

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, June 26, 1978

Time: 8:00 p.m.

SUPPLY — ATTORNEY-GENERAL

MR. CHAIRMAN, Mr. Warren Steen: Gentlemen, come to order. We are innormed by Mr. McKenzie, who chaired this afternoon in my absence, that we are on 1.(b), Planning and Management, (1) Salaries—pass — the Member for Selkirk.

MR. PAWLEY: Mr. Chairman, I would like to deal in some general terms under Legal Aid with the Minister, because I believe when we deal with Legal Aid itself, that section, we should deal with detail, but in this case I would like to ask the Minister a question pertaining to policy.

First, I would like to ask the Minister insofar as policy in the providing of Legal Aid services in Manitoba, whether that policy is determined in his government by the Board of Directors of Legal Aid or by government itself?

MR. CHAIRMAN: The Attorney-General.

MR. MERCIER: Well, Mr. Chairman, I think to date the policy has been decided by the Board of Legal Aid.

MR. PAWLEY: Is that to be the continued practice insofar as Legal Aid in Manitoba is concerned?

MR. MERCIER: Mr. Chairman, I think we're all aware of the changes that Legal Aid had made as the result of some reduced funding this year. Those changes have basically been in force since April 1st of this year and I would like, certainly prior to preparation of the Estimates next fall and hopefully much earlier, / to review with the Board of Legal Aid the experience that they have had in delivering Legal Aid services with their reduced funding. We have not yet received the budget for Legal Aid; we would like to receive that and I would like to review with them at the earliest opportunity possible, probably some time thissummer or early fall, their experience with reduced funding in order to deal with the whole subject matter next year.

MR. PAWLEY: Then I would like to ask the Minister if he could deal with one particular aspect of Legal Aid, and that is pertaining to the provision of Legal Aid services to juveniles in juvenile court. Is it correct that Legal Aid Services are not provided to juveniles facing charges in Juvenile Court even in the event that that juvenile may face a term of incarceration? I know that generally there's been a policy determination that Legal Aid Services will not be provided in Juvenile Court. But I'm asking the Attorney-General whether, in instances where incarceration is a real probability, whether Legal Aid is provided.

MR. MERCIER: Mr. Chairman, in the news release put out by Legal Aid, by the Chairman, they state: Legal Aid for Juvenile Court matters will be restricted to cases in which there is a likelihood, if the juvenile is found delinquent, of a committal to a juvenile institution or in cases in which the juvenile is liable to be transferred to an adult court.

In addition, I am advised verbally by the Chairman of Legal Aid that he has instructed the executive director that he does not wish to have any hardship imposed upon anyone as a result of the positions taken by the Board of Legal Aid.

MR. CHAIRMAN: The Member for Wolseley is next on my list, and I might remind members we are on Planning and Management section of the Attorney-General's Estimates. The Member for Wolseley.

MR. ROBERT G. WILSON: Well, under Planning and Management this afternoon, we were talking about the crystal-balling and the possible indication by the Minister of some of the priorities and

wishes that he indicated he would like to see for the future. I'm sure that many of us have similar aspirations for our areas as well as the province as a whole, and I can't help but think of possibly the former Mayor, with his thoughts of a new aquarium, and of course the former Member for Elmwood, the new Autopac building.

The Minister talked about a new Provincial Law Courts Building and a possible Provincial Judges Building. Now out of that Planning and Management, it seemed to me that I had to express a concern of one, that whenever you build anything new you have the maintenance costs and all the things that go with it, and I wondered at what point in time would the Minister be supplying for those of us who are not turned on to the priorities expressed by the Minister, if he could supply us with information that might help us reach a decision, possibly in concurrence with himself. I realize for years now the judges have expressed a desire to get out of the Public Safety Building — I stand to be corrected, you can correct me if I'm wrong — and I see nothing wrong and I wondered if you could possibly elaborate on the difficulties that are involved in having a courtroom in St. Boniface, three or four courtrooms in the Public Safety Building and of course, two to four courtrooms in the Law Courts Building. I wonder what some of the problems might be that would sort of demand that we centralize this particular function. I see certain advantages to it not being centralized and out of this grows a concern that has crime increased that much in Manitoba to go along with the seemingly number of unending appointments made to and for the addition of provincial judges. Does the Minister possibly envision a study to see if the former government maybe appointed far too many provincial judges and far too many part-time judges? If we in turn make appointments, then we would be increasing the amount of provincial judges, part-time and full-time, to an extent where we may be diluting the system so that judges really weren't doing a full day's work. Maybe they might only be handling one or two cases a day rather than four or five. Sometimes when a person has a very light workload, they spread the work over a week to make it appear as if they're overworked. I would like the rationalization for the new Provincial Judges Building. Would it not be better to renovate the present site of the Law Courts Building? Is this the intention of the Minister or are we talking . . . The Member for Selkirk was talking about a new building. Would it really not be just renovating the present facility?

MR. MERCIER: Mr. Chairman, the process of consideration of a new Law Courts Building or a new Provincial Judges Building began some time ago. I believe it was 1964 under the then Attorney-General and now Premier. Unfortunately it hasn't progressed much further than planning. It might be interesting to note that in Manitoba our province has the lowest ratio of judges to population in Canada but there is, of course, still a concern that I have that the existing facilities and judges be used to the maximum possible degree of efficiency and we are certainly concerned with that and are continually reviewing that. The backlog of cases still continues to rise and I think there's approximately six to seven months time now but we are reviewing that and hopefully there may be some things that we are able to do to expedite the process but it's a problem that exists right across Canada.

MR. WILSON: Well, before we get onto the rationalization of why we need a new Provincial Judges Building, I realize it started some years ago but we are in a period of restraint and it would seem to me that, in my humble opinion, a Provincial Judges Building and a new Law Courts Building would be very low on my particular ladder. But I wondered, you talk about the lowest rate of the judge per population, if one was to consider the fact that the former Corrections Minister, and indeed many people have talked about Manitoba having a very low crime rate, so it would seem to me it is very unfair for the provincial judges and their planners to equate Manitoba to Quebec and Ontario where you have a larger influx of industry and possibly unemployment. So, I'll leave it at that and await the Minister's material because if indeed he has not got any money in his Capital Works budget then we possibly would get some warning, because I would share the concern that the Cabinet wouldn't try to have a special warrant to create a new Law Courts Building when I have so many things that I think would take priority over that and I must at this time lobby for Misericordia Hospital and some of the work that needs to be done there.

