I wonder if the Minister could just elaborate on that a little bit with regard to any studies or programs that he's instituting.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Well, Mr. Speaker, I cannot tell you that we have conducted any intensive studies of, you know, the effect of the inheritance tax in Manitoba on Manitoba industry. We have looked at, we may have studied it in a cursory way but there are no, you know, "studies" as such on this or the matter of comparative productivity. I know what the honourable member speaks of. I'm glad he recognizes that productivity isn't simply how hard a particular employee works himself or herself, the fact is that there are other very critical matters such as the size of your market so that you have a certain through-put. If you have a larger through-put, normally you get a lower unit cost.

The climate that you mention is a very important factor and there are many many factors and the fact is that I don't know whether we would ever be more productive than some of our counterpart firms south of the border that may be in a different environment, whatever that environment may be, it may be a financial environment or a geographical environment. But when you talk about the capital gains tax, of course, you are in the Federal field and I think I should take the opportunity to stress that a great deal of what happens in Manitoba is affected by Federal legislation and Federal Government decision-making and we've attempted over the years to make it very well known to the Federal Government what concerns us in Manitoba with regard to improving the environment for the growth of enterprises. For example, we spoke to both Mr. Len Marchand, the Minister of Small Enterprise, and also the Honourable Jean Chrétien, Minister of Industry, Trade and Commerce, indicating the need to provide greater risk capital in the province; a need for some change in the financial institutions; a need for reorientation of assistance programs; a need for reviewing various kinds of Federal regulations which we thought were inhibitory of growth of business in Manitoba.

I appreciate your concern with regard to red tape and form filling and the like. We have attempted to make this known to Marchand, the Minister of Small Enterprise, in particular and he is cognizant of this. I think he's been getting that message elsewhere in Canada and has recently announced a reduction of paper work, that is reports that will be required in application for various grants from the Federal Government, from his department. I think we'd like to take a little credit for being able to make Mr. Marchand more aware of this problem and helping to get him to act by talking to him, both here in Winnipeg and in Ottawa. Then again ' as I said, only a couple of weeks ago myself and my

senior staff met with Chrétien and his staff and we went over some of the major areas where we could look for Federal support.

In terms of improving productivity, I think our . . . apart from all the various other thrusts that we've had in the past and we've had regional productivity audits; we've had audits by the industry sector; we're now engaged in something, again a slightly different tact with the Research group.

But the greatest impact I believe we are making is not in the field of studies but in the field of action and that is the groups of consultants that we have going throughout Manitoba, talking with small businessmen and sitting down with them and actually reviewing what their problems are, whatever they may be and I think this is a very successful program. At the moment, it just so happens they are in Brandon the last few weeks, but they are throughout the entire province, Winnipeg, in the north, in the west, in the east, all over the province. I think we started off with something in the order of 60-65 firms in Brandon and before we knew it we were well over 70, 75 to 80. I've talked to some of these particular businessmen who have been involved in a program of Management Consultant where we look at everything that bears on the question of productivity because if you get more productivity presumably somewhere along the line you get an enhanced profit and hopefully basis for expansion.

I think there is nothing more heartwarming or more satisfying than to get the various letters and comments from these businessmen who speak very warmly of the type of assistance we've given them with these teams of consultants. Let me read a few quotes from some of our clients in different parts of the province. A Brandon client — I won't quote their names or what have you, but we do have letters on file from them — one of our men who helped him in Brandon, "a storehouse of ideas, names, places and leads for getting this business on the map. I look forward to his visits and I'm always left with many thoughts and sound advice." A Killarney businessman, "Invaluable assistance provided in the structuring of the financial arrangements of the corporation." A business person in western Manitoba, "Even with the economy of our area down considerably in the past year, we have a very good increase and I think it can be attributed to the Small Business Management Program." A Whitemouth area client, "As your department continues to pursue such a policy of encouragement and support through such dedicated people, then small business indeed has a friend in Manitoba and in the long term must benefit." A Virden businessman says, "The kind of help that this program has been to me and to the other businesses that I know of is what has been needed since none of us could have afforded to hire a consultant with even half his ability and business understanding."

There are many other very heart-warming letters and letters that give you some insight as to how we have been able to help the small companies overcome, I suppose in many ways, what you might consider to be problems of productivity although in some cases it hinges upon management knowledge and improvements of management knowledge. In some cases it means better financing but you might want to boil it down to productivity, I don't know.

MR. BANMAN: I appreciate that some of the . . . such as the capital gains tax and several of the other taxes involved affecting development of small enterprises are federal but I just point out to the Minister — for instance, the Capital Asset Tax which we passed here this past session, for instance, somebody with a capital asset of about \$250,000, which is not very much these days, is forced to send in a \$500 remittance. Now, let me tell the Minister that that is another little onerous type of a tax on the particular individual who either has to hire an accountant to do it or get somebody else to do it. So there are little things that we can do here to sort of free up the small businessmen.

We come back to the investment capital, and I realize that being the Minister of Industry and Commerce in a socialistic government is a pretty tough thing to be and very often maybe sometimes the Minister is spinning his wheels, but I refer the Minister to a study done by the British-North American Committee, and I'll just read out one sentence: "On the other hand recent actions by the Saskatchewan government and the basic regimes under which new resource exploration and development can proceed there, and in Manitoba, are much akin to those of the Third World." So I don't think that is exactly breeding the kind of investor stability that we're going after here.

I want to go back and I want to ask the Minister if he feels that the inheritance tax, which we do have in the province, is driving out a certain amount of investment capital from the province?

MR. EVANS: I don't know whether I would care to comment on that point. I think that's something that we might wish to debate during the Budget Speech Debate. I think that might be appropriate. This is not what I or you or any member may think at the moment about our tax structure in Manitoba, the fact is that this is not the Department of Taxation.

I would say, though, Mr. Chairman, on that point — I'm sorry that the Member from Fort Rouge is not with us this evening because he was making the point of sort of doom and gloom about Winnipeg in particular, and I suppose Manitoba in general, in terms of capital investment and where are we going and so on — I just want to point out that although I'm not satisfied with these figures, I suppose they're not all that bad. If I just might take a moment, I'm talking about investment in manufacturing. Investment in manufacturing — and the Member from La Verendrye may be interested in this — in 1975, — this is for new investment and renovations of existing plant and machinery — 1975, that amounted to \$82.7 million. In 1976, there was a drop-off from \$82.7 to \$74.1, but this year, in 1977, I

am pleased to see the figures again upwards and Stats Canada shows that the level of investment expected in Greater Winnipeg in 1977 to be \$88.9 million. So that's up substantially from last year and certainly up also from 1975.

In the case of the province as a whole, in 1975 we had \$137.5 million of investment in manufacturing. In 1976, this dropped somewhat to 115.7, but I am pleased to note that in 1977 it is estimated to achieve a level of \$141.4 million.

So while I may not be satisfied, the fact is that the figures indicate that there is going to be a substantial increase in investment in manufacturing to be realized in the year 1977 in Manitoba. So the fact is that there is investment taking place even though the honourable member may think that there are certain constraints and certain disincentives. Whatever one may think of those, or whether they are really such, regardless, the figures speak for themselves and that is that we seem to be headed in the right direction this year at least.

MR. CHAIRMAN: The Honourable Minister of Corrections.

MR. BOYCE: Well, I was going to respond to the Member from La Verendrye but perhaps I won't suggest that he looks at the difficulties that some Ministers of Industry and Commerce have in other jurisdictions where unemployment is higher. But I was interested in his comments about how governments are oppressive on small businessmen in a certain manner. I can't help recalling that one of the Unemployment Insurance Inspectors spent about three hours on my books and found 32 cents and it was like he struck gold or something. But perhaps the Minister of Industry and Commerce could take a look at how we could assist these people and I know it is perhaps too far out to suggest it, but if we had one form that would satisfy everybody type of thing, because it is becoming more and more onerous. I don't know what exactly the percentage of figures are — most of our employers in Manitoba have under 50 employees and I know that as a small businessman myself, that any time something is added, it usually means that you have to do the work in the 15 minutes that you have left in the 24 hours. So perhaps the Minister could take that suggestion of the Member for La Verendrye and see what we can do to assist small businessmen in this regard because I know from my own personal experience, I have found that it becomes increasingly difficult.

MR. EVANS: Mr. Chairman, I would like to say again, because I know the Member from La Verendrye and also the Member from Winnipeg Centre are concerned jointly about this, with regard to the various kinds of incentive programs that are available from the Federal Government, they are numerous and of course we are always trying to encourage Manitoba processors and manufacturers and other business entrepreneurs to get as many Ottawa dollars as they possibly can. What has happened over the years is the development of a variety of Federal programs with all the different names that are associated with them. In fact there are so many names that they have been referred to as the alphabet soup approach and you needed a Philadelphia lawyer to figure out which programs applied and which didn't

At any rate, because of our initiatives and pressures from myself and my department, not only alone but we contributed to this, I believe, there has been a decision — I'm repeating myself but I think it is important to make it clear — there has been a decision by the Federal Government to compress this multitude of assistance programs into a package. I'm oversimplifying, I know, but not only to do that, but also to receive the applications and consider them within the Province of Manitoba. In other words, the decisions will not be made in Ottawa. They were going to move towards making decisions somewhere in the Prairies for a prairie region and we persuaded them that it's important to do it on a provincial basis. So what's happened — I only received a letter, I guess it was last week from the Federal Minister, stating that there would be a provincial board. Now this is important. I can't emphasize how important this is, that the decisions will be made locally. They will include people from the Federal Government. They will include some local citizenry and also I believe that we in the department will be able to have an influence here, as we have had in the past, in helping businessmen obtain DREE money. So we're prepared to help to the extent that we can in that way.

This will cut down enormously on the amount of paperwork for a businessman to get a certain amount of federal assistance, and let's face it, the Federal Government has far greater financial resources than we can ever hope to have in this area or indeed any other area.

MR. CHAIRMAN: Resolution 74(b)(1). The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, I would like to ask the Minister whether he has any yardsticks or indexes by which he could advise the Committee, in terms of small enterprises, how we stand at the present time in terms of the number of small enterprises in Manitoba. First of all, what do you call a small enterprise, everything from a one-man operation up to how many? Up to 50 employees? Are there some sort of parameters in terms of size?

MR. EVANS: I guess it would vary depending on the type of business, but you could say anything under 50 employees or fewer. I don't have the reports with me but I'm advised that there are probably between ten to twelve thousand small business enterprises in Manitoba.

MR. SHERMAN: Would that have changed significantly in the last five years?

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MR. EVANS: No, I don't think so. Mr. Chairman, the irony of it is, you see, if you do improve productivity — this is, I suppose, the dilemma facing modern society — and that is, our success in improving productivity in the manufacturing sector, for instance, means that there are fewer employment opportunities. You don't need as many people, you don't need as many companies if you are more productive. So while we want to improve productivity, yet this creates a dilemma for us because it means that we have got to work even harder to find alternative job opportunities for our people.

MR. SHERMAN: But that only holds if you are talking about improving the productivity of existing operations, but if you are looking for development of new small enterprises, new operations, it follows naturally that there are going to be more employment opportunities available. I'm just wondering whether the programs of development have produced any meaningful increase in the number of small enterprises in the province or are there present efforts under way to increase the number?

MR. EVANS: Well, I can read off a myriad of statistics on the kinds of assistance available, or the amount of assistance given to various firms in the Small Enterprise Development Program. For instance, in the year 1976-77, in Manitoba we provided information to 2,550 establishments and we counselled 310. We had 50 companies that obtained some cost-sharing money from us, money for feasibility studies; 85 that obtained other kinds of general assistance, and so on.

We have had various workshops; 114 companies participated in various workshops. We have been involved with 20 brand new enterprises that came into existence and we helped in their formulation, and so on. Twenty-five where expansion was completed and under construction.

I can read off a list of some of the new enterprises coming into operation which we have been directly involved in; these are very small but that's typical of Manitoba. In fact, it's typical of Canada, I would submit. For example, in Birtle, Heinz Brau, Custom Killing and Processing, a small abattoir, six employees. Harry Graham isn't here but I had the pleasure of being down there at the opening and I saw what they are doing, etc. etc., and they make very delicious wieners, among other things. McIntyre Company in Souris, five employees, again custom killing and processing; the Northern Goose and Down Company, I guess you would say, at Teulon, they slaughter waterfowl and there are 20 people employed; Conquist Manufacturing in Altona, four people making mobile homes; Superior Scales, they repair scales in Winnipeg, five people; Pre-Confederation Furniture, four people, in Winnipeg; AML Leather, 26 people, manufacturing garments in Winnipeg; Buschau Laminated Company at Plumas, making laminated rafters, nine employees; Premium Development at Virden, manufacturing agricultural machinery, there are ten people there — maybe Mr. McGregor can tell us more about this one; Winkler Grandeur Mobile Homes, 25 people at Winkler in the mobile home business; a company called McDonald, three people in recreational equipment in Winnipeg; Rivers Co-op Seed Company — this is a seed-cleaning co-operative owned by some farmers in that area — there are 14 people employed and I can tell you the department was with them from the beginning and I would invite you to talk to the executive of the Rivers Seed Cleaning Co-op to find out exactly what this department did to help them. I would submit that they would be two years behind without our assistance. I don't want to seem overly boastful but I know from personal experience that the department was very instrumental; maybe the member from that area can verify that, that the department worked very very hard with the Rivers Co-op Seed Company, or Limited — I don't know whether you call a co-operative a limited company or not, but it's a *bona fide* farmer's co-operative that runs a seed-cleaning plant, and there are 14 people employed and we take great pride in having helped them. They had a fire way back when and they had gone out of existence and we helped them, like the phoenix, rise from the ashes.

Aqua Gardens in Dauphin, making fish tanks, four people; the WBM Limited in Manitou, three people making laminated rafters; Century Cruiser Craft in Blumenort, ten people making canoes; Graf Tech Publications in Gimli, 15 persons in the printing business, Global Plastics in Gimli, 10 people involved in various plastics manufacturing. Those are some examples, they're pretty small but they're significant when you add them all up, and they are particularly significant for some of these towns. I can tell you again that the River's Co-op Seed Enterprise is very significant for Rivers. People are very proud of that seed cleaning plant.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, I thank the Minister for that information, and he doesn't need to justify the size to me or to anybody I'm sure on this committee. I think that's very laudable, that's the backbone of any reason's economy. I would hope that that list is not a complete list, when the Minister says those are some examples I would hope for several hundred more, and the relative size is not relevant to the argument. I think that that kind of enterprise, that kind of development should be acknowledged and commended. Would the Minister have information available for the committee on the other side of the ledger? Could he tell me how many small enterprises have gone out of business in Manitoba in the last year?

MR. EVANS: Well there's no doubt that there are businesses that go out of existence. I guess

business enterprises are somewhat like people; some are born, and some die, and that's what life's all about I suppose. It's a flowing river.

MR. SHERMAN: They shouldn't be aided in their death throes.

MR. EVANS: I want to reiterate what I said this afternoon, Mr. Chairman, and that is that the figures that I have been quoting are on the number of jobs that we were involved with. In this small enterprise development program, we were involved in 422 new jobs, stay in 25 jobs, and we think we've improved on 600 jobs. Where we have improved, well that was the productivity for that enterprise. Okay. Those are not complete statistics. There are many many companies that come into existence that we have nothing to do with, and the Member for Fort Garry will appreciate this and I'm not suggesting that we should be involved with every company. We are prepared to be positive to anybody who comes our way or anybody we run across that we can be of some assistance to. You can get the figures — they are done in Dun and Brad figures on companies that do fail, and they do fail. If there weren't any failures, it would indicate to me that we lived in a riskless world, and I can assure you that the world of business is not riskless.

You put up your money and you take your chances, and the fact of the matter is that the Dun and Brad figures can give you the number of enterprises coming into being, and the number of enterprises that have vanished or are about to vanish from the scene' the failures. I haven't got those figures with me. We can attempt to get them, but I can tell you also I'm sure there are some companies we work with that no matter how hard you try, they are not going to make the grade. I could give you some examples, but I don't want to because I don't want to embarrass those people involved. But we have worked with some companies, but there's no way we could save them. It's like the doctor who's treating a patient with terminal cancer, it doesn't matter how hard he tries, no matter how well intentioned that doctor may be, he can't help that person.

At any rate, I'm not suggesting that there aren't failures, there are a lot of failures, but I don't think that the rate of failure in Manitoba is any greater than you'll find elsewhere. I'm sure if we got the figures that the rate of failure — and I'm talking about the Dun and Brad figures — . We're we wouldn't be out of line probably better than the national average in terms of business failures.

MR. SHERMAN: Well, Mr. Chairman, I'm not suggesting that I think the business world is or should be riskless. I'm very aware of the risks involved. I think what my colleague the Member for La Verendrye was trying to get at though, was the degree of risk that's necessary, and the degree of risk that is imposed by external factors including governments and legislation and onerous taxation I think is really what we were trying to . get at, whether the climate in the province in the Minister's view could be improved. The climate for small enterprise development could be improved if he were to exercise some of his persuasive powers on some of his colleagues who jointly developed the fiscal and taxation policies for the province or whether he has encountered a general spirit of willingness to get into enterprise in this province notwithstanding the tape and the taxes and the problems that currently afflict business here.

MR. EVANS: I just want to assure the member that the department is doing everything it possibly can as efficiently as it can I'm convinced within its terms of reference with our given resources. And while you may lament certain tax situations, etc., I would remind you that in the total spectrum of things provincial taxes are not that significant. I would like to remind the honourable members that the take of tax by the Federal Government is very significant, is quite significant. I'd also like to suggest that in many cases, the rate of development in Manitoba is not being thwarted by the lack of capital supply. In fact I would submit categorically that we are not being essentially hindered from developing industrially or commercially in Manitoba because of lack of capital supply. I would maintain that the more important question is opportunities to apply that capital in order to earn a profit because I would submit that I would like to see more opportunities provided. But many of these opportunities are limited because as I said this afternoon, Mr. Chairman, we have a limited market, we have certain limited resources. You can take away a lot of taxes and you can provide even in some cases a tax free situation, and you will still not get the industry in place that you think you might get in place. But this is a bit hypothetical, and I really don't want to get into it.

