



**Third Session — Thirty-First Legislature**  
of the  
**Legislative Assembly of Manitoba**

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**DEBATES**  
and  
**PROCEEDINGS**

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# LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, April 27, 1979

Time: 2:30 p.m.

## SUPPLY — ECONOMIC DEVELOPMENT

**MR. CHAIRMAN:** Committee come to order. I'd like to refer members of the Committee to Page 24, Resolution 36: 1.(b)(1) — the Member for Brandon East.

**MR. EVANS:** If the Minister wanted to reply to the Member for Transcona, and I'd defer to him if that was the case. Otherwise, I have one or two items of a general nature to bring up.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. JOHNSTON:** Well, I regarded the Member for Transcona's words very seriously and he brought up some points that I, as I have said, that I think I will be able to clear up as we go through the Estimates. We are really on the part of the Executive at the present time and I'd be glad to have some other questions from the Member for Brandon East and certainly be able to answer them when we get to them.

**MR. EVANS:** Well, first of all, Mr. Chairman, we noted in — I guess it's today's Free Press — where the Deputy Minister of this department has made a public statement to the Canadian Manufacturer's Association's Seminar last Thursday where he refers to Manitoba's hydroelectric power as a significant attribute that will increase in value over time, and he also says that this and other attributes are not often played up by businessmen in their dealings with non-Manitoba businesses, and he goes on to suggest, I guess, that it's a strong selling point for Manitoba and for Winnipeg. Specifically, Mr. Chairman, would it be possible to get a copy of that statement or report from the Deputy Minister — one copy?

**MR. JOHNSTON:** I would doubt that the Deputy has a copy of a statement that he made while he was part of a seminar for the Canadian Manufacturers Association. When they had their "Make it in Manitoba" day yesterday, or a week this week — they had a seminar yesterday — I'd be very pleased to supply to the member, the people that were on that seminar. They were several businessmen and there were questions asked. I don't think that there's anybody in my department, and I would hope there isn't anybody in my department, that wouldn't suggest that the hydro that's available in Manitoba isn't a benefit.

**MR. EVANS:** Mr. Chairman, I'm not debating that point. I referred to the article so the Minister would know what I'm talking about. All we want to know is whether there was a statement prepared by the Deputy, and we're not criticizing the statement, we just were interested in having a copy of that statement, or if the Minister could tell us how we might obtain a copy — perhaps there are minutes of the seminar, or perhaps there is — quite often in the past members of the department have participated in Economic Development Seminars and that's very good, and sometimes they do prepare brief statements, and I don't think there's anything sinister in my request, we're just interested in knowing whether that would be possible.

**MR. JOHNSTON:** Well, I've been informed that the Deputy spoke from speaking notes only, the same as when I was the guest speaker there last night, I spoke from speaking notes only.

**MR. EVANS:** Well, are there any recorded minutes of the seminar that are available?

**MR. JOHNSTON:** I will have to check with the Manitoba Manufacturing Association to see if they did keep minutes of the seminar.

**MR. EVANS:** In some cases, they have recording devices, as we have, and then publish them later on. And I think, you know, it is a selling point. I don't disagree with the Deputy's point here; it's

just that we were interested in that. My colleague, the Member for St. Johns, noticed it and he was very interested in getting a copy as well.

Just before we proceed, and I know there will be an opportunity to discuss this under Item (k), but perhaps, in order to give the department time, I would like to, since we are talking about Executive, which is an overall item, whether . . .

**MR. JOHNSTON:** On a point of order, Mr. Chairman. I don't want to debate it and I'm not going to say that it's something that I would want to be sticky on but Executive is not an overall item, but if that's where the honourable members choose to make those statements. The Executive provides for the operations of the offices of the Minister and Deputy Minister; that's the appropriation.

**MR. EVANS:** I wasn't going to make a debating point, Mr. Chairman.

**MR. JOHNSTON:** Neither am I, Mr. Chairman.

**MR. EVANS:** I was going to give notice to expedite the discussion of the Estimates, and that is whether it would be possible to get details of loans made. There were 14 rural Manitoba firms who received forgivable loans, and this was announced on April 6th, by the Minister, dateline Morden, and whether it would be possible to have some details of these loans, as we make available through the Manitoba Development Corporation. I brought in legislation myself and I think it was in 1971 whereby we required the Manitoba Development Corporation to make public details of loans made to business: The name of the ownership; the location of the company; the amount of the loan and the rate of interest; the length of the loan and, in this case, the amount of interest forgiveness or estimated forgiveness; the number of jobs; certain highlights of each loan. And this was part and parcel of our open approach to financing through the Manitoba Development Corporation, and I'm wondering now whether the department could prepare that on these 14 loans so that when we get to that item later on that we would have that information.

**MR. JOHNSTON:** Yes, Mr. Chairman. I might inform the honourable member that that is public information. It has been given to the press as the loans are being made. I might tell him it's 16 at the present time, and we would be able to provide that for him.

**MR. EVANS:** Well, that's very good; I thank the Minister. Just for clarification then, what information are we going to get? It's not just the name of the company but we will get information on the amount of the loan, the rate of interest, and these other pertinent details, similar to the information given by the Manitoba Development Corporation; is that the understanding?

**MR. JOHNSTON:** Yes, that would be the name of the company, the location, the amount of the loan, the estimated number of employees for each loan and the province's participation.

**MR. EVANS:** What about the interest forgiveness portion? Is that possible to estimate or is that too difficult?

**MR. JOHNSTON:** The amount of the loan is a totally forgivable loan under certain circumstances.

**MR. CHAIRMAN:** The Member for Transcona.

**MR. PARASIUK:** Thank you. I was hoping I might get a response from the Minister on general points that I raised regarding structural problems that the Manitoba economy faces. Since he prefers to deal with these as they arise within specific parts of his Estimates, I'd like to ask him for clarification then. Under what section of the Estimates would it best be to ask him what the department is doing, what it sees as the problems, what it sees as the possible types of activity that the government might undertake to ensure that timber resources are developed in such a way that we have as much value added as possible in Manitoba. That's timber.

Mining, so that we have as much value added in Manitoba from mining. We've talked about custom smelters in the past, we've talked about refineries. Where would it be best to raise questions about inputs to resource development and outputs from resource developments, with a view to adding as much value added as possible.

The same holds true with respect to agriculture. Again, where might it be best within the Estimates to raise points about agriculture, to raise points about inputs to agriculture, to raise points about

outputs from agriculture. Where specifically in the Estimates would the Minister suggest that we get into that?

**MR. JOHNSTON:** Well, I'm informed that under the Canada-Manitoba Industrial Sub-Agreement, it could be discussed there.

**MR. PARASIUK:** I've read the background of the Canada-Manitoba Sub-Agreement, and I don't see anything relating to timber development, I don't see anything relating to mineral development, I don't see that much relating to agricultural development, a bit relating to agricultural development. I think if you discuss it at the Minister's Salary then it would indicate to me, Mr. Chairperson that this Department of Economic Development, it's had its name changed but really it's not dealing with these particular problems facing the Manitoba economy, which, as I was trying to indicate before the lunch break, are significant, long-term problems that have been facing this economy, facing this province, and that past governments have tried to grapple with it. I wasn't trying to paint the picture in a particularly partisan manner in my I was raising these as problems I wanted to comments before lunch; see whether in fact the Minister agreed that they were problems. I wanted him to determine whether the government was predisposed to try and do anything about these particular problems, or whether in fact it was going to just pull back and not do anything with respect to the fact that raw resources are being shipped out of Manitoba in an unprocessed form, and that we are buying back finished goods and products at a very considerable loss, I would say, to the Manitoba economy.

I also asked him about the fact that services really weren't being properly exported out of Manitoba and that small businesses have difficulty in exporting their services. Was this a problem perceived by the department, or was it just my particular problem perception, or am I imagining these things? I would think that if we've got a department that is going to undertake a significant economic development role, then it would strike me that within the, oh, I'd say about 20 items that are broken down for specific discussion within the estimates, that surely the Minister might be able to point to particular areas where work on these subjects is being done. So, again I haven't been able to get a — I know that the Manitoba DREE agreement doesn't cover all of those things and that's why I am wondering. I don't want to pass it by at this particular stage, Mr. Chairperson, and find that the Minister says well no, no, we can't discuss it under this item. I'll hold back and not discuss those too much in depth seeing as how the Minister doesn't want to respond to me now. But I will hold those items for the appropriate moment when we get into the estimates and that's why again I ask the Minister if he can tell me where I might discuss agriculture, mining, timber, services?

**MR. JOHNSTON:** Well I would suggest also that it could be discussed under 2.(h) and (i) Business Development and Small Enterprise Development.

**MR. PARASIUK:** I will raise those points there but frankly one of the things that just really quite astounds me is that the Minister didn't indicate 1. (d) Economic and Operations Research. Frankly, if you are going to have a — I would think that one would call that a planning section of the department, that in terms of problem definition in these areas, the Minister wouldn't have referred us to that particular section. Again, then I'll have to ask I guess when we get to that particular section, what it does and why we're spending \$383,000 on that planning department or planning branch of the department, if it doesn't look at these very serious structural problems that are facing the economy. So, I'll leave that and I'll pass on to comments about the department arising from the material that the staff handed me regarding the staff compliment.

I see that this department has had probably the most dramatic increase in the number of staff. My quick calculation here indicates that it's about 80 percent increase. It's gone from a total staff compliment in 1978-79 of 69. Is that 69 or 89? Oh, that's 89, so then it's not that great, it's an increase of 32 staff man years over last year from a base of 89. So, it's basically an increase of 33 percent, which is a pretty significant increase in the number of staff man years when compared to the cutbacks that have taken place in other departments, departments relating to health, departments relating to education, and I wonder whether in fact that's an appropriate strategy to take —(Interjection)— well I'm not looking at that, I'm looking at total operations —(Interjection)— Oh, okay, sorry, I see then that on the operations side it's just been an increase of one third. No, I take those comments back then on that.

One of the things that occurred over lunchbreak, Mr. Chairperson, is that I had a chance to look at some things here and it was amazing the number of things that related to the department that were in the newspaper this afternoon. Boeing pledges to build a plant with or without a DREE handout. It said it's getting something in the order of 1.8 million dollars from the federal department

of Regional and Economic Expansion as grants to this company and it says that it would have built this plant expansion without the DREE grant. So then one is left to ask why is this money coming to it. Now granted, this particular grant isn't coming from the provincial program but what it does, it points out the weakness of the DREE Incentive Program.

Imagine what Manitoba business, smaller business, could do with that \$1.8 million grant. Instead of the province cost-sharing a \$5 million grant program to small business which, you know given his particular approach I would say that this is a contradiction of his particular philosophy, but given that he is still going to do that anyway, it's going to put \$5 million out over five years and it says it's limited in what it can do because of constraint. And yet we have Boeing receiving from the federal government, all told it's going to be actually \$2 million, a \$2 million DREE grant for something that it would have done whether in fact it got the DREE gift or not.

And it's rather ironic, again, that the person who is General Manager of the Boeing operation here is Lorne Dyke, who used to be a Deputy Minister of the Department of Industry and Commerce. And his statement as to why they got the grant was that you're going to have to ask the government of Canada that question. He didn't want to put himself in the position of rationalizing something which he knows is really a problem with respect to the industrial strategy and industrial programming of the federal government.

And it just is a commentary on how I think we have made a mistake in Manitoba in getting into bed with the federal Liberals on this type of program, which really doesn't work particularly well.

Another item that appeared in the newspaper was a statement by Hal Fredericks, who is the new head of the Winnipeg Business Development Incorporated, which I assume receives a grant from the provincial government. I don't know under what section it receives that grant but I will just raise this in general terms at the Executive level because he states, in this interview in the Financial Post, that a businessman used to look for a place where he could get a building, cheap land and an unemployed labour force. Now the emphasis is on a good place to live, raise a family and enjoy cultural and educational facilities. He goes on to say that it's important that the two universities in Winnipeg aren't cut back in the funding they receive because these are vital in attracting business to the community.

So, given those particular statements by this new booster for Winnipeg economic development at the city level, I find that, again, they are somewhat ironic because what's been happening in Manitoba since the government's come in, this particular government's come in, is that there have been cutbacks in cultural and educational facilities in the city. And, as I said before, the emphasis seems to be on cheap labor. And he said businessmen used to look at that, so maybe this Conservative government that we have right now is really anachronistic. They are away out of touch. Really, maybe the businessmen don't want what they're doing. Maybe the businessmen want good cultural facilities here in the city; good educational facilities; expanded expenditure in these areas; expanded social investment in these particular areas, so that they can attract businesses to Manitoba on the basis of strengths, not on the basis of weaknesses. Weak wages is a weakness. Weak wages is a weakness, but if you have a highly educated group they will come in to Manitoba to utilize that strength whether in fact the tax rate is 1 percentage more or less.

Look at the case of Burroughs. They came to Manitoba because of the university. Now, the point is: Has this department said anything, has it done anything on its own, or within this Cabinet Committee on Economic Development, to talk the other Ministers out of these cutbacks in cultural and educational facilities? Has it done anything in that way? Again, does it want to sell Winnipeg and sell Manitoba in a positive way, selling its strengths and building up its strengths, or does it really want to talk in terms of Puerto Rico or Japan or China or South Korea, when it comes to trying to attract garment plants to it? Because that's a strategy that won't work particularly well. You know, if you go around trying to sell your province as a low-wage province, which people have done in the past. We've had companies come to us and say, well, you know, we're non-competitive here with wages; we will go to Puerto Rico or we will go to Haiti. And you have this weird situation of hockey gloves being made in Haiti because the wages are low there. But Haiti lost out and Puerto Rico lost out; they lost out to Japan, and Japan now has lost out to South Korea. And South Korea is losing out to China. That's a fight that you can never win.

So I would hope that that's not our particular strategy, and yet — and it wasn't me who pointed this out; it was this fellow, Fredericks — it seems to me that we aren't building up our positive strengths. We have had a big debate, for example, with respect to whether in fact the Engineering Faculty is getting enough funding at the University of Manitoba and one would say, well, what does that have to do with Economic Development? Is it important to Economic Development or not? Should we raise it here? Well, I think it's important if we have a true Department of Economic Department that it be raised here. If this is a paper tiger then maybe we shouldn't raise it here.

But you see I think it's important for this department to try and make a catalogue of those things which are strengths in Manitoba and to start developing strategies, in concert with the private sector, to utilize those strengths and that we not base our future economic development on weaknesses.

A final point, for now, that I'd like to raise with the Minister — and I'm wondering where again he might suggest I discuss this — is the whole question of export development and the Export Development Corporation, which is a federal body. And, frankly, this body is a sham as far as western Canada is concerned.

There is an article, again, in the Financial Post, where they have listed the 12 members of the Export Development Corporation Board and, of those 12 members, only two are from western Canada — only two Board members are from western Canada. One is from Calgary and the other is from Vancouver. The others are from Toronto, Ottawa, North Sidney, Montreal, Ottawa, Ottawa, Ottawa, Ottawa, Ottawa. Isn't that incredible? That's disastrous, as far as we're concerned. We have always had a problem with the Export Development Corporation. And this is not a slam at this particular department or at this government but, again, it's a problem that I think this department and this government are going to have to try and deal with, and that's the extent to which the federal government, through its policies, has really discriminated very heavily against western Canada and really has discriminated very heavily against Manitoba.

And you know even if you look at the back of this article within the Financial Post, it talks about the Economic Development Corporation and its offices. The head office is in Ottawa; the eastern office is in Montreal; the Ontario region office is in Toronto; the Atlantic region office is in Halifax, and the western region office is in Vancouver. The western region office is in Vancouver and yet we've got Winnipeg; we've got Saskatoon, which is really booming; we've got Calgary; we've got Edmonton.

And that's a structural problem within our political milieu that I think we have to deal with. So, again, I ask the Minister where it might be appropriate to deal with that structural problem that exists within the country. Can he tell me under what particular section I might raise that question?

**MR. JOHNSTON:** Well, I would suggest under Market Development, where we have co-ordination of export sales activities and other promotional supports. I would suggest that it would be under (j) — 2.(j).

**MR. CHAIRMAN:** The Member for Elmwood.

**MR. DOERN:** Mr. Chairman, a couple of comments that I wanted to make concerning a couple of items. One is, I'm interested in just the general thrust of the department under the new Minister because we've seen some very prominent members of the Legislature and prominent predecessors in this portfolio in the last 13 years, starting in my time back to Sidney Spivak, who was a pretty dynamic Minister of Industry and Commerce —(Interjection)— well, relatively dynamic, and sometimes described by myself and others as "the drummer boy" because of his theme one time of the drummer boy drumming away, beating the drum for Manitoba and for the private sector, and for business, private and public.

I think he was followed for a short time by the former premier, Edward Schreyer, and then for a number of years the predominant part of our Administration by Len Evans, the Minister of Industry and Commerce, now the Member for Brandon East. So we had some pretty dynamic people in that portfolio, and I think one of the things that the opposition is now trying to measure is just what the Minister is going to do.

