

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock, Friday, June 2, 1972

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 20 students of Grade 11 standing of the West Kildonan School. These students are under the direction of Mr. Butler. This school is located in the constituency of the Honourable Member for Seven Oaks, the Minister of Colleges and Universities. On behalf of all the honourable members I welcome you here today.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements; Tabling of Reports. The Honourable Minister of Tourism and Recreation.

TABLING OF REPORTS

HON. LAURENT L. DESJARDINS (Minister of Tourism and Recreation)(St. Boniface): . . . the Annual Report of the Legislative Library and Archives for the calendar year 71.

MR. SPEAKER: Any other Ministerial Statements? Tabling of Reports? Notices of Motion; Introduction of Bills. The Honourable Minister of Labour.

INTRODUCTION OF BILLS

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona) introduced Bill No. 66, an Act to amend The Equal Pay Act; and Bill No. 81, The Labour Relations Act.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. JEAN ALLARD (Rupertsland) introduced Bill No. 80, an Act to amend The Fire Departments Arbitration Act.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, in the absence of the Minister of Finance I'd like to direct my question to the First Minister. Can the Minister inform the House why the \$64 million capital budget of the City of Winnipeg is being held up?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier)(Rossmere): Mr. Speaker, we have had a number of meetings with representative delegations of the City of Winnipeg Council. I am not aware that there is any difficulty with respect to the capital budget, so in that circumstance I'll have to take the question as notice.

MR. F. JOHNSTON: Mr. Speaker, the Minister of Finance is now in his chair. I wonder, by leave, could I ask the question of him, Minister for Urban Affairs? Can the Minister inform the House why the \$64 million capital budget of the City of Winnipeg is being held up?

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance)(St. Johns): Mr. Speaker, I appreciate the question being asked. I don't know anything about \$64 million but I'll inform the House that the capital budget of the City of Winnipeg had to be and I believe was submitted to the Municipal Board. I learned in a casual conversation about three days ago from one of the councillors of the City of Winnipeg that they had not yet had approval and that they were concerned about going ahead with their work. I said, well I'm prepared to look in to see why there's a holdup. I thought the meetings had been held. Then after asking my deputy to inquire into the matter, I learned that the Municipal Board had not been informed of the provincial participation in the Highways Program, which is a small part of the, a very small part of \$64 million, if indeed that's the amount involved, and yesterday morning, which is only a few days after I was told about it, I learned that the City of Winnipeg had not followed the procedures which had been established in the previous year. Last year, and in previous years, the Metropolitan Corporation would submit its application for approval to the Municipal Board and concurrently request the Provincial Government to indicate to the Board what its role would be, what its proportion of payment would be, but this year the City of Winnipeg

(MR. CHERNIACK cont'd) apparently did not follow that procedure, did not notify the government of its application to the Municipal Board, and did not request that information, and therefore the Municipal Board was not aware of it. The result was that when I learned of it yesterday morning I immediately notified the Minister of Highways that apparently there was a holdup now. We had not received any formal notification from anyone about the holdup. As I say it was just casual information I received, but we followed it up and are now following it. May I say also, Mr. Speaker, that I received what purported to be a telegram yesterday from the Mayor of the City of Winnipeg. I don't know whether it's public or not from - the Member for Sturgeon Creek is nodding his head so apparently he knows something that I am not aware of - but I received what purported to be a telegram last night in rather strong language complaining about the failure of the Municipal Board to act, and I still don't know officially what it's all about, but I'm certainly looking into it, and do not understand the language that was used in the alleged telegram.

MR. SPEAKER: The Honourable Member for Virden.

MR. MORRIS MCGREGOR (Virden): Mr. Speaker, I would like to direct my question to the Minister of Municipal Affairs. Is the government, or is Autopac going into the tow trucking business with the cancellation of the \$10,00 per hour that the two trucks had been paid in the past, that has been cancelled as of today?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk): No, Mr. Speaker.

MR. MCGREGOR: Mr. Speaker, I'd like to direct this to the Attorney-General. In announcing a future program on CJOB a week today the Scientology Sect will be establishing here in Manitoba, and in looking quickly at it this sect was outlawed in Australia.

MR. SPEAKER: Order please. Could the Honourable Member place his question?

MR. MCGREGOR: The question is what action is the Attorney-General anticipating taking inasmuch as it has been outlawed in Australia, and the courts stopped the annual meeting of Scientology in London, England.

MR. SPEAKER: The Honourable Attorney-General.

HON. A. H. MACKLING, Q.C. (Attorney-General)(St. James): Mr. Speaker, I'm sure all honourable members are as mystified as I am as to the nature of this organization. If it's another political party sponsored by the honourable member, I wouldn't consider outlawing it. If it is however some mystical group that may have some nefarious schemes, we will certainly have to look into them.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I'd like to direct a question to the Minister of Finance or the Minister of Urban Affairs. Can he advise whether his department or himself, is in negotiation or discussion with the City of Winnipeg regarding the takeover of the Winnipeg Hydro.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: No, Mr. Speaker.

MR. CRAIK: Mr. Speaker, I wonder if the Minister would indicate whether the Manitoba Hydro has made an offer to the Winnipeg Hydro to take them over without compensation.

MR. CHERNIACK: Mr. Speaker, we are involved in our department in that section of the City of Winnipeg Act dealing with the equalization of hydro rates as between purchasers of City Hydro and Manitoba Hydro rates within the City of Winnipeg. We have been pressing hard that the City of Winnipeg and Manitoba Hydro conduct negotiations and bring this to a conclusion relating to equalization of rates. Frankly I'm getting the impression that it's taking a little too long. It may well be that in these discussions that the City of Winnipeg and Manitoba Hydro are having, they are discussing the larger question, and I do believe that in connection with that that there has been some sort of discussion, or whatever, between Manitoba Hydro and the City of Winnipeg but the government as such has not been involved in anything other than equalization of rates.

MR. CRAIK: Mr. Speaker, a supplementary question. Since there is one major issue on this matter that appears to have come to the fore today, there has been an offer from . . .

MR. SPEAKER: Order please. Would the honourable member place his question?

MR. CRAIK: Well, Mr. Speaker, the question is, has the government approved of the offer made by Mr. Cass-Beggs to the City of Winnipeg and the aspect of the offer I ask about, is the offer to . . .

MR. SPEAKER: Order please, order please. This is a question period not a time to supply information to the House.

MR. CRAIK: Mr. Speaker, the question is whether the government has approved the proposal that would have Manitoba Hydro put a surcharge on the hydro bills, the hydro charges in the City of Winnipeg would equal or exceed \$3 million per year.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, it has often been indicated that matters that are under current negotiation are matters which will not be responded to for the simple reason that they may jeopardize the negotiations.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition)(River Heights): Mr. Speaker, my question is to the First Minister. Has the government approved the proposals offered by Manitoba Hydro to the City of Winnipeg?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, a number of alternative proposals and concepts have been discussed. Some of these have been put forward to the City of Winnipeg for its consideration, City Hydro for its consideration. When the range is narrowed to one or two alternatives, that seem to recommend themselves best, or most, at that point in time there will be need for the government to take a decision.

MR. SPIVAK: My question is to the First Minister. If the City of Winnipeg wishes to deal directly with the government, will the government deal with them?

MR. SPEAKER: Order please. The question is hypothetical. The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I'd like to address my question - I think I should direct it to the First Minister. Does the government approve, or concur, with Manitoba Hydro in their arranging for perpetual agreements with other parties such as City Hydro?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the Honourable Member for Rhineland has made some reference to agreements that would run in perpetuity, well then, Mr. Speaker, I would ask that he perhaps make his question a little more specific.

MR. FROESE: Yes, Mr. Speaker. In accordance with a newscast it was stated that Manitoba Hydro was making a grant to City Hydro under an agreement. . . perpetuity

MR. SPEAKER: Order please. The procedures of this House do not call for giving of answers in regard to newspaper articles. Does the Honourable Member for Rhineland wish to rephrase his question?

MR. FROESE: Yes, Mr. Speaker. I was asking the First Minister whether this government concurred and subscribed to the principle of having a Crown corporations make perpetual agreements or agreements that run in perpetuity?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I believe in fact I am on the record about seven or eight years ago as having expressed an opinion that personally speaking I do not believe, nor favour, agreements that run in perpetuity, since I just don't think that it's within the capability of mortal man to conceive of what is right or wrong into eternity or perpetuity. However, I would suggest to the honourable member on the other hand that I believe there are such things as British Counsel Bonds, certain types of bonds, that do run in perpetuity which have a certain annual value, and so if that's what the Honourable Member is referring to, it may well be that a proposal has been made to City Hydro which is based on the concept of an annual payment into the future in perpetuity. May I say to clarify for other questioners that have asked, the Honourable Leader of the Opposition as well, that discussion has been authorized by the province and the City of Winnipeg to the two utilities to enter into negotiations with respect to the possibility of integration of the two utilities and the consideration, the value consideration that would be required for that purpose.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: My question is to the First Minister. I wonder whether the First Minister can indicate whether the government has seen the letter that was forwarded by Mr. Cass-Beggs to the city for the purpose of negotiation?

MR. SCHREYER: Mr. Speaker, I don't know if it's me or whether the acoustics of this

(MR. SCHREYER cont'd) building have somehow imperceptibly changed over the years. If the acoustics are bad, I'm sorry, I apologize to the Leader of the Opposition. There were two or three words I did not hear.

MR. SPIVAK: Well, I wonder if the First Minister can indicate whether the government has seen the letter forwarded by Mr. Cass-Beggs to the city as a basis for discussion.

MR. SCHREYER: Yes, Mr. Speaker.

MR. SPIVAK: A supplementary question. I wonder if the First Minister can indicate whether the government approves of the inherent threat that is presented in that letter to the city?

MR. SPEAKER: Order please. The question implies debate or an argument in that it indicates something. The Honourable First Minister.

MR. SCHREYER: Perhaps on a point of privilege. I hesitate, Sir, to attempt to try to carry forward something which you have already ruled on but implicit in the honourable member's question, in fact stated, deliberately stated, in the honourable member's question was reference to threat and certainly, Sir, I cannot let that go on the record unchallenged. A certain negotiating proposal was put forward and it is now a case of receiving the response, and upon receipt of same negotiations will continue.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Mr. Speaker, my question is to the Minister of Transportation. I would like to ask him why hearings and meetings of the Manitoba License Suspension Appeal Board are being held in the Union Centre rather than in the Manitoba Motor Vehicle Branch Office on Portage Avenue?