The major point that I want to make, Mr. Chairman, to the Member from Fort Garry is that there are some fundamental constraints within which we must operate, and I don't think the lack of money and the lack of capital is that great a constraint, not at this point in time at least. I would submit that there are parameters that are very fundamental that we have to work within, and which are very constraining — and I suggest the size of the market, the resource base and I'll also suggest as I have in the past and I wish the Member for Fort Rouge was here, because he's a great apologist as I've told him to his face I think before — he's a great apologist for Ottawa and the Federal Government, but we have to live—(Interjection)— no he's not here but I would. . .

MR. CHAIRMAN: Order please.

MR. EVANS: I would have liked to remind him that we're inhibited in Manitoba by certain freight rate structure that inhibits the processing of our natural resources in Manitoba where it's cheaper to

ship out livestock on the hoof than it is to ship out finished beef, and I think this is crazy. Certainly it inhibits the value added of meat products' industry in Manitoba. It certainly inhibits meat processing activities here. Likewise, for years we've been fighting this rapeseed case — God knows for years — I remember three years ago I was on the stand for about half a day in Saskatoon before — I guess it was the Railway Transport Committee — being quizzed by the CPR lawyers among others, but trying to make the case for at least equalizing the rate between the raw rapeseed and the rapeseed oil so that there would be an incentive to process rapeseed oil in the prairies including Manitoba. I use that as a classic case, because we have been very unsuccessful thus far. But there are many changes that could occur in the area of freight rates that could help us have more manufacturing in Manitoba.

I also submit that the particular tariff structure that we have in Canada does inhibit our economic well-being in the Province of Manitoba, and I would also submit that there are Federal Government spending programs that are legitimate programs — the Department of Supplying Services — which is the big purchasing arm of Ottawa whereby we don't get what I consider to be a fair shake in terms of federal purchases in our province. Now we've tried. We had a joint venture with the Federal Department of Supplying Services, it was called Operation Access. We had 1,000 Manitoba businessmen, and I don't know whether the Member from Fort Garry recalls this.

It was in the Convention Centre, and God knows we tried; and there was follow up and so on, and we had products on display. There was a lot of work that went into it, but the fact is we believed that the Federal Government could do more toward steering their big purchasing power thrust to Manitoba.

Likewise in the area of industrial incentives, the Department of Industry, Trade and Commerce has up until now at least spent most of its money in Ontario, and in the Montreal area of Quebec. On the one hand DREE is trying to decentralize industry and on the other hand you have Industry, Trade and Commerce concentrating their efforts on enhancing the *status quo* causing an even greater concentration of manufacturing in southern Ontario. We've pointed this out at various conferences. I sound like a broken record, I've gone through about five different Federal Ministers and each time, and each year I tell him the same thing. They do have on their billboard now as one of their objectives in Industry, Trade and Commerce, the objective of regional growth, it took me about four years to get that objective up there on the list. They actually had a list up on the wall in the Chateau Laurier a couple of years ago in Ottawa. But the fact is that it's fine to pay lip service to it, but I haven't seen as much action as I would like.

I say this is very significant, Mr. Chairman, because that Department of Industry, Trade and Commerce was the department that was helping the Canadian Aerospace Industry in Toronto and Montreal while we were struggling with Saunders. While we were trying to sell Saunders which is a competitor with the De Havilland Twin Otter — they have the same engines as a matter of fact — we were out in the same export markets. Here we were trying to sell Saunders at cost plus a reasonable normal profit markup, and there was the Federal Government, the Department of Industry, Trade and Commerce who had its marching orders to buy 30 Twin Otters. They bought the 30 Twin Otters, and they went around the world selling them at bargain rates in the same market that we were trying to sell the Saunders that were employing people in Manitoba. So I use that as a very concrete example of where that department has gone out of its way to enhance the Aerospace Industry based in Toronto and Montreal.

To top it all off of course the Federal Government has now after they poured . . . that was one form of assistance, but they poured another \$140 million. . . this is in the public accounts of various industrial grants over the years to De Havilland and Canada Air. After they poured all that money in, you know what they finally did, they finally went out and nationalized Canada Air and De Havilland. They in effect bought them. So the Federal Government now controls the commercial, the manufacturer of the major commercial aircraft manufacturing industry in Canada. Now we were trying to compete with that here in Manitoba. No matter how good our work force was in Gimli, no matter how low our overhead, no matter how good a plane we had it didn't matter because we had to fight Ottawa Industry, Trade and Commerce who had all this money, all this muscle, who is determined under Federal Government direction to aid and abet Canada Air and De Havilland. So I'm saying that it's geography we've got to live with, the resource base we've got to live with, the climate we have to live with. But there are a lot of things I suggest that we don't have to live with.

I think we should see changes in freight rates, changes in federal purchasing, policies, changes in the policies of the Federal Department of Industry, Trade and Commerce to just name a few, and if we can get some of those changes, this is where we are going to see some more significant development in Manitoba's Industry and Commerce. And I submit, it's not in the area of provincial tax changes. I'm not suggesting that there isn't an area for manoeuvre there, I'm just saying that if you want to see real action, it's going to have to come out of some federal decision making.

MR. SHERMAN: Mr. Chairman, the only thing I can say to that is that you've got to go where your weight is, you've got to go where your strength is, and what the Minister is saying to us is that we don't have to clout, we don't have to wait. Well this is what the Prairie Economic Council was for, and

presumably there could be some clout, there could be some weight exerted by the three prairie provinces working in concert and unity on these problems that the Minister has talked about, and hopefully there will be an intensification of those efforts because it's obvious that it's going to take a lot more pressure and a lot more muscle than is available to be mustered at the present time. Unless the Minister has just been too nice a guy about it, he's recounted all the meetings that he has held, maybe he's been too nice a guy and not tough enough about it. .

A MEMBER: No more Mr. Nice guy.

MR. SHERMAN: No more Mr. Nice guy, as my colleague says.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Just one point, Mr. Chairman, the western Premiers including your Ministers of Industry and Transportation are meeting very shortly in Brandon. This is the Annual Meeting that's being held in Brandon on the 5th and 6th of May, and Industrial Co-operation I'm sure is one of the topics.

MR. SHERMAN: I just hope you'll play it like the Philadelphia Flyers, and not like the Toronto Maple Leafs.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: Just a small point, and the Minister could maybe comment on it. One of the problems with developing small industries in especially rural Manitoba is the lack of facilities for these people to develop and now I'm talking about serviced lots and that. The Minister mentioned he has just done a study as far as Winkler is concerned, and I think Winkler has been tremendously successful because they have gone the route of providing low cost serviced land with the proper zoning and everything to different sectors of industry, and in my own riding in my home town in Steinbach they're heading in that same direction. In other words, if somebody comes in and asks for property where they can locate, they are providing land which is ready, it's serviced at a relatively low cost something like \$5,000 an acre. This has been a problem in the past, and it's been a problem in all these smaller towns. Somebody would come in, "I'd like to locate, where can I go?" Then they get involved in zoning hassles, they get involved in land acquisition. The Minister knows that as soon as somebody realizes there's an industry that wants to come in, it didn't have proper planning, not proper growth, and this is an area where I would ask that the Minister's department does get involved and give some guidance to smaller, not only towns and villages, municipalities who could possibly provide this type of service to somebody that is actively looking at establishing a business in their community.

MR. EVANS: The interesting thing is, Mr. Chairman, that these communities that are growing, including Steinbach, I would think the honourable member would agree with me' that one of the major reasons for the growth is the initiatives of the people within those communities themselves. We stand ready to help them. They have to make the decisions, they have to put up their money, but whatever we can do, we will do.

MR. CHAIRMAN: Resolution 74(b)(1)—pass; (b)(2) Other Expenditures—pass; (b)9PASS. Resolution 74(c) Human Resource Management (1) Salaries—pass. (c)(2) Other Expenditures. The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, through you to the Minister, what is that, training programs for Manitobans?

MR. EVANS: There is some training, yes. We, as I indicated earlier, work with Canada Manpower, and we try to steer the companies into the programs of Canada Manpower where we believe there's potential for those companies to take advantage of that program, and *vice versa*. I think that we've been involved in about 1,000 requests for training in the past one year. In the past year we've had 1,000 requests re training grants for workers, also training grants for supervisors, so we've been working very closely with the companies to take fullest advantage of the Canada Manpower Training Grant Program. I am advised that in the last two years, we've been instrumental in doubling the amount of funding obtained from the Federal Government in this area.

Besides that, we have information analyzing the employment situation in the province. We have counselling for managers in this area of the department, we've had over 200 firms involved in a management counselling program, and then we've had another training program — Canada Manpower doesn't train owner-operators, so we've taken up that slack, and we've had 158 owner-operator managers trained under our own program. Also, we've been active with the Manitoba Hotel Association and we've engaged in seven management training programs there. We've now trained 117. Again, these are manager-operators largely. They're essentially the small hotels in the province, so that's the area of Human Resource Management activity.

MR. CHAIRMAN: Resolution 74(c)(2)—pass; (c)—pass. Resolution 74(d) Technology and Supply (1) Salaries—pass; (d)(2) Other Expenditures. The Honourable Member for La Verendrye.

MR. BANMAN: I wonder if the Minister could tell us what amount of that money is paid out in professional fees with regard to Technology and Supply.

MR. EVANS: Are we under Salaries?

MR. BANMAN: Other Expenditures.

MR. EVANS: Under Other Expenditures. Yes, \$31,500 for professional fees. This is to cover fees payable regarding patents, plus the use of consulting engineers.

MR. BANMAN: What is the majority of that four hundred and thirty odd thousand dollars?

MR. EVANS: I mentioned the 31,500. There is moneys required for a certain amount of travel, particularly travel throughout rural Manitoba, 22,500, then there are grants to persons and non-profit organizations, the Canadian Food Products Development Centre. That's a joint Federal-Provincial centre where we're attempting to transfer food technology into some type of commercial enterprise, commercial opportunity, so there's a payment of \$125,000 for three contract people. That includes a food technologist, food technician, and a couple of these types. There's \$25,000 here for the Biomass Energy Institute. I believe the honourable members are familiar with the Biomass Energy Institute. It's an attempt to develop a new — I shouldn't call it new but it's still untried in the commercial sector at least, development of a renewable energy resource.

Canadian Health Industry Development Centre, \$75,000. This is where we're working with people in the health field, people in hospitals and the like, taking ideas, and again, transferring them into an actual manufacturing activity. There's one example I can give you and that's an artificial foot that was developed. It may sound funny to some people, but one of the finest artificial feet that has been developed in medical circles in Manitoba, it's a prosthetic device, we're now manufacturing it to some extent, and we're hoping to see it manufactured to a greater extent in Manitoba.

Then there's some assistance money for research programs, \$50,000, and \$30,700, Grants to Universities. If you total this, you should get \$305,700.

MR. CHAIRMAN: Resolution 74(d)(2)—pass. (d)—pass. Resolution 74(e) Marketing Distribution and Design (1) Salaries. The Honourable Member for La Verendrye.

MR. BANMAN: I'm wondering, under a new program that was announced by the Minister not too long ago, assisting towns to develop new designs or new promotional programs to upgrade their images and that type of thing, does that come under this particular section?

MR. EVANS: The Manitoba Design Institute which is essentially a board of citizens with various backgrounds, architectural design, artistic, etc., in business, have been touring various rural towns, including Steinbach, I believe, and they have been attempting to interest towns in the whole idea of community upgrading, community design improvement, I guess you might say. They are, and the department is prepared to assist communities in that area.

MR. BANMAN: What amount of moneys have been allotted? There must have been an increase to the particular department so that they can carry on this new additional function.

MR. EVANS: There is no significant money in here this year for this particular type of expenditure, but we are going to be talking to the Federal Department of Design — it's not a department, but it's a design office — with the hope that we can latch on to some federal dollars' and we are hopeful that this might be the case.

I believe the Manitoba Design Institute in its meetings with the various communities have talked about essentially giving the professional advice and the professional service free of charge, which is worth quite a bit, I think. Rather than moneys for communities to utilize for improvement of their layout and appearance — which could be substantial — what we are offering is a lot of free professional service.

MR. CHAIRMAN: Resolution 74(e)(1)—pass; (e)(2) Other Expenditures—pass; (e)—pass. Resolution 74(f) Regional Co-ordination (1) Salaries. The Honourable Member for La Verendrye.

MR. BANMAN: I believe this is the section where the RDCs get their grants from. Is that right?

MR. EVANS: Yes.

MR. BANMAN: The last little while, I know the Minister is aware of the problems that have faced many of the RDCs, having problems of holding the membership of the different regional development corporations, and I think, out in this area, they've had their share of problems, and all over they seem to be having their problems. I wonder if the Minister could, just briefly, inform the committee as to what he feels the future is of the regional developments corporations. I think many of his people from his department are sort of running around trying to put out brush fires as they start with the regional development corporations and I think there is a role definitely that they have to play in the province, but I'm wondering to what extent the Minister will continue to fund these organizations, what he sees their role is in the province, and generally what he feels the future of the RDC is.

MR. EVANS: As the honourable member understands, we have more problems with some RDCs than with others. The RDCs can have a lot of potential, but again it depends on the participation of the various municipalities in that particular region. I can point to the figures whereby we have enriched our dollar input quite significantly over the years. We have actually enriched the formula several times. The last time, however, we said, "Look, there's no point in us simply enriching it further, becoming a greater contributor of the total pie, because then you're going to be almost a government department. And what's the point of us funding 85, 90 percent of your operation even though" — sure,

it could be done, so we've said, "Future moneys, we'd like to see you raise, dollar for dollar, on a matching basis." I think we said up to \$6,000 maximum.

But I really believe that most of them are quite aware of the obstacles they face, some of the lethargy that they face in certain parts of their regions. I know the presidents are meeting now on a regular basis and meeting with my own departmental staff and other government departments. We certainly co-operate with them at the staff level, but again it's really up to the municipalities and it's up to the people who make up the corporation boards. I've indicated that to them myself. Again, of course, they're limited. They're not small lending institutions, they're essentially organizations that can bring communities together to take a regional outlook. They hire a staff, one or two people, who in effect become rural, industrial and commercial development officers and so on. Some of them have been very successful and are growing and expanding, and others have been less so, so it really depends on which part of the province you look at.

It is our intention to continue to fund them. There are moneys available in this budget to fund the RDCs and we will give them every encouragement possible, but I couldn't forecast — I would think they're going to be with us for some time, but I'm not in a position to say. It's up to the people, it's a voluntary thing, and like so many voluntary activities, it depends on the good will that continues to exist in those areas.

MR. BANMAN: I think there have been a fair number of dedicated people involved with this who have given a lot of themselves and a lot of their time. I think one of the directions that they are taking, and I think it's a shift in direction from one of actively trying to get some big industry to move into their particular regional development, even though I imagine they are trying everything, but I think the other thing they are trying to do, possibly, is to have a look at themselves, be a little more analytical of their own communities and their own particular areas, and trying to find out what services are involved. As I mentioned, I think they are fulfilling a function in the community except there are certain problems that we are facing right now with the participation as far as the members. I think some members feel that they are not getting their fair share and are pulling out. I know that is a real problem and I imagine that will just have to run its course.

MR. CHAIRMAN: Resolution 74(f)(1)—pass; (f)(2) Other Expenditures—pass; (f)—pass. Resolution 74: Resolved that there be granted to Her Majesty a sum not exceeding \$2,554,700 for Industry and Commerce—pass.

Resolution 75, Trade and Industry Group (a) General Administration (1) Salaries. The Honourable Member for La Verendrye.

MR. BANMAN: I wonder if this is the section where we could discuss Manitrade?

MR. EVANS: Yes, under (3)(c) Trade Development.

MR. BANMAN: Okay. The first question, we were talking about the department closing its offices in Minneapolis, would that be under the same section?

MR. EVANS: I think we could discuss it under (c).

MR. BANMAN: How many offices does this particular group have?

MR. EVANS: It is our policy not to have offices abroad and I can elaborate on that — I can do it now if the Chairman permits me, or I can do it under Trade Development.

MR. BANMAN: I can wait, that's fine.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Chairman. I want to get at the mandate and the challenge of this branch to create and maintain employment in Manitoba's industry sector. I presume that the best place to handle it is under the appropriation we are looking at right now, 75(a).

I want to say that the Minister has, I think, given us a fairly optimistic report thus far in the examination of his Estimates on the condition of the Manitoba economy and I accept his comments. I accept his judgment that it is a fairly optimistic one but I don't think that either the Minister or any of the rest of us can be optimistic with respect to this particular item on the Estimates because we are looking at a serious unemployment situation in Manitoba. It's not good enough to say that it's also serious across the country and presumably this is the area where employment is a primary objective of the department's concerns.

The fact of the matter, Mr. Chairman, is that the employment situation has worsened faster in Manitoba in the past year, deteriorated faster in Manitoba in the past year than it has for Canada as a whole or than it has for all the western provinces except Saskatchewan, on an adjusted basis. I think, Mr. Chairman, you and I got into a mild exchange in the House the other day, and the Premier was also involved in it, at which time the government suggested I said that Manitoba had the worst unemployment rate in Canada — I did not say that, Sir, and I think Hansard will support me in that contention. What I said was that Manitoba's situation had deteriorated faster in the last year than it has anywhere else in the country. And the reason I say that is because the latest Stats Canada figures testify to that. They show that Manitoba's unemployment rate this March was 5.7 percent and last March, 1976, it was 4.7 percent and that's on the seasonally adjusted basis. That represents a change of 21.3 percent on an annual basis, and for the rest of the country, Sir, the change for Canada as a

whole is 19.1 percent; the change for B.C. is zero; the change for Alberta was 15.4 percent; the change for Saskatchewan was 21.1 percent; and the change in terms of increase in unemployment for Manitoba was 21.3 percent. So that makes it the worst record in the country for the year, comparing March 1977 unemployment with March 1976 unemployment on a seasonally adjusted basis.

That was my position and that's the nub of the challenge that I put to the Minister on this particular item.

Before turning over the floor to him, I would like to review a couple of other figures that I think are very relevant. These have to do with the changes in the labour force and employment. The changes in terms of jobs available to people coming into the labour force in Manitoba as compared to other parts of Canada represent a pretty dismal situation for us.