MR. MERCIER: Well, Mr. Chairman, perhaps I can undertake to review the matter with the Member for Wolseley at a later date with respect to the rationalization for a new Provincial Judges Building.

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

MR. BRIAN CORRIN: Mr. Chairman, through you to the Minister. Mr. Chairman, the Member for Selkirk was quizzing the Minister with respect to a recent Legal Aid withdrawal of service pertaining to youth access to the Legal Aid service and I understood that the Minister responded that where

there was a demonstrated need, in other words, where there was some possibility of imminent incarceration, that Legal Aid was taking steps to intercede on behalf of the youth in question and provide defence services. I was wondering if the Minister could apprise the Committee as to what measures have been taken in order to establish when a given youth, when an alleged offender, is indeed in a precarious circumstance that might lead to his or her incarceration.

MR. MERCIER: Mr. Chairma , I can't advise as to particulars. I indicated to the Member for Selkirk that I wished to meet shortly with the Chairman and if necessary the Board to review the experience of the first three months' operations of Legal Aid under the revised funding in order to determine what difficulties if any that they have encountered, and to ensure myself that a basic system of Legal Aid is being provided.

MR. CORRIN: Thank you, Mr. Chairman, a supplementaiy to that. When the Minister refers to a basic system of Legal Aid; it's always been my understanding that one of the fundamental tenets of our particular delivery system is the duty counsel position and availability of those counsels for persons alleged to have committed offences and who are brought before the courts in those circumstances. I can say, having served as a duty counsel, as I'm sure many of my brothers and sisters at the Bar have over the years, and I might add served as as duty counsel in the years before there was Legal Aid as well, before there was remuneration for those sorts of services, as it presently exists. I have always considered that to be what you might describe as a fundamental tenet of any Legal Aid system. And I think particularly so in the case of allegedly youthful offenders, because these people, of course, are not privy to the ins and outs of the law. They are, I think, quite accurately described as being somewhat more vulnerable than adult offenders, and I have always felt that it is quite important and I'm sure the Minister would agree that these people have adequate access to as much information as they possibly can, in order that they can be apprised of all the possible ramifications of a charge being laid against them. I might say that is particularly of concern in the case of alleged youthful offenders who are maintained in custody at the Youth Centre in Winnipeg and other centres around the province.

So, Mr. Chairman, I would ask, in view of that, whether or not the Minister is aware as to whether or not the duty counsel system has been maintained during the term and tenure of his government? I would think that that's a matter that is so fundamental that I would presume that the Minister can respond.

MR. MERCIER: Mr. Chairman, I am not aware and I am relying at this particular point on the release from the Legal Aid Services Society, that there has been any change in the operation of Duty Counsel.

MR. CHAIRMAN: The Member for Wellington.

MR. CORRIN: Mr. Chairman, I don't want to become strident, but on this subject I can become most strident. It's one that passionately excites me simply because it does indeed involve a potential risk to members of the population who are at the very best dependent, completely dependent for that matter on government, on other people. We're talking not of adult offenders; we're talking of juvenile offenders and I think it's absolutely fundamental that these people have access to that sort of service. I can't for the life of me understand how the Minister can sit back and say that he's satisfied that the needs of this particular section of the population are being served when, in fact, — to his knowledge anyway — there is no knowledge of a demonstrably capable duty counsel system in place in dealing with juvenile offenders. I think it's fairly obvious that unless there is such a counsel system in place that there's a great potential risk inherent in the situation and I call upon the Minister to make himself privy to the information in order that he can satisfy himself that these individuals are not left without resources in the face of possible severe raiifications.

MR. CHAIRMAN: Just before the Attorney-General answers, I might point out to the Member for Wellington that when the Member for Selkirk, his colleague, asked a question on Legal Aid I think he opened his questioning that he knows that there is a section for Legal Aid but he wanted to ask the Minister a policy question that he felt, and I would agree with him, could come under Planning and Management. I would hope that the debate on Legal Aid would be saved until the following page, Item 9, because there is a full section for Legal Aid and it is far easier if we do keep a department's Estimates in order as the Items appear in our booklets.

MR. CORRIN: Well, I agree, Mr. Chairman, and the Minister of course is now aware that we're quite concerned about duty counsel services for juvenile offenders and therefore by the time we get to that particular section perhaps he can familiarize himself with the situation in order that he

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can inform the members of the Committee what in fact is transpiring in that regard.

MR. CHAIRMAN: The Attorney-General.

MR. MERCIER: Mr. Chairman, we will make further inquiries in respect to this matter that the honourable member raises.

MR. CHAIRMAN: The Member for Selkirk.

MR. PAWLEY: Sir, I just would like to make a few comments and leave them with the Attorney-General. If he wishes to respond he may do so, but it's a philosophic position that I would like to present to him. It seems to me that the function of the Department of the Attorney-General has undergone a number of changes in the past eight, nine years and I think changes for the better. No longer is it basically a department that is principally concerned about prosecution, courts, law enforcement, but there are many other aspects to the department itself — portions of the department that deal with Legal Aid, Human Rights Commission, Law Reform Commission, Manitoba Police Commission — all areas that I think proceed to emphasize the justice role rather than necessarily the role of Attorney-General as narrowly defined. I think this is only right within a changing society that there should be this change in attitude, approach and emphasis within the department of the Attorney-General.

The impression that I have is that in our present society with changes in society, the complexity of society, technological, and bureaucratic largeness private and public, that laws are becoming more and more complex and thus of course is the need for the Law Reform Commission to constantly attempt to deal with simplification of the law so that the average person can better understand the law and the law can better serve that person rather than that person serve the law.

Secondly, I have a very clear impression that the law tends presently to favour the wealthier in our society, and it is for that reason of course that the Legal Aid system was introduced into society in order to provide better improved balance as between those with wealth and those with less wealth so that there would be equal access to the law before our courts.