HON. PETER BURNIAK (Minister of Highways)(Dauphin): Well, Mr. Speaker, I would suppose that most of the members know that we have been running into some space problem and where the meetings were held for awhile, I believe it was in the Fletcher Building, it was impossible to hold meetings because of the noise. We received complaints from the Board, and we are looking through the Department of Public Works and we are in the process now of hoping to find some available space in the near future, and for the time being that was the only place that we could locate, for the time being.

MR. SHERMAN: A supplementary, Mr. Speaker. Were the premises at the Union Centre being made available to the License Suspension Appeal Board free of charge?

MR. BURTNIAK: Mr. Speaker, I have no - I should say, I don't really understand why the honourable member who asked that question, I don't think that the space was made - I'm sure it's not made available to them free of charge. They pay rental same as they will pay anywhere else.

MR. SHERMAN: A further supplementary, Mr. Speaker. Were the rooms that used to be available for those meetings in the Motor Vehicle Branch Offices not available to the License Suspension Appeal Board without charge?

MR. BURTNIAK: Well, Mr. Speaker, it isn't a question of whether those rooms are available without charge, it's the question of availability of space.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): M. le Président, je voudrais demander une question au Ministre in Youth and Education.
(Translation)

Mr. President I would like to ask a question to the Minister in Youth and Education.

I wonder if he could advise the House as to whether or not there is a change in policy of the Department of Education with regards to approval of new school building plans?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education)(Burrows): No, is no in either language. No, Mr. Speaker.

MR. GIRARD: A supplementary question, Mr. Speaker. Does the Building Projects Committee fulfill now exactly the same position with regard to approval of capital buildings as it did a year ago.

MR. HANUSCHAK: Oui, Monsieur.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, a question for the Honourable the First Minister. Is his government being consulted on a current basis by Pan Arctic Oils Limited in respect to the evaluation of the one of two possible routes for the oil pipeline, the

(MR. MCGILL cont'd) gas pipeline from the Arctic, the one which runs through northern Manitoba and northern Ontario to a terminal at Hamilton?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I'm not sure if the honourable member was referring to an oil pipeline route yet to be determined, or whether he's referring to one of the existing ones.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: By way of explanation, I was asking about the projected gas pipeline route from the Arctic Islands to be built by Pan Arctic Oils Limited, and the one of two routes under discussion apparently runs through northern Manitoba, northern Ontario to Hamilton.

MR. SCHREYER: Mr. Speaker, there is perhaps an assumption in the honourable member's question that is unwarranted, and that is, that a definite decision has already been taken by the federal authorities and Pan Arctic Oils in respect to the construction of the pipeline. There has been communication between myself and the federal minister and certainly the matter is still one the decision of which is to be taken in the future, and there is really no definite idea in mind yet by the federal authorities as to not only where the route would lie, but if there will be a route.

MR. MCGILL: A supplementary question, Mr. Speaker. Inasmuch as there are apparently two alternative routes now under consideration, has the Province of Manitoba compared its tax position relative to gas pipelines to determine whether the climate here is no less favourable than it would be through the alternative route of the Province of Quebec.

MR. SCHREYER: Well, Mr. Speaker, certainly in the context of the latter part of the honourable member's question, certainly Manitoba will put forward its position with respect to the routing of any proposed natural gas pipeline, and certainly that is already well under sort of active consideration. But, I repeat again, that it is very clear in the communication between the Government of Manitoba and Canada that there is no definitive position, or decision, taken as yet as to not only where the pipeline route will be but if there will be a pipeline. The discoveries of natural gas on King Christian Island and one or two places in the High Arctic is not yet to be taken as definite indication that a pipeline will be built.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, my question is for the Honourable the Attorney-General. Could he inform the House whether the Human Rights Commission meets on a weekly, or a monthly basis, or rather an occasional basis?

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, I can't give the honourable member a precise answer. It's my understanding that the Commission meets as the occasion requires. It may be only once a month if there is not a great number of things to deal with. But it could be three times in a week if there's particular reason for dealing with a matter, or matters, that are urgently needed to consider.

MR. G. JOHNSTON: Another question, Mr. Speaker. Is it true that the Commission has now acquired a government automobile?

MR. MACKLING: I'm not aware of that Mr. Speaker. I'll certainly be interested to determine. It may be that an automobile will be necessary because the Human Rights Commission will be conducting, particularly from this point on, I say this point, the passage of our recent budget, extensive educational work throughout Manitoba and that will involve considerable travel. Where the travel requirement indicates it would be much more economical to provide a car, that is the criteria.

MR. G. JOHNSTON: Perhaps, Mr. Speaker, I should have directed the last question to the Minister of Public Works who is in charge of the auto fleet. Has the Human Rights Commission now acquired an automobile?

MR. SPEAKER: The Honourable Minister of Public Works.

HON. RUSSELL DOERN (Minister of Public Works)(Elmwood): Mr. Speaker, as you know we have an extensive fleet. I would have to take that question as notice.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Industry and Commerce. I wonder whether he can inform the House whether the government is financing a protectophone device?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East): Mr. Speaker, I presume the Honourable Leader of the Opposition is referring to the Manitoba Development Corporation. Is he?

MR. SPIVAK: My question was, whether the government was financing either through the Department of Industry and Commerce or through the Development Corporation a protecto-phone device.

MR. EVANS: Mr. Speaker, the word "financing" tends to be a very vague expression. As the honourable member knows, the Department of Industry and Commerce has certain grants to assist in feasibility studies, etc., of various companies that are hoping to expand and improve their production processes. And if such a company did apply and if they qualified under the program, then they would get such assistance. If the Honourable Leader of the Opposition is referring to the Manitoba Development Corporation, as I stated many times in the House, Mr. Speaker; if a loan is made or any other financial assistance offered by the MDC to that company, it will be itemized in the quarterly report or annual report, or both really, of the Manitoba Development Corporation.

MR. SPIVAK: I wonder if the Minister of Industry and Commerce can inform the House whether the government or the Manitoba Development Corporation is financing a court action in the United States on behalf of Boissevain Manufacturing Products Company Limited?

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to again direct the attention of the honourable members to the gallery where we have 65 students of Grade 4 standing of the Oak Bank School. These students are under the direction of Mr. Suderman, Mrs. Smythe and Miss Chin. This school is located in the constituency of the Honourable Member for Springfield, the Minister of Health and Social Development. On behalf of all the honourable members I welcome you here today.

I have also been handed another memo indicating that we have 21 students of Grade 1 to 8 standing of the Brochet School. These students are under the direction of Mr. Kroeker and Mrs. Kruse. This school is located in the constituency of the Honourable Member for Churchill.

The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question for the Honourable Minister of Tourism and Recreation. Is the government, or his department, participating financially in the large amateur sports complex to be developed next to the Centennial Pool which was announced by the Manitoba Federation of Amateur sports?

MR. DESJARDINS: Do you mind repeating the question, Sir.

MR. PATRICK: Mr. Speaker, my question is to the Honourable Minister of Tourism and Recreation. Is the Minister's department, or the government, participating financially in the development of the large amateur complex to be developed next to the Centennial Pool, which was announced by the Manitoba Federation of Amateur Sports.

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

MR. DESJARDINS: No, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, my question is to the Honourable Minister of Health and Social Allowances. I'd like to ask him whether he can advise the House whether a chief surgeon and another high ranking specialist are leaving Winnipeg General Hospital and the province this summer, and whether he has awareness of any other medical personnel of that calibre leaving the General Hospital and /or the province.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I rise on a point of order. I think it should be understood that it would be impossible for a Minister to know on a question asked without notice whether a certain doctor or doctors were leaving a particular hospital, or intending to establish practice in a sister province, or elsewhere. I do believe, Sir, that I - in fact I am aware for example of the fact that certain doctors have left the City of Winnipeg during my lifetime over the last 30 years and gone to establish practice in Toronto or Vancouver. In the 1940's, in the 1950's, and now, so therefore I don't know that there is anything that can be answered in this respect by the Minister of Health.

MR. SHERMAN: Mr. Speaker, on a same point of order, the First Minister knows as well as anyone in this House that it would be impossible, it would be impossible among -- (interjection)-- I'm speaking to the point of order, Mr. Speaker - if my friends opposite will permit me to - that it would be impossible to cover the ground that he's referring to in a question. I could have been in a series of supplementary questions. My initial question had to do with a chief surgeon not any doctor, a chief surgeon and another specialist of that rank at the Winnipeg General Hospital. But I'm prepared to have my question taken as notice by the Minister, Mr. Speaker.

MR. SPEAKER: Orders of the Day. Order. The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): Mr. Speaker, I'd like to direct a question to the Minister of Highways. Have the road restrictions on all provincial trunk highways been removed up till today.

MR. SPEAKER: The Honourable Minister of Transportation.

MR. BURTONIAK: I am not sure if all restrictions have been removed. I do believe that most of them have been. Earlier in the week there were some that were listed at 250, have been increased to 350. Now these might have been taken off too, but I know most of them have been taken off.

MR. SPEAKER: Orders of the Day. The Honourable Member for St. Vital.

MR. JAMES WALDING (St. Vital): Mr. Speaker, I have a question for the Minister of Municipal Affairs. Could he tell the House why Autopac has discontinued its practice of paying tow truck operators a payment for a waiting period at Autopac centres?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, the fact is that it was found that at the present time there is no reason for waiting periods, that if tow trucks make necessary arrangements, phone ahead, there is no need for a wait by any tow truck at the Drive-in Claims Centres now that the second one has been opened. We found that because there had been on the part of a few tow truck operators insufficient suitable arrangements made along those lines, that we would have periods during the week in which there would be long line-ups of tow trucks waiting while you might have a day or two afterwards with very few tow trucks at the Drive-ins.