We can see in the House that the Minister is rough and tough and gruff, but we don't see what direction he's going into. All he's doing essentially in the Legislature is telling off the opposition, but although that may be emotionally satisfying, it doesn't help the department and it doesn't indicate where this government's going and where this Minister is going.

One particular area that I wanted to talk to the Minister about is whether or not he might be able to provide any leadership in the breaking of red tape in regard to certain development problems promised and talked about and anticipated in the province, and in particular in the City of Winnipeg, and I realize that to a large extent, when we're talking about the City of Winnipeg, that we're talking about the responsibility of the Municipal Government, but I also assume that the Minister, who lives in Winnipeg — maybe has lived here all his life — will not preclude what goes on within the perimeter, but sees it as part of his responsibility, and would not for a moment stand to be told by civic officials or other that he has no business concerning himself with development in the city, because I certainly wouldn't accept that position myself.

One of the interesting major developments, the biggest one that I can think of that's been talked

about in the last ten to twelve years is the possibility of the CNR and the Great-West Life Assurance Company developing the East Yards. Now, here you have the Great-West Life Assurance Company, which is across the street, which is dear to the government's heart, and has money to invest, is hooked up with one of the biggest corporations in Canada. I guess it's now — I'm trying to think of the name of their parent company from down east — Power Corp. is now the parent company, Paul Demerais, who has impeccable connections with the Federal Liberal Government, and here was a plan talked about a number of years ago and now suddenly is dead as a door nail, and I don't recall the exact amounts, but the figure of \$500 million sticks in my mind. There was talk of developing some 60 acres of prime land in downtown Winnipeg with new corporate headquarters for Great-West Life, which might then make their present headquarters across the street available to anyone who wanted to buy it, and I would assume that one of the interested parties would be the Provincial Government because we certainly, taking a long-term point of view, it would probably be in the best interests of the province to acquire that property and hold it for future land banking and future construction.

So we're talking about a massive proposal. I don't recall any development in the history of the province, and my colleague might, where we're talking about potential \$500 million development. There may be some, but I don't remember any other. Now, I recall talking to the President of Great-West Life not too long ago, Mr. Jim Burns, who's now down east and every time I have met with anybody from the corporation that I knew, and I have met a few people there — I know a few people there because at one time we were dickering with them about the sale of their property. They had come to us with a proposal and suggested we might be interested, and for a number of months we were negotiating a potential purchase of their property. This, of course, was based on the supposition that they would develop with the CNR the East Yards.

Now I'm told that this is the problem, and I want the Minister to address himself to it, that Great-West has found when it has invested money in the United States that it doesn't have any real problem. It can pour all the money that it wants into American States. I think they have some big development in Denver, if my memory serves me correct, but they have made substantial investments in the United States, they've made substantial investments in Alberta recently, and here they are trying to develop something worth hundreds of millions of dollars in the City of Winnipeg, which would be a tremendous spur, probably the biggest development we'd ever see in our lifetime, and they're running into roadblocks. Now, some of those roadblocks, I assume, are bureaucratic, some — I don't know whether they're small "p" political or what, but Great-West has no problem investing outside of Manitoba but has apparently considerable problems investing inside Manitoba.

I picked up Time Magazine the other day — I don't know if this is the current issue or not, April 16th, I guess it's a week or two old — and here's another article entitled "Wonderland by Fights" about a \$105 million Amusement Park being jointly developed in Ontario near Toronto, I think, between the Great-West Life Assurance Company and somebody called Taft Broadcasting of the United States.

Twenty miles north of Toronto, 320 acre park with rides, shows, entertainment, etc., etc., etc. It's like a small Disneyland.

Across the street from this potential development in Winnipeg, just down the street from us, is also the Fort Garry Hotel, which I believe might be a viable operation if this development took place but now is in some danger of being closed, which I regard as somewhat of a tragedy, should it ever occur. Once it's gone we will have another modern building taking its place, with no character and probably not too hot design and the Fort Garry will become a nursing home or a warehouse, or whatever.

So I just wonder if the Minister feels that it is his responsibility, the former municipal councillor with some experience and now is the man responsible for the economic development of the province as a whole, whether he feels there is anything that he can do or should do in an attempt to, let's say, advance this particular project but any other one which is running into similar problems. I assume some of them are bureaucratic and some may be political.

Is he prepared, for example, to meet with municipal officials or with corporate officials on the general basis that it is his responsibility and his mandate to promote business development and economic development in the province? I am asking the Minister if he would care to respond to that.

**MR. JOHNSTON:** Well, Mr. Chairman, we have had very intensive meetings, when we've had them, which doesn't happen every day, but we have had very good meetings with the new industrial development officer, Mr. Hal Fredericks of the City of Winnipeg, and we haven't been able to come to arrangements between the two departments but certainly they will co-operate with us at any time. If we feel that the City of Winnipeg is doing something that may be a process that holds

up development in Winnipeg, we have been assured by them and we have been assured by the members of Council that he is responsible to, that the province will have every co-operation from them and certainly the opportunity to discuss any of these matters.

We have had times when the department has had a manufacturer — and I don't choose to use names — who was having problems with property and prices, etc., of the property from the City of Winnipeg and we were able to have some discussion with them and they were able to solve the problem, and the expansion went on. So our relationship with the City of Winnipeg is, at the present time, very good.

As far as the purchasing of the building next door, I am not in the position to decide whether the Minister of Government Services wants to purchase it or not or in the position to say whether it's a policy of the government to purchase it. I would say, at the present time, I don't think it is.

As far as the expansion down in the CNR, I would encourage the Great-West Life to invest money in the province of Manitoba anytime and if we ever find, or they come to us and say that they are being held up or they are having problems with the City of Winnipeg to do this, again we would certainly take it up with the City of Winnipeg. I don't know whether Great-West Life is continuing with those plans at the present time. As a matter of fact, there has been no indication that they are continuing with them at the present time.

You talk about the amusement park in Ontario. Certainly, the investment would have been very nice to have in Manitoba but I just wonder if Manitoba has the resource that's needed to support an amusement park of that size, and the resources people. People are the ones that go to amusement parks and I doubt very much if Manitoba would have the resources to support one of that size. So the companies, the two of them who got together to do it, obviously did research and found that it would be a good investment in that area.

**MR. DOERN:** I wasn't suggesting that the Great-West build an amusement park 20 miles north of Winnipeg; I was suggesting that because of red tape and other problems, not necessarily known to me or anyone else other than the principals, Great-West has indicated a desire, along with the CNR, in a joint project, to develop a \$500 million development in the City of Winnipeg, downtown, and because of roadblocks one of the principals, Great-West, is pouring considerable amounts of money into other parts of the country and into the United States of America. And it seemsto me that if somehow or other this project could be freed up, that they would proceed with investing in Winnipeg and in Manitoba. Because of that, other projects are attractive to them. \$105 million in Ontario. Some projects I know they have developed in the United States and in the Province of Alberta. I don't care what the projects are; I don't care what their purpose is. I'm not saying those same projects could be built in Manitoba. I am saying that they are interested in putting up a couple of hundred million dollars on their own, with the CN, to proceed with a massive development here, and if there's anything that the Minister can do to assist those people, I think for the benefit of Winnipeg and Manitoba, then he should attempt to do it. Otherwise, those investment funds will find another outlet.

And, as I said, in speaking to some of the principals from Great-West Life they apparently can go into Edmonton, and in a matter of days or weeks, get approval for massive developments, whereas in Winnipeg it's a case of years and years and years of referrals and red tape, because this project was talked about at least three years ago, maybe longer, but it certainly was at least three years ago and nothing is happening.

So I'm saying to the Minister, if he can step in on projects like this, bang some heads together, talk to people and persuade them, convince them, inspire them, I think that's his job. He is supposed to be a leader, and whatever he can do to advance development is worth a lot. I mean, I'm sure if he got a \$1 million plant for Manitoba he would be jumping up and down. Now, here is a chance where he can get a \$500 million project going if he could address himself to the problem and succeed.

**MR. JOHNSTON:** Mr. Chairman, it certainly hasn't been brought to my attention, nor have we had any indication from Great-West Life that they are having problems with the City on this development. Their decision to go ahead would certainly be their own. We will invite them and I will make a point of finding out if they are having problems with the City for this development, but it hasn't been brought to our attention that they are, at the present time. And if they are intending or have some intention of making that investment down there, we would be very pleased to work with them and find out if they are having any problems and do whatever we can to see that those problems are overcome.

**MR. DOERN:** Well, Mr. Chairman, I would conclude at this point, and allow one of my colleagues



to continue by saying that if the Minister assigned someone in his department to provide him with photostats and documentation from his department and from government services on the planned development of the CN and Great-West some three years ago or so on what they have attempted to do and all the endless meetings and referrals that they have had; and to then ponder the fact that when you look at that location there is absolutely nothing happening there, which must be the proof positive that the project has completely bogged down.

**MR. CHAIRMAN:** The Member for Burrows.

**MR. HANUSCHAK:** Yes, Mr. Chairman. My colleague, the Member for Elmwood, in referring to the honourable Minister said that he's supposed to be a leader, and I suppose, Mr. Chairman, that was the general attitude that the people of Manitoba had assumed, that the government will provide the province the type of leadership that it requires and that it deserves. You know, Mr. Chairman, the people of Manitoba have been looking to this government for leadership for the past eighteen months, since October 11th, 1977, and in this department in particular I regret to say that there was no evidence of it. You will recall, Mr. Chairman, — well it was just a few days ago, a week ago today as a matter of fact, practically to the hour — when the Minister of Labour in announcing the minimal adjustment in the minimum wage did indicate that the minimum wage for those below 18 years of age will not be increased because the Minister did not wish to prejudice their job opportunities, their chances of getting employment in any way.

Now, I would like to think, and I underline the phrase, I would like to think, Mr. Chairman, that when the Minister of Labour made that statement that he wasn't just speaking off the top of his head, that he made that statement with proper research and I would hope with the advice of the Minister responsible for Economic Development. In other words, if the Minister of Economic Development took a look at the jobs and the unemployment situation in the province of Manitoba and said to his colleague, the Minister of Labour, "No, you'd better not touch the minimum wage of the people under 18, because if you increase the minimum wage then it's going to have a negative effect on their job opportunities, but if we keep it at \$2.70," where I believe it is now, "I, as Minister of Economic Development, I can foresee x numbers of jobs for the people under 18 years of age, those on the threshold of entering the labour market." So I would hope that that conclusion that the Minister of Labour came to was properly researched with the assistance of the Minister responsible for Economic Development, and I would ask the Minister of Economic Development how many jobs will keeping the minimum wage level at the existing level for those below the age of 18 will it create? The young people want to know, that when the Minister of Labour spoke last Friday, can all of them look forward to finding employment? the Minister of Economic Development, at \$2.70 an hour, be able to create jobs for all of them? 1,000? 2,000? 3,000? Half of them? 25 percent? 60 percent? What number? So again I say I would like to think that that conclusion and statement of the government was indeed properly researched.

The present Minister's predecessor had some secret formula which he never did disclose to us, on the basis of which he had concluded that during our term of office there was a capital outflow from the province to the extent of, I believe it was one billion dollars or two billion dollars; I don't think the figure really matters. Now, if that formula enabled his predecessor to measure the capital outflow, I would think that one should be able to apply the same formula and measure the reversal of the capital flow, the capital inflow into the province over the past 17 or 18 months that this government has been in office. So what we'd like to know, Mr. Chairman, is whether the presence of the present government has in fact attracted an increased capital flow, and I don't want to hear the Minister simply say, "Oh yes, yes, our highways are jammed with people moving into the province of Manitoba developing industry and so on and so forth." I don't want him to be as precise as his predecessor was. His predecessor attached a definite figure. He said a billion dollars. Now I would like this Minister to contact his predecessor if he doesn't have that formula and go to work on it quickly and tell us. A quarter billion, half a billion or what that came back into the province? Now all we hear from this Minister is from time to time we hear suggestions and some of the feedback from the province. One comment that I heard was that the Minister has as much class as a Klink sandwich after listening to some proposals that he was making to one group in Manitoba.

All we hear is what we ought to be considering, what we ought to be looking at. But Mr. Chairman, this government has been in office for a year and a half. Now surely after a year and a half the Minister should be able to stand up and say . . .

**MR. DOERN:** It seems longer than that.

**MR. HANUSCHAK:** My colleague says it seems longer than that. Yes it does,

**MR. DOERN:** Like an eternity.

**MR. HANUSCHAK:** The Minister should be able to stand up and say that during our year and a half of office we were able to do the following in terms of economic development of the province of Manitoba. We have done this, we are in the process of doing whatever else that will create jobs, boost our economy, but this the Minister hasn't told us yet. We haven't heard anything of the sort.

Now, you will recall, Mr. Chairman . . .

**MR. CHAIRMAN:** Order please. Is the member speaking on the Minister's Salary or under item (b)(1)?

**MR. HANUSCHAK:** Under (b)(1), which is Other Expenditures, yes. And the policy as it relates to Other Expenditures, as it may relate to grants, to forgivable loans and so forth, as it relates to the grant made or the expenditure made on behalf of somebody interested in his Bird Program — and I will come to that in a minute, Mr. Chairman. So we were waiting to see what kind of money the Minister is going to spend under his Other Expenditures or wherever else in his Estimates that is going to boost our economy. And Mr. Chairman, you know, after a whole slough of sham exercises — you will recall the recruitment program of his predecessor for a non-existent industry in southern Manitoba, and then it turned out that it's merely a survey just to see if people are interested — that was done and which was an expenditure, Mr. Chairman, on behalf of some unknown firm, because I phoned his office. I wanted to know the name of the firm that the Minister was attempting to induce or seduce to come to Manitoba. I was denied the name of that firm, and I said I wanted to know because it may be of interest to the people of Manitoba. Surely the people of Manitoba have the right to know who their employer is or who he may be if they should be hired.

And it turned out that this was merely a survey to find out whether people from Winnipeg would be interested in moving to, relocating to, travelling to Altona or Winkler to work in some agricultural implement parts manufacturing concern which is nowhere in sight to this day.

And speaking of Other Expenditures, I've been waiting patiently with baited breath for the Other Expenditure that this government had committed itself to make many years ago in '73. The Member for Rock Lake, when he ran in 1973 he said, "By supporting the PC policy of keeping what businesses remain in Manitoba and bringing new businesses into Manitoba, your next PC Government will immediately call a conference to outline its job saving, business incentives." The Welfare Program, Mr. Chairman, for the private sector; it's Welfare Program to all companies planning to leave Manitoba, planning to leave Manitoba, "and will actively seek outside industry that will create more jobs in the province." And he said, "The NDP hasn't done this, the PC will." Well, of course the NDP hasn't done this, because he is aiming his conference at those leaving Manitoba. Now they are leaving Manitob and, Mr. Chairman, not unless it escaped my eye, but I operate a modest little business and I'm anxious to attend this conference, and I and other members of my family are involved in small businesses, and they are waiting with baited breath to attend this conference, Mr. Chairman.

And neither the Member for Rock Lake, either personally, nor the minister, nor am I aware of the Member for Rock Lake encouraging the minister to call this conference; in fact, one of my family is planning on leaving for British Columbia and he wants to attend this conference, because if something will emanate from this conference that will persuade him, induce him, enable him to remain in Manitoba, he would rather remain in Manitoba. It's true that fortunately after June 28th of 1973 the Member for Rock Lake was not in the position to use government Funds to call this conference, but now he is, and a year and a half has gone by and businesses are leaving Manitoba and we're still waiting for it. So I would like to know whether the minister has a proposal from the Member for Rock Lake to call such a conference and if he does, when will such a conference be held?

Now, there's a couple of other items, but I think it will be more appropriate to deal with them at a later point in time. Mr. Chairman, in terms of Other Expenditures of this department to generate and boost our economy, what was the first Other Expenditure after the big press interview last October after the minister was assigned this portfolio; all the great things that he's going to do, boy that, you know that businessman, that hard-nosed businessman from the private sector who really slugged it out on his own and built his business up with his own two hands; boy, that businessman, he's going to run the Industry and Commerce Department, or as it was re-named, Economic Development because he really knows how, he knows what growth and development of business is all about, because he was involved in it practically since the day he was born.

What do we hear? What do we hear, Mr. Chairman? November goes by, nothing; December

goes by, nothing; January rolls around, what comes out of Other Expenditures? A professional Bird Service Program at \$27.65 or whatever, professional Bird Service Program; this minister is going to do all these great things for the province; comes out with a two-bit program. That's his Economic Development; that's his Other Expenditures; that's the Expenditures of his department for the development of the economy of our province. His two-bit Bird Program; that's the best that he could come up with, Mr. Chairman, so . . .