Thirdly, I would like to just touch briefly on the item mentioned by the Member for Wolseley, that our courts themselves too often because of the backlog of cases tend to cause a delay in the providing of necessary services to the public at large through the adjudication of law. I'm not blaming anybody or faulting anybody but I do see that as a basic problem confronting us in society. It's not as bad yet in Manitoba as it is in British Columbia, Ontario, Quebec, larger centres, but it is one that I believe to be worsening, will continue to worsen, and I know that this is a challenge that the Minister must be confronted with. Then I believe that in our society and sometimes for good reason, there is a mistrust of the judicial system and of lawyers and I think this is another area that has to be confronted by those that are conscious and concerned about the administration of law and justice in the province. Too often lawyers and courts tend to be identified with the economic or social elite in society rather than the population in general and I think until the law is looked upon and can be accepted by the general population as being accessible and understood by all, that there will be this tendency to mistrust the law.

So I want to, not necessarily look for argument but simply to present a philosophic position. It's one that I don't suggest for one moment that was accomplished during New Democratic period of government. I think we tried to inch our way towards an objective, justice rather than Attorney-General, human service rather than emphasis upon the courts and police, recognizing that there is a role both for the traditional and the non-traditional. But certainly recognizing that new part in the department, those newer parts that have been introduced since 1969. I mention all this to the Attorney-General under this section because I believe it deals with general policy, because I am concerned and will be dealing with the specific items, very concerned as to what is happening in those people's programs. I know that insofar as programs dealing with the courts and the police there have been very little by way of cut, in fact, there have been increases. But I am concerned about what has happened in the area of Legal Aid, the Law Reform Commission, the Human Rights Commission, the Criminal Injuries Compensation, Police Commission and Legal Aid because I do believe that those areas are a small attempt to deal with some of the general philosophic problems which I feel confront us, confront the present Attorney-General as well as previous Attorneys-General.

MR. CHAIRMAN: The Member for Wolseley.

MR. WILSON: I would be remiss, and I'm not going to get into Legal Aid under this section, but I did want to touch upon it because of some remarks made by the Member for Selkirk that the courts were understood only by the social elite because we must ask ourselves why the delays are

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there. I remember the former gentleman in charge, Mr. Roland Penner, who got into loggerheads with the then Councillor Robert Steen, now the Mayor of the City, and he wanted an apology because he had alluded to certain problems pertaining to Legal Aid, and quoting from the news story of October 25th, 1973, he said that the number of not guilty pleas in the court had doubled since Legal Aid was instituted and the pay for off-duty policemen — and this was in 1973 — had gone over \$100,000.00. I received this letter here, from a lawyer who indicated support of my then pleas with the former government for a reduction in Legal Aid, in which he was hoping that Legal Aid would become more selective and curtail the use of Legal Aid assistance for repeated offenders, those who jokingly carry cases to the courts so they won't have to spend time in jail and habitual criminals who continually use Legal Aid. So I am altering an opposite position . . .

MR. CHAIRMAN: Order please. Order please. The Member for Selkirk on a point of order.

MR. PAWLEY: I'm not asking you to curtail the Member for Wolseley but I'm just warning that with the specifics that the Member for Wolseley is getting into, I would have to deal with them now rather than leave them, as I would have hoped, to the Legal Aid section.

MR. CHAIRMAN: To the Member for Wolseley, we do have a full section in the Estimates on Legal Aid.

MR. WILSON: Well, I'm offering only an alternate opinion to the Member for Selkirk and as I say, I have a very extensive file on Legal Aid but I'll leave it with this remark, that the objectives of Legal Aid, if you are talking about policy and planning for the future, should be to assist in the administration of justice and the rights of citizens and not become a stable source of income for an oversupply of members of the Law Society.

MR. CHAIRMAN: The Member for St. Vital. I know that the Member for St. Vital will stick to the item before us.

MR. D. JAMES WALDING: I will attempt to, Mr. Chairman, but just before that, I would like to request that the last member to speak table the letter that he has just quoted from, in accordance with the rules.

MR. CHAIRMAN: Will the Member for Wolseley table the letter, or we'll have the Clerk make a copy of it?

MR. WALDING: To the section before us, Mr. Chairman, did the Minister tell us why there was a \$2,000 reduction in the Salaries this year?

MR. CHAIRMAN: The Attorney-General.

MR. MERCIER: \$2,000 in the Salaries?

MR. WALDING: From 257 to 255 .

MR. MERCIER: A reduction of one staff member.

MR. WALDING: Did the Minister explain to the Committee what the Planning and Management section actually does and whether there is any change in its function this year?

MR. MERCIER: No change in its function.

MR. CHAIRMAN: The Member for Selkirk.

MR. PAWLEY: Mr. Chairman, I think before I leave this section, because it is under Administration, could the Minister advise whether he was satisfied generally with the operations of this department upon his assumption of responsibility as Minister of the department. In other words, did it fall into that category that sometimes his First Minister would refer to as being inefficient, or ridden with fat, or any of that general criticism that has been launched from time to time by the First Minister in connection with the affairs of government?

MR. CHAIRMAN: To the Member for Selkirk, I hope the Attorney-General won't lose sight of the question from the Member for St. Vital. The Attorney-General.

MR. MERCIER: Mr. Chairman, I don't believe and I certainly hope that this particularly would be one department that would be in any way affected, for political reasons. I think this is a very basic, almost non-political operation in the sense of the Prosecution Department and Civil Litigation Department.

To the question of the Member for St. Vital, Mr. Chairman, there was a reduction of one administrative secretary, then with the addition of collective agreement and salary adjustments resulted in a net reduction of 2.2 thousand.

MR. CHAIRMAN: 1.(b)(1)—pass; (b)(2) Other Expenditures—pass; (c) Administrative Services, (c)(1)—pass; (c)(2)—pass; (d) Canada-Manitoba Gun Control, (d)(1) Salaries — the Member for Selkirk.

MR. PAWLEY: Mr. Chairman, in connection with this agreement, could the Minister update us as to what is the arrangement in connection with the Gun Control Program, and these are the questions I would like to pose to the Minister:

I would like him to explain to us the basic substance of the agreement that has been reached with Ottawa insofar as the administration of gun control in Manitoba; whether that gun control will be done through municipal authorities or through local police authorities, and by what manner will that control be done; and lastly will it be self-sustaining? Would the program be self-sustaining insofar as the costs of that program?