MR. SPEAKER: Orders of the Day. The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): My question is to the Minister of Agriculture. In view of the new hopper grain cars not being charged through the railroads, I would wonder if the farmers could anticipate lower freight rates and higher returns for their products.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Mr. Speaker, I don't know what one might anticipate. That obviously is a hypothetical question and is not in order.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. ALLARD: Mr. Speaker, I have a question for the Minister of Health and Social Development. Could he advise the House whether any hospitals are intending to lease, or leasing space, in any intensive care homes in the province?

MR. SPEAKER: The Honourable Minister of Health and Social Development.

HON. RENE E. TOUPIN (Minister of Health and Social Development)(Springfield): Mr. Speaker, could I have the first part of the question please again, I couldn't read it.

MR. ALLARD: Could he advise the House whether any hospitals are intending to lease space in intensive care homes in the province?

MR. TOUPIN: Mr. Speaker, that is always a possibility.

MR. ALLARD: Would that represent a change in government policy?

MR. TOUPIN: No, not necessarily, Mr. Speaker.

MR. SPEAKER: Orders of the Day. The Honourable Member for Souris-Killarney.

MR. McKELLAR: I'd like to direct a question to the Minister of Municipal Affairs. Does a policy holder have to pay a fee of \$45.00 if an adjuster comes out to his individual residence in case of a loss.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: No.

ORDERS OF THE DAY - GOVERNMENT BILLS

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: I wonder if you would call Bill No. 58 for second reading, Mr. Speaker, please.

MR. SPEAKER: Proposed motion of the Honourable Minister of - the Honourable First Minister on a point of order.

MR. SCHREYER: Yes, once the motion is put to go into Supply and Mr. Speaker, starts to read the motion, I am not aware of any circumstance in which we revert back to the question period.

MR. SPEAKER: The motion to go into Supply has not been read or called. I am calling

. . .

A MEMBER: Bill 58.

MR. SPEAKER: That's right. On the proposed motion of the Honourable Minister of Agriculture.

MR. USKIW presented Bill No. 58, an Act to amend The Water Supply Board Act, for second reading.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, what we are about to witness here this morning will likely, and I'm sure it will, Mr. Speaker, go down in history as another major thrust of this government towards the restoration and revitalization of our rural communities across Manitoba. For a long time there have been many communities in Manitoba that either had an inadequate system of water and sewage services and for a long time, too long, Mr. Speaker, we have had a situation where many communities had no possibility of establishing any system whatsoever because of peculiar high costs of installation in some of the areas across Manitoba. I can cite for example towns like Teulon, Stonewall, Channing, Cranberry Portage has not been serviced to date, and there are many others, Mr. Speaker, because of the very high costs of providing these kinds of services due to soil condition, drainage and water supply problems, and so forth. I think the City of Dauphin is in the process of trying to develop a new system, and it too, Mr. Speaker, has a substantial problem in securing water supply, and so on. So this program, Mr. Speaker, is one that is designed to bring about some equality with respect to communities across rural Manitoba in the supply of water and sewage services.

At the present time, and for some time, we have had some 37 communities receiving their water supply under the Manitoba Water Supply Board Act. These communities for the last number of years have not been following the legislative direction; they have not been paying the proper amount for their water supply in accordance with the present Act so that in effect they have been in violation of the Act for some time. We have to deal with that problem, Mr. Speaker. It is not right that we should close our eyes to a situation but rather that we should try to deal with a problem that indeed is serious for those communities, as well as communities not now serviced. If we were to apply the present Act to the existing 37 communities 22 out of those 37 would be faced with a very substantial increase in water rates. In fact the range is between \$3.00 and \$8.00 per 1,000 gallons within those 22 communities. The other 15 of course are well below that particular figure of \$3.00.

The purpose of the program of course has to be twofold, Mr. Speaker, if it's going to be meaningful at all. One important criteria has to be the desire of all people that we should have some equality in the quality of life provided to our citizens in all communities within Manitoba. That is goal No. 1, Mr. Speaker.

The other of course is a necessary thing - it is the protection of the environment. We have reports coming in very frequently from different communities about the pollutants in the water supply system. Stonewall has been one that has experienced a great deal of difficulty because of that particular problem, and so on. So I can recite dozens of communities that have reported problems to us. They tell me that Winkler -- I'm not sure about Winkler, I gather they're in the most preferred Water Supply Board range at the present time.

But nevertheless, Mr. Speaker, it is time that the Province of Manitoba, the people of Manitoba collectively decided to provide for some measure of equality in the services and some measure of equality in the quality of life throughout Manitoba and this Act, Mr. Speaker, is going to do precisely that. It will be in my opinion a milestone in the history of Manitoba, something that perhaps is long overdue, but better late than never.

(MR. USKIW cont'd)

The formula, the formula under this program, Mr. Speaker, is one which we feel will bring about that opportunity to those people not now receiving services. The formula is one which will require that local governments pick up the first 20 mills on the equalized assessment for complete water and sewage services, which will include of course the supply of water, the treatment of water, the distribution of water, and the installation of the sewage collection system, treatment plants, lagoons, whatever may be necessary in any given community. So the mill rate will be 20 mills for the share, that is the share of the local government will be 20 mills for those services, if it's a complete system. If it's only a sewage system the local government will have to put up the first 8 mills; if it's only a water system the local government will have to put up the first 12 mills. Beyond that point there is a cost sharing formula. Beyond that point, Mr. Speaker, the province will pay 50 percent of any amount over and above those mill rates and the local government the other 50 percent.

In addition, Mr. Speaker, we are going to try and deal with the existing Water Supply Board problem, the problem of either having to increase rates to comply with the legislation, or to change the legislation and provide some form of subsidization, and in that respect the government chose to provide a form of subsidization as well, which means that there will be grants made payable to existing Water Supply Board communities which would in effect reduce their outstanding indebtedness under the present system.

The water rate is going to be pegged at no higher than \$3.00 per 1,000 gallons which means 22 communities are going to be fairly heavily subsidized. Three dollars for the first -- per thousand gallons. Those communities that are now receiving services below \$3.00, below \$3.00 but which have also not been paying the full amount in accordance with the Act, their rates will be increased up to that amount, or whatever portion thereof to make sure that we get full recovery from those communities. So there will be a general adjustment taking place with respect to all Water Supply Board towns, but 22 of the Water Supply Board communities will get fairly heavy subsidy under this program.

The total amount of monies involved of course this year, Mr. Speaker, is \$1,124 million in grants and \$2,376 million in loans. Communities with outstanding debentures wishing to expand or upgrade their system would have these outstanding liabilities integrated into the program under the formula so that they would not be treated unfairly. The province will provide the necessary loan capital for those communities wishing to finance through the province and the Water Services Board - the Water Services Board which is going to be made up of five departmental, interdepartmental people representing the Departments of Mines, Environmental Protection, Municipal Affairs, Agriculture and so on. That Board will be responsible for the administration of the program and for setting the priorities as to the communities that will be accepted into the program in accordance with the needs of those communities. In other words, Mr. Speaker, we will have to look at crisis situations in the initial period where we have serious problems we will be giving some priority to those communities this year, and as we go along we will try and prioritize accordingly. There are some communities for example at the present time that have been given notice by the Clean Environment Commission that they must install some form of public works, either in water treatment or sewage treatment, within a very short period of time. Those communities are going to have to get some priority consideration for this coming year. It's expected that somewhere in the order of six or seven communities are going to be brought into the system, new communities brought into the system this year for that amount of money aside from the 37 communities that are going to get benefits on their current program. --(Interjection)-- Yes, I could do, Mr. Speaker.

The Member for Rhineland wishes me to list the communities involved in the Water Supply Board system. I believe the member wants me to go through the complete list so for the benefit of members opposite I'll try to outline what the effect will be on all communities whether they be subsidized or not. The approximate rate required to amortize a project with no grant, and that's the existing system, for Altona is \$2.35. Their present rate is \$1.98 so it obviously means some increase to that community. Hartney should be \$2.75 . . .

MR. SPEAKER: The Honourable Member for Arthur. Wish to raise a question?

MR. J. DOUGLAS WATT (Arthur): Are you quoting wholesale prices from the Water Control Board, or are you quoting retail prices?

MR. USKIW: I'm quoting the wholesale prices as under the present system, Mr. Chairman, and these are approximations, these are not exact figures, but this is sort of an approximate idea of where we are today with this program.

The rate in Hartney is presently \$1.45 and the required rate appears to be somewhere in the order of \$2.75 to bring them into compliance with the present legislation. The rate in Erikson as an example is \$1.40. It should be something in the order of \$1.75. In Cartwright the rate is \$2.05; the full recovery rate appears to be \$3.50, which means that community will receive a subsidy of any amount over \$3.00, in effect 50 cents. In Holland the rate is \$2.60, and the suggested rate is \$3.50. Again a community that will receive some subsidization. In Deloraine the present rate is \$2.77 and the required rate is \$3.00. In Hamiota the present rate is \$3.05, the required rate is \$3.50, so there will be subsidization there. In Reston the present rate is \$2.27, it shows up as requiring \$2.75 to comply with the present Act. In Russell the rate is \$1.30, and it's suggested the rate go up to \$2.00. In Manitou it's \$1.85, and it's suggested that it might go up to \$2.65. In Winkler it's 82 cents, it's suggested it go up to \$1.70. In Gilbert Plains it's \$1.80, it's suggested that it should move upward to \$2.50. In Pilot Mound it's \$2.40, it's suggested it must be moved up to \$4.80, which will result in very heavy subsidization on the part of the province. In Rosburn it's \$1.75, it's suggested that it be moved up to \$1.80, that's a very minor change. In Ste. Rose it's \$1.90, the suggestion is that it be moved up to \$2.25. In Kelwood it is now \$5.00, the recovery rate would be \$7.50, so there would be a tremendous subsidization in Kelwood, anything over \$3.00 in effect, which is \$4.50 picked up by the program. Strathclair their present rate is \$3.30, the anticipated recovery rate will be \$4.50. In Benito it's \$2.85 at the present time and the recovery rate would be \$4.00. Oak River it's \$3.45, it's suggested that it should be \$6.50. Another area of subsidization on a fairly large scale. Winnipegosis is \$2.60 at the present time, and the suggested rate would be \$3.50. Again a community that would receive subsidy to bring it down to \$3.00. In St. Jean the present rate is \$2.65, the suggested rate is \$4.00. In Letellier it's \$3.85 and the suggested rate is \$6.50 for full recovery, so there would be a very massive subsidy program in that community. In Bowsman the present rate is \$3.40; the suggested rate is \$8.00, so you would have a \$5.00 subsidy in Bowsman. McCreary the present rate is \$2.30; the suggested rate is \$3.00. In Baldur the present rate is \$3.30, and the suggested rate is \$4.50. In Belmont the present rate is \$4.20, and it's anticipated it would be \$6.00 if it was to comply with the present Act. In Inglis the present rate is \$2.60; the suggested rate is \$5.00. In Minitonas the present rate is \$1.50; it's suggested it should be \$2.10. In Ethelbert the present rate is \$1.75; it's suggested it should be moved up to \$3.50. In Sandy Lake it's \$2.50; it's suggested that it be moved up to \$3.50. Dominion City is \$1.10 and the rate should be \$2.50. Angusville is \$3.45; it should be \$6.00. Elie is \$4.20; it should be \$6.00. Somersset is \$1.80, and it's suggested that it should be \$2.50. Ste. Agathe is \$4.25 and it's suggested it be \$5.50. St. Claude \$3.00, and it's suggested that it should be \$4.50. Kenton is \$2.90, and it's suggested it should be \$6.00.