**A MEMBER:** It was just a little bird.

**MR. HANUSCHAK:** When I made reference to this in the Throne Speech Debate, Mr. Chairman, and I know the minister followed me shortly thereafter and he attempted to chastise me for spending this time and going to all this trouble and time, you know, to zero in on his Bird Service Program.

But, Mr. Chairman, the point is . . .

**MR. DOERN:** It was a little seed money.

**MR. HANUSCHAK:** . . . a little seed money as my colleague says. The point is that what the Minister came out with is indicative of the mentality, of the thrust, of the concern of this Minister about the people of Manitoba. It's indicative of that and that's what prompted me to write the letter which I did to the Minister and sent copies of it to his colleagues, the Honourable First Minister, the Minister of Health, the Minister of Education and the Minister of Fitness and condominiums because you know it shows where this government's priorities are. It demonstrates that this government does not have any real meaningful priorities that will develop the economy of our province, No. 1.

No. 2, whatever it does attempt to do it ignores the real needs of the people of Manitoba and instead squanders away a few dollars here and a few pennies here on two-bit programs to deal with constipated budgie birds and over-sexed lovebirds or under-sexed love birds, whatever else because those are the ailments . . . you know I'm quoting the Honourable Minister in his questionnaire that he sent out. He was referring to constipation diarrhoea of birds and sex problems and feather molting, etc. . .

**MR. CHAIRMAN:** Order please. Could the Member for Burrows indicate to the Chair . . . Order please. Order please. Could the Member for Burrows indicate to the Chair where this relates to the item that we are on? The Honourable Member for Burrows.

**MR. HANUSCHAK:** The Minister did indicate that he spent \$25.00 or \$27.65 or something for that program which is out of Other Expenditures. He said that came out of his office.

**MR. JOHNSTON:** On a point of order, Mr. Chairman.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. JOHNSTON:** If I did say it came out of my office I think I would be referring to basically my department. The Other Expenditures that it would have come out of, would have come out under research or Small Enterprise Development, under 2.(i). If the member would like me to read what the Other Expenditures are, under this item, I would be very pleased to.

**MR. CHAIRMAN:** The Honourable Member for Burrows.

**MR. HANUSCHAK:** Mr. Chairman, we are still dealing with policy of this department and we have dealt with Salaries, we are dealing with Other Expenditures of this department. We are dealing with that item which deals with the overall policy formulation for the department, Mr. Chairman. So whoever wrote out the cheque, whether he debited it to this particular appropriation or another, it still came out under the direction of this government, of this Minister, because the Minister will recall that that famous Bird Survey Program that he distributed to all the bird shops: No. 1, it came out on departmental letterhead stationery. No. 2, the return address was his office — the postal code, you know there's only one area including the building and probably surrounding streets but I know of no other Industry and Commerce office within that particular postal zone. And I checked, I double checked with the post office to see if there is. So it's the Minister's office.

Mr. Chairman, as I had indicated in my letter to the Minister of January 30th now this two-bit program does indicate that this government has no policy, has no economic development policy if the best that the Minister can come up is this professional Bird Service Program. I did indicate

to him that it is regrettable that the wise old owl is practically an extinct species within government ranks but on the other hand we see more and more vultures descending on our province and snapping up the people's assets for next to nothing which this Minister endorses, which this Minister encourages, which this Minister promotes. We've seen people's assets being given away for next to nothing and there's no indication that that trend will change and that that trend would reverse itself but likely will continue with the blessing of this Minister, not unless this Minister will stand up and say, No! We're going to put a stop to it. We made a mistake in allowing vultures from wherever to descend upon the Province Manitoba and snap up its assets, Morden Fine Foods, the ship, Saunders Aircraft, etc., the farmland, we're going to put a stop to it. These assets are the people's and we are not going to be making any other expenditures out of the Department of Economic Development that would promote or encourage that type of action. I would be very much surprised to hear the Minister say that and I'm sure that he won't.

And now, Mr. Chairman, as I had asked the Minister in my letter of January 30th, to which by the way, I have not received a reply —(Interjection)— no, no reply, no acknowledgement, no reply, nothing nothing. —(Interjection)— no reply even from any of his colleagues who received a copy. Let us consider, yes, what the Minister said. I will tell the Honourable Member for Rock Lake what the Minister said. The Minister said last October, apparently he was going to do something similar to what the Member for Rock Lake promised to do but never did. The Minister said last October shortly after being assigned his present portfolio, with reference to his proposed Advisory Committee, he said and I am quoting, "Several heads are better than one in dealing with Economic Development issues." Well, where is that Advisory Committee? What has that Advisory Committee done? Has he formulated that Advisory Committee? What recommendations has that Advisory Committee made? What recommendations has it made that have been acted upon? I suggest to you, Mr. Chairman, that there is no Advisory Committee; I suggest to you, Mr. Chairman, that if there is an Advisory Committee that is hasn't made any recommendations. I suggest to you that if it has made recommendations, the Minister hasn't acted upon them and he has no intention of acting upon them. I suggest to you, Mr. Chairman, that this Minister will not act upon any recommendations that will work to the benefit and advantage of the people of Manitoba. He may act on recommendations working to the advantage of the Power Corporation or of some of its subsidiaries, Great-West Life. But I am talking about the one million people in the Province of Manitoba excluding some of the foreign shareholders that may have an interest in some of our corporations based in our province. To their advantage he will not come forth with any proposals that would assist them.

And then I went on to say, Mr. Chairman, that I agreed with the Minister that generally speaking that is true provided that the heads face up to the realities of economic and social issues and are not ostriches with their heads buried in the sand or deader than a dodo bird as we have witnessed during the past 15 months as of January 30th which is 18 months now.

So, Mr. Chairman, that is my concern. The Minister has not come up with any program. He has not created a job. His reluctance — and he has to share the responsibility for it — his refusal, not reluctance, to increase the minimum wage because that was done by Order-in-Council, his refusal to increase the minimum wage for those people about to enter the job market has not created a job. Mr. Chairman, his refusal to make any expenditures, any Other Expenditures that would lead to job creation for these people will not create jobs for them and that, Mr. Chairman, is my concern about this Minister and about the lack of leadership that he has demonstrated during his 6 months of office, he is simply continuing the same track record which he had inherited from his predecessor

So, Mr. Chairman, it's not good enough for the people of Manitoba to have a Minister of Economic Development who simply goes around the province as he had been for the past while attending meeting in southern Manitoba and Swan River and so on and so forth, merely suggesting economic projects, industrial projects that we should be looking at. This Minister has had 18 months to look at potential for economic development in the Province of Manitoba. It is time, Mr. Chairman to quit referring to the projects — now I know when you really pin him to the wall, then what does he cite as examples of economic development? The projects that we brought on track, the projects that were initiated during our term of office and which came to finalization during the past 18 months. He refers to those.

But I think the people of Manitoba now want to hear from this Minister, an indication of not the job survey type things for Altona or Morden or Winkler or wherever he was doing it for last fall. Not the Bird Program that he was doing a survey for last January, not simply the, you know, the suggestions that we should be looking at working with the Feds to bring this in and that in and the other, which may or may not come over the next ten or fifteen or twenty years, because in the meantime, Mr. Chairman, the people of the province of Manitoba are going to starve. They're going to starve. They want jobs now. They don't want jobs ten, fifteen years from now.

The Minister is talking about bringing in industry associated with fighter aircraft industry that the feds are involved in. But Mr. Chairman, he's not going to bring that in tomorrow, or next year, even if he could. Projects of that kind, he's looking several years down the road. But the people only got a ten cent increase in their minimum wage, and inflation's hit them pretty damn hard. And commencing Tuesday, they'll have to pay a nickel more for a bus ride because this Minister refused to approved increased transportation grants for the city of Winnipeg. And because this Minister is refusing to make the type of other expenditures that would, in fact, meaningfully assist and benefit the economy of the province of Manitoba now.

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

**MR. EVANS:** I would like to ask the Minister specifically the question about the name of the department. Could the Minister explain to the committee the rationale behind changing the name from Industry and Commerce to Economic Development?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. JOHNSTON:** It was a decision of the government to change the name from Industry and Commerce to Economic Development because that's basically the thing that Manitoba needs, is economic development. We felt that that was a name more fitting for all Manitobans to work to as far as jobs, job creation is concerned, so the name was changed to Economic Development.

**MR. EVANS:** Thank you, Mr. Chairman. Over the many years, I had pondered whether the name Industry and Commerce was an adequate name or not, but the name, the title, Economic Development, is a much broader one than Industry and Commerce could ever be, and it does suggest, or infer, in fact it does imply that the department is now going to be concerned with developmental questions over and above manufacturing, over and above trade and commerce and that sort of thing, which has been the normal scope, normal sphere for the department, and I wondered, does the Minister envisage broadened terms of reference now, because I look at the organization of the department and it, to me, to all intents and purposes, you could go back and put the name Industry and Commerce, because I don't see anything really different. Yes, some slight reorganization, but nothing really different. I'm wondering — perhaps there is something we don't know — whether the Minister could tell us whether there are other terms of reference for the department pertaining to agriculture, because agriculture has still got to be a very important industry and certainly, as goes agriculture, so goes the province, in some respects anyway. Mining, forestry, fishing, the prime area industries, industries that are all part and parcel of the process of economic development.

To what extent, then, is this department going to be involved or connected with the policy making, or is it going to now expand in the next year or so, is it going to expand to become more involved in these other areas besides manufacturing or commerce or the tertiary sector.

**MR. JOHNSTON:** Mr. Chairman, to answer one question to the Honourable Member for Brandon East, there is an Economic Development Committee. It consists of the First Minister, who is the chairman of it. It consists of Mr. Craik, the Minister of Finance; it consists of Mr. McGill, who is with Telephones and Government — (Interjection) — well, not Government Telephones, ManFor, ex-Crown corporations in many cases. Mr. Banman, who is MDC; Mr. Ransom, who is Minister of Mines and Resources and Environment and Mr. Downey, the Minister of Agriculture. That committee meets on a regular basis, there is discussions on all factors of the economy of the province. I think you'll see there, that the minister that are involved in it and quite often, Mr. MacMaster, the Minister of Labour is involved in it. We definitely meet on a regular basis, we discuss the programs, we discuss the projects that the department is working on and their departments are working on, so that duplication. My department does work in liaison with the other department people. If you will notice under Business Development, Food and Beverage, we work very closely with the Agricultural Department. In the Health, we have people that work continually with the Health Department. We have the Electronics, we have the Machinery, Transportation — those two would basically be under our department, but again, are discussed by the Economic Development Committee of Cabinet. There has been a committee set up there has been a committee operating very regularly. The trend of the department is certainly to encourage all departments of government to look at economic development and when we get involved with the Minister of Environment, we find that business and environment can work together and accomplish things, if it's discussed beforehand.

In the area of agriculture, the Minister of Agriculture in his Estimates, showed his program of

added value crops. We are working very closely with the Department of Agriculture and when we get to the Enterprise Program, I'll be able to explain to you just exactly how we are building in with the Agricultural Department. So, there is no question, there is no question that there is under the name Economic Development, a committee set up under that name and working with all departments of government.

Regarding the minimum wage, Mr. Chairman, the minimum wage was decided on by the government. There was an announcement by the government, and the announcement was that we were the third highest in Canada. It also announced that the young people in Manitoba were the third highest in Canada. It's a continuity and that's my comment on it, the same as the announcement of the Minister of Labour.

**MR. CHAIRMAN:** The Member for Brandon East.

**MR. EVANS:** Yes, well, I thank the Minister for his . . .

**MR. CHAIRMAN:** The Honourable Minister.

**MR. JOHNSTON:** Excuse me. If the Member for Burrows doesn't think that we should be doing surveys for towns, but make requests for surveys on what they should be doing to expand their economic base in the towns, that's entirely up to him. If he doesn't think we should be doing that, that's up to him. He speaks about the speaking engagement; in Brandon, there was 180 people; in Portage, there was 150; Swan River, there was 100; in Morden, there was 130; Steinbach, there was 140; 760 people had the Enterprise Program explained to them, and also, the policies and directions that the government is going. If the Honourable Member really wants to know, I'm quite prepared to give him a rundown of Other Expenditures that he speaks under this item and they are. . . While I'm looking it up, I have no shame whatsoever, in helping anybody who wants to start a small business, whether it's in the care of birds or whatever. The department is there to help the little people. You may not think so or like it, but that's what we do.

Under the Other Expenditures, it's Travelling for the Minister and Deputy; Automobile, to cover costs associated with the Minister and Deputy Minister's assigned vehicles; Printing and Stationery Supplies to support the general requirements of the Minister and Deputy Minister. Other Expenditures to cover costs associated with posting ministerial meetings. The general provision of that amount is \$20.2 million. The provision for General Salary Increase Shortfall and Annual Increments is 2.8; provision for Salary for the Executive Assistant to the Minister, Salary is the first step of an Executive Assistant. So, Mr. Chairman, also the appropriation has and includes seven staff members; four staff are for the Minister's Office, secretary to the Minister, Administrative Secretary, Special Advisor to the Minister and secretary. One new position is requested for an Executive Assistant to the Minister; two people on staff for Deputy Minister's Office, one Deputy Minister and one secretary, which is a total of seven people. That's the Other Expenditures, he's talking on at the present time.

**MR. HANUSCHAK:** Yes, Mr. Chairman, with respect to this Minister's participation in a decision not to increase the minimum wage, of which he was a party and he can't divorce himself from that.

**MR. JOHNSTON:** The minimum wage was increased.

**MR. HANUSCHAK:** Could the Minister in his participation, in his decision not to increase the minimum wage for the people under 18 years of age, which he did not increase and in fact, indicated that it will. . . because that that was done deliberately, in order not to jeopardize their job opportunities. I have to go . . .

**MR. JOHNSTON:** On a point of order, Mr. Chairman.

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

**MR. JOHNSTON:** The Minister did not make any public statements about the minimum wage, other than the young people are the third highest in Canada, the same as the minimum wage is at the present time. The decision on the minimum wage was a government decision. The honourable member used to be part of a Treasury Bench and knows very well, that a government decision of that kind is exactly that.

**MR. HANUSCHAK:** Yes, Mr. Chairman, with respect to the Minister's Other Expenditures, which he no doubt, must have spent to come to the conclusion to advise the Minister of Labour that it would be economically bad to increase the minimum wage for those under 18, and for those serving liquor and in a province, which someday may enjoy the third highest spot in the minimum wage, and which probably is in the third highest spot in Canada, in terms of a number of minimum wage employees on a percentage basis. I am being asked by constituents of mine, young people, in particular, and they want to know how many jobs will not increasing the minimum wage create for them, for those under 18, because the Minister obviously has many formulae to do all sorts of things, to measure the capital outflow from the province, which his predecessor had and which he was able to apply while we were in government. He was able to come up with a figure of a million dollars; the Minister has formulae to evaluate the needs for professional bird service program. He must have formulae to evaluate God knows what else, so surely, he must have a formulae to measure and predict the number of jobs that his refusal, participation in the refusal to increase the minimum wage for the people under 18 will create. So, they want to know, how many more jobs can they expect that this Minister will create for them?

**MR. JOHNSTON:** Mr. Chairman, the minimum wage increase and the minimum wage decisions were made by the Minister of Labour. The Minister of Labour was in the House and spoke on it, and gave all the reasons why the decision was made by government for doing so. I have said, Mr. Chairman, that it has been a government decision, announced by the Minister of Labour after he had had available to him, the research of his department and probably the use of the Manitoba Bureau of Statistics, etc., to make those decisions and make those announcements. I say it was a government decision and that's fine. If you think you are going to sit here and act pompously, by putting words in my mouth, that I said this or I said that, you are wrong. It was a decision of the government.

**MR. CHAIRMAN:** Order please. Could I suggest to both members that I think we are off the topic, and I would like to refer the both members back to the item that we have under discussion.

**MR. HANUSCHAK:** Yes, Mr. Chairman, I would want to talk about Economic Development as it relates to this item. Economic Development, in terms of job creation, because in my book, I think that's what economic development is all about. And as related to Other Expenditures that the Minister has to incur in creating jobs, in making the other expenditures that he has to incur in this branch, the main branch of a department, the nerve centre of the policy-making, policy-formulating role of the department.

So, Mr. Chairman, I want to direct my question again to the Minister who in a pompous fashion attempts to disassociate himself from a decision of which he was a party and he himself did come pretty close to admitting that his department may have had some involvement in advising the Minister of Labour on the economic needs and potential of the province.

**MR. JOHNSTON:** On a point of Order, Mr. Chairman.

**MR. CHAIRMAN:** The Honourable Minister on a Point of Order.

**MR. JOHNSTON:** I did not say that my department gave advice on the policy to the Minister of Labour. I said the Minister of Labour would have access to the Manitoba Bureau of Statistics as every department in this government does while making his decision, or making his statement, or the reasons for making his statement. His statement was made as government policy.