I would just like to mention to the Minister the reason for concern here is that during previous conferences of Attorneys-General, concerns were expressed repeatedly by Manitoba that this was a program that was not as necessary in Manitoba as it was in the larger centres — Toronto, Montreal, Vancouver — that it certainly was not a priority of Manitoba insofar as the way of things, the administration of justice; and that we were concerned that this would be a cost that would be saddled onto the backs of Manitobans, an imposed priority, that may very well have been a priority for Roy McMurtry in Ontario, or Andre Bedard in Quebec, or Garde Gardom in B.C., but hardly the priority for provinces such as Manitoba or Saskatchewan. So I would like the Minister to provide us with his general attitude, as well as answers to the specific questions which I posed.

MR. CHAIRMAN: The Attorney-General.

MR. MERCIER: Mr. Chairman, no agreement has yet been reached with the Federal government although we are certainly proceeding on the understanding that all of the costs of the administration are recoverable from the Federal government.

MR. PAWLEY: Could the Minister tell us how the program will be administered? Will it be administered through municipal government or through local police forces, and in what way will the checking be done prior to the issuance of licences? And lastly, of course, I would like to have the Minister's expression of view whether it is a priority with him in the way of things insofar as the department is concerned?

MR. MERCIER: Well, whether or not it is a priority I don't think we have any choice, unfortunately, Mr. Chairman. We have established a Gun Control Officer, the program will be administered through particularly the City of Winnipeg, and through the local police departments who have jurisdiction. Again, we expect that all of the administrative costs will be recoverable from the Federal Government.

MR. PAWLEY: I'm just wondering if the position that was taken by Manitoba previously at various meetings of Attorneys-General were reaffirmed, or was there any change in the general position of Manitoba pertaining to gun control in Manitoba itself?

MR. MERCIER: No, Mr. Chairman, there's been no change in that position.

MR. CHAIRMAN: (d)(1)—pass; (d)(2)—pass; 2. Legal Services 2.(a) Civil Litigation: (a)(1) Salaries—pass — the Member for Wellington.

MR. CORRIN: Mr. Chairman, I would ask you to exercise your judgment and tell me or advise me whether or not this would be an appropriate time — and perhaps you can only do so in consultation with the Minister — to discuss the salary of Special Counsel, whom I believe are retained, I'm not sure, but I believe are retained to provide Civil Litigation Services under this item — I'm not sure, perhaps he could advise us if that's so?

MR. MERCIER: It would be appropriate as well as any other location to discuss it here.

MR. CORRIN: My question is with respect to the termination of services of one, Professor Dale Gibson of the University of Manitoba Law School, who for some time was conducting litigation pertaining to what has come to be known as the Forest Language Case. I was concerned when Professor Gibson's employment was discontinued, and I must say in view of the fact that I think most of the members in this room are somewhat familiar with this individual's fine credentials, his reputation — not only in our province, but on a national basis in the field of constitutional and related areas of law — I was wondering whether the Minister could advise us for what reason Professor Gibson was asked to discontinue his employment in this particular case?

MR. MERCIER: For what reasons? Well, I don't want to get very far into this, Mr. Chairman, but we decided that for the new action that was being started, that we would retain other counsel.

MR. CORRIN: Well I think, Mr. Chairman, that we all appreciate that there was a decision taken by the Attorney-General and Members of Cabinet to retain other counsel. I don't know whether the Attorney-General's response is serious or it's meant to be intentionally facetious. The question more pointedly — I don't want to put too fine a point on it because I don't think it's necessary — is simply why was Professor Gibson's employment terminated? I'll express my confidence in him, he taught me Constitutional Law, and I know he taught many other students at the University of Manitoba that particular subject, but I think I can say without qualification that his reputation, his credentials, are heralded about all of the provinces of this country. He's quite well known through the many articles he's published on a variety of topics, and I think both his academic and his practical qualifications are beyond any reproach whatsoever. I can't understand why the government saw fit to terminate his conduct to this particular matter, and I think it's incumbent on the Minister to provide some response to this question in order that there be no misreading of this situation by members of the legal community and the public at large as well. I think this, in a sense, is a slur upon the very fine reputation of a qualified professional, and I think if he is to be released in these circumstances, there should be some cause shown, there should be some reason given, and I can't think of a more appropriate time for that reason to be given than right now.

MR. MERCIER: Well, Mr. Chairman, I'm not going to get involved in public discussion on the merits or the demerits of either Mr. Gibson or Mr. Twaddle, who was retained by our government to handle the Forest case. Mr. Twaddle was a constitutional advisor to the previous government and very active in that role, a man who has established a practice solely devoted to litigation in the courts. Mr. Gibson also is a man who is very learned in constitutional law and certainly, while he, to my knowledge, does not carry on an active practice of law, is a very qualified man and one whom I have confidence in also. Mr. Twaddle, however, is engaged in the full-time practice of law and the decision was made to retain Mr. Twaddle. Both of these gentlemen are eminently qualified to handle this case as are many other counsel in the City of Winnipeg.

MR. CHAIRMAN: The Member for Wellington.

MR. CORRIN: Well I don't feel motivated to spring to Professor Gibson's defence in this regard because of course I concur with everything the Honourable Attorney-General has said about Professor Gibson's credentials. I might add that I also concur with his impressions and opinions of the other counsel, Mr. Twaddle. I think we can unequivocally state that both men have considerable reputations in the field, but I would point out that if the time factor — the Attorney-General did mention that he was concerned about Professor Gibson not being actively involved in the courts and felt perhaps that the more active participation of Mr. Twaddle lent itself to this sort of litigation. Well I might add that to the best of my knowledge, Professor Gibson was on his sabbatical this year so if that were a concern certainly he would in all probability have much more time to tend to this matter in a more meticulous, perhaps even in a more meticulous manner than would Mr. Twaddle because of the very nature of his practice.

I would also, I must say, express some concern that there be a change in counsel in midstream as it were. I don't understand — if Professor Gibson had handled the matter in an efficient and effective manner, and I presume he has from the Minister's statements — I don't understand why the Minister would want to change horses in midstream. I can't comprehend why there would be a need for a change in litigation counsel when an individual had proven that he was qualified and capable. It's not, as I'm sure the Minister is aware, it's highly unusual to discharge counsel in midstream. It's much more usual to add counsel, to supplement counsel if counsel expresses the need for some external assistance as opposed to a situation where you discharge counsel and retain

new counsel who's been unexposed to the matters under discussion previously. So I would ask again what reason there was for discharging — in view of the fact that time was not a consideration and all things being equal I think we can state that the expertise of the two men in question is relatively equivalent, I would ask what reason there could be?