So you have a very good picture of the present situation and what the subsidy actually is at the present time because all these communities, or a good number of them are now being subsidized, but not legally, Mr. Speaker. So what we are going to do is come out in the open and suggest that we have to subsidize those communities that have higher than what we consider to be reasonable costs for the provision of water services. So it is, Mr. Speaker, a well rounded program trying to bring a great degree of equity as between communities in the costs of their sewer and water services. And I would hope members opposite would see fit to support this legislation. Thank you very much.

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. MCKELLAR: Mr. Speaker, I'd just like to thank the Minister for his information that he gave us regarding prices of water in various communities in Manitoba. I'd just like to relate back to the early 60s when this Water Supply Act was brought in in Manitoba and all these communities at that time had no water and sewage and it was necessary at that time because of the environment of these many communities and the existence of these communities that water and sewage be brought in at that time. I remember so well, my seat mate here, the Honourable Member for Rhineland, the problems that existed in Winkler at that time of trying to -- I think they turned the water by-law down about two or three times, and then they finally got it through, and I was interested to find out that their rates are very reasonable. One of the reasons I would imagine is because of the consumption in that particular community, and also too because that community is growing at a very rapid pace.

(MR. McKELLAR cont'd)

Now this bill that the Minister is so happy about this morning, Bill 58, is actually an extension of the old policy of the Conservative Government of that day brought in by former Minister of Agriculture, Mr. George Hutton, and which served the communities as well. But one of the things that always amazed me about suggested rates, that bothered many of the communities that signed contracts, passed by-laws at that time. They were sold a bill of goods at that time on a certain consumption of water in a given community -- (Interjection) -- Sold them a bill of goods. But the rates have gone up and I want to explain this. I want to explain this. I want to explain this. I'm going to -- they were told that a given amount of monies were to be expended to buy water for that town.

And the rates - and I want to give you a community, because there is only one community in my constituency that has a contract with the Water Supply Board, it's the Village of Belmont. This is not an incorporated village. It's a village that operates on a board within the town . . . the municipality of Strathcona. Last January they were notified that their rates were going from \$3.30 to \$4.20, and the Minister now tells me that the suggested rate should be \$6.00. Now I don't know how much water these people are using, but they must be cutting their consumption in half, and I think this is also the information that we should have before we pass this bill. I would like to know the consumption of water since the time these communities signed agreements with the government of the day, because I think this is important too.

If the community are absorbing the same amount of water, why should the rates go up? That's what I can't understand. Why should they go up? The only man at Belmont is a caretaker and there is very little work to be done other than cutting grass. The maintenance is practically negligible, and so for that very reason I can't see why the costs are going up. Maybe it is because of interest rates, I don't know. I don't know how the financing is done. When the communities are notified of a change in rates, they are never given the facts they just up and say that the water rates are going up on a given day, and when you talk about \$4.20 even in Belmont that makes it so that the rates are at least \$5.00 on the retail end of it. They've got to charge \$5.00 to pay for the maintenance of their water lines around their town.

So, Mr. Speaker, I'd just like to say that I'm interested in the change in policy because I know what's going to happen unless something is done; but I can't see why the rates should triple in the last four or five years. I can't say that because the water rates at Belmont were around \$2.30 and \$2.40 up to about three years ago, and now the suggested rate in that community is \$4.00 --(Interjection)-- \$4.20 they are charging, and \$6.00 suggested.

This change of policy will likely mean that these communities will be able to carry on for some time selling water. In the case of \$3.00, it will mean about \$3.80 on the retail. But I'm greatly interested in all the information that's arrived in coming out with the suggested rate. I wonder if the Minister could supply this before he closes debate on second reading, because I've never yet been told of the formula that's used in arriving at this particular rate.

Now, Mr. Speaker, we are also told of the many new communities that will be involved in this new program, and the reasons for delay in some of these communities in not having installed water up to this present time. It was mentioned - Teulon is one of the communities, and I realize the extra cost. I have another community that's involved in sewage program that ran into a great deal of problems, the community of Wawanesa. They took the engineers' advice and put this great pipe up the side of a riverbank and the whole riverbank slid in, causing their water line, lagoon, to be no longer useful in their community. That wasn't the worst problem that the people of Wawanesa solved, the Minister of Municipal Affairs tried to shove 'em right in the river and do away with 'em, but that's another problem and I've discussed that many times.

Mr. Speaker, this Bill will be of help to the community in levelling off the rates. It will help them a lot I can assure you of that. But I want to be told in facts and figures why the suggested rates are as high as they are - is the consumption down, or the interest rates up? How are the costs arrived at? And when those figures are presented by the Minister closing this bill on second reading, I then will decide whether I'm going to vote for it or else.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I beg to move, seconded by the Honourable Member from Charleswood, that debate be adjourned.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Arthur.

MR. WATT: I would like to bear out what my colleague the Member for Souris-Killarney has said and to ask the Minister why it is that in these areas where the water rates were

(MR. WATT cont'd) established, that is the wholesale rates were established to amortize the cost of the installation of water by the Water Supply Board, where the water consumption in some cases has almost doubled, and where the rates should have gone down, why is he now suggesting that these rates should go up when there is no further cost actually in the meantime insofar as the installation of the water supply is concerned? One man operates it - probably his wages have gone up --(Interjection)-- probably his wages have gone up - he was no doubt getting more than the minimum wage before anyway. But I suggest to the Minister that in order for the government to take advantage and take credit for putting in water and sewage into places like Teulon at the expense of towns like Reston and Hartney and Deloraine, and those areas, they are simply charging what they say is a government investment in rural Manitoba up to those communities who have already paid the shot - and I suggest that the case of Gimli is one who have already paid their shot for putting in water and sewage, and they now are going to be expected to subsidize for towns like Teulon.

Well I'm not suggesting that towns like Teulon should not get some assistance because of their problem there, but I don't think the government should take advantage and say that they are subsidizing the towns when they are actually charging it up to towns like Gimli, and towns like Reston, and towns like Hartney, because the rates are going up in all these places and there is no difference in the cost of the water supply, it's there now and the installations are there, and the rates were set to amortize those installations over a period of 35 years -- (Interjection)-- the increase in the water supply of the water usage in those towns in most cases should have reduced the cost.

On the other hand the Minister is now saying to us that these rates should all go up and I think that he should give us some answer to this. And I would also like to ask him if it is correct that the government have gone into the pipeline business in competition with free enterprise --(Interjection)-- Well this is my understanding that the government have gone into the pipeline business. Apart from that --(Interjection)-- Well, I'll rephrase that, then, not the pipeline business but the pipe business --(Interjection)-- Yes there is a difference.

But I think the Minister should give us, as the Member for Souris-Killarney has asked, a clear picture of why these rates in all these towns will go up, and some will go down, and I think that we will find that the reason for this is that the government are taking credit for putting in water and sewage in places like Teulon at the expense of other communities that have already paid their shot.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Bill No. 25, Mr. Speaker, please.

MR. SPEAKER: The Proposed Motion of the Honourable Minister of Industry and Commerce. The Honourable Minister.

MR. EVANS presented Bill No. 25, an Act to amend The Manitoba Farm Loans Act, for second reading.

MR. SPEAKER presented the motion.

MR. EVANS: Mr. Speaker, this is a very innocuous piece of legislation. You might call it housekeeping or a technical piece of legislation whereby a very small account which is now maintained in the Department of Mines and Natural Resources and Environmental Management, under the Manitoba Farm Loans Act, will be transferred along with any other assets, etc., to the Manitoba Agricultural Credit Corporation. There is a very small amount I think, according to the Provincial Auditor. It appears that last year for example their receipts were \$11,025 and other items were in the nature of very small amounts. The fact of the matter is that this is an inactive operation and now that we do have the Manitoba Agricultural Credit Corporation it makes sense to transfer this very small account, this very small piece of administration to that corporation, and this legislation makes provision therefor.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, as the Minister has said, it appears to be a rather simple transfer of assets from a defunct organization over to the farm credit corporation and in that regard we have no objections to the passage of this bill. However since the Farm Credit Corporation becomes a part of the bill it does open up discussion on the Farm Credit Corporation to a certain extent and one could discuss the activities of the Farm Credit Corporation as they are presently being carried on to determine whether or not they are a proper body with which to receive the, albeit minimum assets that are now in the hands

(MR. JORGENSEN cont'd) of the Manitoba Farm Loan Board. Mr. Speaker, during the years that the Manitoba Agricultural Credit Corporation has been in existence we believe that it has served a useful function in providing farmers with the kinds of credit that were not being made available to them at the time that the Manitoba Agricultural Credit Corporation was brought into existence in 1958 and it's interesting to review the activities of the corporation during that period to determine to what extent the functions, purposes, and the needs, have shifted.