On the unadjusted basis in the past 12 months, Manitoba's labour force has increased by 10,000; the upward movement in employment has been 2,000, for a job-finding ratio of 20 percent. The comparable figures, Mr. Chairman, are as follows: For Canada as a whole, 33 1/3 percent, which certainly isn't very good; for Alberta 71.4 percent; for British Columbia 77.8 percent; and for Saskatchewan 75 percent. And our figures in Manitoba add up to 20 percent. We've had a lower increase in our labour force than any of the other western provinces but we've had a much lower job opportunity quotient. A much lower percentage of those of our people who have entered the labour force have found jobs than has been the case in any of the other western provinces, including the Province of Saskatchewan. I'm not just looking at Alberta. As I say, Saskatchewan's figure was 75 percent found jobs compared to 20 percent in our province. Those are Stats Canada figures for the last year. I would like to put that challenge to the Minister and ask him to what extent he feels the department or he feels that he himself — I don't want to lay it at the door of the department, I want to lay it right at the door of the Minister — is meeting his challenge to create and maintain employment in Manitoba's industry sectors?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: How many hours do I have to reply? Well, Mr. Chairman, I would agree with the honourable member. I'm not satisfied with the performance of our economy in the sense that I would like to see it do better. I know there are some provinces that are much worse off than we are, namely the Atlantic provinces and Quebec and so on, and maybe some other areas of Canada. But the fact is that we are subject to certain cyclical fluctuations or business cycles if you will or industrial cycles if you prefer that term, and this is a phenomenon of the capitalist system. It's a phenomenon of the modern western economy that you have periods of prosperity and you have periods of recession. You have growth and you have decline. The fact is that in the past year or so we have not experienced the same rate of economic expansion in Manitoba that we had experienced in the previous two years. I would submit in the period 1973-74, we did very very well in Manitoba; 1975 wasn't too bad, we superseded, I think, probably any other time in our history in terms of real output increase, including increases in the labour force.

You know, when you compare us to Alberta and Saskatchewan, you must remember, the major reason for this has to do with the rate of resource development in those two provinces. Alberta and Saskatchewan both have, and particularly Alberta, substantial reserves of oil and gas and the fact is that we are living in a day and age of the OPEC countries being able to raise the prices of international oil and natural gas. As a result, this has had an impact quite favourably for the oil-producing provinces of Canada, namely Alberta and Saskatchewan. This has had various positive spin-off effects. Likewise Saskatchewan has a large amount of potash, new potash development. I would submit that if we had the same or even a portion, a third, 25 percent of the oil and natural gas deposits of Alberta in Manitoba, you would see a much more buoyant situation than we have now.

So to compare us with our sister provinces in the prairies at this point in our history is to compare us with two provinces that have some assets that are appreciating in value at a tremendous rate where those resources are becoming more valuable almost by the hour. Certainly they are becoming more valuable by the month or by the quarter.

I think that when you go away from the comparison, when you move away from the comparison of Manitoba with Alberta and Saskatchewan and compare us with what's going on elsewhere in the country, we don't look too badly. I can only advise the member that in our department we will do whatever we can, and we do whatever we can, as I have described earlier this evening and this afternoon, to enhance business opportunities and to promote industry in the province. As I have also tried to describe, we have got some pretty big obstacles to overcome and we're not magicians and we have to realize that. We have to make the best of whatever we can.

I think that in the long run Manitoba will show that it will continue and I think you'll see in the months ahead probably an improvement in our situation vis-a-vis even some of the other prairie provinces, and that in the long run we tend to come along fairly well. We don't have spectacular

increases and we don't have spectacular declines in levels of business activity. We tend to have in Manitoba, and this is a long-term thing, we tend to be characterized by fairly steady, fairly stable, not very spectacular economic growth. But nevertheless our levels of real income have been rising and this is something that we should be quite pleased with. I'm not saying that we should be fully satisfied but I think if you look at the reality of the situation, as I said, the fantastic resource advantage that Alberta has today has certainly given that province a great advantage over any other province in Canada.

I don't know what we can do other than what we are doing now, Mr. Chairman. The Member for Fort Garry says, "What are we going to do about it?" I only wish I could somehow remove the oil and gas from Alberta and put some of it in Manitoba, or change the boundaries or something like this. The fact is that we're confronted with a given geography; we're confronted with a set of parameters and we have to work within those parameters.

MR. SHERMAN: Mr. Chairman, I don't dispute the Minister's statements having to do with the good fortune, the good resource fortune of Alberta and perhaps even Saskatchewan. I cite those figures merely to support my statement that the situation here is one of deterioration which exceeds that of any other western province and of Canada as a whole. The Atlantic provinces are in approximately the same position we're in, but taken as a whole, the Canadian record is much better than the Manitoba record, and that would include the unimpressive performance of the Atlantic provinces themselves.

Leaving Alberta and Saskatchewan and British Columbia out of it, I still put it to the Minister that we have had an increase in our labour force on an unadjusted basis of 10,000 and only 2,000 have found jobs. That's 20 percent and on an adjusted basis it's a little better. The change in the labour force upward was 8,000; the upward change in employment was 3,000, for a ratio of 37.5 percent. Leaving the other provinces out of it, that's still a pretty dismal record for the last 12 months.

What I'm primarily concerned about is whether or not the Minister is concerned about it. I get the impression that the Minister has become philosophical in his old age. He came into this House a few years ago full of fire and he was going to change the world and he was going to get this province moving but it was not going to be growth for growth's sake, it was going to be done in a sensible, rational way. Well, it seems to me — I've said this to the Minister in the House before — that we've substituted the policy of growth for growth's sake with the policy of no growth for no growth's sake. What I really want to see is the Minister disturbed and upset and mad about the situation.

A MEMBER: No, you want to see a change in government. That's really what you want to see.

MR. SHERMAN: That's absolutely correct; then I will see the Minister upset and mad. But for tonight, I would like to see . . .

MR. EVANS: Then I'll ask you the same questions you are asking me. What are you going to do about it?

MR. SHERMAN: We've put 2,000 people into jobs out of 10,000 that have come into the labour force in the last year and he tells me, well, we haven't got the oil and we haven't got the potash so we've got to live with this. Well, if we have to live with this, then this province is in deep deep trouble for some time to come. I don't think we do have to live with it and I think it's one of the major responsibilities of his office to make sure we don't have to live with it.

MR. EVANS: Mr. Chairman, it should go without saying that I'm very concerned with it. I would like to point out, though, that it depends on what type of development you are referring to — if you're looking at the structural, if you're looking at the cyclical phenomenon, or are we looking at the seasonal? These are the three components of these changes in the labour force, these changes in the levels of unemployment that you are talking about. There are three elements at work. You know, we have a very significant seasonal factor with our severe winter climate. We're now experiencing a very significant downturn, or have experienced, in the cycle. I'm suggesting that for various reasons we have some structural problems and you can translate those into people when you look at groups that are disadvantaged in the province, when you look at people who are living in remote areas and so on and you can see other structural problems that we may be confronted with.

I can assure the honourable member that I am very concerned. The government is very concerned, however, the government has announced a number of projects. The Premier has announced a number of projects and other Ministers have indicated various projects of an employment-generation nature. Now this is not necessarily industrial development *per se*; it's not commercial development. It's not putting into place new commercial enterprises, but these projects will have a stimulating effect.

In the area of housing alone, we may be able to put into place an investment of maybe \$60 - \$65 million in new construction this year. That in itself is quite a major stimulus, Mr. Chairman, to the construction segment of Manitoba's industry and it has other spin-off effects. The fact that we are spending in the order of four or five million dollars or thereabouts for critical home repair has a buoyant effect on the Manitoba economy. And there are various other projects that have been approved by another Committee of the government, what is called the Winter Works Committee, that

involve employment-creating projects for the inner core of Winnipeg, plus employment-creating projects in the northern parts of the province. Many of these, although they tend to be aggravated in the winter, a lot of them are structural in nature.

I am suggesting, Mr. Chairman, that the government has responded by taking various initiatives in employment generation. But if you're asking me how do we respond in terms of creating new jobs in the industrial sector, I repeat, we are not magicians and with all the enthusiasm one could muster, you know, we can go back and have a summit conference that the previous Minister of Industry had in the last days of the Tory regime — the Honourable Member from River Heights was then the Minister of Industry and Commerce and had his great summit conference and brought in a thousand Manitoba businessmen and so forth and so on. I don't know whether that's the way to create industry or whether it's to have another CFI.

We have tried, through the MDC, but as we have learned and as you have learned, as we all have learned, it's one thing to put up the capital supply, it's another thing to bring in the labour force and gather the various skills together to produce the products, but it's still another dimension to be able to sell those products competitively on the market. I suggest again, therefore, one of our major constraints is marketing and this is why we put so much emphasis on Manitrade, the trade development area.

I submit again that we're quite enthusiastic about doing whatever we can within our mandate and I submit that these figures that the Member for Fort Garry referred to, which refer to the entire labour force, which includes mining and forestry, the service sector goes well beyond all the institutional employment, etc., goes beyond the mandate of Industry and Commerce.

MR. CHAIRMAN: Resolution 75(a)(1)—pass; (a)(2) Other Expenditures—pass; (a)—pass. Resolution 75(b) Industrial Development (1) Salaries. The Honourable Member for Fort Garry.

MR. SHERMAN: Could the Minister advise the committee what sort of inquiries, if any, does he get from outside the province from investors or industrial enterprises seeking information with respect to establishing in Manitoba? Is there any traffic in that area at all?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Mr. Chairman, I can advise the Member for Fort Garry that we have approximately 25 active major inquiries re industrial expansion in Manitoba from outside of the province.

MR. SHERMAN: That was in the past year?

MR. EVANS: No, at the present time. That's current.

MR. SHERMAN: Are they looking for any degree of concessions or any degree of financial support or are these enterprises that would be self-sustaining?

MR. EVANS: It's typical for a company, particularly an established company, when it goes into a jurisdiction anywhere in Canada — I guess anywhere in the world — to seek out all industrial incentives and grants that are available. That may be question number one.

We do have the DREE Program that applies to Manitoba and we do our level best to get as many DREE dollars as we can for those companies. To the extent that we provide industrial incentives DREE would simply subtract it from their grant, so there's no advantage in us giving away Manitoba taxpayers' dollars to have it subtracted from the DREE grants, and this is a fact. If you were eligible for a million dollars DREE money — or you could be eligible — and it's discovered you are going to get a \$200,000 provincial grant, \$1 million minus \$200,000 gives you \$800,000 Ottawa money, so there's nothing to be gained I would submit in that avenue.

Most of the companies that are interested have some familiarity with Manitoba. They know that we have certain technical labour skills. They know that we have a certain market here that can sustain what they produce. The inquiries are in the area of agricultural machinery, other types of machinery. We've had some rather interesting inquiries now in the garment industry. This is with the new quotas that have been imposed recently by the Federal Government on garment imports into Canada. There are inquiries in the field of household products.

Most of the companies want information on site location. They usually have an idea that Manitoba offers something for them. As I say they usually have done a little preliminary homework, and quite often the problem is to find the right place and then to do your location economics analysis to ensure that you can make a profit at that you know, given all the various factors that particular location' go into profitability of investment. We do whatever we can to supply the information and so on.

There are cases whereby we — I can also tell you because of our own analysis of what we import into the province, and our own analysis of opportunities here — we take the bull by the proverbial "horns" and go and talk to what we think could be a potential investor. I think McCaine Foods you might include in that category, where I think our original communication with them was about five years ago and there's been a lot of discussion and so on, but finally they're now coming to Portage la Prairie. Sekine Bicycles was another example. We actually approached three different bicycle manufacturers before — two before we got to Sekine — and all the things fitted and we got the Sekine into the Rivers area.

I'm not saying that the fact that there is a federal training program at Rivers wasn't beneficial or helpful, of course it was. But I'm using these two as examples of where we did the research and went out to the companies saying, "There's a chance here to make something that will sell where you can make a return on your investment" and here are two examples, potato processing and bicycle manufacturing.

MR. CHAIRMAN: Resolution 75(b)(1)—pass; (b)(2) Other Expenditures—pass; (b)—pass. Resolution 75(c) Trade Development (1) Salaries. The Honourable Member for La Verendrye.

MR. BANMAN: I referred awhile ago to the closing of the office in Minneapolis and I'm wondering if the lease has expired on that particular space that was rented by the Department of Industry and Commerce.

Also I wonder if the Minister could very briefly elaborate on what he feels the cost benefit ratio has been with regard to trade development in the province. I appreciate some of the figures that have been thrown around as possible sales that the trading corporation has made, and also some of the direct sales. I guess like many other things involved with the Department of Industry and Commerce it's like advertising, it's hard to put a dollar value on it. But I wonder if he could just briefly describe what he feels the cost benefit ratios have been, whether he feels they are duplicating to a certain extent what the Federal Government is trying to do, or if he feels that the Federal Government should strengthen their trade missions in Latin American countries and all over to correspond more closely with the provincial governments.

I'd like to ask several specific questions, I wonder if the department got involved with the black bean sale to Cuba or was that the Minister of Agriculture that did that. I wonder if they tried to sell some peatmoss on behalf of Evergreen Peat and Fertilizer. I'll start off with those questions.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Yes, Mr. Chairman, I can answer that last question specifically; yes, we did line up some sales for that company. We were not involved in the black bean sale to Cuba or whatever? Well, we did the documentation I understand, because we have some expertise in that area.

I believe your initial question was re the Minneapolis office. We did on an experimental basis hire a retired industrial development officer who was resident in the Minneapolis area, on a contract for about \$25,000 a year, but not for trade as much as to find industrial prospects. In other words, would-be potential American investors. We tried it for about eight months and after analyzing the results we decided it would be more effective and less costly if we simply did it right out of Winnipeg with people, you know, going down to various points in the upper midwest. So, very simply put, after eight months, although I think we were going to try for a year initially, after eight months we had enough evidence to indicate it wasn't, you know, worth the expenditure, so we gave it a whirl, we gave it a try and decided not to continue with it. So I say, therefore, although it may appear like a trade office, it was not a trade office.

Now on that point, I want to state categorically that it is our policy not to duplicate what the Federal Government does in the area of foreign trade promotion via the establishment of foreign trade offices around the world. The Canadian Government, the Department of Industry, Trade and Commerce has a vast trade commissioner service and I would say that it's quite a good trade commissioner service and is quite a responsive trade commissioner service. So Manitoba is probably one of the few provinces in Canada, maybe the only province in Canada, that does not waste what I would consider to be a sheer waste of the taxpayers' money in setting up a series of trade offices in different countries and thereby duplicating the efforts of the Federal Government. Ontario has many offices around the world, Quebec has, Alberta has some, and so on. And our policy is instead to have an efficient trade development group here with a trading corporation which is really two, three, four salesmen on contract, who make use of the facilities in the various trade offices and we've been receiving many leads. I find the offices to be very responsive. We've been using the services of their trade commissioner's offices in the Latin American area, for example, getting leads and following them through and with those leads advising Manitoba manufacturers and as a result we have sold a various range of merchandise and equipment. Everything from dust collecting equipment to complete slaughter houses. I believe we sold some telephone equipment to Turkey at one point and so forth, medical electronic equipment and so on.

So this is our approach: Not to in any way duplicate the existing Federal Trade Commissioner's Service but rather, instead, to make full use of it via the activities of the Manitoba Trading Corporation.

Now I believe the other general question was, well, what is the cost benefit ratio in terms of the Manitoba Trading Corporation? I would say that, first of all, in one sense it is perhaps unfair just to look at the total budget of the trading corporation and say, well, you know, how come you didn't make such and such a return, because a lot of what the trading corporation does is in the nature of giving technical advice and service to Manitoba exporters, Manitoba businessmen who want to export and to that extent, it's like most of the other branches of the department where we are offering free services and there is no way you can — well it wasn't done in years back and it is not done — to charge

people for a lot of technical advice in the area of whatever it may be, tariffs, export documentation, etc.; the running of various trade shows or various seminars on trade promotion. There's no return on that and there is a cost. But if you actually in the year 1976-77—no, I'm sorry, in the year 1975-76, the actual costs of the trading corporation, this is where you are talking about your salesmen, the travel and the expenses involved in actually selling this merchandise or helping these companies sell the merchandise, the actual cost was approximately \$250,000 to sell over \$1.2 million. You can divide that as a ratio or if you come down a ratio, it took 21 cents to sell a dollar's worth of merchandise. Now, these are invoice sales but they're not all . . . —(Interjection)— yes, okay. And this year, 1976-77, we had orders shipped and on hand at the end of February totalling approximately \$1.2 million with the revenue back to the corporation of \$60,000 and so on.

In effect, there is a positive cost benefit ratio if you look at that segment of the trading corporation, that is that segment that is actually involved in the hard, nitty gritty selling activities, apart from the trade advice segment, you know, that was always there in years gone by.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: I wonder, the Manitoba Trading Corporation, in the Auditor's Report in the Annual Report for the Department of Industry and Commerce showed that the working capital put in by the Province of Manitoba in 1975 was half a million dollars and in 1976 I assume another half million dollars of capital was infused. Is that right?

MR. EVANS: Yes, this is \$500,000 into a revolving fund, you know, so it's sort of working capital. It is not a grant, it's not an expenditure, it's a revolving type of thing. I don't believe that's been changed. That original \$500,000 is there.

MR. BANMAN: I also notice in the expenditures that the unrecoverable development expenses are written off. That \$25,000 that has been written off, is that that hotel in Cuba?

MR. EVANS: Yes. I'm sorry. That expenditure came out of retained earnings of the corporation. We had some earnings from commissions, you know, on sales elsewhere. So that more than covered that particular loss.

MR. BANMAN: The loss as far as the Trading Corporation is concerned was a \$25,000 loss on that particular . . .

MR. EVANS: Yes. That was the money we had to put up to help promote the thing. We involved about fifteen Winnipeg companies in that particular — I'm sorry, 25. It's about 15 Manitoba companies and we put up \$25,000 and the Federal 000 and the 15 companies put up between Government put up \$38' about \$50,000 and \$75,000.

MR. BANMAN: That's fine.

MR. CHAIRMAN: Resolution 75(c)(1)—pass; (c)(2) Other Expenditures. The Honourable Member for La Verendrye.

MR. BANMAN: I wonder if the Minister could tell us— he mentioned that they had sold something for Evergreen Peat Moss. Has the corporation been involved at all trying to sell some of the Saunders aircraft from that receiver and has it been involved in trying to sell buses as far as Flyer is concerned?

MR. EVANS: I'm advised that the department has been looking for prospects in the past, has been looking for prospectives for the receiver. The receiver has a responsibility but we have some people out in the field and we have looked for prospects.

MR. BANMAN: How about the Flyer buses? Is the department actively engaged in trying to dig up contracts for the Flyer Bus Manufacturing Co?