**MR. CHAIRMAN:** The Member for Burrows.

**MR. HANUSCHAK:** Excellent, Mr. Chairman. Well now we know, Mr. Chairman, that as I'd indicated earlier that this is a do-nothing department, that this department does not do any sort of assessment or evaluation or survey on economic development potential of this province in terms of the jobs that it may create, in terms of the jobs it may create at various salary levels. It doesn't do that, or if it does it, Mr. Chairman, nobody has any respect or desire to obtain the information that this minister produces because nobody uses it, nobody asks for it. The Minister of Labour doesn't want it, he doesn't use it. He goes somewhere else for his data, and on the basis of that arrives at his conclusions and makes his recommendations to his Cabinet, and which this minister in turn blindly accepts.

**MR. JOHNSTON:** Mr. Chairman, I repeat again. The decision on the minimum wage was announced by the Minister of Labour. He gave the reasons in the House. He has spoken on it in the House. It was a government decision, and it was announced by the government. I said the Manitoba Bureau of Statistics would probably have been available to give him statistical advice, or not advice, statistical information if he requested it, as any other department has the right to do. It is there to help other departments.

**MR. HANUSCHAK:** Mr. Chairman, it would seem to me that if the minister were to meet someone unknown to our government system and if the minister were to introduce himself as the Minister of Economic Development, and if that individual were to ask the minister, what does the Minister of Economic Development do? I would like to think that the minister's response would be — well, it is my job at whatever extent I can, given our commitment to the role and function of the private sector, to stimulate economic development in Manitoba. And then if that individual were to ask the minister, with what purpose in mind? I would think that the minister would say, for the benefit of the people of Manitoba. In what way? I would think that the minister would say, well, so it would create jobs and put an income into the pockets of the people of Manitoba.

You know, the minister from time to time, over the years and over the past while, and if the minister wants to take the time I'll go and dig up a whole raft of press clippings where the minister did speak of economic development in terms of job creation. So once again, even if the Minister of Labour did not ask for that type of information and assistance from this minister because he didn't want to because he considered it worthless, or for whatever other reason. But if the minister is concerned about economic development, and he participated in that decision, now surely that matter was considered in Cabinet and the minister must have voted upon it in Cabinet. And the minister must have voted for that decision for certain reasons, on the basis of certain information that he through his department must have derived, that must have convinced him that keeping the minimum wage at \$2.70 for the people below 18 years of age, will enhance their job opportunities. So once again I ask the minister — to what extent will it enhance the employment opportunities for the people under 18 years of age by not increasing the minimum wage?

**MR. JOHNSTON:** Mr. Chairman, the department, who I'd regard as probably the finest department in Manitoba or in Canada for the numbers versus numbers there are in the departments in other provinces, are working continually on economic development in this province under my direction.

The executive, he said the policy, he's quite right — the policy is the minister's which is decided by the government and which I direct the department to follow. And I might say that if you want to speak on these items they're all there to be spoken of, and as I said before they can be explained through the items. It doesn't really bother me if the member wants to start taking personal shots or whatever he wants to at me, it doesn't bother me. I explain to him again, the policy of the department is decided by the government and the department takes its direction from the minister, as the member well knows. And I can assure you the department is exceptionally busy working on economic development in the Province of Manitoba, and we're quite prepared to explain that.

**MR. HANUSCHAK:** Mr. Chairman, do I understand the minister correctly then that he is saying that under another item in his Estimates, he will be able to answer my question, the number of jobs that the failure to increase the minimum wage for the people of under 18 will create. In other words, the extent to which the refusal to increase the minimum wage for that category will enhance their job opportunities — that the minister will have that answer, that he has it tucked away elsewhere in his Estimates Book. Is that what the minister is saying?

**MR. JOHNSTON:** Mr. Chairman, I'm not sure whether I'd be able to give you that answer or not. I'd probably would have to refer to the Bureau of Statistics to see if there was any way that we could get those figures off. But I am sure that they were looked at by the Minister of Labour, who is in charge of the minimum wage, who made recommendations to the government. The government made an announcement on minimum wage; he, as the Minister of Labour explained it when he did it, and that's a government decision.

**MR. HANUSCHAK:** Now, it may be, and I'm going to ask the Minister of Labour the same question, but I think I could properly ask this minister that question. Does the Minister of Labour have some job creating capacity? Because maybe he's the one that's going to create the jobs, I don't know. I'm asking this minister because I would think that if both of them are involved in job creation, then surely the right hand would know what the left hand is doing. Normally one would assume



that, whether that is true in this government or not I don't know. I don't sit in the Cabinet Room. So my question is: Does the Minister of Labour have some job creating role?

**MR. JOHNSTON:** The member is quite right. The Minister of Labour does have the job creating role for students and young people within his department, and he has announced it, and it comes under Page 60, Manpower Division, under the Minister of Labour, Section 3.

**MR. HANUSCHAK:** Yes, Mr. Chairman. Perhaps I should have clarified my question; I'm not talking in terms of temporary summer employment, I'm talking in terms of permanent employment; I'm talking in terms of economic development that generates new jobs, that generates permanent jobs.

**MR. JOHNSTON:** Mr. Chairman, I've just had it brought to my attention that under Section 3 of the Minister of Labour's Estimates, it's called Manpower Division, Research, Manpower Planning and Development, Apprenticeship and Industrial Training, Employment Service, Employment and Youth Services, which is (f) under that particular department. And he's quite welcome to ask the Minister of Labour those questions. I don't believe he's had his Estimates yet.

**MR. CHAIRMAN, Mr. Morris McGregor (Virden):** 1.(b)(1)—pass — the Member for Brandon East. He's the first one I've seen, I'm short-sighted I guess.

**MR. EVANS:** Okay, I'll just be a couple of minutes. I had previously asked the minister for the rationale in changing the name from Industry and Commerce to Economic Development. I pointed out that looking at the organizational chart, I saw the old Department of Industry and Commerce really, and the explanation was, but we have an Economic Development Sub-Committee, and I would like to remind the minister that the former government had a Resources and Economic Development Committee also. There was a Resources and Economic Development Committee and it too was comprised of five or six ministers, who were concerned with general economic development questions. There was the Minister of Agriculture, the Minister of Natural Resources, the Ministry of Industry and Commerce, and so on.

So I really don't see what is new because we could have done that too, we could have simply put a line that the minister was on the Resources and Economic Development Committee of the government. I don't know whether we put it in our chart or not. —(Interjection)— You have, well that's fine. I don't criticize that, but I don't see that as an explanation for renaming the department. There's nothing wrong, with renaming the department, providing there are some broadened terms of reference, new terms of reference. But the co-operation and liaison that the minister talks of is nothing new — ask his staff. They have talked to the Department of Agriculture for the last eight or nine years; they have talked to the Department of Co-op Development; they have talked to the Department of Mines and Resources — it's nothing new, to co-ordinate and discuss these matters with them.

I agree you have a very good staff, and we did co-operate. We did talk to other personnel in government, and as I said, at the ministerial level, we had our Resources and Economic Development Committee. So I, for the life of me, don't see what we've got different here. I really don't see what is different. I really honestly wanted to know because I was intrigued when I heard the announcement of the change in the name, whether there was some different thrust here, and I really haven't seen it. So I guess I'm repeating my question, and that is: What are the terms of reference for this department, that are different from the terms of reference from the previous Department of Industry and Commerce?

**MR. JOHNSTON:** Mr. Chairman, I don't ever recall saying that the previous government didn't have a committee. I don't ever recall making any statement that the department was completely changed. There has been changes I'm sure. If the minister takes a look at the organizational chart, he'll find that the Business Development Section has been changed to identify people working in different industries, who are working specifically with those industries. The number of employees that the Business Development Department works under now is 50 jobs and over — that department used to work with 150 jobs and over.

The Program Development Technical Services has more or less been put under one area here, and it was quite spread out before.

The Small Enterprise Development Administrative Services and Market Development — there has been quite a change in the organization of the department. At least if it wasn't, we spent an awful lot of money, or asked the Telephone System to make change in the building that weren't necessary at Lakeview. So, I haven't sat here and said anything about the previous department.

I had said to you that they are a very good staff. They have been reorganized into partly different directions under Economic Development because Economic Development is charged to create jobs in the Province of Manitoba. That's what it's all about. I think the Member for Brandon East realizes that, and I don't really think he's really overly concerned at the change in name. The department is called that in Alberta; it's called that in Saskatchewan; it's called that in Ontario.

We found that the name Industry and Commerce did not really relate to economic development, expansion of jobs, etc., as well as the name Economic Development. That's the reason for the change. Planning underwent planning under Program Development and Technical Services. It is a change also. So there has been, what I would say, a reorganization of the department under the new name. We hope, we hope sincerely, that it works well for the benefit of creating jobs in the Province of Manitoba.

**MR. EVANS:** Well, thank you, Mr. Chairman. I appreciate the fact that the department has been reorganized as we can see on the new chart here, and that's fine, I have no criticism with it. You know, there are many, many ways one can organize a department or a business, and so I have no quarrel with any reorganization.

I don't really think the minister addressed himself to the question, and that is: Have the terms of reference of the department been broadened by the change in name? Has the department any more responsibility than it previously had? Is it engaged in other economic development measures over and above manufacturing and commerce? Does it have a key role in making agricultural policies that are important for economic development? Does it have a key role in mining policy, or is that, in effect, economic development?

I know the Minister has told us about the Sub-committee of Cabinet, and he knows we had a Sub-committee of Cabinet before. I really think the answer is no, there's really no change in the terms of reference. I think that's the answer, and if that's the answer, that's fine. I'm not quarreling with it. You can have any name you like. And it's true, other departments, other governments, have used this name, but I do believe, if you look closely at some of these other government departments in other provinces, I would suspect — I may be wrong — I would suspect that they have some additional responsibility over and above this.

I may be wrong, but it just seemed to me that the Minister has really not told us that he does have any additional powers, additional scope, for using staff for economic development, over and above what was there in the first place, because previously we could do all these things. Previously, we were engaged in business development, we were engaged in technology upgrading, we were engaged in design improvement, we were engaged in human resource management, we were engaged in export promotion, we were engaged in small and large industries. I don't really see that there's any change in the terms of reference. I would say, let me ask the Minister another question then, because I think that was my answer unless he has something else to say.

**MR. JOHNSTON:** Well, I would say this, that if the member believes that the Minister of Economic Development has control over the Ministry of Agriculture, I think that he would realize that that is not true. We do have a very close liaison with the Minister of Agriculture; we do have the authority to say to them that we believe that something should be happening in Manitoba, and work with them; we do have the right to take it to the Sub-committee of Cabinet, which I referred to and you've referred to. But as far as operating the Minister of Agriculture, or any other minister's department, that is not a function of mine, and I believe the member would understand that.

**MR. EVANS:** I had another couple of questions related to this theme, but I believe my colleague from St. Johns has been anxious to ask a question or two, so I will defer to him.

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

**MR. CHERNIACK:** Thank you, Mr. Chairman, and may I thank the Member for Brandon East. I have two specific matters I wanted to ask the Minister about. The first: I'd like to know if the department pays membership dues for any members of the department, any staff, in any organization?

**MR. JOHNSTON:** No.

**MR. CHERNIACK:** I'd like to know, well, just to get it on record, does the Minister have any memberships paid for him?

**MR. JOHNSTON:** No.

**MR. CHERNIACK:** Is it policy of the government's to have any of its staff members of any organization?

**MR. JOHNSTON:** I have been informed that eligible memberships are clearly outlined in the Administration Manual. Now, I didn't hear your last question.

**MR. CHERNIACK:** I'll have to vary my question. Are there any memberships paid for any eligible memberships in the department?

**MR. JOHNSTON:** I would have to defer to my staff to get me that information, as to what memberships are paid for by the government, under the basis of the Administration Manual.

**MR. CHERNIACK:** Will the Minister undertake to supply that information during the course of the Estimates?

**MR. JOHNSTON:** Certainly.

**MR. CHERNIACK:** Thank you, Mr. Chairman. The question I asked, which the Minister didn't hear, was: Does the department expect any member of its staff to be a member of any organization.

**MR. JOHNSTON:** The department doesn't direct any member of the staff to be a member of an organization. If a member of the staff chooses to join an organization on his own, that's certainly up to him. I imagine there are among my staff members of Rotary, members of their local Kiwanis Club, or members of their local clubs within their areas, on many occasions. There is no direction that they be a member of anything.

**MR. CHERNIACK:** Mr. Chairman, I would like the assurance of the Minister that that description of no direction applies to the eligible memberships as well, the list of which we have yet to receive. And if the Minister isn't sure of that answer, I suppose we can wait until we get it, and get that at the same time.

**MR. JOHNSTON:** I don't recall myself, or any other minister, that's had the department in our time directing somebody that they had to be. If it came under the general Manual of Administration that it would be desirable for the government to have membership in it, I don't know that we would force anybody to be a member in it. We would maybe find somebody that wanted to be a member, on the basis that it's allowed by the manual for the benefit of the government.

**MR. CHERNIACK:** Then, Mr. Chairman, may I assume that when we get the list of memberships, we will also be informed as to whether or not this is considered to be desirable, or indicated to the staff person who has the job, whether or not that is desirable on behalf of government that that person do join that organization, and be a member thereof.

**MR. JOHNSTON:** Well, I would be prepared to say to the member, when we give him the information, that that person who is a member of an organization on behalf of the government, according to the rules laid out in the manual, would be a person who would be in a position to make it a benefit to the government.

**MR. CHERNIACK:** Thank you, Mr. Chairman. Would the Minister encourage or discourage a member of his staff, a senior member of his staff, from being involved in any organization — actively involved in any organization — which takes any particular economic or political view? And, let me be much more direct, because the Minister should understand what I'm speaking about; I'm not trying to beat about the bush. I was surprised to note that two of his most senior staff were members of the Board of Junior Achievement, an organization which is dedicated to the promotion of the free enterprise system. Does the Minister believe that that is part of the job of those people?

**MR. JOHNSTON:** Well, to correct the member, there is only one member of my senior staff who is a part of Junior Achievement at the present time. The Deputy was the president of Junior Achievement, and on the Board of Directors, and he no longer is. He has resigned from those positions. The representation from the government on the Junior Achievement Board is there because of the Department of Economic Development. Junior Achievement does, does work with

young people who voluntarily want to get together and learn something about economic development and learning business. I don't know that that's a bad thing for the province to have representation on, on that Board of Directors. The federal government has representation, the provincial government has representation; in other provinces, such as Saskatchewan, they support it financially, openly. I can say that the representation on the Board is strictly one of an advisory capacity on economic development.

But I will say to the member, that if it's not in the interests, or if it's not in the manual, I would say that the member is on it, but not directed to be on it. I believe the request came over a year ago, asking him if he would like to be on the Board of Directors. He answered that he would.

**MR. CHERNIACK:** Mr. Chairman, was it a policy decision of the Minister, or of his Deputy, that the Deputy withdraw from the Board of Directors of Junior Achievement?

**MR. JOHNSTON:** I understand that it was not a policy decision, it was a decision of his own. As a Deputy Minister of Economic Development he felt that he could not sit on that Board of Directors.

**MR. CHERNIACK:** Well then do I interpret the Minister correctly that the government favoured the participation of the other civil servant in his participation with Junior Achievement. And may I couple that with a question, does the government support Junior Achievement in any financial way?

**MR. JOHNSTON:** The government, to this point, has not supported Junior Achievement in any financial way. As far as the first part of your question, do we favour him being on it? I think that the Department of Economic Development shouldn't be opposed to having somebody sitting on a Board that gives advice on how to teach young people who voluntarily want to be taught Junior Achievement in the way of how to run a business, how to manage a business, how to make up financial statements, how to make up annual reports; and actually do, in fact, make products that they can market if they so desire. It is a course that is provided by Junior Achievement for boys and girls who voluntarily want to be in it.

**MR. CHERNIACK:** Mr. Chairman, I want the Minister to know that I am not critical of this government having its representative on an organization such as Junior Achievement. I understand its objectives and so does the Minister, and I believe he has described them validly, but I do make the point that the objective, the overall objective, of Junior Achievement is to be supportive of and to promote the free enterprise system — and I don't quarrel with this government having a representative on that Board. I do indicate that any other government should not be criticized, as I'm not criticizing this government about Junior Achievement, if members of other governments become active in other organizations which may not be sympathetic with the idea of promoting free enterprise in contradiction to any other form. I would not be one to lable any member of the staff as "black so and so" as has been the case for members of previous governments in other activities. Having said that, I'm satisfied with the answers I've received, subject of course to the information which has yet been given.

We still have a few minutes, Mr. Chairman, and I was listening to the discussion on Minimum Wage, and there was no discussion on the other exception, and that is that persons who serve liquor directly in licenced establishments have a lower minimum wage than other people, other than people under 18, for example, persons who serve food directly to premises licenced to serve food, who are entitled to more minimum wage, both of whom are probably collectors of tips. I'd like to know whether this department's staff was in any way involved in the investigation, or the decision, or the recommendations relating to that differential in minimum wage, which I think would be supportive of the hotel-keepers, or the liquor restaurants, cocktail rooms, etc.?