I have undertaken to review the reports of the Board for the past twelve years and find some rather interesting things. In 1961, for example, over 70 percent of the amount of money that was borrowed by farmers was used for the purchase of land. At that time there was a trend and a tendency towards consolidation of farming enterprises - a trend that has continued to this date. At the same time the amount of money that was used for building improvements amounted to about three percent of the total amount loaned out by the Agricultural Credit Corporation. An amount of 25 percent was used for debt consolidation; one percent was used for the purchase of livestock, and three percent for the purchase of equipment. During the ten year period from 1959 to 1969 the total percentage that was used for the purchase of land amounted to 73 percent; for building improvements, 6.3 percent, and it's interesting to note that .6 percent during that ten year period was used for debt consolidation, a rather minimal amount of money used for that purpose, used for those purposes at that time. And one can draw a number of conclusions I suppose, one of those conclusions could be that during those years the Farm Loan Board were providing intermediate credit that was necessary for farmers at that time.

Today we find a rather different picture and it is simply to point out the shift in the needs of farmers that I draw this to the attention of the House. In 1971 only 16 percent, as compared to 73 percent, over the ten year period was used for land purchases - 16 percent of the total of \$14 million. But instead of .6 percent being used for the purposes of debt consolidation, over 51 percent now was used in 1951 for the purposes of debt consolidation --(Interjection)-- 1971. It's an indication, Sir, of the deteriorating position of the farmers in this province - 51 percent being used for debt consolidation.

Also, Sir, I note that in the 1971 report under the amounts that were spent for building improvements, and despite the claims of the Minister of Agriculture that the government did not unduly encourage the diversification of livestock production in this province, creating the situation that developed in the last three years in both the poultry and the hog industries, the fact is that in 1971 eight percent of the money borrowed for building improvements was used for improvements to homes; 16 percent was used for the construction of additional facilities for cattle and dairy herds, such as loose housing, and things like that; 15 percent of the money was used for the construction of poultry barns; and 38 percent was used for the construction of hog operations, and it is no wonder that the difficulties experienced by the hog producers during that period were so great that kind of an added incentive to go into hog production on a scale that depressed market prices.

At the same time and this is a reflection of the increase in the amount of grain that was being stored on the farms. At the same time 23 percent of that money was used for additional storage facilities for grain and machinery.

And so, Sir, during that ten-year period we have a picture emerging of an industry that is in serious difficulty. The new agreement that was signed by the Province of Manitoba with the Federal Government for the use of some \$23 million in expenditures part of which were to be used for the diversification of Manitoba agriculture. It's interesting to point out that Manitoba has not been in a serious position in this regard, and hasn't been for a number of years, because the total income, the gross income, from the sale of crops, which the Minister obviously is attempting to discourage on the prairies, or in Manitoba, amounted to \$160 million, whereas the sale of livestock products last year, or in the year 1971, amounted to \$197 million, which indicates that the diversification -- and this has been a picture that has been going on for a number of years which indicates that the diversification of Manitoba agriculture has been a feature of the Manitoba agriculture for a number of years, and it has been going on gradually without seriously dislocating either the hog or the poultry industries. It was only in recent years when an increased impetus was given to production in this province that Manitoba hog and poultry producers began to have some difficulties.

Now then, Sir, the Manitoba Agricultural Credit Corporation notwithstanding the fact that

(MR. JORGENSEN cont'd) I believe it is creating incentives that are already there, creating -- there should be no added pressure for diversification in this province. These pressures are there to a great extent as it is, and any effort on the part of the government to increase those pressures would in my opinion tend to create dislocations in production patterns in this province and should not be encouraged. I don't say they should be discouraged, but certainly should not be encouraged.

One other trend, and this brings me to the final point that I want to make, the consolidation of farming operations in this province is a tendency brought about by the fact that it is possible with present use of modern machinery for one farmer to produce much more, to handle much greater acreages, than was the case in the past. Also because of the shortage of labour there is a tendency on the part of a good many farmers now to form corporate entities, not only for the purposes of making use of available labour that already exists on the farm, or amongst groups of farmers, but because it is a better way, just happens to be a better way of managing a farming enterprise. Take advantage of corporate tax laws; there is an easier transfer of assets from one generation to the other that makes for a far better way of managing a farming enterprise. And from the calls and the requests that I have been receiving from farmers who are attempting to proceed along what I believe to be a natural and a progressive pattern in agricultural production I find that recently there has been a tendency on the part of the Board of the Manitoba Agricultural Credit Corporation to discourage and to refuse loans to that type of an operation.

Now I, along with my honourable friends opposite, have always felt that the best kind of a farming enterprise is that which is operated by the individual on the farm. Absentee landlords in farms tend to create bad farming practices and if we are to assume the responsibility of insuring that food will continue to be produced for the starving millions of this world, then it is necessary that we attempt to encourage the best possible farming practices to insure that the soil that is being used for food production will continue to be able to produce food for as long as food is needed. Simple good management.

I suggest to you, Sir, that a number of our farmers who have been in the business for a good many years would like to bring their sons -- (Interjection) -- yes, and in many cases their sons-in-law and daughters, into the farming operation with them in the form of a corporate entity. -- (Interjection) -- I don't think Sir, that that tendency and that trend should be discouraged that is currently being discouraged by the Manitoba Agricultural Credit Corporation.

The establishment, or the diversification of a farming enterprise by the addition of a feed lot operated by the owners of that farm should not be discouraged simply because the Clean Environment Commission has some far-out ideas on this subject. I submit, Sir, that most of the farmers that currently operate farms know a heck of a lot more about the disposal of waste and how to effectively dispose of waste and make use of it to the best advantage of the farm, know a heck of a lot more about it than the Clean Environment Commission themselves. And the kind of threats that are going out to farmers by the Clean Environment Commission is a tendency that I look at with some alarm.

But the most significant point about the operations of the Agricultural Credit Corporation today in the Province of Manitoba, and I don't know whether it reflects the changing attitude on the part of those who have been appointed to the Board recently because I know of one instance where a farmer was, or a group of farmers had received final approval by the Credit Corporation Executive themselves and then with the appointment of a new Board of Directors reflecting the attitude of gentlemen opposite, that decision was reversed. And, Sir, it was a loan that was to be made to a viable farming operation, the consolidation of a farming enterprise between a father, son and a son-in-law, and why the Board of Directors of the Agricultural Credit Corporation would see fit to discourage that kind of a loan, certainly the corporation itself had approved it. This is only one example of several that have been brought to my attention recently. I think it's a very disturbing attitude on the part of the government to attempt to discourage what most farmers believe to be one alternative to the difficulties that farmers are faced with today in rising costs.

There are perhaps three alternatives that farmers face today in meeting the mounting problems in rising costs, and at the same time lowering prices. One of them is to sellout completely. In most cases if there was to be that kind of a wholesale sellout it would probably be to the Hutterite colonies who seem to be able to purchase land that the average farmer is

(MR. JORGENSEN cont'd) not able to purchase. The other alternative is to turn it over to, sell out to corporations but they're very little, near as I can make out, notwithstanding much of the criticism that has been emanating from gentlemen opposite. There seems to be very little tendency on the part of giant corporations to move in and purchase land at current prices and current costs. But that is an alternative if they choose to take it. The other, alternative is to form co-operatives, or corporate entities, and I don't see a great deal of difference between the two and why my friends opposite seem to single out co-operative enterprises as preferred to a corporate enterprise, is something I find difficult to understand. Surely there must be some discretion exercised on the part of the farmers themselves as to which form they would prefer. The fact is that there is a tendency, and a trend, and an ability on the part of farmers to consolidate. It makes no sense to attempt to reverse that trend as long -- and I think this is important -- as long as the management of that operation stays in the hands of those people who are actually working and managing that farm, and as long as they are residents of that farm and are able to make the management decisions in the light of what they believe to be the priorities to maintain the structure of their plant, which is the land itself.

The Minister of Agriculture mentioned that there is a need for the government to become involved in better conservation practices, Sir, better conservation practices will be practised by farmers themselves if they don't have to use that portion of their income that should be set aside for renewal of plant as they do in an industry, as long as they can use that portion for that purpose instead because of the rising cost, diminishing incomes, instead of setting aside that amount of money for plant renewal and maintenance, it's being used in operation costs. I'm not going to quarrel on the effort on the part of the government to make some effort to assist in the maintenance of the production plant in this province but it's tragic that it has to be done in this way rather than making sure that it is possible for the farmer to carry on his own operation in a way that he knows would be to the best advantage of not only himself but to the nation as a whole in insuring a continuous supply of high quality food.

But I want to express some alarm and a great deal of opposition to the present tendency on the part of the Board of Directors of the Manitoba Agricultural Credit Corporation for their failure to recognize the need to assist farmers in the consolidation of farming units. And those farms maintained within the family by people who have had a long experience with farming is the best guarantee that we could possibly have to insure that food will continue to be produced for as long as food is needed.

Sir, although this particular bill before us does nothing but transfer some minor assets over to the Agricultural Credit Corporation, I could not let the opportunity go past without expressing some concern over the direction that I believe the Agricultural Credit Corporation is headed in the hope, perhaps a vain hope, that we may be able to arrest that tendency on the part of the Board of Directors, the present Board of Directors of the Manitoba Agricultural Credit Corporation.

MR. SPEAKER put the question.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I beg to move, seconded by the Honourable Member for Churchill, that debate be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Bill No. 45, Mr. Speaker.

MR. SPEAKER: On the proposed motion of the Honourable Minister of Municipal Affairs, The Honourable Minister.

MR. PAWLEY presented Bill No. 45, An Act to amend The Municipal Act (1), for second reading.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister.

MR. PAWLEY: Mr. Speaker, while this appears to be a substantial piece of legislation a great deal of the volume in the bill itself is taken up by amendments that are required in order to bring The Municipal Act in line with other legislation. For example there are over 50 instances where it has been necessary to delete references to suburban municipalities in the Metropolitan Corporation of Greater Winnipeg, the City of St. Boniface, etc. The provision whereby a member of council becomes disqualified from holding office upon his being nominated for a seat in the House of Commons is removed but upon his being elected to the House of Commons the disqualification now contained in the Act will be continued. The provision of the Act with respect to the destruction of election records are being coordinated with the provisions of the Local Authorities Election Act so as to eliminate any ambiguity in that respect. The provision whereby towns and rural municipalities are restricted to either four or six councillors is being broadened. This will conform with other legislation that we will introduce dealing with the whole question of representation on Council particularly in rural municipalities. It has been necessary to provide for the expenditure with the consent of the Minister of any balances that municipalities may have left over in reserve funds created by levies for centennial purposes. The Act now provides that the proceeds of those levies should be used for that purpose only. Greater discretion has been left to municipal councils as to the number of citizen members that may be appointed to joint community centre district boards. The present Act specifies there shall be two representing each municipality. It has been found also necessary to clarify the authority of a municipality as to the nature of the facilities it may install in a tourist camp, trailer park that it is acquiring or erecting. There appears to be some disagreement at this time between municipal solicitors as to the purpose for which a municipality may contract capital debt. This bill contains an attempt to clarify that situation.