MR. EVANS: Yes, we've been very active. We have been attempting to do that. I would just mention one area we were hoping to sell was in Costa Rica for a complete electric trolley bus system. They are modifying their entire public transportation system by bringing in a complete electrical trolley system. However, we were not successful in competing with U.S.S.R. who had such terms that we couldn't possibly compete — like three percent interest and that sort of thing.

MR. BANMAN: What percentage of the Trading Corporation's time would be spent promoting government owned businesses or government involved in?

MR. EVANS: I would say a relatively minor amount, Mr. Chairman. suppose, We've got an agreement, I of sorts or an understanding with about a hundred companies, you know, to act as their agents, if you will. They are prepared to work with us in this area, or we're prepared to work with them and we have been active with 27 of them and of the 27 two or three are government operations.

MR. BANMAN: What kind of a financial arrangement would you have with them as far as commission. Are you working on a commission basis or are you buying the . . .

MR. EVANS: Yes.

MR. BANMAN: Is there sort of a structure that you follow when you do . . .

MR. EVANS: Yes, there is a procedure and it runs about five percent.

MR. BANMAN: Fine, thank you, Mr. Chairman.

MR. CHAIRMAN: Resolution 75(c)(2)—pass; (c)—pass. Resolution 75: Resolved that there be granted to Her Majesty a sum not exceeding \$1,070,000 for Industry and Commerce—pass.

Resolution 76 Affiliated Agencies and Activities, (a) Economic Development Advisory Board

(1)Salaries—pass; (a)(2) Other Expenditures. The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, would the Minister describe any differences or directions that may be taken by the Economic Development Advisory Board in the department's planning for the coming year. I note there is really no change in the appropriation we're being asked to vote on either item. Does this reflect a static position, a status quo position, or does the Minister have some report he can give us on the Economic Development Advisory Board and what its objectives will be in the year ahead. Are they the same as those in the past? Why is the appropriation almost exactly the same as last year?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: I can perhaps put it very simply in this way and indicate that the Department of Industry and Commerce is able to give backup assistance to the board. As you can appreciate, it has been essentially involved in conducting various seminars, meetings of business people, other professional people and so on, on various topics pertaining to the economic situation in the province and has put out a number of reports and studies and we've been able to keep the budget to a very minimal increase. But one reason is that the department is prepared to lend some assistance in various ways; you know, when you organize for a seminar or what have you, there sometimes a little additional clerical work that has to be performed and so on and this type of help is forthcoming and will continue to be forthcoming from the department.

MR. SHERMAN: Does the board work with different industries and industry associations or is it a matter of taking an overview in these particular areas cited here in the qualifying description of its operations, dealing from an overview position with those questions, or does it meet specifically and work specifically with individual sectors of the economy.

MR. EVANS: Well, there have been a number of seminars, various kinds of seminars, dealing with specific sectors of the economy, but the board has also put out a general report, it's public, entitled, "Manufacturing Rationalization Trends in Manitoba that " was published in November 1976. That was a major effort, that's a publication and, in addition, they put on a seminar on public and private pension plans. There was another seminar I recall on housing and there was another one on Manpower questions. Sorry, that was a study. There is another seminar coming up on Business Opportunities.

MR. SHERMAN: After the board has' for example, co-ordinated government transportation distribution planning and assisted in establishment of policy objectives and strategy, what has the Department or the Government then done. Can the Minister give us an example?

MR. EVANS: Yes, about a year and a half ago there was, to use as an example, a follow up. There was this large Manpower study completed and the staff and chairman of the board undertook to meet with various government agencies, they were concerned about job creation and manpower problems, so it's carried out in this particular way. In other words, contact being made with the pertinent and relevant government departments and agencies. This is advice I guess, on a very practical level, dealing with people who are, guess you might say, at the forefront of that particular area of concern.

MR. SHERMAN: That's all I have, Mr. Chairman, thank you.

MR. CHAIRMAN: Resolution 76(a)(2)—pass; (a)—pass. Resolution 76(b) Manitoba Bureau of Statistics, (1) Salaries—pass; (b)(2) Other expenditures—pass; (b)—pass. Resolution 76(c) Manitoba Energy Council, (1) Salaries—pass; (c)(2) Other Expenditures. The Honourable Member for La Verendrye.

MR. BANMAN: I notice that there is quite an increase here. I wonder if the Minister could tell us if the Energy Council is commissioning some studies or getting some outside expertise as far as development — studying the development of alternate sources of energy or that type of thing?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Yes, Mr. Chairman, the largest increase includes \$44,100 for energy conservation programs. In other words, moneys to make people more aware of energy conservation techniques, generally of a promotional nature, information and promotional.

MR. BANMAN: When the government runs different ads, the ads that we are running as far as energy conservation, do we make them up ourselves or do we pick them up from an ad agency or is the Federal Government producing something?

MR. EVANS: We had a Winnipeg company prepare the TV ads that we had a few months back. It was done by a Winnipeg creative group. It was not copied from the Federal Government.

Having said that, I might advise that there are many Federal materials available on energy conservation and we are now . . . there is one particular book, I'm advised of, entitled "Keep the Heat In." It's a book on conservation for residential housing and this is available free of charge so we're now negotiating just how many of these we can get to distribute in the province. I'm hoping that this will be forthcoming soon. It's a very very good book. —(Interjection)— There are copies available but we need a certain quantity and we're waiting for the quantity.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Did you send a copy to the Minister of Public Works?

MR. CHAIRMAN: Resolution 76(c)(2). The Honourable Member for Crescentwood.

MR. STEEN: One short question for the Minister. He said they were using an outside group for promotional work in regard to this. Can he name the group?

MR. EVANS: This one group was strictly to do with that particular television commercial. If you want to know the name of the group, I can tell you, Credo. — (Interjection)— It's just called "Credo" and incidentally I'm advised we won an award for that ad. It was called "Harry the Furnace."

MR. STEEN: Mr. Chairman, to the Minister, is Credo a group of Winnipeggers with some good, bright young ideas, or are they part of an offshoot of a national advertising firm?

MR. EVANS: I understand they are strictly local. They are two or three young people in Winnipeg.

A MEMBER: Excellent.

MR. CHAIRMAN: Resolution 76(c)(2)—pass; (c)—pass. Resolution 76(d) Manitoba Transportation Economics Council (1) Salaries—pass; (d)(2) Other Expenditures. The Honourable Member for La Verendrye.

MR. BANMAN: Thank you. This is the particular branch, I would imagine, that gathers all the statistical information and data for the presentations that we make to the Federal Government with regard to transportation policy, is that right?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Yes.

MR. BANMAN: There's a new transportation policy that was briefly discussed in the House — there's a bill before the House giving the Minister of Transport more authority as far as transportation is concerned and I wonder if the Minister could tell us very briefly what our position is with regard to that particular new bill?

MR. EVANS: We have some mixed feelings about the bill, it's Bill 33. What we do welcome is the policy implication of the new bill whereby the Federal Government will take into consideration regional development objectives in rate-making. That's stated as an objective. But there are other elements of the bill that we have some concern with and at any rate we hope that we may go in with Saskatchewan and make representation to the federal parliamentary committee that will be reviewing the bill.

MR. BANMAN: Have we made any submissions or any briefs or policies to the Federal Government with regard to the increased toll fees being charged on the St. Lawrence Seaway with regard to the transportation of different goods through the different locks on the St. Lawrence?

MR. EVANS: There has been no opportunity to make an official submission because there has been no hearing called. You know, if the Federal Minister says, I'm going to increase the rates, or do whatever he will, we can object and we have of course — we usually make our views known on just about any subject that affects the economy of Manitoba via transportation policies. But in this case I understand we have not had an opportunity. We have not been asked for our views and it has simply been stated that the Federal Government is going to adjust the St. Lawrence Seaway tolls.

Mr. Chairman, I want to assure the Honourable Member from La Verendrye, however, that we have a study on the matter and the Feds have a study on the matter; we're on top of it. We have the data, we have some idea of the implication for Manitoba's economy and so on. We're very much aware of what the toll changes might do to the provincial economy, particularly the agricultural sector of the economy, but again, you are in the area of estimates.

MR. BANMAN: I understand, if my information is correct, that it could have quite an adverse effect on the grain handling and shipment of prairie wheat in that not only would it increase the cost of the commodity moving further east but it might affect some of the business of the ships that are coming — in other words, the backhaul as far as the hauling of iron ore and that type of thing which helps to defray some of the cost of the shipping of the wheat. I would urge the Minister to keep a watching eye on that because I think it's another sort of nail in the coffin of western transportation.

MR. EVANS: Particularly for Manitoba, but most of the Saskatchewan and Alberta grain goes westward.

MR. CHAIRMAN: Resolution 76(d)(2)—pass; (d)—pass. Resolution 76: Resolved that there be granted to Her Majesty a sum not exceeding \$1,205,900 for Industry and Commerce—pass. The Honourable Minister.

MR. EVANS: Mr. Chairman, earlier today I was asked a question on the staff man years in the department and the number on contract. I wonder if I could give that information now. In this year, 1977-78, there are 171 staff man years of which 142 can be considered as Civil Service permanent employees, 142; there are 12 term positions; and there are 17 vacancies. If you add those up, 141, 12 and 17, you get 171. The 17, therefore, is ten percent of the 171 and that's part of the ten percent freeze that the Premier had announced some time back.

In addition to that, we have 33 contract employees and another three contract people who are cost-shared with the Federal Government, so that's 36 in total contract. You can add those up and you get 190, if you subtract the 17. I might add, the reason for the number of — you may think that

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there is a high percentage of contract employees but this is deliberate because of the nature of the work. We have a lot of people who are retired businessmen, people who have come to work for us and some of them are not that old, but we prefer to hire them on a contract basis and they prefer to work on a contract basis and it provides for a lot more flexibility. I think it is a good way to operate in some of these programs that we are trying to deliver, some of these management services that we are providing, advisory services. So this is the explanation of why there is a fair number of contract people.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: Committee rise.

MR. CHAIRMAN: Committee rise and report.

ESTIMATES - NORTHERN AFFAIRS

MR. CHAIRMAN, Mr. William Jenkins (Logan): When we adjourned at 4:30 we were on Page 49 of your Estimates Book, Resolution 97, Northern Development Corps (a) Canada-Manitoba NORTHLANDS Agreement, Salaries and Wages \$1,563,800—pass; (b) Other Expenditures \$2,501,700.00 The Honourable Member for Lakeside.

MR. ENNS: Again, more for form than any other reason, I believe we have probably covered some of this ground again but I take objection to \$2 million being allocated under the simple heading of Other Expenditures. I suggest, Mr. Chairman, and through you to the Minister, that most Ministers of the Crown in their Estimates don't put \$2 million worth under the simple heading Other Expenditures. I mean, Mr. Chairman, while the Minister is looking that up, that's an awful lot of miscellaneous dollars. —(Interjection)— I mean, as a rule . . . That's \$2 million, right, and I can understand, you know, Other Expenditures covering such things as unforeseen costs, typewriters, or travelling expenses, something like that, but to simply list \$2,501,700 under the rather benign heading Other Expenditures is asking or begging for some further explanation. The Member from Flin Flon would agree with that' I'm sure.

Again, Mr. Chairman, while the Minister is looking up these Other Expenditures, if nothing else it's worthwhile to have some of the senior civil servants at his command to put forward the effort to find out what those Other Expenditures are all about, to have them justify their presence in this Chamber.

MR. CHAIRMAN: The Honourable Minister of Northern Affairs.

MR. McBRYDE: Mr. Chairman, I'd like to get a little bit more detail. The breakdown that I have is fairly general of those and I think that for the member's satisfaction and my own I'd like to get a little bit further detail on the amount.

The amounts in that figure are training expenditures which is a main part of the program.

Mr. Chairman, some of the employment of people, for example the Youth Corps, which operates in the summertime, the funds paid to those young people on that particular program for example shows up as other expenditures not as salaries. So in the Youth Corps last summer 270 students were employed during the summer months and that figure comes out to \$408,000.00. A similar situation exists with the home advisors in training. There are some that are being trained and that is separate from the salaries, and that amount is \$129,000.00.

I have some listings here of the nature of the projects but I would much rather define them. They are all training programs but there is community-based training and corporate training and I'm not quite sure of the distinction in those categories. I think the corporate is the training funds that go into training at Churchill Prefab, Minago, and Mistik Creek and those operations where extra training are involved. The other community-based training would be the stuff that is done right at the community level like the driver training, like any other projects that are going in that community where we could take advantage of the training opportunities therein. And those figures, the community-based training projects is \$254,000; the corporate training projects are \$325,000.00. And I'll have to get some more detail on that.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, it is not my intention to really disturb the Honourable Minister's digestion so shortly after the supper hour, but you know, Sir, this really is part of where the opposition has, you know, not just a wedge but enough room to drive a semi-trailer truck through when we make charges of concern about how dollars are being spent in his department. You know we passed, just the other day or a little while ago, under Resolution 95 Special Programs which in general, reading just from the helpful notes provided on the Estimates, "Provides economic development support in the form of grant assistance to primary producers and provides funds for employment-creating training proposals relative to business ventures."

We are being asked to pass without any detail \$2 million for training programs involving Youth Corps, training programs involving a home advisory training group, or something like that. Now I want to ask you something, Mr. Chairman, and you've been in this Chair through not only this set of Estimates but for several years of Estimates, the Minister over there or any other Minister has to answer in a much more detailed way before we have a quarter of a million dollars, or a half of a million dollars to spend on a program for which there is little or no detailed explanation for.

You know, I had supposed when I arose to ask the question that the Minister would be able to rattle off, as he did on another occasion under Special Programs, in fact I have the — I had the list here before the cleaning staff cleaned up behind me — the list of all the grants that were made available through the Canada ARDA Agreement. There were \$5,000, \$10,000, \$50,000, \$20,000, \$30,000 grants shared jointly either with the federal authority or the provincial authority for trapping grants, for fishing grants, for the numerous programs that that program undertook.

I must admit, Mr. Chairman, that I am more than disturbed that the Minister can give me no more information on the passage of \$2,500,000 listed as Other Expenditures with the suggestion that it has

to do with the training of some youth groups.

Well, Mr. Chairman, you know it's that kind of explanation that leads us to level some of the charges that come from time to time from the opposition, that in fact some of the moneys moving into the north are in fact not, you know, fully utilized to lasting and permanent improvement of the north but in fact can be so diverted to serve, perhaps, the political process of a particular party in power. You know, if there is such loose bookkeeping involved then I think that we should be concerned.

Mr. Chairman, I'm not satisfied with that answer for that expenditure. I don't think that I could be responsible in my job as an opposition spokesman in accepting that kind of an expenditure of \$2.5 millions of dollars listed under Other Expenditures with not some reasonable, and I'm not, Mr. Chairman, asking for the finite detail of every program, but I would expect, under that kind of a program, at least the listing of half a dozen major programs to which this money is specifically allocated.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: While the Honourable Minister is thinking an answer to that, I wonder if I might ask a question, Mr. Chairman, through you to the Minister. I notice with interest it's down three-quarters of a million dollars from last year. I wonder if the Minister when he is answering my colleague, could he advise the committee as to why or what has been disposed of that causes this reduction of three-quarters of a million dollars over last year. Or under last year.

MR. McBRYDE: Yes, Mr. Chairman. The Member for Lakeside is quite right. I would like to give him the full detailed information. I just don't have that particular fact sheet in front of me and the material I have right in front of me is fairly general and the gentleman who has the details is now sitting down, so before very long we will be able to provide a full answer to that question which deserves a full answer and which I would like to give to my honourable friend.

Mr. Chairman, there are a couple of other points that were raised earlier this afternoon that we didn't deal with and one comment I would like to make, even while we're on this subject, is the questions and the statement the honourable member made the other day and I notice the press repeated it twice, both Saturday and today, about the Communities Economic Development Fund. The reason, Mr. Chairman, that I didn't give a detailed response to my honourable friend is that the Communities Economic Development Fund does not report to me as the Minister so my comments were very general — the stuff that I am aware they are doing, for example, giving quite a bit of management assistance to those organizations they have lent money to. But it will be much more appropriate because this Fund does appear before the Legislative Committee for the honourable member to get all the details and a full explanation of one, if his calculations are correct; and two, if they are correct why they are correct or why that is the situation.

We had a fairly lengthy discussion and I was speaking to it at adjournment time this afternoon, Mr. Chairman, on the — I don't know how you would call it — we got into some philosophical discussion a little bit in terms of the difference in party approaches and I think the main point that I have been trying to make all along to these Estimates, and I would be upset if the honourable member agreed with me on this point, is that non-interference by the government has not worked very well, and that is, if we're interested in employing people from remote communities, just sitting back and letting things go, letting enterprise be free completely, just hasn't produced the jobs, and people haven't taken advantage of those jobs.

I know that the honourable member from his experience in government, that in fact the Conservative Government did take a couple of steps because they realized this was the situation. I think that they had that experience with Hydro and they had the first northern preference clause in the Hydro agreement and I think that that was an attempt to basically force the contractors to do something that wouldn't have happened naturally. I think that they had a limited placement program — I don't know if he was aware of that — in 1968, 1969, at Thompson with Inco and I think that that is another effort to try and overcome that particular deficiency. UUU Certainly the greater extent that the private companies or the Crown corporations have a commitment to — and the unions have a commitment to employing people, the more successful it is going to be but the companies would like to know where they stand and I think we have to state fairly clearly that it is our intention that they employ northerners and native people from northern Manitoba and that we can't leave much doubt as to that situation.

A number of the things I have been talking about are basically what you say, government intervention or government involvement in trying to bring that about. If the theory is that we completely go back to the system the way things were before, I think that the honourable members that are sitting here now understand that that will not work. We might debate that on the detail of how the government involves itself but I don't think the particular gentleman sitting in the front right now would say that that's not necessary at all, the government should just forget about it.

The Member for Swan River asked some questions on the reductions and where the reductions came about. The biggest reduction — and I mentioned it in my opening remarks — was in relation to Mistik Creek Loggers which was operated as a departmental operation but that now has been

incorporated and so there was a reduction there of just over \$500,000 with the incorporation of that company.

The other big decrease was the transfer — and I mentioned this earlier — there were a couple of new economic development projects that were in our budget last year that didn't get started and there is no guarantee that they will get off the ground right away but we have the funds allocated under the Northlands Agreement and we have transferred that particular amount into the DREE Enabling — I think that's a capital vote — the DREE Enabling Vote. So that if, in fact, the project does get off the ground then we will be able to draw on it from that source. If it doesn't get off the ground, it won't show in current as a lapsed allocation. That amount was \$331,000.00.