**MR. JOHNSTON:** I know of no member of my staff who was involved in the decision-making of the Minister of Labour. As I said, the Minister of Labour has available to him the Bureau of Statistics, and I don't know of any recommendations that were made by my staff on the minimum wage. I'm afraid I have to answer the member in the same way as I answered the Member for Burrows, that the decision was made by government and announced by the Minister of Labour.

**MR. CHERNIACK:** I don't quarrel with the Minister's statement that the decision was made by government. As a member of the government I would expect him to support it even if he disagreed with it, so I'm not asking him if he agrees with it. I raise this point because this is clearly a distinction made on the economic level in the business sense, and I would think, without knowing it I would

think it's the kind of lobby that would have been presented by a vested interest group such as hotelkeepers or restaurateurs, and I would have thought that it would come through more through this department than in the Department of Labour, which really isn't involved to that extent with that kind of distinction, and therefore I'm surprised, sincerely surprised, that the Minister does not know of any activity on the part of his department — and he obviously speaks for the whole department, and if any of them know then they would be bound to tell him whether or not they've been approached, discussed or in any way were involved in that decision.

Do I then take it that the Minister says that his department was not at all involved in the decision arrived at, other than the Bureau of Statistics, which I think has nothing whatsoever to do with this particular aspect of it? Do I take it then that the Minister is satisfied that no one in his department, as a member of the department, was involved in any of the discussions culminating in that decision of the Cabinet? It wasn't a decision of the Minister of Labour, we can get that clear; it was a Cabinet decision on the recommendation of the Minister?

**MR. JOHNSTON:** To my knowledge, and I think I can say very accurately, that there was no member of my department who was involved in the decision. If it was to be hotel lobby of some kind, it might have come to the Minister of Tourism; it certainly wasn't presented to me at any time, would that decision be made by anybody. It was a decision that was arrived at by the government to do that, it is done in other jurisdictions.

I would hope that any member of my department that had a lobby come to him on that basis, that they would have throw them out.

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

**MR. CHERNIACK:** I would just like to make the point that I don't think a lobby is a bad thing providing it's open and straightforward and not deceptive, so I wouldn't share with the Minister the thought that any lobby should be thrown out. Part of democracy is a lobby, and I think that it's only a lobby that's deceptive or goes beyond the constraints of normal democracy that should be challenged.

**MR. CHAIRMAN:** 1.(b)(1)— The Member for Transcona.

**MR. PARASIUK:** I have a couple of questions in relation to the Organizational Chart that was handed out. There are basically four or five grouping here under the Deputy Program Development and Technical Services, Business Development, Small Enterprise Development, Administrative and Internal Services, and Market Development.

How many Assistant Deputy Ministers are there within the department now?

**MR. JOHNSTON:** Two.

**MR. PARASIUK:** Two, would that be in charge of Program Development and Business Development, is that what the ADMs are?

**MR. JOHNSTON:** That is correct. There is a Deputy Minister in charge of Business Development and two Assistant Deputy Ministers in Program.

**MR. PARASIUK:** Thank you. Who is in charge of the Small Enterprise Development? Is that someone serving under the ADM, because the line here shows this being under the Deputy, and I'm just a bit confused as to . . .

**MR. JOHNSTON:** Well, I'm just getting some advice here. The Small Enterprise Development Program, the Administrative and Internal Services and Market Development, it is exactly the way the line shows. Those three men are responsible to the Deputy Minister.

**MR. PARASIUK:** They're not reporting to the Deputy through the ADM, they're reporting directly to the Deputy Minister, and what would their level be? Would it be at a Director level, or what, I'm not quite sure of that?

**MR. JOHNSTON:** I'm informed the actual designation is called Executive Director under Administrative, and Market Development is General Manager.

**MR. PARASIUK:** Yes, Mr. Chairman, you also have in this Organizational Chart the Economic

Subcommittee, and it shows that the Deputy Minister has a relationship to that, and it obviously shows that you have a direct relationship to that Cabinet Subcommittee. Since it's on the Organizational Chart, who provides the staff support? We have a Cabinet Committee of Economic Development, and we have a line department called Economic Development. Who provides the staff support to this Committee? Is it provided by the department?

**MR. JOHNSTON:** Yes, Mr. Chairman. The Deputy Minister is the Secretary to the Economic Subcommittee of Cabinet, and as the Deputy being the Secretary to that Economical Development Subcommittee, because it's the Deputy of Economic Development, we provide the backup services to that Subcommittee.

**MR. CHAIRMAN:** According to Rule 19(2), the hour of 4:30 p.m. having arrived, I am interrupting the proceedings of the Committee for Private Members' Hour. Committee rise.

### SUPPLY — EDUCATION

**MR. CHAIRMAN:** I would like to draw the honourable members' attention to the Gallery on my right where we have 27 students of Grade XI standing from the Nelson McIntyre Collegiate. This school is in the constituency of the Honourable Member for St. Vital and under the direction of Mr. Koth. I would just mention at this time also that this is the Collegiate from which I graduate for whatever that means, and I happen to know the chap which the school was named after, Nelson McIntyre, and you've got something to be proud of, and I would ask the honourable members to please join me in welcoming this group of students.

I would draw the honourable members attention to Page 31 of the Main Estimates, Department of Education, Resolution 43, Clause 4, Program Development. We are on (g) Bureau de l'Education Francaise — the Honourable Member for Burrows.

**MR. HANUSCHAK:** Mr. Chairman, after your brief non-political statement, and I don't fault you at all for making it, for taking advantage of the opportunity to make it; if I were in your position, I would have too. I think it should be noted, Mr. Chairman, that just from the appearance of the classes representing Nelson McIntyre School here today that it just reassures our confidence in the future of Canada of our youth and I would say of our Education program in general; they look like a fine bunch of students.

Mr. Chairman, prior to 12.30 pm when the Committee rose, I was speaking about some of the historic background of how, what is commonly known as BEF, the Bureau de l'Education Francaise came into being; and Olivier Tremblay's involvement in setting up the program, and then when we hired the present Assistant Deputy-Minister who will now be leaving us, and I have thanked him on behalf of the people of Manitoba for the fine job that he did.

And indeed, Mr. Chairman, I feel that what we have on track insofar as the Bilingual Education Program is concerned in Canada — we probably have one of the finest in any of the provinces, and in our country, one that could serve as a model for any other province with a population like such as ours, or any other province wishing to and having the desire to cater to the bilingual needs of the people of our country. But it should be remembered, Mr. Chairman, that the program is relatively young, and being young, it does require a considerable amount of hand-holding as it were from the parents, the teachers, the pupils, the School Boards to get it on its right track and to get it going properly.

I would think, Mr. Chairman, that, not I would think' but it's become apparent, it had been apparent to me in the days that I was minister, and I'm sure that it's apparent to the present Minister, that from time to time, situations develop where the Minister has to use his good offices as the expression is, in keeping the program going, being mindful of the role and function and the scope of responsibility, the area of responsibility of the Minister, and that of the board, and the autonomy of the board in certain matters and the responsibility that's been delegated to school boards via legislation, being mindful of all of that, but I don't think that a Minister of Education can simply hold the Public Schools Act in front of himself as a shield and say, now, that is a local responsibility, go talk to your trustees. Don't bother me with that issue.

I know that it's necessary for the Minister to remind the people of Manitoba of the role and function and responsibility of the school boards and on matters which fall within the jurisdiction of the school board, to direct the people to the local authority. But in drafting legislation and designing a program, one attempts to anticipate all the problems which one thinks may arise, but one can't anticipate all of them. And from time to time, problems do arise which may not have been anticipated in the drafting of legislation, and in those cases, I think it becomes essential that even though they may not be within the ambit of the Minister's area of responsibility, but I think

it becomes essential that the Minister does acquaint himself personally with those problems and then, as a result of that, it may assist him in drafting amendments to legislation, in drafting regulations in order to assist him, to assist the people of Manitoba to develop a type of education program that they desire and that they deserve.

Now, one well knows, Mr. Chairman that in providing more than one type of — let me put it this way, I suppose if there were only one type of program, as there used to be in our school system years ago, then there was no problem. You built school buildings wherever there were population groups, population centres, and you built an elementary school here, and a high school there and everything worked reasonably well in that fashion. But when you want to cater to all needs, to cater in terms of students' interests and abilities, you cater to vocational, technical needs, you cater to linguistic needs, and that's the item that we're dealing with now, then situations do arise when somebody has to make a decision that in this building, such and such a program will be offered and in that building, some other program will be offered.

And if it happens in an area which is already populated and wherein the school buildings are already in operation, then it may mean some adjustment, some students who may have formerly been attending classes in School Building A now may have to go to School Building B, and School Building B may be two or three blocks farther down the road and that sort of thing.

I suppose there's no other way, Mr. Chairman. That's an inevitable problem that has to be contended with. But it's a new problem. It's a problem that we were not faced with in the year's years gone by, and it's a problem that I have no regrets about having to deal with that problem, it's the inevitable because I do believe that if we deal with that problem satisfactorily, then we will have developed and offered the people of Manitoba a better educational program.

So, what I would say to the Minister is, as problems of that kind arise, and there is going to be more of them, and if I just may depart for a minute or two and refer to another subsection of Section 258 of The Public Schools Act, namely subsection 2 which provides for the use of other languages as languages of instruction, and if the people of Manitoba will want to take advantage of that provision of The Public Schools Act then one will find that there will be more school divisions, in planning their programs, will say, "well, in that school we will offer instruction or classes wherein English and/or French and/or Ukrainian, German, whatever else will be offered as a language of instructions which therefore will necessitate the reorganization of our school boundaries." I'm not talking about division boundaries but the boundaries of each school as it were in order to provide for that type of program, and once you do that then there's no way of avoiding it. You're going to upset someone. Someone is going to be displeased. Some will be pleased, but on the other hand others will be displeased.

I suppose if I had children attending school, I purposely bought a home very near the elementary school in my area and it offered the type of program that I wanted my daughter to take, but if I still had children of school age, of elementary school age, and if my school division were to announce that that building is going to be used for some other purpose, then I suppose I would have some concerns about it, but I would think that there's a way to get around it. I think that there's a way to make those changes, to make those adjustments in a manner that would be acceptable if not to all, because I know it's impossible to please everybody in this world, but at least to make those changes in a manner that would be acceptable to a significant majority of the population.

Perhaps one way to sweeten the pot as it were, would be that when changes of that kind ought to be made, that is the physical relocation of places of instruction, places of offering of various programs, maybe that's an appropriate time for school divisions to review the very type of program that it offers and maybe that's the time to review and upgrade the quality of the program that it offers. So that if my child will have to go 2 or 3 blocks farther to school, if a school board could say, "Well, henceforth H. C. Avery School in your backyard is going to be used for this type of program. Now your child will have to go to Collicutt School or whatever school in Seven Oaks School Division, but in making the change we've also decided to enrich the education program in some way, bring about some changes, and hopefully that will make it more acceptable."

Now I believe that the Minister of Highways wants to get into the debate and I'll sit down very shortly and allow him to enter into the debate because I'm sure that he has some comments and some advice to offer his colleague on the treasury bench, but as I have said I don't think that the Minister — and I think that the Minister's office should be open and available to the people of Manitoba to discuss and deal with issues of this kind. I realize that in the end the decision has to be made by that body, by that group charged with the responsibility of making that decision, but nevertheless I think that the Minister should keep himself apprised and his ear to problems and matters of this kind. And as I've said, it may assist him in bringing about whatever revisions ought to be brought about to our legislation to allow for the orderly and properly development and growth of our education program.

In closing, Mr. Chairman, I note that in the reorganization of the department, contained within this branch, is Special Projects. Now, I'm quickly looking through the Annual Report to find the section dealing with Special Projects which — oh yes, here we are — and I'm a bit concerned about this. And the reason for my concern is this. Perhaps the organizational chart isn't drawn exactly accurately, but the organizational chart would seem to indicate that Deaf, Francaise, Immersion Core French, Special Projects, that's all in one basket as it were, and I would assume that the Assistant Deputy Minister would be in charge of the four areas of responsibility.

Now, reading the Minister's Annual Report, Special Projects, the objectives of the Special Projects Directorate, it's responsible for the development and operation of a number of special programs offered in co-operation with Manitoba Universities and Community Colleges. Again, this year, programming included teacher training projects, special mature student programs and community programs. The teacher training projects are IMPACTE, BUNTEP, and the Winnipeg Education Centre.

Now, there is no question that those are worthwhile projects. But my concern is that it is not an area of activity that is directly related to the French program. That's No. 1. No. 2, some portion of the Assistant Deputy Minister's time will have to be devoted to Special Projects by reason of its inclusion within this grouping of branches. The end result of which, it would seem to me, Mr. Chairman, would be that this would encroach upon the time that the ADM otherwise would be offering to the French program in the province of Manitoba.

That is a matter of concern because it would seem to indicate that there's an increase in the workload, there are only 24 hours in the day, the Deputy Minister, the Assistant Deputy Minister that is, only has so many hours in the day, and if he has to spend a portion of his time managing and directing Special Projects, then that's going to take away from the time which he would otherwise devote to the other three areas, which I would think should be his main area of responsibility.

Now, it may be that in the reorganization of a department that that factor may have been taken into account and some provision made for it to make certain that the French program in Manitoba will not be short-changed. And if the Minister had taken that factor into account, and if he could assure me that the French program will not be short-changed by including special projects within this grouping of branches of the department, then I'll be satisfied with that, but I would like to hear the Minister's explanation on it.

As well, I would like him to assure the people of Manitoba that his door is, and will continue to be, open to the people of Manitoba who may wish to discuss with him matters related to the implementation of Section 258 of the Public Schools Act.

**MR. COSENS:** Mr. Chairman, I have no problem at all giving the member that assurance, and I think actions speak louder than words, and to my knowledge, that door has been open and some people have stated that I have been much more available than some ministers in the past; however, I would not be able to judge on that score, but I can assure him that I have met with many different groups from the French community representing sometimes divergent interests and views as far as French is concerned.

However, Mr. Chairman, I would like to clarify for the Member for Burrows one important point where he is somewhat misled. He looks at the organization chart on the first page of the Annual Report and voices some concern that the Assistant Deputy Minister in charge of the Bureau is looking after Special Projects and that is quite correct. But he then defines Special Projects within the guidelines of what he understands as the Special Projects Section of the department, and I refer to him to the Section on that same chart — Program and Support Services Division, and under that he will find also the heading "Special Projects".

The special projects he is referring to, the University Associated Courses for Teacher Training fall under Program and Support Services Division; the Special Projects that are referred to here are to do with French language and cultural activities, correspondence courses in French, the Resource Centre, research and evaluation in the French language teaching, and the Statistics portion of the French Language Department. So I would like to remove any apprehension he has that we have added what he understands as Special Projects to the BEF; they still remain under Program and Support Services.

**MR. HANUSCHAK:** I'm glad that the minister has clarified that point. I think, Mr. Chairman, you would agree with me that anyone picking up this Report and looking at the organization chart and then wanting to acquire a fuller appreciation of what the organization chart means would normally turn to the Index, would normally turn to the Contents of this report; and it so happens that the way the Report is written, the only item appearing under Special Projects, which I had read into the record a few minutes ago, so I think one would have a tendency to assume that that's what Special Projects mean; it probably would appear somewhat confusing and baffling, finding Special



Projects in two places.

However, I want to thank the minister for clarifying that point to us that the Special Projects referred to in this Section is not the Special Projects that I had referred to in my remarks a few minutes ago, but that they are in fact, Special Projects directly related to the delivery of the French Program in Manitoba.

**MR. CHAIRMAN:** (1)—pass; (2)—pass; (3)—pass. (g)—pass. (h) Manitoba School for the Deaf, (1) Salaries—pass — the Honourable Member for St. Vital.

**MR. WALDING:** Thank you, Mr. Chairman. I just wanted to bring up one matter with the Minister on this particular point, and I understand that the School for the Deaf is not run as most schools are in the province, in that they come under a school board and where the teachers would normally be employed for the normal school year, but in the case of the Manitoba School for the Deaf, the employees there, time Civil Servants as such. Under the teachers are actually fulltime and that there have been problems in the past years where teachers have left, given the normal Civil Service notice of two weeks or a month, and that there has been considerable difficulty in getting a replacement for that teacher when it might be part way through the school year, even into April or May, and that the school has had to suffer the balance of the year with a shortage of one or two or whatever the number of teachers happens to be. Has the Minister given any consideration or is he giving any consideration to operating the School for the Deaf on a similar basis to other schools' or even turning it over to the local school division with the appropriate grants so that it can be run similar to a normal school?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. COSENS:** Mr. Chairman, I can answer the Member for St. Vital by telling him that no, we have not considered it at this time. Can he tell me what advantages he would see that might accrue from that type of organization? We feel that the present organization of the school certainly delivers an excellent service to the young people of Manitoba who have that particular affliction. Is he suggesting that another structure would provide a better service?