Since a new Municipal Act was introduced, a number of municipalities and the Manitoba Association of Urban Municipalities have complained as to the involved procedure in processing local improvement by-laws and the ambiguity of certain parts of the Act in that regard. Several sections of this bill are devoted to clarifying and streamlining this procedure.

The Municipal Act has for many years contained a provision whereby a municipality could under certain circumstances cause a property to be connected to sewer and water mains that front upon that property and charge the cost thereof against the property over a seven-year period as taxes. The Act has not been entirely clear as to whether this authority exists in respect of properties where only sewer mains or only water mains front thereon, and this bill will attempt to clarify this point. The Municipal Act requires that a municipality pay the cost of maintaining waterworks services, pipes between the water mains and the nearest point of the street boundary of the premises served. Some municipalities maintain the corresponding portion of the sewer connection pipe while others do not.

During the consideration of the Municipal Act prior to its passage in 1970, the compulsory provision was removed with respect to sewer pipe connections at the request of the City of Winnipeg and other municipalities. In the process of this change, the Act was left without any specific authority for a municipality to maintain the portion of the sewer connection pipe that lies under the street even if it was the wish of the Council to do so. The bill will restore this discretion to the municipalities that may wish to use it.

There will be a provision making it mandatory that any person receiving notice of taxes that have been added to the tax role during the year by reason of new construction or previous omission shall receive with that notice information as to his right to appeal against the amount of the assessment or its liability to assessment. The major section of this bill deals with a very important change dealing with a long standing practice in the province pertaining to the imposition of a five percent ceiling on the amount that the province pays in respect to taxes in regard to provincially owned properties within a municipality. Up until now, the provision has existed that no more than five percent of the total amount of taxes levied by the municipality

(MR. PAWLEY cont'd) could be paid by way of taxes or monies from provincially owned buildings. It's been an arbitrary form of provision and has been really most unfair.

Last year with the development of the Unicity concept in which the Fort Garry and the University of Manitoba grounds were incorporated into the Unicity complex, the imposition of the ceiling insofar as it related to the University grounds become quite academic as the introduction of that assessment into the Unicity concept meant that the province in fact was paying full taxation, full taxation to Unicity in respect to those properties. Up until that point, about 75 to 80 percent of the total monies saved by way of this five percent ceiling related to the University grounds. Now with the absorption of the University and Fort Garry into Unicity it has given us the opportunity to review this existing legislation. The five percent ceiling is being removed under the provisions of the amendment in this Act. This is also, Mr. Speaker, in line with the program of this government in order to encourage decentralization of government properties and buildings. With the old form of taxation it was sometimes difficult for regional centers in order to afford to cover the cost of services to government buildings while the arbitrary ceiling existed. This change in the legislation will encourage the further processes of decentralization of government property.

The changes relate to a number of communities in the province; Brandon, formerly with the grant with no limitations will receive in the neighbourhood of \$580,000 based on the limitations of 1971. Previously to the five percent grant, the payment would be in the order of 240,000 so that Brandon will benefit to the extent of some 335,000 approximately. Portage la Prairie will benefit in the neighbourhood of 90,000 from the introduction of this legislation. Selkirk will benefit in the neighbourhood of 125,000 approximately from the introduction of this legislation. The Pas, in the neighbourhood of \$100,000. Consol LGD, approximately \$40,000; Grand Rapids LGD in the neighbourhood of 4,000; Northern Affairs in the neighbourhood of \$500, so that in total an additional some \$700,000 will be paid to these various municipalities outside of the City of Winnipeg.

In addition to the communities I've named, some 18 other municipalities will benefit as a result of the contribution that will be made from the municipalities which I have named to other municipalities in the Seine School Division as a contribution towards the Special School Levy. It's legislation that's long overdue; it's in line with an effort to encourage decentralization of government properties and it will certainly assist insofar as the tax levies are concerned in the areas concerned. And I might mention, Mr. Speaker, that the areas in which had been affected by the imposition of the five percent ceiling interestingly were among the highest in the imposition of a tax levy in the province and this will benefit them accordingly. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Would the Honourable Minister permit a question? --(Interjection)-- Pardon? Without exhausting my right to speak then, Mr. Speaker, I would . . .

MR. SPEAKER: The Honourable Minister of Finance on the point of order.

MR. CHERNIACK: May I suggest that having concluded his remarks, a member of the Legislature may agree to answer questions within his time limit without it being assumed to be a second speech or closing debate.

MR. SPEAKER: Providing it's pertinent to the speaker . . .

MR. CHERNIACK: Providing it is within his time limit and immediately following his having made a statement.

MR. SPEAKER: Order please. Let me qualify that as well, because one of the rules indicates that we do not open further debate but we do ask questions of clarification. If the questions falls within that realm I will admit it. The Honourable Member for Rhineland.

MR. FROESE: Yes, the question I would like to direct the Minister on his statement is - he listed the amounts that would be received by Portage and other communities. Could he give the figure for Winnipeg too.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: The fact is without this legislation, Mr. Speaker, the City of Winnipeg would have received full taxes anyway because of the merger of the area municipalities into one. The result is that the five percent ceiling was then only an academic or theoretical thing and this legislation was not required - not required - in order to benefit the City of Winnipeg.

MR. SPEAKER: Is it the pleasure of the House to adopt the motion? The Honourable Member for Charleswood.

MR. ARTHUR MOUG (Charleswood): Mr. Speaker, I beg to move, seconded by the Member for Pembina that debate be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable the Minister for Universities and Colleges that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House resolved itself into Committee of Supply with the Honourable Member for Logan in the Chair.

MR. SPEAKER: The Honourable Member for Winnipeg Centre. Oh, sorry, the Honourable Member for Logan.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Resolution 36 (a). The Honourable Member for Rock Lake.

MR. EINARSON: Well, Mr. Chairman, as I was speaking on the Estimates here last night, and we got into a discussion of what appeared to be languages and I suddenly realized, Mr. Chairman, that the Assembly here would appear to me to have been turned into what you might call the United Nations Assembly rather than the Legislature of the Province of Manitoba. And I have a report here from the Carillon News, Mr. Chairman, that is entitled, "Has anyone seen our old friend John?" and I couldn't help but feel, Mr. Chairman, that it would be appropriate at this time to probably quote some portions of this article, because from some of the things that were said and I couldn't help but feel - and I believe it was the Member for Churchill who did make some comments that I couldn't help but concur with them.

And, Mr. Chairman, I want to say that - in this report and I quote, "Sure John had critics, and what else is new. You know how it is when you were foolish enough to invite an intellectual crowd out of their academic play pen. They seem to tell us the score. According to the brainy ones who reacted too far and took too much for granted, we should have paid more heed to our internal and domestic contradictions and needs, they said. Maybe you agree with them and maybe you don't. But one thing is for sure, we've been doing just that since John left the national stage in 63 and what have we got to show for it."

And to go on, Mr. Chairman, "John warned us when he stepped down - do you remember that he told us if we tried to build a bicultural and bilingual country the way Pearson and then Pierre wanted to go about it, we would be guaranteeing only one thing, the establishment of the grounds for disintegration and demoralization. It looks as though he wasn't far wrong. Do you recall what he said. Didn't he point out that Canada is a country made up of a multitude of ethnic groups." Here, Mr. Chairman, I think is very important. And to quote again: "Languages, religions and cultures - didn't he say that they were all of equal value and worth preserving, and that being French or English should guarantee you little more than being of German, Italian, Dutch, Polish, Ukrainian or any other nationality for that matter." It goes on to say, Mr. Chairman, "John thought so. He wanted to build a Canada where everyone would have a chance to live the kind of life they wanted for themselves and their children, no matter where they came from or who their parents were. John thought that's what we wanted. Whether you recall we went the other way; we got the issues confused; we let a lot of fast talkers tell us that the real questions we faced were whether or not John was too old for the job or too power hungry to let the reins of government go. They said John didn't understand the problems of modern Canada and he couldn't hold the country together because he didn't understand the need for bilingualism and biculturalism" and it says, "John understood it all too well. He tried to make us see that principles such as those he stood for are timeless, and it matters not whether they are defended by young or old; they have to be weighed for their worth in value independent of age, colour, creed or their defender. You remember how we fail to understand" - and it goes on to say, "We've got our intellectual leaders now; they've been hastling around and knocking each other over the head for quite a while. But you can say, you're really better off, look at the record. First the constitutional question is even further from being settled now than it was in the early sixties. Bilingualism and biculturalism seems to have succeeded only in creating a new first-class citizen so that if a fellow speaks both French and English he has one leg up on the ladder to start. In spite of the tremendously expensive investment in Quebec by the rest of Canada in terms of time, energy, money and other scarce

(MR. EINARSON cont'd) resources, the Quebec law seems to be continuing down the road to separatism or at least separate status at an ever accelerating rate."