There are some other smaller reductions but I think ones that the member would be interested in, reduced staff travel \$53,000.00. That's actually in two different sections so it's more like \$70,000 or \$80,000 in that particular reduction. —(Interjection)—Yes, Mr. Chairman, the budget within the Department of Northern Affairs in many departments is very tight right now, and there has been a reduction in travel. I can recall from the early Estimates when the present Leader of the Conservative Party introduced the budget of the Commissioner of Northern Affairs at \$200,000, one of the Liberal MLAs stood up and said, "Well if you're going to do your job properly that's not even enough to travel to the communities \$200,000.00." I think that he had some insight into the costs involved in working with the remote communities. So those are the basic reductions that the member asked about.

Other expenditures, first item; \$129,400 in the Home Advisor's Program, for travel and training of home advisors, including instructional material plus equipment used with clients in the Home Advisor's Program. The one that I did mention that was fairly easy to break out, it was a simple book, was \$408,000 for the Youth Corps, and that's estimating 34 projects, that is summer projects, 34 communities at an average cost of \$12,000 in each community; each project will employ about eight students for eight weeks, so that's a direct cost of the program to provide student summer employment.

As I mentioned earlier, within the remote communities we provide that summer student employment in Northern Manitoba, the Department of Continuing Education has an amount where they provide student employment in Southern Manitoba in a number of areas. I think that that figure is fairly self-explanatory.

The next figure is \$247,600, which is under the Special Projects, which is the Tawow Program, 80,000 of that figure, breaking down the \$247,600 further, \$80,100 is for the Tawow Program, and that provides the other types of assistance for the relocation of families to Leaf Rapids, housing assistance, training funds, and other services to the people relocating on that project. The further breakdown of that \$247,600 is the Thompson relocation program. In the Thompson relocation program, we have a direct agreement with the Manitoba Metis Federation who provide similar services to what we provide at Leaf Rapids. And we do that on a contract basis with the Metis Federation. The contract value for services delivered is \$85,000.00. Included in that project are the same kinds of relocation expenses for the sum of \$45,000, that is to assist people to relocate to Thompson when we can't get the funds out of the Federal Manpower; to assist people to get equipment they need to go to work; to provide short term housing assistance and those types of backup to that program. That \$247,000 is further broken down under special projects under the Community Economic Development Service where we are providing basically direct grants to two communities, to provide their own economic development person. So, rather than having a staff person working for our department, the community is employing a staff person working on a position outlined between ourselves and council, what the duties and functions are and that amount is \$37,500 which is all the costs related to that particular grant.

The total amount under community-based projects — what I gave the member earlier — was \$254,400, and that \$254,000 is broken down as follows: Driver training \$70,000. Information Officers, and again, members will recall, I mentioned this earlier today, that basically we provide some funds directly to the council who supervises a person on a part-time basis, who, when these job orders comes in, runs out, finds the person, makes people aware of the opportunities coming up in that particular community, and that cost is \$50,000. There is Client Assistance of the type that used to be under the Vocational Rehabilitation Services Program I don't know if the member is familiar with that program, \$92,000, and I believe that covers certain things for training, like at Keewatin Community College, that again, Canada Manpower doesn't cover, or certain types of cases they don't cover, that can operate through the VRS legislation.

There is going to be some training for ferry operators at Norway House and there is \$5,000 for that amount. As you know, there is a road being constructed to Norway House. There will be a ferry operation there over one of the branches of the Nelson, since it's that way it must be the east channel of the Nelson River. So basically we'll be picking up the training costs, or the early employment costs of those people while they're learning a job. There is a small business training program, I think that would basically be a business and management training program, \$14,000.00. There are other

training programs that are community-based projects for \$34,000.00.

The Corporate training section is what I described, but I have the more detailed breakdown. At Mistik Creek, operation is anticipated this up-coming year, the amount for training will be \$75,000. This will be training someone in management to work under the manager, to learn that experience, to have a camp cook training under the regular cook, to have foreman trainees and to have a mechanic trainee. The members, I think will realize that there are many different ways to do a training program, and one of the ways we are trying, in some of these cases, is an understudy kind of program. We have a manager in place, he's part of the operational costs, but we are using training funds, under the Northern Development Corps that are cost-shared to put an understudy basically who will learn that job and be able to take that job over eventually, and that's basically what we're doing at Mistik Creek for \$75'000.00.

Minago Contractors has a similar situation. There's \$100,000 allocated to Minago for expected training under Minago Contractors. These are all, of course, the anticipation of the up-coming year. There's \$50,000 for three other projects. We are hopeful that we will have a project fairly soon with Hudson Bay Mining & Smelting Company, a relocation, employment at the mine at Flin Flon. And we're also working with ManFor to develop a better package in terms of training native people in ManFor, basically the saw mills, pulp mill operation of ManFor. We've done training for them in the bush, we haven't done on-the-job training within the ManFor operation itself. So those other projects with ManFor and private industry, there's \$50,000 allocated for training there.

The other section or the continuation of the corporate projects, as I mentioned, the Churchill Prefab Plant, there is \$280,000 for training and employment funds in that project. The Cranberry Portage RTM plant, there is \$200,000 that we expect to be able to do worth of training at Cranberry Portage this year.

There are two here, Mistik Minago, Creek and that are two different type of allocations to those. I mentioned that Mistik Creek would get \$75,000 for the understudy training. Also, we have a formula that the Northern Manpower Corps uses with Mistik and Minago, and that is the extra cost associated with employing native northern people. So, one is direct training, you can say that part of it is the delivery. You give them so many dollars to build the road, so many dollars to train so many people, but there is another cost that we have built in here in this figure, what we anticipate will be the extra cost of employing native northerners on that job, and the figures come out to \$120,000 for Minago and \$30,000 for Mistik Creek. I think now, if you wrote down those figures and add them up, I am reassured that they will come to exactly \$2,501'700.00.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: The Minister has given us quite a resumé of training, and my particular point was that I did ask him why the reduction from \$3 million to \$2 million this year, and he did mention Moose Lake Loggers. Is that right? A certain amount of this money went into that, and now they're incorporated. Is that right?

MR. McBRYDE: Mr. Chairman, Mistik Creek Loggers, this operation is north of Cranberry Portage. It employs native people from Cranberry Portage and I believe from Duck Bay and Camperville as well. They're working on that particular program. They have a contract with ManFor, the same as Moose Lake Loggers, but it's now set up as an independent company, it reports through myself, whereas Moose Lake Loggers reports through the Minister of Resources. But next year, now they're incorporated, they'll appear before the Economic Development Committee and give their full report as an incorporated company.

MR. BILTON: Well, I thank the Chairman for those remarks. I had some thoughts on Moose Lake Loggers. I don't know whether he's interested in that or not, but I am sure he is. It seems to me that over the many years we've been granting money year after year to Moose Lake Loggers, and when I heard him say that they were incorporated, I wondered what had happened to all the equipment that had been bought by public money, and what incorporation was there, and was this equipment given to them, or do they have an obligation to refund the treasury as and when they get into business?

However, to go a step further, the Minister did say, time after time after time, that people were being trained, he didn't exactly say for what. I wonder how much training a man needs to saw down a tree? I know that in the Duck Mountains we have scores of people of Indian blood and Metis blood that are earning their living, and they didn't get any particular training. What I was thinking in terms of was that we built the technical school in The Pas, and it's been in operation now for some nine or ten years, and it would seem to me that there should be plumbers coming out of the other end, as well as electricians and this sort of thing. Are we still training people in these particular directions, or is it an open-ended check in these remote areas for training on this or that or the other. I remember one particular instance where I went into a particular area, and if the Minister wants to know where it is, I'll tell him, but I must give him my thinking at this particular time. There was a garage there, and there were three people in charge, and they were supposedly training some dozen young men to be mechanics. I said, "Well, where do you get the automobiles to work with?" "Oh, we get them". And I said, "Where are all these young fellows today?" "Oh, they're playing soccer today". And these are

people that are being paid, what? \$90 a week for training, to become mechanics. In my humble opinion, Mr. Minister, we're not doing those young people any good in training them in that way. There isn't the material and there isn't the set-up to make a mechanic out of any one of them.

Across the road, there's a furniture plant. I said, "Well' are you building furniture?" They said, "No, we're repairing furniture". I said, "Where are you getting the furniture to repair?" And they said, "From the various homes." Well, I said, "When you run out, what do you do?" And here again, Mr. Minister, there were 12 or 16 young men, fine, well built young men, strong and virile and so on, just standing around. Is this the sort of training program that you're setting up for them, because if it is, if you're doing this to the tune of \$2 million or thereabouts, you're ruining them. They're going to be no good to themselves or anyone else. I think that a little more care has to be put into it. Far be it from me to suggest that they shouldn't get the training, and they shouldn't get the support that they deserve, but with this kind of money, Mr. Minister, if it's being fed out loosely in that manner, and nothing being accomplished at the end of the road, what have you got? And you've spent millions and millions of taxpayers' dollars.

Dollars don't mean a thing in my humble opinion, when it comes to the human element. And we're not doing them any good, this is what I am trying to say. There are still a good many people amongst them that will get out and fend for themselves, and that's the sort of thing we've got to encourage, not be putting up hundreds of thousands of dollars to be paid out and covered, for the purpose of explaining to us, how you're spending that money, in training programs, training programs. If you mentioned it once when you were talking, I think you mentioned it a dozen times. If that's the kind of training you're giving them, Mr. Minister, you're hurting them more than we'll ever know, and I would ask you to tighten the reins somehow.

You've told us here, in your report, that in some of the remote areas, 42 percent of the people are on welfare. Forty-two percent are on welfare, that is, they're getting a welfare cheque. And then are you spending another \$2 million and giving them training programs as well? Give us the facts. It isn't that we wish to deny them a nickel. That's not the point at all. But putting every dollar to the proper use to assist those people. And tell us about that technical school in The Pas. Are the young Indian people going through there? Are they coming out at the other end as tradesmen? Are they adapting themselves to it? I hope they are. I hope you've got a good report for us, because that's why that school was put there at the cost of many millions of dollars. If it's not doing its job, we'd better know about it. Thank you, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, the particular example the member used, I think he pointed out was not a Northern Affairs program. There is a real problem. I mentioned it the other day when I talked about the community attitude or the welfare psychology, because you can collect welfare on a cheque from the social worker, or you can have a project and not do any work, just slough it off, and collect welfare in that way. What we are trying to get away from is both of those kinds of welfare. Our programs, there are a number of training programs going on, and perhaps, let's say out of 100 people in training, you might go up to a project some time and find some people not working as well as they should. But I haven't found it yet, or my Deputy hasn't found it, or our Directors haven't found it. And if they do, there's trouble, because that's not our goal. Our goal is to assist people to become productive. That is what we're trying.

An example, which I really pushed our Youth Corps people on, because this is a summer employment program for students, so many students are hired in the community to do worthwhile community projects. That kind of project could easily become a welfare-type program. When I met with the people who look after that program, we talked about the psychology of that program. And we said one of the purposes of that program is to make these kids work so bloody hard that they'll want to go back to school and get an education, so they'll really learn what it's like to have to work. There's no sense giving them an artificial work situation where they don't have to do very much so that they think, "This is easy, I might as well leave school, I might as well go do something simple." But when you have to go out and work, it's not quite like that. We try to make that work atmosphere as close as possible to the kind of thing — if they quit school with only Grade 10 or 11, make it like the kind of job they would be able to get then, and the kind of work they would have to do then, as much as possible to make it similar to that, so that the students would, in fact, go back to school.

I take quite seriously the comments of the honourable member and that is our goal and that is our effort. We won't be 100 percent successful, but we are trying to do what he has indicated.

MR. BILTON: In that illustration I gave to the Minister a few moments ago, I questioned these people, and I said, "Well now, these fellows that you've been training for the last six or eight months, are they capable of going into Swan River, for instance, or into Benito and working in a garage?" Well, some yes and some no, but none of them want to go. They are all married and have children and they don't want to leave this area and as a consequence one's going over to the furniture and one at the furniture is going over to the garage just to extend their training period. I'm just pointing these things out, Mr. Minister, to indicate to you some of the things that I have run into. I got mad as hell when I ran into this thing and I told him what I thought about it, that where do they think this money is coming

from and this sort of thing. But this is the understanding I have, that they won't move because they've married young and probably they have one or two children and they don't want to go to The Pas, or they don't want to go to Mafeking and they don't want to go to Benito, or they don't want to go anywhere else as long as you keep them under this continual program which you are setting up \$2 million for.

MR. CHAIRMAN: The Honourable Minister for Northern Affairs.

MR. McBRYDE: I think that the danger the member points out is a danger that applies to a number of make work programs, but even then if you make people work on the make work program it's still better than the welfare cheque, but it's the least preferable method of employing people.

I think that, you know, there has been problems with Minago Training that we did at Cross Lake. We spun off a number of people there and they worked quite successfully, the companies were standing in line to pick them up. As a matter of fact, it hurt our production because they took our people off, you know our best producers away from us, so our production always low and that's one reason why we have another subsidy in here. But, you know, I think I know the part of the country the honourable member is referring to and it's unfortunate that that happened there, but from that very same area I know a few of the people that are working with Mistik Creek Loggers but there were still problems. For some reason, when those people were trained at Cranberry and they went to work straight with ManFor and they were mixed in different crews, for some reason they didn't last very long in those crews but in the Mistik situation, their production has been very good and they are people that don't want to leave those areas, they come up Sunday night to the camp, they go back Friday night. They have a good production record and they are earning their money.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: I'm prepared to leave this item. I rose only to point out to the Minister through you, Mr. Chairman, that we are being asked to pass \$1 ½ million in salaries and wages and a further \$2 ½ million in other expenditures, for a total of \$4 million and I'm suggesting to the Minister and to his administration that really, for terms of examination of Estimates, that is rather too loose a definition. I would seriously recommend to the Minister that there be some further breakdown of headings of money allocated to particular programs. If, in fact, as the Minister has explained, half of that money is directly involved in training programs, then list it as such and separate it out. I appreciate the fact that in the north we operate under more contingency-like operations and that the specific allocation of funds is not as straightforward, as easy and as simple as it is perhaps in some other departments. But I am suggesting, Mr. Chairman, that \$4 million under two headings such as Salaries and Other Expenditures is not really sufficient to enable the kind of examination that his Estimates deserve in the House.

MR. CHAIRMAN: The Honourable Minister of Northern Affairs.

MR. McBRYDE: Mr. Chairman, we'd be quite pleased to work with the Department of Finance to get a better breakdown in the Estimates book itself. I would like to thank the honourable member for his comments because he implied that we will be here next year presenting the Estimates..

MR. CHAIRMAN: Resolution 97(a)(2) Other Expenditures \$2,501,700—pass. Resolution 97: Resolved that there be granted to Her Majesty a sum not exceeding \$4,065,500 for Northern Affairs—pass.

Resolution 98 Local Government Development, (a) Extension Services (1) Salaries and Wages \$617,500. The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, can the Minister indicate to us the number, in fact, perhaps name the communities that have attained local government during the course of the last year — in total. What I'm after is what areas of the north, Mr. Chairman, do we have local councils operating, perhaps divide them into two categories where, in fact, you have a local council operating under a reasonable amount of, what we call autonomy and perhaps those at that transitional stage with advisory councils you know, being set up and operating with the help of a government administrator or LGD kind of a situation?

MR. McBRYDE: There are 42 communities, if my memory serves me correct' that we serve and I am informed that 23 of those have community councils which gives them a considerable responsibility in setting their budget and budget expenditures etc. The others would have community committees and some committees take a fair amount of responsibility and a few very small areas might have a few people who talk to the co-ordinator when he drops by. I can think of one place, for example, where there are 13 people so they in fact are their own committee, they don't need to have a special committee. But there has not been, as yet, any communities that have incorporated under the new legislation that we passed and one of the reasons for that new legislation was to . . . legally the responsibility in law still falls with the Minister of Northern Affairs and so right now we got the communities getting the authority but in the end not having the responsibility for that authority. I have to admit I'm having a little bit of trouble getting them to take that final step and getting that

responsibility. There are now two or three communities that are probably going to jump this year but we don't know for sure yet.

MR. CHAIRMAN: Resolution 98(a)(1) Salaries and Wages— pass; (a)(2) Other Expenditures \$503,800. The Honourable Member for Swan River.

MR. BILTON: Mr. Chairman, I note with interest a reduction of \$200,000. I presume this is another item of economy. What I am particularly interested in is these newsletters. I'd like the Minister to tell us just how many establishments there are throughout northern Manitoba where they have, for the use of a better term, a small printing shop and how many staff in these printing shops. I'm thinking in terms of this Manipogo News, for instance. —(Interjection)— **o indeed it's not. That's where it should be done. But I wonder if the Minister could enlighten the committee as to how many organizations throughout northern Manitoba are publishing something of this nature and how large a staff, an overall staff covering this particular item?**

MR. McBRYDE: Mr. Chairman, there are four regional areas that these newsletters serve, and each one has a Secretary-Editor — one Secretary-Editor that works with it and I think that I have to compliment those, I think they are all women that are the editors of those newsletters, because in some cases they are expected also to do some other secretarial duties as well as edit the paper. As the member knows, it's not that easy to produce a newsletter or even a newspaper and they have done a very good job and I think that they work above and beyond the call of, you know, above and beyond what we expect normally of a civil servant, in order to produce a good newsletter. There were some consolidation of those, there were more before; the one in the Mafeking area which the member would be aware of has been consolidated with the Winnipegosis area Manipogo newsletter and the one in the Leaf Rapids area South Indian Lake has been consolidated with the Thompson newsletter. The newsletters are read quite extensively in the community and contain quite a bit of information that is useful to people in the community.

MR. BILTON: Mr. Chairman, I don't question the usefulness of this. I get it every week or every month and I read it and I know pretty well what's going on in these communities. I think it's a very very good thing. But at the same time I would hope that the local people would use more of what is happening locally rather than continually filling it up with government releases because it's becoming, in some instances, a propaganda sheet for the government and I think that's grossly unfair and it was never intended to do that whatsoever. So far as I am concerned, it is a very very good thing for the native people to have something of this kind going around and telling them exactly what's going on, but I do see, on occasion, it is pretty well crowded with a lot of government releases and I think that should be stopped.