**MR. WALDING:** Mr. Chairman, the Minister didn't answer the first point I brought up about the problems involved when a teacher should leave part way through the year and that the School for the Deaf would face the difficulty of getting a teacher with the specialized skills for such a short time. Now has this been a problem and is it a continuing problem, and does the Minister have any plans to rectify it?

**MR. COSENS:** Well, one of the contingency arrangements we have, Mr. Chairman, to deal with this type of situation, and of course I don't believe it's been a problem in the last year, but of course it could become a problem in any particular year. One of the arrangements we have to try to deal with that is that we do have a number of capable substitute teachers who can come in and fill in on a temporary basis until we can get a permanent person to take over.

**MR. CHAIRMAN:** (1)—pass; (2)—pass; (h)—pass. (j) Child development and support services, (1) Salaries—pass. The Honourable Member for Winnipeg Centre.

**MR. BOYCE:** Mr. Chairman, when we were discussing items under the various items, we agreed to defer some of the questions until we reached this topic, and most of the questions revolved around the Special Needs students, and we had asked the Minister to give us an overview of what his plans were, so we can ask proper questions, in the two areas of children in the areas of low incidence and high cost, and in the other area of high incidence and low cost. We were informed that a study has been done in this area, and we wonder if the Minister is able to give us at this time some overview of his intentions in this regard?

**MR. COSENS:** Mr. Chairman, we did not consider 3.(a) Special Needs Grants, at any length at all, because we said we would consider them when we came to this point; nor did we consider 3.(e) Institutional Services, under this particular heading; and so we have now arrived at the point where we can consider, perhaps, all three together.

Let me say, first of all, in the case of the low incidence-high cost, where we're talking about the more severe types of situations that exist with young children across the province. This is covered under 3.(a), the Special Needs section; the particular grant there has been increased this year from \$300,000 to \$.5 million. I would consider it a rather sizable increase. Every indication we have is

that our policy in regard to special funding to help low incidence-high cost cases throughout the province has been providing a valuable service, and has been increasing the educational level of service that can be provided to these particular cases throughout the school divisions of the province. It has enabled many young people to stay in their home community, and with the help of an aide, a teacher aide in the classroom, carry on in the normal classroom situation. I have had nothing but positive comments on this particular program, and as you can see, we have increased our funding there quite considerably this year.

In the area of the Institutional Services, which deal with such things as the Child Guidance Clinic, the Core Support Services, the Gladstone Oral-Deaf Program, all the services that are provided in hospitals and other special institutions through the city and cities of this province; we again have increased our funding there rather considerably. Last year, that particular figure, and I'd just have to check it out' but I believe that has been increased, Mr. Chairman, by roughly \$.25 million — in fact, \$256,000 increase in that particular area. And I am happy to report that even in a time when dollars are not readily available, that we have been able to increase that funding. We have increased the number of personnel available in particularly the St. Amant situation in St. Vital, pardon me. We've provided, I believe, one more teacher there, and two more aides, with this particular funding. So I see a positive move there to additional support for the rather severe situations that can exist.

Then moving into this particular area, Mr. Chairman, we are dealing here with the Child Development and Support Services that exist within the Department of Education itself, and here we're looking at, of course, the field services, chiefly, that we provide throughout the school divisions of the province; and might I say a valuable service, in particular to those rural divisions and remote divisions that are not readily accessible to the type of services that may exist in some of our larger urban areas. We have again increased our funding there by some \$200,000.00. We have been able to add two more people to our field unit, and these people will be working in the north, north of 53, where it has been established that there is some need for additional services. I am very pleased to report what I consider some rather positive moves in this regard, Mr. Chairman.

**MR. BOYCE:** Doubtless, Mr. Chairman, with any change, there are certain redeployments which take place, and my information was that in The Pas area, that there were seven staff deployed, and now there is only one, which doesn't coincide with what the Minister just said, that there were two additional people north of 53. Has the Minister reconciled those two pieces of information, or is my information incorrect? There's only one out of seven in The Pas area itself, but yet you say that there are two additional staff man years north of 53.

**MR. COSENS:** Certainly, Mr. Chairman, we have not cut any personnel out of a particular area, to my knowledge, and as I say, we have expanded our particular staff support north of 53 via the addition of two more people. Now, our total SMYs have moved from, I believe it is 65, to 67. It's my understanding that we have two people in The Pas, and two in Fliin Flon, three in Thompson at this time. And that, of course, does not take into account the expansion that we plan.

Now, Mr. Chairman, we do have a problem, and I think it's a problem that is not specific to any one government, that we are dealing with specialists here, people who have particular professional training, in order to deal with specific problems of children with special needs. We do have problems at times retaining people in the north, and we seem to be constantly trying to hire people to fill positions that have become vacant. That is the greatest problem that we have at this time. We do have a shortage of people within the province who are trained in this regard, and particularly in people who are always prepared to go into the northern part of the province.

**MR. CHAIRMAN:** The Honourable Member for St. Vital.

**MR. WALDING:** Mr. Chairman, I wonder if, at this time, the Minister could give us a breakdown of the \$15 million figure that he has used as being the total government spending in the area of Special Needs, Education? .

**MR. COSENS:** Yes, Mr. Chairman, I will give him the total amount that is being spent in that area, not only by the government, but by school boards, because I think it's a rather significant figure. In the Foundation Program Grants, in other words the grants that go from the provincial government to the school divisions to pay for resource teachers and special ed co-ordinators; that represents some \$5 million — and I'm using round figures here, Mr. Chairman.

The actual school board contributions over and above the provincial grants for resource teachers, TMH teachers, EMH teacher salaries, to special ed co-ordinators, and psychologists; this represents

a figure of some \$10.9 million. \$10.9 million, and this is the actual school division contribution.

The Special Grants to Divisions for Services and Programs — and we've been just talking about these; first of all, under the 3.(a), the Special Needs, and then under 3.(e), the Institutional Services, that totals this year some \$2.4 million, \$2.4 million.

The Manitoba School for the Deaf comes under this heading, and it represents \$1.3 million. The particular section that we are looking at, the 4.(j) section, Child Development Support Services; the total there, including Manitoba School for the Deaf, is some \$3.3 million. And I think, Mr. Chairman, if we are looking then at the total government picture, if we include the contribution of Health and Correctional Services, we are looking at another provincial contribution of \$1.3 million. The total of these moneys that are now being spent on Special Education in the province, Mr. Chairman, is some \$23.2 million.

Now, I've tried to give the Member for St. Vital the total picture as far as Special Needs, or Special Education funding is concerned in the Province of Manitoba.

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

**MR. WALDING:** I thank the Minister for the information, Mr. Chairman. I still can't get the department's share up to \$15 million, though. He gave us 5 in the Foundation Program, 2.5 in round figures under Special Grants and CDSS, including the School for the Deaf, at 3.3, which comes to a little over \$10 million. Now, when he used that figure of 15, was he including the amounts paid from the Department of Health, and are there other amounts, too, that he was putting in there? If not, does that not show a decrease from the figure of \$15 million used by the Minister last year in his Estimates?

**MR. COSENS:** I believe, Mr. Chairman, that last year, in stating the figure, I did not include the school division contributions towards salaries of teachers or specialists in the area of Special Needs, and that would account for the particular discrepancy that the Member for St. Vital mentions.

**MR. WALDING:** I wonder if the Minister would just explain that to me again? I really can't understand how he gets up to \$15 million from the department on the figures that he's given me. He hasn't been able to explain that. As far as the school boards are concerned, he told us that the amount from the school boards last year was \$4.375 million. Is he suggesting that that has been increased, more than doubled, this year by the school boards?

**MR. COSENS:** Perhaps, Mr. Chairman, I could go through the figures for last year on a comparable basis, because I think that might remove some of the confusion here as to the amount of moneys being paid. If we go through 1978-79 in the same way as we did 1979-80, we arrive at the following figures: Under the provincial contribution to the Foundation Program, Grants for resource teachers, TMH, EMH, and so on, we have a figure for 1978-79 of some \$5.0 million, which does not represent any significant change with 1979-80, due to declining enrolments, and some drop in teacher population, although there is some increase in the number of psychologists that were engaged. But that figure is roughly equivalent.

In the actual school division contributions — and I think this is where some confusion has arisen — the figure for last year should have been \$10.5 million; and this year, as I've given the Member for St. Vital, the figure is \$10.9 million. Now if that figure was mentioned last year, I don't think that it took into consideration those teachers who were over grant, and that's some 155 teachers that are employed by school divisions that are over grant. Their salaries are not paid in part by the provincial grant at all.

Under the Special Grants to Divisions for Services and Programs, this is where we see the difference, Mr. Chairman. In 1978-79 — and this again takes in 3.(a) and 3.(e) — the total was \$2.0 million; and this year we are looking at \$2.4 million, actually \$2.48 million.

And under the Department of Education Grants Budgets, which include 4.(h) and 4.(j); last year the figure was \$3.1 million; this year it's \$3.39, almost \$3.4 million. And last year, looking at the contribution from other government departments, namely Health and Corrections, the contribution was some \$1.2 million; this year some \$1.3 million. So that the difference, Mr. Chairman, would be between the total for 1978-79 in total contribution from provincial government, from the Department of Education chiefly, but also from the Department of Health, and also from the school divisions — a total of some \$21.9 million. That was 1978-79.

And in 1979-80, I've already given the member the total there, some \$23.2 million.

**MR. WALDING:** Yes, Mr. Chairman. The figures that the Minister has given us indicate that his

department, through a variety of different grants, last year paid out some \$10.1 million; and that this year, on the same basis, intends to spend some \$10.8 million. Can the Minister give us an assurance that this represents no diminution in the purchasing power of that money? In other words, will the school boards still be able to purchase the same materials and services under Special Needs, or will there be, in fact, a decrease in that?

**MR. COSENS:** On the contrary, Mr. Chairman, it does represent a considerable increase, and will make available more services to children with special needs within the educational system. I can give the Member for St. Vital that particular assurance.

**MR. WALDING:** I'm very glad, Mr. Chairman, that the Minister sees this as being a substantial increase in purchasing power. My arithmetic would show that it's an increase of .7 on some \$10 million, which would indicate an increase of about 7 percent, and with inflation running at somewhere around 9 percent, I would like to ask the Minister how this would represent an increase in purchasing power?

**MR. COSENS:** Well, of course the Member for St. Vital feels that every thing must run ahead of inflation, I suppose he sees government spending matching inflation at all times. I suggest to him in 3.(a), Special Needs, our increase in funding there is, in fact, 67 percent. In that case it is well ahead of inflation.

In the Institutional Services, our increase is about 24.6 percent; the Child Guidance Clinic roughly 8 percent; in the Gladstone Oral Deaf Program, which of course is a smaller program, about a 38.4 percent. In fact overall, Mr. Chairman, in the area of Special Needs under 3.(a) and under 3.(e), we're looking at about a 21.8 percent increase. At the School for the Deaf, a 6.6 percent, and under 4.(j) just roughly a 10.9 percent increase.

**MR. WALDING:** Mr. Chairman, it seems that we're back to arguing about arithmetic and percentages again. We had quite a discussion on this some time last week, when we were discussing the difference between 72.3 percent and 73 percent, but the figures that the Minister has given me, no matter what he breaks them down into other percentages, show an increase of \$10.1 million to \$10.8 million as being expenditures by his department, which is an increase of \$0.7 million on some \$10 million, which is an increase of 7 percent. Now the Minister has told me about two questions ago that this increase represents an increase in purchasing power over the coming year, yet it is an amount that is less than the amount of inflation. Now, I will ask him once more how it is possible to purchase more with dollars that have not kept up with inflation?

**MR. COSENS:** Mr. Chairman, the Member for St. Vital, of course, in arriving at his percentage, is using the Salary Grants to Teachers, which have not changed over the last number of years at all, but that of course does form a large part of the total that he arrives at with the particular \$10 million figure that he refers to. But I suggest to him beyond the teachers' salaries into those areas that do provide the extra services and the specialized services, namely under 3.(a), Special Needs Grants, we have increased that amount from \$300,000 to \$0.5 million, which is, as I said before, 67 percent increase. And under Institutional Services, we again see roughly \$0.25 million increase there, Mr. Chairman. And of course under 4.(j), once again an increase that is somewhere over 10 percent. So I suggest to the member that in those three particular areas, where extra services are provided — additional services in the way of additional manpower — that there has been a significant increase.

**MR. WALDING:** Yes, Mr. Chairman. When we were discussing grants under the Foundation Program and other grants, I asked the Minister why Special Needs equipment was taken out of the Foundation Program and put under 4.(j). He said that he would find out the rationale for that and advise me. Is he now in a position to advise me?

**MR. COSENS:** I understand, Mr. Chairman, that by leaving that particular item under the Foundation Program, it means that the funds would then come under the jurisdiction of the Public Schools Finance Board for disbursement, and I don't have the particular legislation and so on here, but I understand that does present some problem in disbursement of the funds through the Public Schools Finance Board, and it was deemed much more advisable to place those particular funds under the Child Development Support Services directly so they could be dispersed there like any other particular expenditure of that department. In other words, it facilitated the disbursement of these moneys.

**MR. WALDING:** Mr. Chairman, I believe the Minister told me it was an amount of \$44,000.00.

**MR. COSENS:** Yes.

**MR. WALDING:** Is this money that is sent to the school divisions for them to purchase equipment with, or is it equipment that is purchased by the department itself and is this equipment in the schools or has it something to do with structural changes to the school buildings?

**MR. COSENS:** Mr. Chairman, what happens with this particular money for Special Needs equipment, is that the equipment is purchased by the department, and then loaned out to schools where there are children with particular needs that require this type of specialized equipment, rather than having school divisions purchase the equipment. You can well imagine that a situation could arise where it might be used for one or two years, then sit gathering dust in a corner. This way, we have what amounts to a lending library of special needs equipment.

**MR. WALDING:** : Thank you, Mr. Chairman. The Minister mentioned earlier TMH and EMH, which I understand stands for Trainable Mentally Handicapped and Educable Mentally Handicapped. The Minister spoke of those two programs in conjunction with his remarks of expenditures by the school boards, as being part of that \$10.9 million. Now, are there grants that go from his department to the school boards for these two particular areas, or are the school boards required to fund students in those areas?

**MR. COSENS:** Mr. Chairman, what happens in this particular situation — those initials do stand for Educable Mentally Handicapped and Trainable Mentally Handicapped — the provincial moneys that are paid there are toward the salaries of the teachers involved in this particular area. They are Teacher Salary Grants that are paid for teachers of those particular programs.

**MR. WALDING:** Mr. Chairman, I'd like to ask the Minister whether those grants are categorical grants in that they must be used for those purposes, or is it possible for the school boards to treat them just as incoming revenue, and to use them for whatever purposes it requires including keeping down their extra levy, or possibly paying the salaries for teachers in other categories?

**MR. COSENS:** Mr. Chairman, these are categorical grants based on a formula set out in regulations.

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

**MR. BOYCE:** Mr. Chairman, when the Minister makes the comment that the opposition thinks that the government expenditure should keep up with inflation, it isn't so much that argument, it's the government's position that it shall not keep up with inflation. And, of course, this is one of our apprehensions in general, with reference to this government, because they have put themselves in a position where they have said that prior to the election and during the past 18 months, that they are going to deliver the same level of service at a lower cost, and this is proving not to be correct. But, Mr. Chairman, when the Minister was talking earlier on such programs as the School for the Deaf, and other low incidence and high-cost programs, I believe, that in Manitoba, we can be justly proud over the years of the attempts of society to cope with these problems. I would hazard a guess that 100 percent of the youngsters who are deaf were dealt with under the prior administration and you know, the current government.

But, Mr. Chairman, one of the problems that I think is going to be exacerbated by the philosophy of the government, where they believe that governments shouldn't be involved, is that the people who traditionally had been integrated in the system — the people of high incidence, Special Needs. When anybody talks about Special Needs, it automatically comes to mind, you know, the scene of somebody who has a rather obvious handicap. But nevertheless, in a normal distribution of a population, there a goodly number of people, I would hazard the guess that some 50,000 youngsters within the educational system wouldn't fit into the model, which we feel the Minister is moving toward. Of course, only time will tell, because the Minister has given us some assurances that he's not taking the educational system back to the middle ages. Nevertheless, we still have an apprehension that these numbers within the system, who do have a special need, will get less attention than they have up to this point in time, including the attention paid by the former administration.

We did make some attempts, starting back in the late '50s actually, to deal with some of the problems with occupational entrance courses and things of this nature. Nevertheless, the very nature of the beast is such that we make precious little attempt to deal with this from one to six. They

try and cope with it as best they can from one to six, and then put some effort into it in a junior high situation.

But, Mr. Chairman, the Minister in his comments directed his attention to those areas of high-cost, low incidence. I wonder what the government has in mind on the other field, where the people are already integrated in the system, but yet can be considered special needs students.