I think, Mr. Chairman, this sort of explains some of my feelings from what we witnessed last evening that I feel that as strongly as the quotations from this article are - that I don't want to see a divided province nor do I want to see a divided country. I respect all ethnic groups and I want to say, Mr. Chairman, that I believe there is one point that is worth making at this time and that is - it's something that I've felt very strongly about, and I think it's a point that unifies our country if we could get it, if it comes to realization - and that is when the census taking is made every ten years there's a question that is asked, what is your nationality; I'd like to say to that answer or that question; "I'm a Canadian". It doesn't matter whether you are French, English, Irish, Scotch or what have you, I think that the answer to that question should be, "a Canadian" - and I believe, this, Mr. Chairman, is extremely important. And I would hope having discussed this particular matter, that we are not going down the path of disintegrating or to creating any divisiveness amongst our peoples of this province. And I would want to make these comments, Mr. Chairman, in the light that I hope I can be of assistance to the Minister - that no policies will be created in his department that will tend to lead in that direction. Rather so, Mr. Chairman, that we are going to have unity, unity like we have never seen before. Thank you.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Mr. Chairman, I would like to make some remarks on this department. I would like to begin by commenting somewhat on last evening. I must say that I think I'm one that believes maybe more so than others in ethnic groups and their place in Manitoba. I think I would have to say though I don't see their place as it was acted in the House here last night because - while they may have the right to be able to speak in any language they like in this House, I certainly don't see the useful point of it at all when any member gets up and speaks in his own native tongue and the other members cannot even understand it - because we haven't got an interpretation system here, so why should we have a member get up and make remarks about the Member from Swan River or Charleswood when these members can't even hear it. It's not necessary, by what the House Leader said that it be recorded in Hansard or translated - so what is the purpose of it. Is it an act or is it a show; they've got other theatres in Winnipeg besides turning this one on Broadway into a theatre where they just act. And this is the way I feel about it.

I also feel that possibly French is very handy to have in Manitoba because we are governed by the Federal Laws, but I think it's over-emphasized in Manitoba. And I think by bending over backwards to promote it more, we will cause more division. I think we are getting along very nicely with this.

I think I'd like to tell a little story here about a lifeguard that was working at a summer resort, and there was a person drowning and he didn't go in to save him. Somebody was on the shore and saw the man drowning and he told him to go in and save him - he just stayed there and he didn't go in - so he waded in and saved the person himself. So when he came out he was quite angry and he went to the lifeguard and he said, "Why didn't you go and save that man?" And the fellow said, "Well I can't swim". "Well," he said, "how did you get that job," he said, "if you can't swim?" "Well, he says, I'm bilingual". So I think that we in Manitoba shouldn't over-emphasize this bilingual stuff because most people in Manitoba have no trouble understanding English. And in particular in this House, I don't see any need of French or any of these other languages used as they have been used - and particularly like last night.

Now I would like to say something about the bursary system and our educational grants and loans. I think we are overdoing this bursary program to a great extent. I feel that if education is as good as most people think it is and it's going to turn out students that are going to be able to make so much more money on account of their education, that they should be prepared to take loans and pay it back. And on top of this bursary system, there is one question in there that states something like "Can you afford to take this course if you don't get other help?" I feel this has a very big part as to whether or not they are able to get a loan at all - because I have a few examples that I know of where the people were proud and thought, well I'll borrow money myself; I'll get them through if they can't get a bursary or a loan, I'll see that they get help. But I think if they put "yes" in there, that they have lost quite a hope of getting a loan.

I will say that I do believe in loans. I believe they should be at a low interest rate, so

(MR. HENDERSON cont'd) that if people want to advance their education they can - but just for all this hand-out in bursaries, I think it's wrong. And mainly I think it's wrong because it's developing a type of a system that is developing too quickly already in Manitoba where people are not trying to provide for themselves; where they are thinking, well I'll be able to get a bursary, and so they don't try to be thrifty or try to save and their people don't act that way either. I'm more concerned about the type of a society it creates, so I'm really opposed to bursaries as they are handed out. I believe in bursaries where there is a student that has a certain qualifications and they are awarded these from organizations and other things as such; but I am opposed to bursaries myself as - we will say - almost a giveaway. And they are a giveaway at the cost of people who are still trying to pay their own way and maybe even borrowed money to put their own children through. So I don't believe in that.

I think probably I should say I think education is over-emphasized in our system today. Everybody is told that if you haven't got a degree or something that they aren't capable of being - I shouldn't just put it that way - but they are given the impression that they have to have a wonderful education if they expect to get very far in the world. Well I've known people, and I'm sure that all you have, that maybe didn't have too much money and they dropped out of school; maybe they weren't even good learners, but they had to provide for themselves. There wasn't as many forms of relief in those days; they went out and they took an occupation or a trade and they worked, and they had to make it pay because there wasn't those type of handouts. And they learned to be successful, many of these people - and I'm sure that you people can think of them - that turned out to be successful in business; and they developed companies or corporations in their time; and they paid their taxes, both provincial, municipal taxes, income taxes and everything else, and became very good citizens.

I don't mean to say that I am agin education but I think that it's over-emphasized, and I think it's the attitude that you turn the students out with which is very important. I believe in vocational schools because there are people who don't like school, but they like to take trades and they would be very good at it and capable of advancing to a great extent. I would like to see more emphasis put on this, far more than just turning out somebody with a degree, whether he's capable or not.

I don't think there's anything more that I have to say but I'm quite concerned about bursaries and the way they are handed out, and I hope this year that there's not going to be a large increase in the way they are going to be handed out just if they feel they want to apply for them.

MR. CHAIRMAN: The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Mr. Chairman, I just have a few comments for the Minister of Universities and Colleges and this is in regards to the Student Aid Program. I feel that the Student Aid Program is very, very discriminatory. It seems to me that the - I know that it is a program which is administered by the Province for the Federal Government but the program is such that it only allows loans to students who take an extra year. You know - I suppose this is a policy of the Federal Government to keep young people off the labour force by providing only loans on a fairly long term basis for students; I believe the minimum is 26 weeks before you can qualify to get a loan. I have some constituents - one family in particular; they have twin daughters who will be graduating from high school at the end of June. These girls do not want to go on to university, but they do want to take a course which is of a fairly short duration though it's very intensive. They want to take a computer program course at one of the private institutions in the City of Winnipeg. They find that in applying for the student aid loan there is this qualification of 26 - a minimum of 26 weeks. Well I would venture to say that the course will last about 5 or 6 weeks - if you compute the number of hours possibly it will be longer than a course lasting some 26 weeks. If you take a university credit course, a person would be eligible on this basis; but if you take a short term course, you are not qualified because of the length of duration, length of the course. It would seem to me that the Minister of Universities and Colleges should use his office to bring about a change in the federal policy in this regard. I feel that if young people wish to take courses which are of fairly short duration, they should be entitled to the same kind of consideration as those who take a course which lasts some minimum 26 weeks. This course a computer program is fairly expensive and their parents find it very difficult to raise some \$800 to pay for their two daughters who wish to take a computer program course.

There are jobs available, and I can't see why we should continue this policy of sort of discriminating against those who want to go to work as soon as possible after graduation. I

(MR. SHAFRANSKY cont'd) feel that the Minister should make representation to the federal authorities to bring down the limit from the 26 weeks to whatever length of time is required in order to qualify for that loan. It is not a bursary, it is a loan; that once the students complete the course, they will be going back to work and they will be repaying the money much sooner. I know the present system, that if you take a student loan, you don't start paying until about a year after - well after you finish the course you actually have a year's grace before you start paying interest. Well here are two girls who would be ready to work in September and they would be ready to start paying back the loan; therefore that money would be available to other people much sooner than on the system where you are trying to keep the students who don't want to go to university, keep them sort of on a string - they have to stay in for a long period of time and get frustrated when they don't wish to avail themselves of that type of course which lasts a year or more. Thank you very much.

MR. CHAIRMAN: Resolution 30. The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, before we pass the Estimates of the Department of Colleges and Universities, I would briefly like to make a few comments. I listened to the Minister in his opening remarks. However I was called out in between and I didn't get to hear everything that he said. --(Interjection)-- The Minister says I didn't miss a thing. Well, I wouldn't say that - I think opening remarks or remarks by a Minister on his Department should be valid and of value too to members of the House, and I am sure that in most cases this is the case. I was interested in knowing as far as the University Grants Commission is concerned, whether the demands are met in total or - how much negotiation is being carried on between the various universities and the Grants Commission before the Estimates are presented to the government, and are they being curtailed to any great extent or not?

I think this would be interesting to know because if we are only being presented with a certain amount of figures and we don't really know what the demands or the requests are by the universities, we are not really getting, probably not really getting the real picture. Then too what is the variance in costs per student between the various universities? We have the University of Manitoba, we have the University of Winnipeg; it would be interesting to know just what the variance is - although a comparison may not be drawn properly because the University of Manitoba might be giving more services; as a result it might be more costly - but even at that, I think it would be of interest to know just how the costs do compare between these various universities and I would include the University of Brandon as well.

Earlier on in the session I asked the Minister about the number of foreign students attending in Manitoba, and if I'm correct I think it is around 10 percent of the enrollment - nine percent. Here too, what is the actual cost of subsidy that we are providing to the students? And as a result of them attending our universities, are we curtailing any of our students in Manitoba who wish to take advantage of the services provided? Are they being curtailed as a result? I think this would be valuable information, because I feel even though I don't want to deny students of other countries an education, but we are not the only province and the only country providing this. If it means a penalty on our own students, then I think we should know and we should consider the matter - because the costs of universities are going up and have gone up very considerably in the last number of years. I wouldn't say - I forget what the increase is - but actually there is a decrease shown in the University Grants from a year ago, but maybe the Minister could give an explanation for this difference of roughly \$4 million - how the economy came about.

In connection with the cost of universities, the expense is being borne by the people in Manitoba to a large extent I take it. To what extent are we being subsidized by the Federal Government? Is it just that the students are being subsidized, or is the University as such getting any monies; and if so, is it just for capital purposes? I should probably have studied up on past years' Hansard and so on but I didn't have the time to check on this. Maybe the information was given in past years.

Then too, I'm interested in the matter of the number of professors that are working on part-time. I know this was a matter raised in Saskatchewan, and in a very critical way I think a year ago - that there were too many on staff only working part-time and yet drawing full-time salaries. Not only that, but in many cases they were very low enrollments in various classes. Is this the case in Manitoba? Do we have a number of these classes with very low enrollment, and if so, should some of these be curtailed in order to effect economies? Maybe we could work in combination with other provinces in this respect - and maybe this is done,

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(MR. FROESE cont'd) and if it is done I would like the Minister to comment on it - to what extent. And if there are certain classes that could be combined with other provinces, so that we would take care of certain ones and other provinces some others - to work out some mutual arrangement.