I could make a suggestion but I wouldn't want to do that. I could make a suggestion that Professor Gibson perhaps — I think we can say it — known to have at one time in his career practiced law with the former Attorney-General of this province, may have been considered to have been perhaps a quisling or something of that nature. I would hope that that wouldn't be the case. I would certainly hope that that sort of partisanship would not be expressed in this sort of manner because I don't think that Professor Gibson was appointed for political purposes or reasons. If Professor Gibson was political quite frankly, he certainly hasn't been political for a long, long time, and so I don't understand and I wish the Minister would direct himself to the question in a more candid and a more open manner in order that we can get to the bottom of it.

MR. MERCIER: Mr. Chairman, Mr. Gibson was not discharged. Mr. Gibson carried out his function that was assigned to him, billed out his services, a new case was started and new counsel were hired.

MR. CORRIN: Well, can we ask the Minister a supplementary then? Was the new counsel retained at the same hourly rate in the same manner in terms of remuneration as was Professor Gibson or was there any change in the terms affecting that employment?

MR. MERCIER: I'd have to inquire into that matter and advise the honourable member at a later date.

MR. CHAIRMAN: The Member for Selkirk.

MR. PAWLEY: Mr. Chairman, I'm pleased that the Member for Wellington raised this issue because it has been one that has caused me concern because I want to say that while I was Attorney-General I was very much impressed with the work that Professor Gibson had put into this case, and for the Attorney-General to suggest that proceedings before one court had been completed and therefore that particular case was finished and to go on to another counsel — I don't think that removes at all from the central point that the Member for Wellington made, that this was a chain or a link of appeals and the various proceedings, which all involved the same central issue, so that I too must express surprise and disappointment that Professor Gibson was not permitted to carry on with the entire process of litigation involving the Forest case. I would ask the Attorney-General whether there was any differences expressed by him with Professor Gibson insofar as the manner in which he conducted the case previously, whether there was any differences in policy as to approach by Professor Gibson and the remedies that he was requesting from the courts.

MR. MERCIER: Well, there weren't, Mr. Chairman. I wonder if at the same time the Member for Selkirk and the Member for Wellington could comment on the propriety of a solicitor engaged by a client — in this particular case, the Province of Manitoba — and after not being rehired to carry on another aspect of the same matter, making a public statement that he thought his client, the Province of Manitoba, was going to lose.

MR. PAWLEY: Mr. Chairman, I'm not aware of the particular statement that the Attorney-General is referring to and I would have to see the total context of that statement to know whether the statement itself was appropriate or not.

MR. MERCIER: I'll send you a copy of the newspaper article then.

MR. PAWLEY: Mr. Chairman, might I say that an observer from the outside might in fact comment that a lawyer who is well advanced in the handling of a particular case and then to be removed from the case or relationship of cases, a complex area of cases, might in fact feel that there's a better chance of the government losing as a result of change of counsel in mid-stream in the series of cases, so that if that comment had come from another third party then I could certainly very well understand why that third party would have arrived at such a conclusion as that in view of the manner by which this changeover in solicitors occurred. I would ask the Minister whether Professor Gibson had asked to be relieved at all from handling these cases?

MR. MERCIER: No.

MR. CHAIRMAN: I might point out to members that the four pages of notes that the Member for Wolseley was referring to some moments ago during the debate on this Estimates are non-signed documents. The Clerk informs me that you can't table a letter unless it is signed by the sender of it, and I asked the Clerk if he would show the notes to the Member for St. Vital who was the person who asked that it be tabled.

Therefore I would have to return these notes to the Member for Wolseley because they appear to be notes written out obviously for the Member for Wolseley on the subject of Legal Aid, but it's not really a letter.

The Member for Selkirk.

MR. PAWLEY: Well, Mr. Chairman, then on a point of privilege, which I suppose it is, as I recall the Member for Wolseley's words, they were to the effect that he had received a letter from a solicitor who had expressed objection or opposition to the Legal Aid Service system in Manitoba. Are we now being informed that the letter is one that is unsigned, a letter which is not in the handwriting of a solicitor, but in fact in the Member for Wolseley's own handwriting?

MR. CHAIRMAN: It would appear to me — to the Member for Selkirk — that they are notes on the subject "Legal Aid" on a Manitoba interdepartmental memo paper, but not signed notes — I think the Member for Wolseley left them with myself for the Clerk, thoughts written after a talk with Bob Wilson, Wolseley MLA, but I don't know who sent them to him, you'll have to ask him. They are not even addressed to him, officially.

MR. PAWLEY: Well, the Member for Wolseley certainly owes the committee an explanation, because the very clear impression that the Member for Wolseley left with us all, was to the effect that he had received a letter from a solicitor He referred to that letter objecting to the then existing Legat Aid System under the former government, and I'm rather taken aback that the letter the member is referring to are unsigned notes.

MR. CHAIRMAN: The Member for Wolseley.

MR. WILSON: Mr. Chairman, as you well know, during the past several years I have received a somewhat unsolicited notoriety for asking for a reduction in Legal Aid, and after that, many members of the legal profession and citizens of Manitoba have called me up. I suggested to them, like after the training I'm starting to receive from members such as the Member for Selkirk opposite, and I might say from the former councillor, June Westbury, who always said, "If you have a complaint against Legal Aid lawyers or welfare abuse, put it in writing." So this gentleman came down, I sat down with him and he wrote them out for me. He's numbered them, and I intend, hopefully, to read them into the record when we reach the section under Legal Aid.

MR. CHAIRMAN: To the Member for Wolseley, are they speaking notes that you've acquired, then? They are not a letter?

MR. WILSON: They are written in a form — now, I would have to look up Webster's Dictionary as to, as Peter Warren would say, what you call a memo or a letter or whatever. But the point that I'm trying to get at is — and I object to the Member for Selkirk — I'll give him a sample of my handwriting, if he wishes these are not written in my handwriting.

MR. CHAIRMAN: Well, you cannot read them into the record and say that this is a letter sent to you by a constituent or acquaintance or anything. You can just treat them as speaking notes. You cannot quote an unknown third party source or else you must identify that source and table it.

MR. WILSON: Fair enough.