MR. McBRYDE: Mr. Chairman, the newsletters publish the bulletins of Information Services and the Federal announcements in terms of programs that affect these communities. It happens that we are the party in government but whatever party were in government, they would report the news service releases when those releases provide programs that affect their community. The only time, I think, . . . occasionally when there is an official opening or something — the communities are very proud of these openings and want to demonstrate and have pictures of the openings in there and sometimes my picture will sneak in there, the Cecil Smith picture will sneak in there, or the Member for Ste. Rose's picture, if he was an official representing the province at that official opening. Usually the Mayor and a few others will be in there as well. It won't be quite like The Pas Herald when I sent them a picture one time for an official occasion in Winnipeg and I sit on the outside, so The Pas Herald clipped off me and put the other two people in the newspaper.

MR. CHAIRMAN: Resolution 98(a)(2)—pass. Resolution 98(b) Community Services, (1) Salaries and Wages \$482,600—pass; Other Expenditures \$225,700—pass; (3) Community Projects \$1,626,400. The Honourable Member for Lakeside.

MR. ENNS: Well, again, Sir, we're dealing with one and a half, or over a million dollars. Perhaps the Minister could outline those community projects.

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

MR. CHERNIACK: While we have a moment while the Minister is looking up the answer to the question, I wonder if I would be out of order if I would ask the Member for Roblin when he's going to produce his Hydro bills?

A MEMBER: You would be out of order, Mr. Chairman.

MR. CHERNIACK: Oh, okay. Mr. Chairman, I don't think the opinion of the Member for Lakeside is as important as your opinion, so I don't know whether I'm in order or 'not.

MR. CHAIRMAN: Order please. Order please. The item that the honourable member is enquiring about is not relevant to the subject matter under which we are discussing. I would refer him to Rule 64, Item 2, I believe, of our House rules. Rule 64, that's Page 21, "64(2) Speeches in the Committee of the Whole must be strictly relevant to the item or clause under discussion."

MR. CHERNIACK: Mr. Chairman, on a point of order, I want to apologize for my transgressing the rules. It wouldn't be necessary if the Member for Roblin would keep his promise.

MR. ENNS: Mr. Chairman, on the same point of order, . . . apologize for a moment doubting the

wisdom of your anticipated decision on the matter raised by the Honourable Member for St. Johns.

MR. CHAIRMAN: Now we've had our funny half hour, I suppose we can get back to Resolution 98(b)(3). The Honourable Minister for Northern Affairs.

MR. McBRIDE: The breakdown of the figure that the honourable member mentioned is the community administration which is basically Council Clerk Program. In most communities now with a council clerk, this cost we're assuming more of. First they were under New Careers training; now they have finished their training, they come under the Community Councils and we provide the Community Councils with the funds to hire a community clerk and that figure is \$178,000 — that's for all the 42 communities. Protective Services for all the communities, there's \$109,000 and that is basically the community constable program.

Mr. Chairman, there might be some changes in this program with the new agreement with the Federal Government. One of the things holding up that other agreement was the fact that they just wanted it to apply to Treaty Indians and we said in mixed communities it should apply to both Treaty and non-treaty people. But we've had for a number of years a community constable that is approved by the RCMP — that is, they go over his record or lack of same — and we also provide some basic training for those people. That is basically the fund for their salaries, I believe, in their operation as a community constable in the community.

The Public Works section is \$308,000 and these are very small capital things that are shared with the communities. Some of the larger capital things are elsewhere; these are the small community projects.

The next one is Communities Operation and Maintenance and that is a big item, that's \$636,300.00. This is the Hydro costs for example with their buildings, their halls, whatever they have there; it includes the maintenance cost of their internal roads, it includes garbage disposal, it includes the maintenance and operation of their water system — those types of community services I think the member can understand which a normal Village Council would look after. I'm sorry, there is a separate item under Public Utilities for \$51,000, that would be the Hydro costs — that's in all the communities, 42 communities.

Then there is a special item of the South Indian Lake maintenance. They have a fairly elaborate school, hall, store, complex at South Indian Lake, and they have a water delivery system and a sewage pickup system. So that would be why they would have extra costs over some of the communities that don't have that as yet. Some of that cost is a recoverable cost when it relates to the federal facilities or to Frontier School Division.

The Norway House roads, we have a federal-provincial agreement on the roads at Norway House, it's basically an education agreement. I think that is our share of the operation maintenance of those roads which were assigned under a federal-provincial agreement to both Departments of Education. The figure shown that we have — the \$85,000 figure, is a total cost — half of that's recoverable from DIAND. There is an intercommunity fund, that is those construction things that appear to be necessary but fall outside of the community boundary, and I mentioned earlier some short resource roads and things like that, are covered under that particular amount that fall between communities. Those figures will total \$1,626,400.00.

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

MR. A.R.(Pete) ADAM: Thank you, Mr. Chairman. I just wanted to ask the Minister one question, I don't know whether it comes under this item or the next one or maybe we've passed it, but from time to time you often hear of tragic fires, there's been some in our area and in other remote areas, and I'm just wondering what kind of a program you have for training for fire prevention in remote areas? Have we passed that already, Mr. Chairman? If we have I'll read it in Hansard or . . .

MR. CHAIRMAN: The Honourable Minister of Northern Affairs.

MR. McBRIDE: Mr. Chairman, the item certainly relates to the community services part in that the Councils and the co-ordinators involved are involved in helping the program to operate. The dollar amount actually comes with the item before but nobody asked a question on it so maybe I could just fill in on the Fire Protection Program.

There is a minimum protective equipment provided including extinguishers and recharge material, and these minimum protective equipments have been placed in homes and community buildings in 37 of the remote communities. There have been 22 portable pumps complete with accessories and eight fire fighting trailer units consisting of 500 gallon baffle tanks have been placed in a number of communities. Smoke detectors will be placed in some of the community buildings, and the regular staff is involved in workshops in schools and in the community halls, etc., in terms of providing information and assistance in terms of how to deal with your home situation; plus there have been training sessions held to demonstrate the use of the new equipment and training provided on the use of the fire fighting equipment. Now the administrative costs and the training costs are shown in the current budget, the equipment itself will be shown when we get to the capital budget of the Department of Northern Affairs. This particular program is cost shared under the Northlands Agreement and we co-operate very closely with the Provincial Fire Commissioner's office in the

delivery of the program. The communities asked for this kind of service and they have made full use of it. The communities have been demanding this kind of training and assistance and have made full use now that we are able to provide it.

MR. CHAIRMAN: Resolution 98(b)(3) Community Projects—pass; 98(c) Training Services (1) Salaries and Wages \$118,200—pass; (2) Other Expenditures \$178,300—pass; (3) Recoverable from Other Appropriations \$287,600—pass. Resolution 98: Resolved that there be granted to Her Majesty a sum not exceeding \$3,464,900 for Northern Affairs—pass. I would now refer honourable members back to Page 48, Resolution 94(a)(1) Minister's Compensation — Salary and Representation Allowance. The Honourable Member for Lakeside.

MR. ENNS: debate Mr. Chairman, in concluding the on the Estimates of the Department of Northern Affairs and this particular Minister allow me just a few moments to make at least one central point of differences between members opposite, and certainly those of us representing the Official Opposition.

Mr. Chairman, I say this with a considerable amount of respect for what the Minister and his staff are trying to do under difficult situations in bringing about a better set of services, opportunities of life, quality of life to use a Roblin phrase — it is a Roblin phrase, Sir, not a Schreyer phrase — to Manitobans, to differentiate a fundamental difference between the approach honourable members opposite, this government, is taking to Northern Manitoba, and the one that I believe has a much better chance of success and of succeeding in bringing about a better quality of life to more Northern Manitobans than the approach thereon. I referred earlier on to their own report released in 1976 with reference to resources, resource development of March 1976, which indicated some of the frightening statistics that this Minister and this department has to cope with; very fast rising population, very high unemployment, heavy dependency on Social Assistance and little real opportunity of changing that aside from new philosophical approaches of one Doctor Loxley and so on in solving these matters. But I really take exception to the direction of this government and this department when I read in the same report of the possible strategy, and that word in itself worries me, because after seven or eight years in office they are still only talking about a possible strategy for the North. But let me deal with that possible strategy.

The main thrust of government policy in the North will be directed to the promotion of more rapid economic development, to the expansion of employment opportunities in the North, but outside the major communities and to the guaranteeing of much improved minimum standards of living for all Northerners regardless of location or status. What they are saying is that they are prepared to neglect Thompson; they are prepared to neglect The Pas; they are prepared to neglect Flin Flon; they are prepared to neglect those sectors of — I wish my friend from Fort Rouge were here, he has better terminology for these kind of things that create dynamic you know growth or impact or impetus to which — (Interjection) — or critical mass. I thank the Minister for being helpful to me on this occasion. But, Sir, the problem is that that is of course precisely what they are doing. That is precisely what they are doing, and in my judgment, those very areas, those very centres, located in the North that have a hope of, in a substantial way, and I say substantial as differentiating from the 150 apprentices that we can train through this or that program or the 20 girls that we can teach how to make beds at Thunderbird Lodge, if they happen to be the relatives of one Dave Courchene, or the fishing nets that we hand out to this fisherman or the trapping equipment that we hand out to trappers from time to time. In terms of creating the kind of major and significant upward steps within that whole Northern Region, it surely has to rest on developing. You know, I hate to say this but I'll say it, because the Member from St. Matthews isn't here, if we have to develop some of that kind of economic thrust that the USSR has successfully employed with the help in that instance of a massive amount of slave labour in building up their industrial North. We can't do that and we don't want to do that but we sure as heck can encourage the natural development of those centres in the North that have a hope, that have a future and that can provide the kind of magnet where Northerners can build an economic network with which they are at home with and which makes common sense. Now for the government to, as a matter of strategy, direct its Northern policy away from the expansion of the major communities and direct their sole efforts to alleviating and providing a minimum level of service to remote and isolated communities reminds me of course of that well known and oft repeated definition of a statesman of some renown in describing the two systems under which we operate, the two systems that we see in this House namely the freedom to enterprise system, the open market system known as the capitalist system versus the socialist system. The late Winston Churchill described the two systems as such: Under the capitalist system the disadvantages are the inequity, the unequal distribution of wealth and opportunity. That's what Sir Winston Churchill had to say about the capitalist system. But what he had to say about the socialist system was the equal division of misery.

Now it seems to me that I wouldn't be satisfied as the Minister of Northern Affairs to content myself to develop and to work towards a strategy that would have as its goal — I want to read this right — the guaranteeing of minimum standards of living for all Northerners regardless of location and

status. Sir, that just spells out the difference between a Socialist and a Conservative. I'll never vie for a minimum standard. I will always aspire for the top, I will always reach for the stars, and I will always want most of my citizens to reach for the stars. I will suggest to you, Mr. Chairman, that most people will have some hope of attaining somewhere on that ladder of reaching at stars, and I want to guarantee you something. They will not trip at the second and a half rung on that ladder as they are climbing up, as the ladder that these gentlemen are putting forward to them. I want them to get to the seventh, to the eighth and to the ninth, and if they don't make the twelfth, that's fine because I will be satisfied that I have done considerably more than have guaranteed them the minimum, the minimum standard of living. If this government, having spent eight years in power accepts that as a strategy for the North, then Sir, the North will eventually have their final word on them.

But I happen to know Northerners too — I don't speak with a great deal of experience from the North although I have been in the North. I would suggest roughly at least, I've had similar experience to that of the Minister's. I started off a brief teaching career in the North in a special school in Northern Manitoba. I suggest that some members might now believe that perhaps I should have stayed at that occupation, but Sir, I am not happy, I really must suggest to the government and to the Minister that it disturbs me a great deal, and I know it must disturb Northerners — I regret that during the course of this debate, and I don't want to be unkind to honourable northern members but there has been a singular lack of contribution during the course of these debates on Northern Affairs by northern members, and I now know that I will be encouraging the Member for Flin Flon on his feet, and perhaps the Minister of Renewable Resources, and that's not quite fair because there is an understanding that it is the Opposition that is wishing to glean information from the Minister and I acknowledge that.

But I'm simply saying that the North doesn't consist solely of the isolated and remote communities that we are now dealing with under this set of Estimates, but it seems to be the general policy as espoused by this statement that says that Thompson will have to sink or swim on its own; Flin Flon will have to sink or swim on its own, and to me there's a tremendous opportunity being missed here. There's a tremendous opportunity being missed here by this Minister and by this department if it accepts that philosophy because surely there has to be the greatest possible hope for our northern residents and particularly for our native residents. Whether or not we can actually involve them to the extent that they can be involved or indeed want to be involved in a particular aspect of northern development such as mining, but there are all kinds of ancillary aspects that they would and could and would like to be involved in, if you have a healthy mining industry, for instance. There are all kinds of aspects that northern people could be, in fact they could be reinforcing that other policy statement contained in this document about converging — what was that, Sir? — convergence of less inner dependence on outside exports, imports, if you had a viable and vibrant group of communities growing and expanding in the north that could be served, and need to be served by local things that are indigenous to the area.

I have really not the heart, Mr. Chairman, to take this Minister to task for doing the many things that he is doing in the isolated communities, whether it's building an outhouse — and they have to be built; whether it's providing better sewage or water — and they have to be provided; whether it's building roads — and they have to be built; but Mr. Chairman, I do not see, and I have not seen, I do not really see it in this \$138 million expenditure program called the Northlands Agreement, a kind of overall overview approach that sees us making some breakthrough that will avoid his own alarming statistics that indicate that by the year 1981, the problems will have doubled. The problems will have doubled. Sir, that was said last year, in 1976, that's six years after this government has had a free hand in the north. That's six years after this government has had total representation in the north. That's six years after every northern member has had their say in the government caucus, and that is six years, Mr. Chairman, after this government has spent a considerably increased number of dollars in the north, in conjunction with the Federal Government.

Mr. Chairman, I only indicate to the Minister and to the government that I believe that one cannot separate. One does the native communities no favour by building up an artificial sense of hope that we can somehow return to a happy hunting ground situation. If we want to talk about self-sufficiency for a remote community, then let's be very honest about it. Let's not talk about Freshwater Fish Marketing Boards, let's not talk about exporting or importing work, let's simply go back, let's really turn the clock back to free the white man's entré on to the North American continent. Of course, that is what some of the more militant native leaders are suggesting, that all was well before the first white man came, but I happen to agree with the Minister's opening remarks during the introduction of his Estimates, that things weren't all well before the white man came. There was deprivation, starvation, high infant mortality rates, and a lot of other social problems, long before we added our own particular set of white man's problems of alcohol, taxes, or TV or whatever on to the backs of our native people. Quit prompting, the Honourable Member for Flin Flon. You're leading me astray.

But there has to be a saw-off pretty soon, Mr. Minister, as to what we officially, as the government, hold open to the people of northern Manitoba, and I suggest, through you Mr. Chairman, to the Minister, that we are fundamentally wrong when we suggest that we can in any way hope to cope with

the problems of the north by ignoring those natural and major growth centres that we have in the north. I think the two work in tandem, and it behooves us to find a way of harnessing the two. I don't see that happening under the possible strategy that this government has, and underline, Mr. Chairman, after eight years, it is still only a possible strategy. I don't see it happening in fact. I see a lot of dollars being spent, and I see the statistics being basically unchanged, in fact, they become more alarming.

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

MR. CHERNIACK: Mr. Chairman, I'm a northern member in the sense that I represent one of the northern constituencies of Winnipeg and please, Mr. Chairman, don't discount the fact that in northern Winnipeg we have problems too, which are not entirely unrelated to problems of northern Manitoba, in the sense that I, who was born and lived all my life in northern Winnipeg, have seen a good deal of hardship, of inability to cope, of people ill-trained, ill-equipped to cope with society as it was developing and by-passing them, who were poorly educated, who were not motivated, who were unable to provide an atmosphere for their children to give them the possibility to step much beyond the one or two spokes of the ladder about which the honourable member spoke. What impressed me about what he had to say, was the ambivalence with which he was prepared to talk about the problems of the north and then hold out the great high hopes of the white charger of the Progressive Conservative, riding up north and straightening out the problems of the north.

Mr. Chairman, he described, "Why, it's not the minimum that we want, we want the great aspirations, we want people to go high, don't be satisfied with the minimum, go beyond that." Indeed, when he compared the capitalist system versus the socialist system, I don't think he was even talking about the days of Karl Marx or even of Winston Churchill, he's certainly not talking of today's day. Because he never knew, and doesn't know the capitalist system because it doesn't exist, nor does he know the socialist system, because it doesn't exist. And to try and raise that old, time-worn comparison of the Conservatives being the capitalists and the NDP being socialists, is flying in the face of knowledge, because they are both not compatible.

Mr. Chairman, the Member for Lakeside has the great capacity to exaggerate, to dramatize, to speak in large terms, and I can't help, while I'm on my feet and by way of a valid and in-order comparison between the way the Member for Lakeside speaks in the grand way, making statements which might go unchecked in northern Manitoba or indeed outside of this Legislature, just like the Member for Roblin would like to let go unchecked his statement that his hydro bill went from \$10.00 to \$50.00, and has not yet kept his promise to bring in the bills to prove that's a fact — but the reason, Mr. Chairman, the reason I feel it's necessary for us on this side to rise when extravagant statements are made, is that we know full well that those statements will be made, unchallenged, in other places within Manitoba in such a way as to lend credence to what is part of The Big Lie. And that is what bothers me.

The Member for Swan River is nodding his head, not in agreement, I know. But I do want to tell him that when I read the advertisement in Saturday's paper of the Progressive Conservative Party, I found that it consisted of The Big Lie. Tell it in a broad way, and you may get away with it. Well, in addition to reading that advertisement, Mr. Chairman, over the weekend, I had the opportunity of reading the 1977 annual meeting policy papers of the Progressive Conservative Party — (Interjection) — it wasn't a secret, surely, does the Member for Swan River feel that this should not be available to all of Manitobans? Was it a secret document? Was it leaked? I ask the Member for Swan River, is this a leaked document? I didn't know. No. He didn't say it was. Therefore, I will assume this much, Mr. Chairman, that this document at least has the credence of being a final paper presented by the Leader of a Party to his followers, and not indeed a document which was the first draft of something prepared by somebody in a junior capacity thinking in terms of what might be accepted and which had been quoted by members opposite time and again as if it were valid.