The Member for Pembina mentioned the matter of loans and bursaries, and I think the Member for Radisson also discussed this very point. I too feel that we should not be niggardly as far as loans are concerned and I don't think this is the case. I think in past years if I'm right we've had ample monies set aside for this purpose, and that some years when I checked it out there was surplus money. But I'd prefer loans to outright grants because this would reduce the cost to the taxpayer; and I think the person getting the advantage of a higher education certainly will be in a position to earn more money in later years in life and therefore should be able to repay some of that money.

Certainly under our present education system in the elementary grades and high school a number of these highly trained people in my opinion do not pay a proper share of the cost of educating the children in this province because we are extracting a lot of the money to pay for educational services from real estate taxes, and a good number of these people don't pay much in the way of taxes for education. I'm sure that there are many farmers who probably never attended university and never benefitted from those monies being paid out, yet have to pay large amounts towards the cost of operating and maintaining this institute. And therefore I too feel very strongly on this point - that rather than give outright grants, that we give them loans, and I think we could be quite liberal in doing so. And I would like to know from the Minister on this very point. Is there a revolving fund, and to what extent does it revolve over the years? Are the repayments coming in properly? And to what extent -- how long does it take for, let's say, a given amount to revolve and be available again for this purpose? I don't know whether he has this information, whether it's available to him, but certainly it would be of interest to members of the Legislature to know because the matter of revolvment depends, or the matter of making available money from a revolving fund certainly depends on how fast this money does revolve and is being made available.

I had some other thoughts before I -- one point escapes me at the moment that I wanted to bring to the attention of the Minister. Most likely it will occur to me later, and when the Minister does reply to the questions I've put to him at that time I'm sure I can put the other questions. Thank you.

MR. CHAIRMAN: The Honourable Minister of Colleges and Universities.

HON. SAUL A. MILLER (Minister of Colleges and Universities) (Seven Oaks): Mr. Chairman, I'll attempt to be brief. I want to thank honourable members for the many questions that were put and perhaps I would start with the last speaker first, the Member for Rhineland. He asked a question, and I think it's a very proper question, regarding to the University Grants Commission in dealing with the university budgets. Do they really scrutinize the budgets or is it simply a token matter where the university requests are simply passed on to government? Well I can inform him that the University Grants Commission certainly does scrutinize the budget, and every year that I've been here the universities have had to accept far less than what they initially asked for. I recall in 1971 I believe it was the request came in for something like 37 or 38 percent increase; I believe they ended up with about a ten percent increase. So the Grants Commission are doing their job. In addition the -- after the Grants Commission is through with it the budgets are then presented through me to government, and I can assure the honourable member that another whack is taken at it at that point. And so the universities really of the last two or three years have lived with very tight budgets, very stringent budgets because we are very conscious of the cost spiral that is taking place.

He made reference to foreign students, and he may recall my answer to him was that there were - nine percent of the student enrollment was amongst foreign students. It's closer to eight -- it's about 8-1/2 percent really. He asked whether this was curtailing students from Manitoba or from Canada, and the answer is "no" because they haven't really hit their maximums - with perhaps the odd exception, the odd faculty. It's interesting that of the foreign students about a third would be in the post graduate field. In other words they'll have received their undergraduate degree at some other university and have come here for specialized study; it might be in the field of agriculture, it might be in the field of engineering or something in that field which they need -- which their countries send them here and encourage them to come, want to send them here because of the expertise that countries like Canada possess.

(MR. MILLER cont'd)

I might also point out to him and to honourable members that this government in conjunction with the Provinces of Saskatchewan and Alberta have indicated to the Federal Government their concern with regard to foreign students; not because they're foreign students, but simply because we feel that the Government of Canada who are interested in playing their role internationally should pick up a larger portion of the cost of educating these students than the individual provinces. I'm not quarreling with the fact that Canada as a nation amongst nations in the world has a role to play and a responsibility to play towards underdeveloped countries. But I do feel that Canada -- that this is a matter for foreign relations of this country and therefore the provinces shouldn't be asked to pick up a larger share than what they're doing today; that the Government of Canada should be prepared to support and finance at full cost the actual cost of these students who come here.

The member asked about the drop in the Estimates, and I think I answered that question when I replied to the Member for Fort Rouge the other day. The printed Estimates indicate a drop - the reason for that is that those items which normally come under capital were introduced by the Minister of Finance in his Capital Estimates, and what we are looking at is the actual operating costs. Last year some of the expenditures included capital. They now have been put into Capital Supply and that accounts for the drop between this year's figure and last year's.

The member inquires about the low enrollment and other members did the same, the question about low enrollments - I think the Member from Emerson questioned that. And it's true there are courses where there are low enrollments but let's not be deceived by it. It doesn't mean that if you eliminate that you can somehow eliminate a professor, because someone who may be teaching in the undergrad courses may be teaching two and three hundred students at a time, may also be teaching a graduate program where he may have a very limited number of students - and he does that as part of his general work. So that if you eliminated the course you still wouldn't eliminate the need for that professor who as I say is teaching a much larger group at the undergraduate level. In many cases these courses consist of simply a student reading and having to use his professor as a resource person with whom he meets periodically, but it doesn't really represent someone who is on staff and dealing only with these low enrollment courses.

Although I might point out to the member that the three prairie provinces have been holding discussions with a view to trying to rationalize some of the services. An example of that is the veterinary college in Saskatchewan, where instead of each province trying to develop a veterinary college it was deemed advisable and sensible really for the one province to have this service and for the other provinces to use it. The Dental College in Winnipeg is an example where Saskatchewan doesn't have one and Manitoba does. We had hoped that there would be for example one teacher-training institute for French, the preparing of French teachers, the Ecolé Normale; that there would be one for western Canada. I think it would have made sense to do that. Unfortunately there will be two, one in Manitoba, one in Alberta. Nonetheless the students wishing to attend from Saskatchewan will be coming either to Manitoba or to Alberta. That's the sort of arrangement that can be worked out. And we are looking at other areas where similar type of arrangements can be developed in order to rationalize the service, in order to provide it in a more economical fashion.

The whole question of bursaries and Canada Student Loan - the question has been brought up by the Member for Radisson, by the Member for Rhineland and others last night. I want to say this: that firstly, the Canada Student Loan is a Federal program; they set up the criteria, we administer it. The Member for Radisson feels that it should be made available to other than those who are taking full time courses. That may be -- that's his view and he's entitled to it, but that is the method which is being used now. There has been a change in the Canada Student Loan. It was limited to \$1,000 up until now - starting this year the loan has been expanded so that the Canada Student Loan, a student may loan up to \$1,400 instead of a thousand and for seven years instead of five years. So that actually there is more money available.

The problem is this: that if you just use the Canada Student Loan route, students who have the greatest difficulty because of their family income - because they come from a level, a home where education the paying of education is very difficult - are faced with the dilemma that they would have to incur a considerable debt in order to attend at the university, for example. And a student might get his Bachelor of Science and end up owing \$5,000.00. It's a

(MR. MILLER cont'd) very inhibiting, and in some cases it deters a student from going on - and that's why we feel that it is essential that there be a combination of both bursaries and Canada Student Loan so that those who need the help most - those disadvantaged, or elements in the community - who are fearful of incurring a debt which they must start repaying through the bank through which it's negotiated because it is done through a private bank. There's nothing wrong with that but they have to start repaying it within six months after graduation. So much depends upon whether or not they can get a job. If they go into a profession like medicine or dentistry where they're almost assured an income there's no problem. But today with things being somewhat uncertain many students are faced with the possibility of incurring very high debts without the possibility of repayment. This of course has a negative dowry aspect to it too. If the student happens to be a female and gets married, then the husband-to-be is being saddled with perhaps what could be a considerable debt that his wife owes -- unless his wife goes to work which she may or may not be able to do -- that loan hangs over the head and must be repaid, and as I say in a very short period of time because it has to be arranged through the bank. So I think that in order to achieve the best mix - it's a mix we've tried to establish as a mix and has been followed in the past about bursaries and Canada Student Loan to try to encourage those who are willing and able and capable of doing so to take advantage of post-secondary education. To the Member for Radisson I might point out that although a student may not qualify for Canada Student Loan if they take certain programs at the community colleges, they might on the other hand qualify for bursary programs because our bursary programs do extend into the community colleges and monies are made available for technical courses for bursary assistance. So that if there is a need I think it can be met.

The Member for Rhineland mentioned that property taxes are being used to maintain or pay for the community colleges and universities. I might point out to him that this is not the case. It's paid through Consolidated Revenue which doesn't get its money from property taxes. As a matter of fact the example he gives, the suggestion he makes is the methods being used in B, C, where the community colleges are being paid for and supported by property tax in the community in which they are situated. We haven't gone that route in Manitoba and I hope we don't have to.

With regard to the repayment of Canada Student Loan funds, as I say this is a Federal program which we administer and I'm in no position to say whether or not the repayments are being made. There was a story I believe about three months ago in the press reporting from Ottawa that some loans were in default and the Federal Government was trying to seek out these people and try to pursue a collection of some of these debts.

The Member for Pembina makes the point and I can't quarrel with him; I think the Member for Churchill mentioned it too, that perhaps education has been over-emphasized. And I can't quarrel with the fact that we have become very overly sensitive to and emphasize perhaps far too much that piece of paper as being the only criteria by which a person can be hired. Unfortunately that is the way things have gone both in industry, commerce and even in government. And I don't doubt that there are many people who haven't gone the route of formal education who have succeeded and done very well in their life. But in this highly sophisticated industrial age more and more the requirements are for better skills, training before they go on the job both on the part of industry and of commerce and in government as well. Now we are trying something new through our New Careers Paths Program which I made reference to in my opening remarks. We are taking people who don't have the necessary requirements; we are taking people who haven't gone through the traditional schooling, haven't achieved the traditional post-secondary level and we're starting them off in jobs in government, and we have achieved a fair success in this. This is particularly applicable in northern Manitoba and we find that in using this method that we are going to be able to introduce quite a number of people into the work stream through government department, who may not initially have the - what's known as the adequate credentials but who are being brought along through training on the job so that they can and will fit into the scheme and will qualify for permanency.

MR. CHAIRMAN: Order please. The hour being 12:30, I am leaving the Chair to return at 2:30 this afternoon.