MR. CHAIRMAN: And it must be signed, too. The Member for Elmwood.

MR. DOERN: Well, Mr. Chairman, I would say that this is most unusual procedure, but usual for the Member for Wolseley, and I think he should just take it and consign it to the wastebasket with his other fabrications.

MR. CHAIRMAN: Well, let's get back to the Attorney-General's Estimates. Legal Aid, Civil Litigation. The Member for Selkirk.

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MR. PAWLEY: Mr. Chairman, I'd like to ask the Attorney-General — I know this may come under Manitoba Development Corporation, but I would ask the Attorney-General whether Charles Huband continues to handle the civil litigation pertaining to the CFI matter?

MR. CHAIRMAN: The Attorney-General.

MR. MERCIER: Yes, Mr. Huband and certain of his associates and partners handle various aspects of it, I think, as the member is aware.

MR. PAWLEY: Is he continuing to handle the same aspects as he did prior to October 11, 1977?

MR. MERCIER: I believe so.

MR. PAWLEY: Well, is the Attorney-General in a position to indicate whether there has been any progress made — I certainly don't want the Attorney-General to enter into any details, as I know that is something which concerned me while I was Attorney-General too during process and negotiation — but has there been any progress made in conn with action negotiations and a settlement pertaining to the CFI matter?

MR. MERCIER: No.

MR. PAWLEY: I believe this comes under this section, the Unified Family Court I would like to express concern due to the fact that the Member for Fort Rouge, who is not present, revealed to the House that the moneys that had been made available from Ottawa for the Unified Family Court had in fact been rechanneled to some other province, and I would like the Attorney-General to advise us whether or not any attempt has been made by him to recoup this money so that, hopefully, we could proceed forthwith with the Unified Family Court project at the earliest possible date. Has this money been lost to the province?

MR. MERCIER: Mr. Chairman, when we dealt with this matter during Estimates, we were under the impression at that time that the project could be deferred one year, because some consideration was being given to deferment of other projects, and that in all probability moneys would still be available for at least two years of a project, and according to one member of the administration of the Department of Justice there was a good probability that money would be available for a full three years of the project. I have written to Mr. Bassford indicating that that was my understanding of the matter between the respective departments, and hoping that on that basis in the event we wish to proceed with the project next year, that funding will be available. I have not received a response.

MR. PAWLEY: I want to place clearly on record, Mr. Chairman, the position of the opposition in connection with this matter. It is true that for a brief period of time, it had been deferred under the previous government, but was proceeding towards commencement date prior to last October, though there was some administrative problems that were being ironed out. But certainly arrangements were being made for the project to commence.

I want to say that while I sat where the present Attorney-General sits I was under constant criticism from members of his own party about the fact that I was proceeding in areas prior to getting on the road with the Unified Family Court. I remember the Member for Birtle-Russell, who criticized — and quite properly — myself in committee in connection with delays in the Unified Family Court project. I recall, as I mentioned in the House the other day, the Member for Birtle-Russell and the present Minister of Health and Social Development criticizing us sharply for not proceeding faster with the Unified Family Court project, when we were in government, and I had to concur with them, that we were not proceeding as rapidly as we ought to have, that there were administrative problems that had to be ironed out. But at least the money was committed for the project, it was there, and attempts were being made to obtain a co-ordinator and some other key officials to proceed with the project.

Now it is very regrettable that in the area of Family Law in Manitoba, not only do we have rising concern about the position that the present government is taking in connection with the repeal and elimination of what I do feel were the best family laws in Canada last year, but we also see the deferral for this year and possibly into next year and possibly the year after that, with jeopardy to the receipt of federal moneys — possible jeopardy of the Unified Family Court project. At the same time, while I won't go into other areas in connection with maintenance, I regret very much that this is a project that has not been permitted to escape the clutches of the restraint process.

I think it would have been somewhat reassuring to those who were concerned about Family Law in Manitoba to at least see this project go ahead. I don't think I have to tell this Attorney-General that at Attorneys-General conferences, Attorneys-General were looking at our project with interest and there were repeated comments being made that the Unified Family Court was probably a must if we were to see significant and substantial improvement in the administration of Family Law of not only Manitoba, but elsewhere in Canada.

MR. MERCIER: Well, Mr. Chairman, there's no question that in concept and in principle, the Unified Family Court is a worthwhile project to be proceeded with, but I think I indicated at the beginning of my Estimates that the increase in expenditures for this department is a total of 10.2 percent, which is a much higher increase than that seen by many other departments. Members are aware of the increase to hospitals, to education, etc., that are much lower, so that even, Mr. Chairman, with the 10.2 percent increase in funding in this particular department, we have had to make certain decisions that continue the basic functions of the department in the area of law enforcement, prosecutions, litigation, the courts, and it was, unfortunately, Mr. Chairman, a year in which financial restraints had to be exercised, and projects like these, of course if money were available, would have been proceeded, but unfortunately there was not sufficient money available.

Certainly, Mr. Chairman, with the introduction of Family Law and the steps we are taking, presently before the Legislature with respect to the jurisdiction of the Queen's Bench and the jurisdiction of County Court Judges in the eastern judicial district, as local judges of the Court of Queen's Bench, we may see there a Unified Family Court operation just evolve out of the legislation and the changes we are making. But, Mr. Chairman, I just point out that with the 10.2 percent increase, we are maintaining the basic functions of the department, and unfortunately with the financial restraints, some projects which we certainly we would have liked to have become involved in, were not possible with the amount of moneys available.

MR. PAWLEY: Mr. Chairman, I would just like to emphasize, in view of the Minister's comments, that Unified Family Court doesn't necessarily mean just the unification of the Court process, but an improvement of the backup services to the Courts in Family Law; the family counselling, the enforcement of maintenance orders, the streamlining, the other various support services. And unfortunately, there's nothing additional being added insofar as the new legislation is concerned with respect to these areas, so that I have to say, again, that what I fear is happening it that we may very well be losing important federal money in this area, and may not be able to recoup it in the future.

MR. CHAIRMAN: The Member for Wolseley.

MR. WILSON: Basically, I wanted to ask one question in line of the questioning by the Member for Selkirk. The Minister mentioned that there was no progress being made on CFI, and if it's true that Mr. Huband is the solicitor who is acting for the government? Would the Minister be able to tell me — I'm just going back from memory — is there any large amount of money that the Province of Manitoba has frozen somewhere in Canada — I think it's Quebec

MR. MERCIER: Montreal.