**MR. COSENS:** Well, Mr. Chairman, let me say once again, that I see this particular area as a priority in our educational system and in our society, and I know that our government sees it as a priority. And I suggest to honourable members opposite that an increase in those three areas that deal directly with the specific problems, that provide the personnel who deals specifically with those three problems, an increase of over three-quarters-of-a-million, is not insignificant in a year such as this. I would suggest that it is certainly an affirmation of the direction that we intend to move in this particular area. The very fact that we are putting more personnel in place, and I mentioned such examples as north of 53, in the St. Amant ward, and additional services that have not been provided before, with grants to provide teacher aides, and so on to those low incidence, high-cost situations that exist in many school divisions across the province, that this is a positive move and I know that it is interpreted in that way out in the field and it is certainly a move that has been appreciated by parents and by educators generally.

**MR. BOYCE:** Well, Mr. Chairman, I would agree with the Minister, that three-quarters-of-a-million dollars is not insignificant, but we just have finished passing an item under which my colleague from Churchill expressed his apprehension about the government's scrapping of the Headstart Program.

Now, this is the prerogative of the government, they were elected to have their philosophy prevail in governmental agencies, but when he says that he sees the solution to some of the problems being the deployment of more staff from a central office, I would question it with specific reference to such things as the Headstart Program. What is the relationship between the Headstart Program and Special Needs? There is an absolute relationship, because in many instances where children aren't properly adjusted to entering an educational system, they become Special Needs students in no long period of time and it becomes rather obvious. But nevertheless, this is why, Mr. Chairman, it is important to put this on the record while we're talking about the Estimates of the government because this is the only opportunity that we have to have the Minister describe what he intends to do.

Now, he says that the deployment of a couple of staff is going to deal with some of these problems of Special Needs within the system, but yet we have an example of the government phasing out a program without an evaluation of whether it accomplished that which it was initiated for in the first instance or not, and I, myself, couldn't tell you whether it was accomplishing what it was intended to do. Nevertheless, in the discussion on that item of Headstart the other evening, and I don't want to be out of order by repeating the debate, but using it as an example, the Minister advises us that they scrapped the program because of cost. So, that there is only one way we will be able to evaluate what the government is doing, and that's over a period of time.

Mr. Chairman, the Minister didn't answer my question. I haven't got the figures in front of me, but you know, Mr. Chairman, a person could analyze any population and get a target group for any need you could think of, even sinks five feet off the ground. But nevertheless, there are some rather startling —(Interjection)— well, it's nice to have the Member for Lakeside back. I refer to him as the Member for Lakeside from the seat, such as he's in at the moment. Mr. Chairman, there are some stark figures, which have been around for a number of years, that we keep avoiding. When I say "we", I mean the former administration didn't do everything it could or should in this regard. But when you have large . . . such as in the City of Winnipeg where you have a Child Guidance Clinic and the capacity to deal with these problems it isn't that difficult perhaps, but nevertheless what about the population outside of Winnipeg where the problems are identified. And this pertains somewhat to what we were talking about earlier today, Mr. Chairman, about measurements and testing. Is the Minister going to initiate diagnostic procedures within the system so we can earlier identify people with special needs — special needs in the sense that they need for sometimes short periods of time special attention, sometimes longer, sometimes more intense, sometimes more costly. If I can go from the last one backwards we have addressed, I think, considerable attention to the latter — St. Amant and other such facilities but yet at the other end of the scale where there are greater numbers, we seem to keep avoiding it, Mr. Chairman. And I repeat, \$.75 million is significant but nevertheless as far as the early identification of students who are integrated in the system, what is the government's intention with regard to these people, Mr. Chairman?

**MR. COSENS:** Mr. Chairman, let me say to the Member for Winnipeg Centre that one of the initiatives, one of the parts of the program that is followed very closely by the staff of Child Development Support Services throughout the province is the early identification of problems, of special needs and of course, once having identified those problems these are people who have the expertise and the training to set up special learning programs that will help the child adjust to the particular educational system that they happen to be in and our staff in CDSS works very closely with the teachers in the schools of the province, with the school administration and with parents to try to bring about these particular adjustments so that learning can take place for children who have been identified as having particular problems.

I could agree to some extent with the Member for Winnipeg Centre when he says, yes there are children who we aren't doing enough for at this time. He's quite right. But I also suggest to him that we are doing more each year than we have done in the past. We are progressing in this regard. Our identification process is becoming more sophisticated, if that's the correct word, Mr. Chairman. We are spotting these children at an earlier age. We now have strategies set in place, learning strategies that we didn't have before. The classroom teachers themselves are becoming more aware of this type of student and more aware of different ways in which they can help them through the learning process. I would suggest that we are seeing a positive progression in this regard.

**MR. BOYCE:** I just want to underline my position on this. I'm not criticizing the government in this regard. I am criticizing us as legislators because, Mr. Chairman, over the past ten years in June I can understand why teachers get frustrated sometimes. Because they keep identifying problems and yet society is unwilling to allocate the resources to put into place support systems. We assume, we take so much for granted, we take educational systems for granted, Mr. Chairman. We are all guilty of that.

In Manitoba we have had traditionally an excellent school system sometimes in spite of governments perhaps, including all kinds of governments. We can always find money to put men on the moon and everything else — I think the last figure I saw in putting a man on the moon was \$21 billion but nevertheless when it comes down to deploying resources as backup systems for teachers we seem to keep just nibbling at the fringes. With the professionalism which has developed in the teaching profession over the years if these resources were made available then teachers doubtless could do more.

If the teaching profession were in a similar situation to that which the medical profession is, I think that they could solve some problems in society in helping develop attitudes which would assist them in living successful lives. A person goes into a doctor's office, Mr. Chairman, and he has radiologists and lab technicians and all the rest of it and they have a whole pharmaceutical backup research system — you can get a pill for this, that, and the other thing. But nevertheless if some teacher in an isolated community learns that one of the youngster's difficulties is for some reason or other slipped by and through the system, and he is only learning to read by sub-vocalizing, there is precious little that they can do in an isolated situation. I am not criticizing the government, I'm criticizing all legislators because we fail to put in place support mechanisms which teachers could use professionally and it would be well invested dollars, Mr. Chairman.

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

**MR. WALDING:** Mr. Chairman, my colleague from Winnipeg Centre who knows far more about this subject than I do, has spoken several times of two different categories of special needs of children, one of them being "high-cost low-incidence" and the other "low-cost high-incidence" and I believe that he has been trying to speak to the Minister and to discuss with him to get the matter clarified in our minds on the basis of these two different groups. Now the Minister has avoided making any statements or discussing the matter with us on those two different levels or in those two different categories. I would like to ask the Minister now if he can give me a simple answer to — does he see that as being two different problems or is there only one problem that he is tackling.

**MR. COSENS:** Mr. Chairman, I would suggest to the honourable member that there are as many problems as there are children, and they vary only in the degree of the particular disability that the child may be suffering, whether it be physical, mental or emotional, that is the determining factor. To try to categorize these children into neat little packages of particular types of disabilities is not an easy task. Certainly some are readily identifiable and I think of the blind, the deaf, those with severe physical handicaps. But when we move into the other areas that require highly trained professionals to identify and I am talking about certain emotional disorders and certain other physical

disorders that prevent a child from leading a normal learning type of existence, that becomes more difficult. And there we do require the professional. So to define these different categories becomes difficult. Certainly the professionals can do it, and what we are trying to do is provide the support for the people working in the field once these students have been identified. We have itinerant teachers of the deaf and the blind in different parts of the province. Again, I suppose that's an easily identifiable area. And we do have screening processes being carried on with all the young people of the province, to make sure that we don't miss young people who have, let's say a lesser degree of sight or a hearing problem that should be treated at a very early stage.

So I can say to the Member for St. Vital, Mr. Chairman, the problem is rather complex. When you move into the area of emotional disorders that particular figure becomes rather hard to identify. And I heard a visiting expert from the United States, when questioned on this topic and asked: "What percentage of children have a certain type of disability in the emotional area or a certain learning disability?" The expert said: "Tell me how many dollars you have, and I'll tell you how many children you have in that category." Well, I think that's a glib remark, Mr. Chairman, but I suppose that if you carry on an intensive enough identification process, you will find in a large percentage, I suppose in the majority of people, some disability. It's quite possible that the people sitting in this House suffered some type of learning disability during their school careers, if we get down to defining the disabilities to the most finite level. We are concerned in trying to identify those that are severe enough to hamper the child in their normal functioning in the learning process. Having identified those, then we want to provide the type of situation where there is support and the proper learning resources for that child to carry on, and be able to function normally in our society.

**MR. CHAIRMAN:** 1.pass — the honourable Member for St. Vital.

**MR. WALDING:** Yes, Mr. Chairman. The minister mentions that there is an infinite number of categories perhaps that children with different disabilities could be put into, and I don't dispute that with him, but I will say to him that other persons knowledgeable in this area that we have spoken to, particularly from the Manitoba Teachers' Society, have told us that over the broad range of what we might call Bill 58 — Children, that they can be divided roughly into two areas. One of them being the high cost, low incidence, and those are fairly obvious people with wheelchairs, the deaf and the blind and this sort of thing, often requiring institutional care of considerable expense. But then there is a much larger group that are categorized as being low cost and high incidence.

My colleague from Winnipeg Centre referred to these, and that there may be. . . I have heard figures of anything up to 20 percent, of children who are now within the classroom and are competing with their fellows in the classroom, but labouring under a small or medium-sized problem. They might only have difficulty in catching what is said — maybe by sitting them in the front row they can hear enough to get by. There might be children with visual problems. There might be children with learning disabilities of one type or another, and these are generally considered to be high incidence because there are a lot of them, relatively speaking, and relatively low cost in at least identifying them.

Now the minister studiously avoids speaking of these two different categories of children, and I wonder why. Is this a matter of policy with him that he does not see any difference there, or does he just not want to discuss the problem in two different areas? I've been told, Mr. Chairman, that in the category of low incidence, high cost, that a great deal of work has been done. There have been physical changes made to schools to accommodate a wheelchair and that the implementation stage of coping with this category of handicapped children is progressing very well and is perhaps completed. Now the reason why I'm asking the minister to recognize this difference, is that we can discuss the matter and find out from him, you know, whether or not that implementation for that particular category has been completed, and are we now moving over into the high incidence, low cost category? Now does he see them as being two different things, where one comes after the other? Or does he insist on seeing it as just one large problem where we have to go forward on all fronts? This is where I'm finding that the minister's responses to remarks that we are making on these topics as being somewhat confusing. May I ask the minister again, does he see children with handicaps as being basically divisible into two major categories, and can he give us a progress report on both of them?

**MR. COSENS:** Well, Mr. Chairman, the reason that I hesitate to go to what I call an over-simplification is because it is just that. I don't like to divide all of the children that we place in the special education category into two economic packages because that is really what the Member for St. Vital is suggesting. One is low cost, one is high cost, and to me that is an over-simplification



of the situation. But I can say we are going to take his terms of reference and I know that he is going along with the terms of reference of some group that he has talked to in this regard. The area where we are showing probably the greatest achievement is in the low incidence, high cost area. For several reasons that probably are obvious, Mr. Chairman, that identification is no problem at all and because these people are not present in our population in very large numbers. So that certainly their needs can be identified and can be met.

When we get into the other category, the absolute numbers of children who fall into that category are very difficult to ascertain. It depends what expert you are talking to, as to the number of children there are with certain learning disabilities, and that creates some confusion. Certainly again there, those who have an extreme situation are easy to identify, and again they are in special programs either within a normal class or within a special class, that tries to deal with a group of children with those particular problems — and I think of autistic children as one example, and there are certain school divisions within the Metro area at this time, who are developing special classes to deal with the problems of those children. And I can think of the most recent that has come to my attention is in St. James, where they have set up a special program for autistic children. And they are not alone, there are other special programs being set up in that regard.

To answer the Member for St. Vital quite pointedly, we are making, I would say giant strides in the low incidence-high cost area. We have some distance to go in the other category.

**MR. WALDING:** Thank you, Mr. Chairman, I am very pleased to hear the Minister say that. I realize it is somewhat of an oversimplification to divide the children into those two particular groups, but it does provide a handy classification, perhaps. I am very pleased with what the Minister has told us about the major strides that have been made in the area of high cost-low incidence.

When it comes to the other area, yes, I realize that there are difficulties, and I'm very glad to hear that the Minister is coping with them. And this is, perhaps, one reason why he was unable to give me any definitive date for the proclamation of Bill 58, that it's a problem that is still being worked on and that he feels a little more time is needed before that bill can be proclaimed.

What concerns me is the rate that progress is being made for those high incidence-low cost students' needs. The Minister spoke to the Manitoba Teachers' Society recently, and a news release was issued at that time where the Minister said — he comments first on high quality support services to school divisions for the provision of services to handicapped students. Other areas of emphasis for the handicapped, the Minister said, will be as follows: The government will expend considerable energies in the early identification of the handicapping condition. And he is then quoted as saying directly, "The observant teacher in the classroom will probably be the first source of information in this regard." And I am sure that he is right in this area.

Can the Minister tell the committee what training or instruction teachers are getting to enable them to be observant and to identify these handicapping conditions that are spoken of? Are there in-service sessions being arranged for the teachers to show them what to look for? Are there sufficient experts in Manitoba? Is this identification of handicapped children a part of the curriculum for teachers' education? Is there anywhere within the province where teachers are being taught this particular skill, to enable them to properly identify and to cope with this type of children in the classroom — and I am speaking here specifically of the high incidence-low cost category?

**MR. COSENS:** Mr. Chairman, the Member for St. Vital has certainly identified what I would call a deficiency, certainly, in our educational system, and one that has, of course, been identified by the teaching profession as well, where teachers are the first to say that "Our training has not equipped us to cope with that particular type of situation, either the identification, or the remediation after identification." And this is a situation that we, of course, are cognizant of as well, and we are taking steps this year to produce a professional development program, in concert, I would suggest, with the Manitoba Teachers' Society. I understand these things are really at the early stages of development, but I would hope to see, in the months ahead, in this year, certainly, a professional development program for teachers set in place by the department, that would assist them in becoming more qualified in those particular training aspects that will enable them to identify and, time permitting, remediate.

**MR. WALDING:** Thank you, Mr. Chairman. I am pleased to hear that the Minister is addressing himself to this problem. He mentioned a professional development program for teachers, and I assume that, by that, he means the teachers that have graduated from their training course. Is there such a course now, within teacher training, or does he expect to see such a provision made for our student teachers?

**MR. COSENS:** I understand such a course is in place in the Faculty of Education, Mr.

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

**MR. RONALD McBRYDE:** Mr. Chairman, I understand my colleague, the Member for Winnipeg Centre, asked some questions about the Child Development and Support Services in northern Manitoba, and I wonder if I could get some further clarification from the Minister on that? It was either in December or January that I was talking to professional people in The Pas, and they indicated that there were seven positions to assist in this particular area in northern Manitoba, and that those positions had built up over a number of years because of the number of special cases that did need this type of support service in northern Manitoba, both in the urban centres, and people coming in from the remote areas into the more urban centres. And at that time, Mr. Chairman, there were seven positions, but my understanding was that only one of the positions was filled, and that they had trouble, since the change in government, in keeping people in those positions; I suppose some from the insecurity in terms of what this government was going to do, and what they had already done to northern Civil Servants and perhaps, Mr. Chairman, some problem with the additional support, or the encouragement, that they were getting from the provincial government. So I wonder if the Minister could double-check to see whether there are positions in northern Manitoba, or whether there are actual people delivering this service in northern Manitoba.

**MR. COSENS:** Mr. Chairman, I have spoken to this particular question earlier, but the Member for The Pas casts some other aspersions as well as stating his concern. First of all, let me tell the Member for The Pas that one of the first things that we did was to regularize this particular department, where all of the employees out in the field were contract personnel, which I suggest is not a stable position, and might also suggest to the Member for The Pas, did produce a great deal of apprehension among those people, because I have been fortunate to be acquainted with many of them personally. They were not sure that they did have a permanent position with the former government at all.

One of the first things that we did, Mr. Chairman, was to regularize that, and to change those contract positions to permanent positions. So, contrary to what the Member for The Pas would lead us to believe, we did just the opposite. Instead of creating apprehension, I would say we took a concrete step to let these people know that they were providing a vital service, and that we recognized that, and that they should be permanent Civil Servants. So that step was taken, Mr. Chairman.

I have to admit, as I said earlier, when the Member for The Pas was not here, that there is a problem in retaining staff in the northern part of the province. I am also well aware that this is not a problem that became apparent when our government came into power, it is a problem that existed for some time. There are several reasons for this. The Member for The Pas, I am sure, is familiar enough with characteristics of the north to appreciate to some extent, why this happens. We do have a larger turnover there than in other parts of the province, particularly in the rural part of the province; we recognize this but I certainly cannot accept his contention that this is something that he can blame on this particular government, because it existed with the former government as well, and it will continue to exist. And so I would like to clarify that particular point.