If this document I have in my hand, which purports to be the policy papers of the Conservative Party, has no validity, I wish the Member for Swan River, or anyone else, to stand on his feet and tell me I have no right to quote it as being a policy paper presented for discussion by the Leader of the Progressive Conservative Party, that arch radical, that half-socialist, that person who brings policies before it which indicate to me, Mr. Chairman, that the Progressive Conservative Party under its present leader is so anxious to achieve power in this province, is so dying to come to this side of the House, that it will accept each and every NDP platform and call it its own in order to be able to achieve power. And if one reads this document, indeed it was an amazement to me to see the promises that were being made by the Progressive Conservative Party under its new leader, that radical person who within a matter of twelve months changed his mind on matters like Autopac and Medicare premiums and all the rest of those great programs of this party which were not accepted under the Honourable the Member for Souris-Lansdowne who saw the light, because to him the light was "How do I get power?"

All right, let's deal with Northern Development in Manitoba. That is the policy paper which was commended to his followers by the leader of the Party, setting out that this is one of the areas he

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refers to in which greatest opportunity for increases of our total wealth and prosperity are to be found. All right, we'll deal with the objectives of the Conservative Party in Northern Development in Manitoba.

(1) To actively encourage — shall I mention that that's a split infinitive, and my colleague from Flin Flon always reacts adversely to split infinitives, but nevertheless, we start with a split infinitive — to actively encourage the expansion by the private sector of our basic northern industries. I believe that. That's a Conservative plank, but note, that's the objective. —(Interjection)— That's right. I want the Member for Lakeside to know, this is an objective. We'll see soon how they intend to achieve that objective.

(2) To support the expansion of service in secondary industries in the north. Mr. Chairman, that's why the Leader of the Opposition was made — I'm pretty sure I'm right — the first Commissioner for Northern Affairs in the Province of Manitoba. Why? Because he wanted to support the expansion of service and secondary industry in the north. And he was the person who was going to lead the Roblin government into the north to do this very task. And no doubt as a result of what he did, we have every seat in the north represented by the New Democratic Party, partially because the previous Conservative member for the north gave up, and said, "I can no longer hope that my Party will do anything for the north." And he left them. Further objectives —

(3) To support northern entrepreneurial activity. It's a great word. When I wrote it down I had a little bit of trouble remembering how to spell it, but it has a beautiful ring to it. And that's so much a part of the Conservative approach to the political problems of Manitoba. Give it a nice ring, and we'll swing a few votes, regardless of what it means. —(Interjection)— Well, it's redundant, to support entrepreneurial activity is indeed to support the expansion of service of secondary industries in the north. And the next one is —

(4) To work toward the provision for northern residents of equality of opportunity in amenities, services and opportunities, as residents of the north. Let me tell the Member for Lakeside, he says he knows the north — and I don't pretend to know northern Manitoba — but the little I do know tells me that to achieve equality of opportunity as residents of the south as a minimum is almost a maximum attainment because of all the problems inherent in the north. And that objective is one that I would share completely. Let me tell the honourable member that I have no faith that any party can, within my lifetime and that of the Member for Swan River, see that there will be equality of opportunity. It's a long struggle, and I do not pretend that the Party on this side of the House will achieve it, but to work towards it, that's what we've been doing. —(Interjection)— That's what we've been doing. But to achieve it, it'll take a long time.

Now we know what are the objectives. The only objective that isn't stated is to acquire power in government. It's not stated. But oh, Mr. Chairman, it's inherent right through the speech. It doesn't even have to be said. It goes without saying. —(Interjection)— All right. The Member for Lakeside is teaching me that you never put that down in documents. Well, they don't. —(Interjection)— Well then, we talk about what is uncouth. What is uncouth to me is to set up those objectives and then measure how they intend to achieve them, because the next section of this page is the program, not the objectives. Now we have the program:

(1) To revise mining royalties and taxes to a level competitive with other provinces to permit companies mining in Manitoba to earn fair returns. Now we're clear, one of the programs, not objectives, the programs, is to give to the mining companies more money so that they can get a fair return. Exactly what it says. —(Interjection)— Well, let the Member for Lakeside — maybe he wasn't at the meeting, maybe he hasn't seen the document. I'll lend him a copy if he wants. But it doesn't say that. It says, "to permit companies mining in Manitoba to earn fair returns". Great stuff. I am sure that if it was not written in Toronto, it has been sent and is being read in Toronto, I am sure of that. Next program —

(2) To end government competition in mineral exploration. Oh, perish the thought. Oh yes, talk about free enterprise, talk about competition, we will not permit the government to compete. That's the program. Next program —

(3) To provide incentives for mineral exploration in priority areas. Not only should government not compete, but government should pay to the mining exploration companies, pay them money in order to invite them to come. And we know the Conservatives, we know that they believe in incentive. We will none of us, on any side of this House, nor will Manitobans, forget that ad, "Come, \$100 million is available. Please come." Advertised all over the world. —(Interjection)— The Member for Swan River said something, I didn't hear it. —(Interjection)— That's right. But the members opposite even want to deny the Crown corporations. Don't speak of "our" Hydro; indeed, pretty soon we'll be looking for — well, there is, under Hydro, "to re-evaluate the management of Hydro." Pretty soon they will be selling the shares of Hydro to the same mining companies that they are trying to bring into Manitoba. But that's not written down in the program. I don't want to confuse what is written

down with what I suspect. Let me read further: "To provide and maintain expanded park and recreational facilities in the Thompson area." There you are, isn't that a great program? And do you know why? I happened to read that one of the two leaders on this discussion group is the candidate for the Conservative Party in Thompson. That is his personal little plank, no doubt. All right, I don't begrudge him that, I think he is entitled to something.

So then we go on: "To upgrade the northern road system." Mr. Chairman, I have not participated in the Estimates of the Highways Department in the House for the last eight years. Mr. Chairman, I participated in Estimates planning and scrapping in Cabinet through many years and if ever there was a massive switch-around of moneys expended on highway program in the north, it was in the last eight years. There were complaints, and they were made from that side of the House, that the southern Manitoba roads are being neglected in favour of the north, and I heard them. I do remember that there was within our own caucus surprise expressed by southern members about the money that was being diverted for highway program to the north in order to be able to build highways of a very substantial nature. And for the Conservatives to say, "to upgrade," by all means, but how original that is? And it is original for the Conservatives because nine years ago they were spending practically nothing on northern roads, so it is a new thought for them. —(Interjection)— Well now, they have suddenly come to realize it would be good to upgrade the roads in the north.

Next, to do what? "To reintroduce the patient air transport system to assure northern residents of access to specialist medical care." Who introduced that program? We did. We on this side introduced the patient air transport system, that we did. And now to blatantly use the words, and I don't know who is guilty of these words — somebody who uses a split infinitive could also use the wrong words — "to reintroduce the patient air transport system." That's nonsense, Mr. Chairman. There was debate of course because of the fact that the government felt that it ought to check closely on the cost of the air transport system. Indeed the government did what the Conservatives have been saying all along in many respects, check that and make sure that there is no money being spent without proper cause. Make sure that you pull in your horns. Make sure that you don't get carried away.

When this government did it, what cries did we hear? We heard northern cries and as soon as northern cries were heard, the political ears of the Conservative Party reacted immediately and what do they want to do? They want "to reintroduce." Well, it's been there all along. Maybe they don't know. —(Interjection)— Oh, yes, there is no question about it. The Member for Lakeside said, "responsive." There's not the slightest doubt in my mind that the Conservative Party, especially under its new leader, is very responsive to any slight hint of a vote here or a vote there and let's buy it, no matter what principles there are. Mr. Chairman, that was unkind of me. If I thought that the Conservative Party had political philosophic principles, then I would have been right in saying that no matter what they are, but since I have yet to note that there is a positive program, a philosophic program which carries out the principles of the Progressive Conservative Party, then I have to admit that their only policies are those which will attract votes so that they will be in power.

It went on: "To work with native people to assess employment opportunities in traditional activities — hunting, fishing." Mr. Chairman, you know, I read this yesterday and I didn't realize what it said because I was reading so much guff I didn't sort it out. But I just read it out loud, "To work with native people to assess employment opportunities in traditional activities." Stay where you were; you were a hunter, we'll help you assess employment opportunities as a hunter. You were a fisherman we'll help you as a fisherman. That is the Conservative approach? That is where they want to stay, keep the native people in "employment opportunities in traditional activities." That's paternalism and that's what I would have expected from the Conservative Party. Mr. Chairman, the truth is I don't remember noticing this concept that I just read. I skipped by it and I just thought, oh well, sure, they are going to go along with trying to help the native people establish themselves, become independent. But now I see they are concerned with the traditional activities of hunting and fishing. Never mind teaching them to log; I just heard that this evening, "logging." Never mind that.

"To support and encourage further tourist developments in northern Manitoba." Oh yes, let's encourage tourism. Tourism is a good industry, Mr. Chairman, but that's a very dependent industry; dependent on external forces, dependent on money in the hands of people from out of the district to come in and spend it.

"To require those responsible for any major northern developments to include as part of their planning and impact studies, clear forecast and commitments as to resulting levels of northern employment including purchasing policies designed to increase demands for the goods and services provided by northern firms. Where necessary, such firms should be started as joint ventures," my goodness, "between the institution funding the development and northern residents." That means, okay, we'll see to it that before a penny is spent it will be checked out, there will be forecasts, there will be balance sheets. They will not be given the opportunity to get going. Mr. Chairman, I have no regrets about the fact that in many of our efforts for development in the north, there was a predictable possibility of losses and deficits because it's only by giving them opportunities to try to develop, to try to grow, that they will succeed at all.

Mr. Chairman, now I don't see it, but somewhere in these documents there is the statement that we will lend money to them, we will try to get them going, but it is here clearly made that they will only do so if they indeed are able to prove in advance that they are going to make money. And if they don't take that risk, they'll accomplish nothing, Mr. Chairman. Then we have to assure that "northern residents receive full and equal benefit from general reductions in the levels of taxation."

A MEMBER: Hear, hear.

MR. CHERNIACK: Oh, yes, the Hydro expert is in agreement with this statement. Mr. Chairman, one of the objectives of our government is to see to it that the residents of the north are able to pay taxes, Mr. Chairman, because so many are still in a position where they are not earning enough to pay taxes. Mr. Chairman, that is an objective that is real.

But to dangle to them a "full and equal benefit from general reductions" is a farce, Mr. Chairman. It is a denial of any knowledge of what northern problems are. I'm almost through, Mr. Chairman, I didn't need this much, it's just that the grammar threw me — I don't mean the grammar — the construction of the sentences which took me time to realize that the Conservative Party has no program or realistic policy in relation to northern affairs. Its program is to get elected; its objective is to get elected — its method is to talk in banal terms, in generalities which sound good — and some of their speakers are able to make it sound good and be able to make it seem as if they are promising great things but they promise nothing — very much like those Hydro bills I'm still trying to find.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Chairman. Mr. Chairman, I hadn't intended to get involved in this debate, but having listened to the words of wisdom from the "Gospel according to St. Johns" I have to say that it is indeed interesting to listen to the double standard that is put forward by the Member for St. Johns, a man who absolutely refuses to listen to what the people of the north want, who doesn't even understand what the people are asking for, but who does believe in a philosophy — and he does believe very strongly in a philosophy that says that only government knows how to spend your money for you. And that is his philosophy. He says, "We are the ones that know best what is good for you." The same man who said to people that you shouldn't own houses, only government should build houses for you. This is the man who is telling us what is good for Manitoba and what is not. — (Interjection)— Sit down, you have had your day. Sit down.

MR. CHAIRMAN: Order please.

MR. GRAHAM: You had your time.

MR. CHAIRMAN: A point of privilege has been raised. Order please.

MR. CHERNIACK: Mr. Chairman, I now have two points of privilege. My first point of privilege is that the member is attempting to direct whether I have the right to stand or sit, that's one point of privilege. The other is I would challenge him to show me where I said that people should not own houses. I challenge him.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, it's well known that the Member for St. Johns has certain statements that he wants to forget. —(Interjection)— Certainly he wants to forget having made that statement. He made that statement in this Chamber in debate and the interesting thing, Mr. Chairman, is if it's brought in, he'll probably say, "I was misquoted."

The interesting thing, Mr. Chairman, is that when this government TOOK OFFICE AND THEY HAD REPRESENTATION IN ALL OF THE NORTHERN SEATS, THE PEOPLE OF NORTHERN Manitoba looked with a lot of hope towards this party that had promised them so much. They had great aspirations and the programs that the government put forward on paper appeared to be very good. But the unfortunate part is that this government always wanted to tell them what was good for them and wouldn't listen to what the people were asking for. This is where this government will also fall down because they have only the ability to dialogue in one direction. They will take people from all over northern Manitoba, transport them all over from one meeting to another and in doing so they will pay their transportation costs and all that and make them feel like good people. "Look, we took you to this seminar, we took you to that seminar, we did this for you, we did that for you." But never did they listen to what the people want and that is why this government will fall from grace in the eyes of the people, because they refuse to listen to what the people themselves are asking.

The people of Manitoba have been asking for several years to get a responsible Minister for Education and we still . . . —(Interjection)— Mr. Chairman, when all is said and done and the programs are announced, if they are unsatisfactory to the people, will this government listen? I suggest to you, Sir, that they will not listen. All they will do is tell them, "Well, we didn't have a big enough dose. If we double the dose of medicine, it will make you feel twice as well." Sir, half the time they are treating them for the wrong disease.

MR. CHAIRMAN: The Honourable Member for Flin Flon.

MR. THOMAS BARROW: Mr. Speaker, my honourable friend is right when he said that no northern members were getting up to speak. We do assume it's your thing to criticize the Minister and

make it tough for him. That's one reason. The other reason, he just came over and said if you open your mouth, I'll fill you in. —(Interjection)—

MR. CHAIRMAN: Order please. Point of order.

MR. GRAHAM: On a point of order, I have been asked to give the quotation from Hansard for the Member for St. Johns. It's page 425, on the 8th of March, 1973. If you want it read . . .

A MEMBER: Yes, sure, read it.

MR. GRAHAM: "There's a great deal of lip service paid in this province by our people on all sides of this House that home ownership is desirable and should be encouraged so I would like to discuss that for a few minutes, because I'm not sure that that's right."

MR. CHAIRMAN: Order please. The Honourable Member for Flin Flon.

MR. BARROW: Pardon me for speaking, Mr. Speaker, while I'm being so rudely interrupted, but I would like to take you back to 1973, I think it was, when we sent up that great Northern Task Force and the Member for Swan River was on that team, the House Leader of the Liberals was there and I think it was a good deal. We went to every small community in the north —(Interjection)— To all of them, even The Pas.

A MEMBER: That's not part of the north.

MR. BARROW: It was my pleasure at that time to be partners with Gordon Beard and during one stay, three or four days, every morning we'd meet this little Indian chap, six years old, cute as a button. He would say, "Hello, Mr. Beard." Every morning. So Gordon one morning asked him, he said, "Look, son, you must be a Conservative." "Jesus, no," he said, "It's bad enough being an Indian."

To get back to the Northern Task Force, I think they will agree, both the members on that side of the House, that one problem there was communication. They had phones there, Mr. Chairman, 18 to 20 on one line. In my area today, we have all single dial telephones. —(Interjection)— We'll have a southern task force for you.

Housing — Mr. Chairman, dozens of houses have been built in my area, but the biggest thing we did was install pure water, gymnasiums. We've done a lot. Now the Member from Swan River says, "Leave them alone." We don't plan on leaving them alone. We plan on helping these people, and it will take time. Jack Cowan from The Pas, he had a great solution when he was campaigning in 1969. He told them, he said, "If I'm elected in this area, welfare cheques will be fatter, juicier, and they will come more often." And that was his philosophy of the north.

The Member from River Heights had the best idea that was given in this House, Mr. Chairman, when he said that there have been millions and millions of dollars spent in the north, and it would be well spent, that we couldn't cure 200 years of degradation in a short while. He said we should concentrate not only on these places but the bigger centres and I would like to mention a few things that have happened in the Flin Flon area.

We have cured air pollution by forcing the company to build a \$6 million stack which former Conservative members wouldn't touch. They said that that contaminated air wasn't bad for you, in fact, it was healthy. That's what they would tell the people of Flin Flon and now we don't have it. We cured the water pollution where they deliberately poured tailings from the mine into a stream on a whole chain of lakes. We stopped them doing that.

Roads, you talk about roads and I'll give you all the credit in the world for No. 10. You did a good job on that road but you spoiled it when you built that little road to Wabowden, that 75 foot piece in 1969 to catch boats. Lucky that people didn't go for it. In Flin Flon, housing units, there's 75 going to be built this year, 75 houses, senior citizens and low rental. And there's a government building going up in Flin Flon, Mr. Chairman, one and a half million dollars. They are ready to build it now. An Intensive Care Unit is being built on the hospital this year. Safety and health in the working places — I won't go into that.

Mr. Chairman, it's only a rumour and I don't know if it's true, but there's a lot of talk about there's a find now at Trout Lake four and a half miles from Flin Flon and the rumour tells me that it's one of the biggest finds in the north and I hope, and I hope you join me, that it will just make a terrific city out of Flin Flon. Now the only thing I hope about this find is that this government has some share in finding it. Thank you, Mr. Chairman.

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

MR. ADAM: Thank you, Mr. Chairman. I would like to make a few comments on the Minister's salary and as a member who was not elected in 1969 but rather in 1971 and I believe I listened to two members this evening from the Opposition make the statement that this government had all the seats in the north when they came into office. Well, that I believe is incorrect because my knowledge of the facts tell me that there were only two seats, there was one in Flin Flon and one in The Pas and that the other three seats came about in the general election of 1973.

Now as a member of the governing party, I can only give praise to the Minister of Northern Affairs who has, in my opinion, one of the most difficult portfolios to administer because of the situation inherent to the northern regions of our province. I have lived in that northern area for most of my life

and I am aware of what the magnitude of the problems are in northern Manitoba and I never have begrudged the fact that I was raised in a community adjacent to an Indian Reservation and some of my best friends are Native people and I would say that there are some Indian friends where I would rather have two Indians as friends as several of the other color.

Prior to 1969 — and you know I can accept criticism. I am quite prepared to accept criticism from any source but the Conservative Party. I would accept criticism from the Liberal members of this House today because they were not in office prior to 1969, but I simply cannot accept criticism from members like the Member for Lakeside and in particular the member for Birtle-Russell.

A MEMBER: Hear, hear, hear.