MR. WILSON: Would you be able to tell me the amount of that money?

MR. MERCIER: About \$6 million.

MR. WILSON: If the taxpayers of Manitoba know that there's \$6 million sitting in the bank for them in Montreal there must be some strings attached. Are we getting interest on that money? Is there any interest being paid?

MR. MERCIER: Interest is being paid on the account.

MR. WILSON: What rate — 5, 10 percent?

MR. MERCIER: I don't have the specific interest. No, it's not just interest from a normal account in court, it is being held in trust in a bank account.

MR. WILSON: If trust accounts don't bear interest, would this be a special trust interest-bearing account?

MR. MERCIER: It's a special interest-bearing account.

MR. WILSON: Well, again I don't profess to be a lawyer like so many other members around this Committee, but what would the reason be that my voters in Wolseley and the other people of Manitoba can't get hold of the \$6 million?

MR. MERCIER: Because the court case hasn't been decided yet as to whom is entitled to it.

MR. WILSON: Would we be able to get that \$6 million if one of the principals being sued by the government was released or let go or anything like that? What I'm trying to get at, it would seem to me, and this is just going back in stories, I believe, that the Free Press wrote. It would seem to me that if it was felt that it was hopeless, that Austria didn't seem to want to bring these gentlemen to co-operate with Manitoba, that if the case was judged to be 60-40 or 80-20, and I believe the former member for Selkirk, I mean the former Minister, will remember some of his responses to me when I brought up this subject, but it would seem that both the former Minister and yourself are saying that you're still continuing with Mr. Huband on the CFI matter and there's been no progress made. I would like to know is there any possibility — I say you don't have to give me the answer — but is there any possibility that at some point in time this government might say, "We'll take the \$6 million and let Mr. Kasser go," or is that the long and short of it or is it more complicated than that?

MR. MERCIER: Mr. Chairman, I'm not going to answer any questions about the direction we're taking in these particular law suits either civilly or criminally until they're resolved because I don't want to prejudice any actions that our counsel are taking.

MR. CHAIRMAN: The Member for St. Vital.

MR. WALDING: Thank you, Mr. Chairman. I'm not sure whether my question should come under (a) or under (b) but I'd like to ask the Minister about an individual whose name I cannot recall but I think he's an accountant. He's been widely publicized in the media over the last few weeks as saying that he has not paid any income tax either federally or provincially for several years and not only does he make that admission but he's in fact boasting about it. I'd like to ask the Attorney-General what he is doing about it, and what he is doing to protect the rest of Manitobans who have to pay income tax?

MR. CHAIRMAN: The Attorney-General.

MR. MERCIER: Mr. Chairman, that is a matter which is prosecuted by the Federal Government Department of Justice if there were to be any charges made. My department does not get involved in prosecutions or actions under the Income Tax Act.

MR. WALDING: I'd like to ask the Attorney-General whether the Department of Finance has approached the Attorney-General's Department about this matter?

MR. MERCIER: No, not to my knowledge.

MR. WALDING: If such an action were commenced against this individual by the Federal Department would either the Manitoba Department of Finance or the Attorney-General's Department be involved in such an action?

MR. MERCIER: I don't think in the past we have ever become involved in those prosecutions so, barring something unforeseen, I don't believe that we would be.

MR. WALDING: Does the Minister have any knowledge of whether the federal department concerned is proceeding on this matter or not?

MR. MERCIER: No, I don't.

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

MR. PAWLEY: In dealing with this area I think it's an appropriate time to have an updating insofar as the Alexander Kasser matter. As I recall the last stage insofar as the Kasser matter was concerned, we had reached the point where the Austrian Government was proceeding with the preliminary steps

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towards which Kasser would be placed on trial. Those preliminary steps involved translation of material of which there were many many volumes, and we had legal counsel in Austria which was conducting our case representing Manitoba, and I know that the Attorney-General has had special prosecutors in Austria to review matters. Could the Attorney-General at this stage advise us as to what progress? I recall when I had announced in fact that we had commended — that the Austrian Government was assuming the necessary preliminary steps to placing Kasser on trial, I remember, I believe, having been advised and thus indicating that I believe about six, eight months would be required in order to do the necessary translating if I recall correctly. I would ask the Minister whether or not that translation has been finished and whether he can now indicate to us just what step the prosecutions have reached?

MR. MERCIER: Mr. Chairman, the special prosecutors and Inspector Coby from the RCMP went to Austria in May of this year to review the evidence which has been translated with the prosecutor in Austria. They were there for some few days going over the whole matter with him. They are presently awaiting advice from the Austrian authority as to whether or not charges will be laid. We expect to receive some indication by the end of July.

MR. PAWLEY: The Austrian authorities have continued to assume all costs pertaining to the translation of material?

MR. MERCIER: That's correct.

MR. PAWLEY: And you say that they are presently reviewing the material prior to hopefully their proceeding with charges?

MR. MERCIER: That's correct.

MR. PAWLEY: Could the Attorney-General under this section advise me as to the staff man years under Criminal Prosecutions now as compared to the staff man years this time last year? Has there been an increase?

MR. MERCIER: Under (b)(1) there were — first of all, perhaps I could just for the benefit of the member indicate that under (a)(1) we created one new position in the Civil Litigation Department with a view to doing as much of the counsel work in house as possible and reducing the reliance on outside counsel. Under (b)(1) there were three new positions created during last year prior to October the 11th; we have reduced one of those positions this year so that (b)(1) is reduced by one position from last year.

MR. PAWLEY: I wish to ask the Minister whether or not the special section which dealt with fraud prosecutions within the department under George Dangerfield, whether that sub-section still exists?

MR. MERCIER: Yes.

MR. PAWLEY: I just want to express to the Minister my surprise that here under Criminal Prosecutions there's been a reduction of one and the Civil Litigation an increase by one because I certainly recall the difficulty which had taken place insofar as shortage of staff, turnover of staff, the difficulties particularly relating to northern Manitoba. I would ask the Minister whether or not the pre-trial hearings — and I'm not sure, cut me off, Mr. Chairman, if this belongs elsewhere — but the pre-trial hearings, whether they have contributed towards a reduction of staff under Criminal Prosecutions by eliminating many of the issues that would otherwise have to be dealt with through more prolonged trials?