The Member for The Pas was not here at the time when I mentioned we have expanded the number of staff north of 53 by two persons for the coming year, which again I would suggest to him is a positive commitment to that particular service that we are providing in the north. I gave the particular breakdown of where the people were located in the north, and I also noted at that time, Mr. Chairman, that there were, I believe, three positions vacant that we are endeavouring to fill. And, of course, that is an ongoing problem that we have. Now if the Member for The Pas has some solution as to how we can encourage these young professionals, generally, to remain in the north, I would like to hear those suggestions, and I would certainly take them under consideration.

**MR. McBRYDE:** Yes, Mr. Chairman, I thank the Minister for his answer. I apologize for not being here for a good part of his Estimates. I suppose, Mr. Chairman, I've been spending some time recently trying to insure that the same thin doesn't happen at the federal level to adversely affect northern Manitoba that happened at the provincial level, and I have been spending some energy in that particular direction, Mr. Chairman.

It is my understanding, Mr. Chairman, and I can only go on what I have from my discussions with professional people in northern Manitoba in terms of what was happening in their particular field. It was, in fact, that there had been an increase in the turnover of this professional staff and, Mr. Chairman, the Minister said that there was no apprehension created. He doesn't know the situation of Civil Servants in northern Manitoba if he says that no apprehension has been

Mr. Chairman, I thank this Minister for his particular answer, maybe in this one particular area this Conservative Government government is doing something to assist northern manitoba rather than to hurt and harm northern Manitoba as most of his colleagues have done in their particular programs. But, Mr. Chairman, I suppose this is one of those fields where the Child Development and Support Services can be both preventative and it can also be there to pick up the problems and in the way that the service is able to be preventative, even though it's difficult to keep the positions filled with professional people, then the program is certainly necessary and it's certainly speaks well that this Minister was able to maintain or continue this particular service.

The other thing is, as we've seen in other policies or programs of his government, that there is an increasing need for programs to put bandaids on the problems that have been caused, Mr. Chairman, the problems have been caused because of the lack of economic opportunity and other preventative and developmental programs that have been reduced by his particular government.

Mr. Chairman, the Child Development and Support Service. I suppose is one area, where if the Minister wants some assistance in terms of getting professional people, where there is an opportunity to develop northerners' professional capabilities in this particular field and, Mr. Chairman, I am assuming that the Minister, with a little imagination and with his staff, could come up with a program that was a combination of New Careers and University Training Program that would develop northerners who were residents of the north and who would continue to remain in the north, and would be less likely to come into northern Manitoba for a short period to gain some experience and then leave for better pay or more secure positions or leave for areas where there is more developmental programming going on than in the Province of Manitoba. But, Mr. Chairman, I don't know if the Minister will have much success in implementing that kind of a program. That would be one of the solutions that he might take a look at. Since both the New Careers and the University Training Programs for northerners have been reduced by his government, I don't know if he will have much of an opportunity to implement that kind of a program that would ensure the availability of professional people in northern Manitoba.

Mr. Chairman, I would like to double check the figures. I believe my colleague said 7. Is that positions that were there or is it 9 positions now in this particular category? Whether there is three 3 vacancies out of 7 or 3 out of 9, I'm not quite sure yet.

**MR. COSENS:** Well, Mr. Chairman, I'm not even going to remark on some of the extraneous points brought forward by the Member for The Pas. He has been out politicking and I understand that he is having a little trouble getting out that particular frame of mind. But I can inform him on the facts of the situation that we have 9 staff plus one co-ordinator located in the north.

**MR. CHAIRMAN:** (1)—pass; (2)—pass; (j)—pass; (k) Instructional Media Services, (1) Salaries—pass; (2)—pass; (k)—pass; (l) Correspondence Branch, (1)—pass — the Honourable Member for Winnipeg Centre.

**MR. BOYCE:** Well, Mr. Chairman, I'll be very brief on this but I don't think that we should let this item pass. For those Civil Servants involved in delivering the services under (k), they shouldn't construe that as anyone in this Legislature viewing it as being insignificant, because (k) is not and neither is the Correspondence Branch and I just want to put on the record, once again, a vote of appreciation on behalf of Manitobans for the efforts that these people put forth in delivering an excellent service over the years.

During the Estimates we have talked about testing and measurements and diagnosis and everything else and it came to mind with reference to this particular item, a paper I had seen marked by one of the people involved in the Correspondence Branch in Mathematics and this person had done an excellent in understanding the errors contained in the paper and giving immediate diagnostic remedial assistance in how the person could address solving the problem. I just put on the record our appreciation for the staff involved in the delivery of this service.

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

**MR. McBRYDE:** Yes, Mr. Chairman, one of the items under discussion last year and one of the recommendations that came from the Minister or the Minister's staff was that in order to make up the reductions in the Inter-Universities North Program, that there be an increase in Correspondence Programs available and those types of programs and at those academic levels that had been available under the Inter-Universities North Program, and I wonder if the Minister could tell us whether there has been an expansion for that purpose to fill in the gap that was left with the reduction in the Inter-Universities North Program within the Correspondence Branch or

if there has been any change in that branch in light of that recommendation in the past.

**MR. COSENS:** Mr. Chairman, the Member for The Pas is talking about post-secondary correspondence courses which are provided by the University of Manitoba. I would remind him that the Correspondence Branch of the Department of Education provides only those courses that are found in the curriculum of the Province of Manitoba. I would have to check with the University of Manitoba to find out if, in fact, they expanded their correspondence course output last year.

**MR. CHAIRMAN:** (1)—pass; (2)—pass; (l)—pass; (m) Student Aid, (1) Salaries—pass — the Honourable Member for Winnipeg Centre.

**MR. BOYCE:** On Student Aid, Mr. Chairman, perhaps the Minister could advise us on the mix of bursary and loans which is the policy for this year. If he could just put on the record briefly what is involved. We've got the kits that were circulated by the Minister, but perhaps for the record we should put on the mix that is being used by the government during the upcoming academic year.

**MR. COSENS:** Mr. Chairman, the bursary-loan mix, of course, is made up of \$1,800 in bursary, and \$1,800.00 in Canada Student Loan for a total of \$3,600 for students who can be identified as having that base of need. Others, of course, will fall within that at lower figures but that is the maximum level that is provided. However where there are individuals who have needs beyond that, that particular contingency is provided for under the Department of Community Services.

**MR. BOYCE:** We note in the press recently, Mr. Chairman, that there has been a decline in the numbers of applicants for Student Loans or assistance under Student Aid, and we wonder about the effect of the government's policy as I understand it, to defer some bursaries, the effect of which is that the students are required to exhaust their eligibility for loans first and we wonder what impact this is having on the applications for student loans.

**MR. COSENS:** It certainly may have some impact, Mr. Chairman. It may have removed applications from those who were not completely genuine in their need for assistance. Certainly those who have a genuine need are quite prepared to take the loan as well as the bursary. The requirement to take the loan first, of course, has, in some cases, I would suggest, discouraged the triflers.

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

**MR. BOYCE:** Well, I'm rather surprised at the Minister's position, where he considers people as triflers, albeit my own personal position, that I'd be willing to lend anybody anything, but I would be inclined not to give them very much. Nevertheless, I don't know just exactly where the Minister is coming from with that remark, that it is to get rid of triflers that they have imposed this policy. I had thought that the very philosophy of Student Aid, was to make it as easy as possible for those people who had demonstrated a propensity toward educational advancement, to take advantage of a post secondary education. But we're talking about education within the department, so I assume, maybe I'm in error, that we're talking about student aid in general and not just student aid for people in the secondary school system. So perhaps, the Minister should correct that for me.

**MR. COSENS:** I'm not quite clear on the member's question, Mr. Chairman, but I would suggest to him that the system is operating well for those who do demonstrate a particular need, and I can perhaps provide some figures to the member that illustrate that the particular Student Aid program that we have in place is working well. Seven out of ten students who apply for student aid receive some form of assistance. Seven out of ten students, and one out of five students attending Manitoba universities, received some form of assistance in 1978-79.

The average award to post-secondary students in 1978-79 is \$2,150 in a combination of bursary and loan, and that, Mr. Chairman, is an increase of some \$450 from the average award in 1977-78. University students receive an average award of about \$2,050 and community college students receive an average award of some \$2,300.00. We realize, of course, that community college students have a longer school year — 10 months, as opposed to the 7-½ to 8 months of the university student. So, I would suggest to the honourable member that the system is working, that those students with an established need, certainly are being helped by the program and are utilizing the program.

**MR. BOYCE:** Perhaps, I wasn't too clear with my question, Mr. Chairman, because I was so shocked by the Minister's statement. What was he referring to when he said "frivolous applications"? Frivolous, in the sense that they weren't eligible or frivolous in the sense that they shouldn't have applied in the first place.

**MR. COSENS:** I'm sure, Mr. Chairman, that the Member for Winnipeg Centre is as aware as I am, that in the years that this program has operated, there have been a number of people who have taken advantage of the program unduly, and received assistance that they really were not entitled to receive. They have taken advantage of the system and I would suggest that that type of individual is working against the student who is most deserving, who does require the support of a program such as this. The Student Aid Office has, over the years audited a number of applications and, of course, every time this auditing process is carried out, a number of applications are discovered that do not certainly demonstrate that a real need existed. This has resulted over the years and 'certainly in the last year or so, in the recovery of several thousand dollars. A considerable amount of money, Mr. Chairman, has been recovered from this auditing process' so, I would be rather shocked if the Member for Winnipeg Centre is saying to me that he is really that naive that he thinks that this has not happened in the past, it certainly has happened. It's a matter of fact, I think he would share with me, the belief that those who are not deserving, should not be taking advantage of the system, but that the system should be geared towards those who are most deserving and that really, when I referred to "triflers" earlier, that may not be a good choice of words, but certainly, we have record of people who have taken advantage of the system and I would deplore that particular action, as I know he might.

**MR. BOYCE:** Well, I give the Minister the assurance that I won't use his remark more than two or three times in the next election campaign, but seriously, Mr. Chairman, I guess it's a difference of attitude. If you have a program and people are eligible, or think that they may be eligible, and they apply, I don't think that is "trifling", they may not be eligible. But as I understand the criteria of members of the Legislature whose — what's our income, \$12,000? \$12,100, their children would be eligible for some kind of assistance, should one of the parents apply. But I personally have never applied or my children have never applied for loans, because that's just not the way we do things, I suppose. But nevertheless, those people — (Interjection)— well, I was a Cabinet Minister, but my friend, the Minister of Education changed that. Nevertheless, I don't think that if you have a program, and people are eligible, I think just because they may have some borderline decision to make, that if it's no, and seven out of ten, I don't think that the three that applied or even if it was seven out of fourteen, I don't think that the seven, who didn't get it should be considered "triflers", because Mr. Chairman, I even sent my Pharmacare in yesterday. There was a little bit on the news there, that if I didn't send it in before Monday, I didn't get back my 80 percent of \$25.00. That's last year, I don't get it this year, because I only spent \$75 on drugs, \$75.05 actually, Mr. Chairman, on drugs, so that the government raised my taxes next year \$25.00.

Anyway, I was really taken aback by the Minister's statement that the people who apply for what they believe they're entitled to, who may not be entitled to the assistance are "triflers".

I wonder, while we're discussing things educational, if the Minister will get a sign made for the Chamber that one of the grammatical rules is that you don't put an article between an adjective and a noun, because I hear people using the term "such a program".

**MR. COSENS:** Mr. Chairman, let me remove any misunderstanding that the Member for Winnipeg Centre may have, or would like to have in regard to what I said. Certainly the indication that we receive from the number of applications that we audit, the number of awards that we audit, would certainly indicate that we do have a number of people who have been trifling, and I use the word again, and I, in no way, will agree with his interpretation that I am accusing anybody who applies for this particular program of being a trifter. I merely said that we have had over the years, and certainly it was quite apparent when his government was in power as well, that there were people who were prepared to take advantage of the program, and that still exists. Human nature has not changed and I was speaking solely, of that type of person and deploring that particular action, because I say in that case, that person then, is harming the opportunities for those who are most deserving and who deserve particular help under this program.

**MR. HANUSCHAK:** Mr. Chairman, I'm indeed, glad to hear the Minister say that he does not tolerate triflers, he does not tolerate those taking advantage of the system unduly, and it's somewhat refreshing to my ears to hear the Minister make comments of that kind. You know, Mr. Chairman, looking at this item and the dollars involved, and given the fact that the government preaches restraint, I would hope that the Minister would impress his philosophy, with respect to triflers, with

respect to taking advantage of the system unduly, upon his colleagues and offer whatever assistance he can to recover some of the moneys from those who took advantage of the system unduly, because there have been moneys taken out of the system unduly, out of the interest, to the extent that would fund a student aid program in perpetuity. I am thinking of one, Mr. Kasser.

Now, if that money, which was obtained by taking advantage of the system unduly, if that money were recovered, Mr. Chairman, then . . .

**MR. CHAIRMAN:** Order please. Order please. We're talking about Student Aid. The reference has nothing to do with Student Aid, I would suggest to the honourable member.

**MR. HANUSCHAK:** Mr. Chairman, I agree with you. I am offering a suggestion to the Minister as to how he could apply his philosophy, his desire to clamp down on those taking advantage of the system unduly, and in the process of doing so, provide himself with funds to run his department. And, as I have indicated, that would provide him with funds not only for Item (3), to which we have not yet come, and which we'll debate at a later time, but would also provide funds in perpetuity to pay the salaries and other expenditures of this branch. So I would hope to see that philosophic principle of taking every precaution to avoid taking advantage of the system unduly being exercised with equal fairness, right across the board, right across all the departments, in all departmental programs of this government.

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

**MR. WALDING:** Just one question before we move on, Mr. Chairman. I believe the Minister did say that most of the funds from this department go to post-secondary education. Can the Minister tell me whether any of the funds under this Appropriation would go to high school students?

**MR. COSENS:** Yes, Mr. Chairman, there is a secondary component here. Last year there were some 2,500 awards to secondary students, high school students, across the province, who, because of their particular situation, were facing some financial difficulty that would perhaps have mitigated against them continuing in their high school education.

**MR. WALDING:** Could the Minister give me a very rough percentage of the amount that might go to high school students?

**MR. COSENS:** Mr. Chairman, I am informed that that figure is \$740,000 for last year.

**MR. WALDING:** It would be \$700,000 out of \$4 million, which is perhaps around 15 percent, something like that. The only question that would arise from that, Mr. Chairman, is that I note the matter of Student Aid was under the Continuing Education portion of the Minister's department last year, where it would seem appropriate if most of the money was going to post-secondary education. Is there any particular reason why it's put under the Education portion of the Minister's department this year, rather than under the Colleges and Universities, where it might be expected.

**MR. COSENS:** Well, the administration of the Department of Education exists under this particular section, Mr. Chairman, rather than under Universities, of course, that operate at arm's length from the government, and the Community Colleges administration merely handles Community College affairs. So, this particular item has been placed under the general administration of the Department of — I think a reasonably appropriate place for it. Education

**MR. CHAIRMAN:** The Honourable Member for The Pas.

**MR. McBRYDE:** Mr. Chairman, under this section, in terms of the students who live north of 53, or in the Frontier School Division, I wonder if the Minister has available the statistics, or the numbers and patterns, that is, the number of students that are using this program, and if there's been a change in those numbers, and if there's been a change in the location of students taking advantage of this program. That is' besides Cranberry, are a number of students going to Thompson, The Pas, Winnipeg, who are using this program; or does he have that information in terms of where the high school students would be attending who are from the more remote communities?

**MR. COSENS:** Mr. Chairman, I think the Member for The Pas is well aware that we now have

more and more of our secondary students remaining in their home communities. As a result, we are seeing a shift, then, to those particular students, rather than to Cranberry, where he as well realizes we are experiencing some decline in population.

**MR. McBRYDE:** Well, Mr. Chairman, I wondered if that particular change that's taken place over the last number of years has been reflected in terms of the statistics, or the pattern? And then, of those that are still required, because their community does not have that level of education that they require, whether there's been a change in terms of where those students are going out to for further education?

**MR. CHAIRMAN:** The hour is 4:30, Private Members' Hour. Call in the Speaker.  
*The Chairman reported upon the Committees' deliberations to Mr. Speaker and requested leave to sit again.*

### IN SESSION

**MR. SPEAKER:** The Honourable Member for Radisson.

**MR. KOVNATS:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Roblin, Report of Committee be received.

**MOTION presented and carried.**

**MR. SPEAKER:** The Honourable Acting Government House Leader.

**MR. MCGILL:** Mr. Speaker, I believe there is a disposition on both sides of the House that we not proceed with Private Members' Hour. Accordingly, I would move, seconded by the Honourable Minister of Highways, that the House do now adjourn.

**MOTION presented and carried** and the House adjourned and stands adjourned until 2:30 p.m. Monday afternoon.