MR. ADAM: It has been said this evening and I intend to repeat it, that the former late member for Churchill left the Conservative Party because he had given up hope that anything would ever be done for the Churchill area and the former Member for Rupertsland left the Conservative Party, did not run for the very same reason.

A MEMBER: They are losing members.

MR. ADAM: So let not the Conservatives come and criticize and, with their grandiose plans that they have for the north, all you have to do is talk to the former Member for Rupertsland — unfortunately, we can't talk with our departed colleague and former colleague in this House, the former Member for Churchill, but we are well aware of his problems and we are aware of the efforts that the former Member for Rupertsland made in the Rupertsland area. Some of that area is now in my constituency but was formerly in the Rupertsland area and he did everything he could, he did everything he could for the area that he represented because he was truly a man for the people and I give Mr. Jeannotte every credit for what he tried to do but he had no co-operation in this House from many of the people, the guys like Buck Witney and Jack Carroll and I don't mind naming them because he named them for me and he has told me on many many occasions what kind of people he had to work with here.

Mr. Chairman, prior to 1969, in fact prior to even 1971, but that was a couple of years after the government changed in 1969, there was no telephone service to Waterhen, there was no telephone service to Mallard, there was no telephone service to Skownan, there was no telephone service to Salt Point, there was no telephone service to Red Deer Point. There was no Hydro to Red Deer Point, no Hydro service in many other areas in the north. There was no housing, there wasn't one house, not one house, public housing in the community of Mallard. There wasn't one public house in the community of Crane River. There wasn't one public house in the community of Ebb and Flow. There wasn't one public house built in the community of Amaranth. —(Interjection)— So you can joke about it. Tell the Member for Lakeside he can laugh because there wasn't one senior citizen's home either. Not one.

A MEMBER: Imagine. It was a sad sad situation.

MR. ADAM: The roads were deplorable in the north, there was no winter roads. There were no training programs. You know we could go on and on and on.

A MEMBER: Keep going. Tell them, remind them.

MR. ADAM: The honourable gentlemen they want to go back to the fishing days and the trapping days. I can tell you that the Hudson Bay gave up on the Indians as a resource to exploit before the Selkirk Settlers came to Winnipeg. They already knew in those days that they had to bring people from overseas to exploit because they had already raped the Indians of just about everything they had. And that is the days that you want to go back to. The days of the Seneca root, the days of the trapping, the days of the fishing, well I say, Sir, that I would like to see those days back, but I am afraid that they are gone, as far as making the north a viable place. We have to come up with different ideas and it's going to be difficult. The Federal Government realizes the problems that are inherent to those areas and they would like to get out from under. Sure, they would like to dump the whole thing in the Provincial Government's lap and they are succeeding.

The province is now responsible for education. The Indians may now sit on school boards and there has been change of government, local government, through the local community councils with more autonomy and where they have an opportunity to make their views known and I say that for you people to come up here and criticize — you can come in and make suggestions, but you should not criticize because you have not done one thing for the north, not one. You can make suggestions, but don't criticize what's being done because you should not criticize. Because your record for the north, your record for the north was a big zero for the eleven years that you were in office and I don't hesitate telling you that. You know, it's comical, it's amusing to me, it's amusing to me when you get up and make those glamorous speeches on what you are going to do for the north, you know, it's amazing. Your biggest priority is what the Member for St. Johns said just a few moments ago and that is your biggest priority is to get elected at any cost. You want to get elected so bad that you are frothing at the mouth. That is your main priority and you'll do that by hook or by crook and, you know, mostly by crook. Mostly by crook. By hook or by crook. Look at your ads, look at your statements, it's all there.

I believe that we might be able to salvage some of the fishing industry in the north. I believe that it

can be salvaged but there has to be a complete new approach to the production of food, not the fishing industry but the production of food. If we will look at the production of fish as essential to feed the nation, to feed the people and if we spend even a fraction of the funds — and we don't begrudge this, but if we only funneled just a fraction of the funds that we do for agriculture, we will go a long way toward solving the problems of the fishing industry in the north. It has to be looked at in the same manner. The fishing industry has to be approached in the same manner as we approach agriculture because it is also an integral part of the production of food. You have to approach it in the same way as you approach the production of beef or grain or any other, with stabilization. There has to be the same kind of stability for the fishing industry as there is the programs that are coming out at the present time from Ottawa. Then you will bring back some stability for those people in Winnipegosis and South Indian Lake and in God's Lake, and the northern lakes. Until you do that, there is going to be problems and I commend the Minister that is responsible for the fishing industry, but, until we do that, we will not succeed and we will have very much difficulty in dealing with furs as well. It's going to be a very very difficult task and I certainly commend the new Minister for Renewable Resources in his efforts to try and salvage what is left of the fur industry.

Now, I think the problems on Lake Winnipegosis are very critical. Here we have an inland fishery that is depleted to a point where something has to be done. Something has to be done to try and rehabilitate that lake, but I am very much afraid, Mr. Chairman, that the decision has been made to increase the mesh size as one method, one alternative of trying to rehabilitate Lake Winnipegosis. I am afraid that there is going to be a drastic reduction in the income of those people who are involved in that industry and I think, Mr. Chairman, that we would have to look at the possibility of stabilizing their income or having to subsidize some of the loss that may occur if we change, in fact, the announced change of the mesh size.

So I hope that the Minister would look at this and try to impress upon the people in Ottawa who are responsible and who should be responsible and I believe are responsible by law for inland fishing. I would hope that we can try to assist these fishermen because I'm afraid that if the reduction is to such an extent, that it could create considerable hardship.

I want to say again that prior to 1969, as far as I am concerned — and my constituency is almost 50 percent in Northern Affairs, not quite but almost — that there has been a dramatic change in those communities since 1969. Prior to that it was dead and stagnant. Thank you very much.

MR. CHAIRMAN: The Honourable Minister of Northern Affairs.

MR. McBRIDE: Mr. Chairman, I'll attempt to be brief but I won't guarantee anything. I think that the Member for Birtle-Russell said that people don't listen and I guess we could have a good debate — yes we do, no we don't, yes we do, no we don't. But from the comments that were made, it is quite obvious that not only didn't the members opposite listen to the northern residents, Mr. Chairman, they didn't even listen to the northern MLAs, not even to their own northern MLAs.

When we talk about listening, the Member for Ste. Rose, the Member for Flin Flon, the Member for Rupertsland, the Member for Churchill, the Member for Thompson — I have a little bit of trouble listening to the Member for Birtle-Russell when these people are coming on a regular basis and saying, "When I was in the community people were talking about this; when I was in the community people were asking about that; when I was in the community people thought this kind of development would be useful — reporting back all those things that they had heard when they were in the communities.

But mostly this evening, Mr. Chairman, I want to thank the Honourable Member for Lakeside. I really want to thank him because I was getting very very worried. Because what has happened, what has happened? The Conservative Party in Manitoba, after criticizing everything we did for eight years, every program that was brought in, now says they are going to continue all those same programs. How can I go up to my constituents at election time and stand up there and say, "Here's where the Conservatives stand, here's where the NDP stand, you have to make that choice," when the Conservatives in their hunger for power have eliminated the choice? They have said, we're going to adopt all the NDP programs.

Thank heaven the Member for Lakeside made it very clear that we have a distinct difference in terms of the program in northern Manitoba and I want to thank him for that. He is one of the few honest members opposite and we can depend usually on him to bring things back into perspective for the Member for Pembina or Sturgeon Creek and sometimes even the Member for Morris, when their leader misrepresents the Conservatives and doesn't say what the Conservatives really believe or stand for.

So this double technique — the technique of saying we're going to continue all the NDP programs that we fought so hard against; and the technique called the "big lie" or "lie by omission instead of commission," in their newspaper ad. That is the strategy to win the election.

But the Member for Lakeside has now given me some idea of the northern program. The northern program of the Conservative Party is to assist the mining companies and any other large free enterprise because that will create jobs in northern Manitoba. That is their philosophy. That's what I

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always thought it was and I was very worried' but now it's been reconfirmed by the Member for Lakeside — support the mining industry with giveaways, incentives, whatever we need to, and support private enterprise so we can create jobs in the north. Because that was their program and it still is their program, and gives me a chance to see the clear difference between our two parties.

What was it like, Mr. Chairman, what happened when the Conservatives operated under this philosophy? We had a mining industry develop in northern Manitoba. The Thompson mine came on stream. How many northern people, I wonder, got employment at that time? How many people that were in the north when that mine moved in worked in the Thompson mine? I bet you there must be 3,000 employees at Inco and after a very intensive effort, I bet you there are a hundred of them that probably have accumulated and are now in that job and have got there over the last ten or fifteen years.

Mr. Chairman, that is the kind of development they are talking about. And then we have that other kind of opportunity too for the resources of the north, to enrich people not in northern Manitoba, but to enrich people in southern Canada or in the States, to enrich people somewhere else that have no relationship to the people who live in northern Manitoba.

So let's make that clear, where the honourable members want to go. Their only northern program is to support the big private enterprise in the north. Mr. Chairman, ManFor came along and has provided some employment for the people of The Pas area. And I have no dispute that there shouldn't be a ManFor -type operation at The Pas, but I have quite a bit of dispute with the way that they did it and the way they gave away taxpayers' money that disappeared out of Manitoba in order to do that — the type of agreement that they brought in.

But then again, let's just stop and take a look. U There are 500 jobs at ManFor; there are, I think the latest figure is \$150 million invested at ManFor. If you take a look at the number of native people employed at ManFor, it's about a million dollars a job, so at that rate, to meet the kind of needs the honourable member talked about of the unemployed, how many millions of dollars is it going to take using the Conservative philosophy of "only support private enterprise." If you take the 500 people at ManFor, 100 of them might be native. If you take the 500 people at ManFor, 100 of them might be native people and 100 of them might be people who lived in The Pas when the operation came in, so that's 200. So it's really only \$500,000 a job.

But surely, surely we must be able to create the jobs in the north for a less cost than \$500,000 per job, because look at how many jobs have to be provided, how many jobs would have to go in — (Interjection)— No, Mr. Chairman, the member uses figures about the Manitoba-Northlands Agreement. He uses the five-year figures and then he doesn't talk about the roads, he doesn't talk about the water systems, he doesn't talk about all the other physical things that have to be put in place which were not put in place when he was in office.

And he quoted from a document that says "minimum standards," and I have to assume from that that he doesn't believe that people should at least have a minimum standard — that he doesn't believe they should have a minimum standard. They should have at least a minimum standard, and is that a goal to be laughed at? Is that a goal to make fun of, that people should at least have a minimum standard of living?

Mr. Chairman, he has this philosophy now — now we by giving money and setting up a large free enterprise system, that you don't automatically create jobs and provide benefits for the people that are in the area. And they know it all over the world and they know it in other parts of Canada — this just doesn't work by itself. Mr. Chairman, I don't believe that the honourable members understand that; it's one lesson they haven't learned yet.

So the Member for Lakeside would come up to northern Manitoba as it was prior to 1969; he would go into a log cabin that a young couple had picked up from somebody else who had been there 68 years. He would go in there where the family didn't receive proper medical services. He would go in there when they had no proper transportation services. He would go in there when that person, a young married man starting out, had no job. He would go in there when there was a good chance that house would burn down that winter — that could easily happen because of the old pot-belly stove that that was all they could afford — he would go in there, Mr. Chairman, and say "reach for the stars — reach for the stars. Look at all the opportunities. Some day you too can be Keith Taylor and go to Toronto and work for Hudson Bay Mining and Smelting Company. You have that opportunity. Oh, you don't have work now. Oh, some of the children are ill. Oh, you have no way to get there because there's no transportation services."

Mr. Chairman, that's where the honourable member is at with his "reach for the stars." Sometimes people have to have some opportunity before they can even know where the stars are, let alone, as the honourable member says, "reach for those stars."

Mr. Chairman, the honourable member, in talking about the Conservative philosophy, of course talked about the good old capitalist or the free enterprise system as if such still exists. You know, Mr. Chairman, there is nothing that wrong with what the member was talking about. The free enterprise system is nice, it's simple, the purpose is to make a profit. That's the purpose of it, and that's simple

and it's easy, and we should let it do those things where the only goal is to make a profit.

But if the goal, Mr. Chairman, is to try to create some employment in areas where the free enterprise system won't go to create employment; if the goal is to employ some native people even though it might cost that company a little bit more, well then they are no longer going to meet that goal of producing a profit. Mr. Chairman, he would like to make the distinction between the socialists and the capitalists, and the capitalists are on that side and the socialists are over here — I'm not sure how many socialists there are over here, Mr. Chairman, to tell you the truth. I don't know how many there are here. There are a few over here that I would call state capitalists, but I'll tell you where the socialists are. There are socialists on Bloodvein Reserve, because they have a company there called the Bloodvein Foundation and the purpose is to create employment for their people and to make money for themselves not for somebody else. And not for one individual in the community, but for the whole community together. That's where the socialists are.

There are socialists at Fisher Bay where the community operates its own store, where the community operates its own fish station, where the community operates its own office facilities. Those are where the socialists are in northern Manitoba.

The socialists are at Moose Lake because the people at Moose Lake are involved in Moose Lake Loggers, a Crown corporation producing jobs in this winter where there are some communities in the north where the system my honourable friend advocates — the system that my honourable friend wants to return to — where that system has caused 80 percent unemployment. At Moose Lake there were 48 people employed and almost no unemployment this winter because they had the opportunity to work at Moose Lake Loggers. Those are socialists up north, Mr. Chairman.

There are socialists at Oxford House, and there are socialists at Island Lake because they want to operate that store for their own benefit, for the benefit of the people in the community and not for the benefit of just one individual, or especially not for the benefit of one big outside corporation.

Mr. Chairman, that's where the socialists are and that's where the people can now see the stars and where the people are now reaching for the stars that my honourable friend refers to. But they are not reaching for the same stars that he is talking about. They now see a chance for a decent life for themselves, through their own effort, through their own co-operative effort and through their own community effort — not through bringing in a large outside company, not through bringing in the Hudson Bay Company or Inco or what the Conservatives mean when they say, "Let's encourage entrepreneurship. Let's get more people up there to exploit the north and bring the money down south." That's what they mean and that's what the honourable members opposite are talking about and that's why I very much appreciate the clear distinction that the honourable member has made.

One of the honourable members hollered something about tourists, or maybe it was in the Conservative document. Yeah, they are going to get more people in tourism. Mr. Chairman, we have had lots of tourist development in northern Manitoba. How many native people were employed in that tourist industry? How many, Mr. Chairman? Even the example that the Federal Government has given us in Thunderbird Lodge is better than what the Honourable Member for Lakeside and his Conservative Party are advocating for northern Manitoba, where you bring in somebody from outside, they set up their own lodge, they come in during the summer and leave again and the native people are left out completely. That lodge might be right next door to them, but they are left out of that development. They don't have the advantage from that development. Mr. Chairman, if those people are not socialists, if those people don't say, "We could control that lodge ourselves and have those job opportunities ourselves and keep that money right here in our remote community," then, Mr. Chairman, those people don't quite understand what my honourable friend opposite is talking about.

So, Mr. Chairman, what they need is a healthy mining industry — that's what they advocate and that's what all their actions would indicate that they are only interested in — plus a park at Thompson. Mr. Chairman, at least at our policy convention when the Thompson delegate said "a park in Thompson, all the other delegates amended it to say, let's have more parks all over northern Manitoba. But then somebody amended it to, let's have more parks all over Manitoba, period. But I guess that there were not enough people from the other areas at the Conservatives' policy convention to make an amendment to their particular resolution.

Mr. Chairman, during the honourable member's discussion, he hollered out, "If we support the mining industry we'll create 5,000 jobs." I'm not very good at maths, but if it's \$500,000 a job, 5,000 jobs, what is going to be the first year's expenditure of the Honourable Member from Lakeside when he takes office?

Mr. Chairman, I very much appreciate the comments of the honourable member; I think it lets us see very clearly where we stand. Before I close, I want to make a couple of general comments further to the Estimates of the Department of Northern Affairs.

There was some discussion about goals; some discussion about targets; and some discussion about the bureaucracy necessary for a program. Mr. Chairman, we have in our department goals that are set. We have the general goals, we have the specific goals and we have the targets to meet those

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goals. I read for the honourable member some of the specific details in terms of jobs in each specific area that are targetted for the upcoming year so that we'll be able to measure — and the honourable member read from one document or other that you must have some kind of measure so you can meet your goals. Mr. Chairman, we have those goals.

Mr. Chairman, of the total budget of the Department of Northern Affairs, when you put together current and capital, it comes to about \$20 million; the expenditures that have a direct impact on the community, the water supply systems, the community constables, the employment counsellors, the internal roads that have a direct impact right on that community, is about 16 million of those \$20 million.

The other services that are support to the community that exist in offices that don't go into the community but provide support are about \$4 million. So 73 percent of our Estimate to meet clear goals that we've enunciated with the communities, and have targets for, 73 percent of those dollars go directly into the communities and the communities see the direct benefit from our operation. Thank you, Mr. Chairman.

MR. CHAIRMAN: Resolution 94(a)(1)—pass. Resolution 94: Resolved that there be granted to Her Majesty a sum not exceeding \$2,430,200 for Northern Affairs—pass.

The next department will be the Department of Continuing Education.

MR. DEPUTY CHAIRMAN, Mr. Barrow: Call in the Speaker.

The Chairman reported upon the Committee's deliberations to Mr. Speaker and asked leave to sit again.

MR. DEPUTY SPEAKER: The Honourable Member for Flin Flon.

MR. BARROW: Mr. Speaker, with leave I'd like to make a change on the Public Utilities Committee.

MR. DEPUTY SPEAKER: If the honourable member wants to make a change in Committee, he'll have to do it after we come out of Supply. We are not out of Supply yet.

MR. BARROW: I move, Mr. Speaker, seconded by the Member for Ste. Rose, that the report of the Committee be received.

MOTION presented and carried.

IN SESSION

BUSINESS OF THE HOUSE

MR. DEPUTY SPEAKER: The Honourable Member for Flin Flon.

MR. BARROW: With leave, Mr. Speaker, I would like to make a change on the Public Utilities Committee.

MR. DEPUTY SPEAKER: Does the honourable member have leave? (Agreed)

MR. BARROW: The Minister of Municipal Affairs will be replaced by the Minister of Northern Affairs on the Public Utilities Committee.

MR. DEPUTY SPEAKER: The hour of adjournment having arrived, the House is adjourned and will stand adjourned until 2:30 p.m. Tuesday.