MR. MERCIER: It has been expanded somewhat, Mr. Chairman. Mr. Guy, Crown Attorney at the city is now spending a full day at it rather than half days and he reports that he believes a number of court days have been saved, a number of witnesses have been saved as a result of the pre-trial discovery. In fact he estimates a total of 117 and ½ days have been saved as a result of this procedure which of course means a saving in expenses in salaries of police officers as witnesses.

MR. PAWLEY: Would the Attorney-General then concur that that project has indeed been a successful one over the — I believe it's been in operation for at least one full year if not more than a full year?

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MR. MERCIER: The initial period that is covered by Mr. Guy's report is October 1st of 1977 to March 31st, I believe.

MR. PAWLEY: March 31st of 1977 to March 31st of this year. And has it been successful?

MR. MERCIER: Yes, it has been successful.

MR. PAWLEY: And will be continued? Is there any intent to extend it into other possible areas of the province? I know that in the rural circuits there would hardly be much need for it because much of that is dealt with on a more informal basis but what about Brandon and Thompson?

MR. MERCIER: Well, it's certainly an area where we could contemplate expansion if there's sufficient volume but there has been no decision taken yet to expand it to any other area.

MR. PAWLEY: I wonder if the Attorney-General could comment on another area. One criticism which I've heard of the system is that sometimes defence counsel and Crown attorneys are able to ascertain through this system as to which judge they may appear before and thus it sometimes can be abused in that way.

MR. MERCIER: Well, Mr. Chairman, I'm not aware of that occurring any more than it has in the past.

MR. PAWLEY: So you're satisfied and you can assure this Committee, Mr. Chairman, that you have not received information that would indicate that that problem has been worsened by the pre-trial project that we had initiated last year?

MR. MERCIER: I would agree with that statement.

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

MR. CORRIN: This Item (b)(1) — I'm quite concerned to hear that there has been a reduction of one staff member on the Criminal Prosecutions side of the department. I'm particularly concerned because I have to presume that this is as a result of financial restraints that are being exercised as mentioned by the Minister. Mr. Chairman, through you I have to make public my concern to the Minister that these restraints may be leading to what the courts have recently described — and I'm paraphrasing very, very generally, and I'm not being very specific at this point in my remarks, but I believe the Manitoba Court of Appeal has described as abusive plea bargaining processes and procedures within the judicial system in this province.

The Court of Appeal and other levels of the court system have expressed ample concern that plea bargaining is lowering the standard of the administration of justice within our province and is having a very negative effect on the processes of law that we have come to expect and enjoy. Now, needless to say that plea bargaining, by its very nature being almost a quasi commercial sort of transaction between the Criminal Crown Prosecutor and the defence counsel representing the accused offender, will deny the court's right of review and may have, as the courts have expressed, a deleterious effect in that sometimes matters which would merit and warrant a more serious venue or course of conduct, are allowed to go forward subject to the retention by the Crown of a lesser plea.

Not too long ago, for instance, we had in the Manitoba courts a case that I have become quite involved and concerned with involving a woman by the name of Diane Hope-Evans who was, I believe, originally charged with murder and subsequently in the course of plea bargaining between her counsel and the Attorney-General's Department, her counsel found himself availing his client of the opportunity to enter a plea with respect only to manslaughter charges. This has, of course, a bearing on the nature of sentence and in some cases, for instance, this one being a very good example, will actually impose a ceiling on the sentence that the court can impose. I think we all read the remarks of Mr. Justice O'Sullivan in Saturday's newspapers pertaining to the appeal of this matter. I am concerned. I think not only myself but I think many people are concerned that the standards, as I said, that we formerly enjoyed with respect to justice administration not be impaired or diminished in any way as a result of this bargaining process. If that is the by-product of financial restraint, then I would say that it is the public that suffers because respect for the law will deteriorate and the standard of justice will diminish and we are in essence sacrificing the principle of justice for the principle of economic expediency and I don't think that is a fair set-off in view of the demands of these times, the very difficult and great demands made on society by acts of criminal violence and other matters and courses of conduct that pertain to this area of these Estimates.

So I would ask if the Honourable Minister could advise the committee whether he has taken any steps to curtail plea bargaining by members of his Criminal Prosecution staff and whether he can indicate whether or not the past rash of plea bargaining has in fact been induced by financial restraints that have been exercised by his government.

MR. MERCIER: Mr. Chairman, firstly, with respect to the honourable member's concern about the deletion of one position, my advice is that this relates to a rural area and is more of a bookkeeping position so that there is no diminution of prosecution resources available.

With respect to the Evans case that the honourable member refers to, the attorney did agree to the entering of a plea of manslaughter. There was no agreement as to sentence and that is the reason why the appeal was launched. I would point out that in the case of Regina versus Semino, which was a case of the Manitoba Court of Appeal, Mr. Justice Matas, who wrote the Majority Decision, referred to three particular areas. One was the position of Crown Counsel in making a recommendation on sentence, including mentioning a specific sentence, and the court took the position that there is nothing wrong in being specific where the circumstances call for it.

Secondly, referring to Crown Counsel joining with Defence Counsel to make a submission on sentence, the majority took the position that it was not objectionable for a properly arrived at joint submission to be made, nor where the circumstances call for it, is it objectionable to recommend a specific term, subject always to the overriding discretion of the court to accept or reject any recommendation.

With respect to the position of Crown Counsel in taking a different position on appeal from that taken by Crown Counsel at trial, Mr. Justice Matas wrote, "In exercising its appellate function, a court will not, in all cases, necessarily hold the Crown to a position taken at trial. It will certainly consider the earlier stance of the Crown to be an important factor to be taken into account but whether the Crown ought to be bound will depend on the circumstances of the case."

The department has been advised in matters relating to sentence, that senior members of staff must be consulted, remembering that the fitness of sentence is a judicial function and not the function of Crown Counsel. Careful consideration has been given to that judgment, Mr. Chairman, and appropriate instructions have been made within the department.

MR. CORRIN: A supplementary. I must say that I am pleased to hear that some guidelines have now been set down in order that plea bargaining not go forward on a willy-nilly basis in the future. As I said, this matter first came forward and came to the attention of the public and particularly the courts just in the past seven or eight months —(Interjection)— Well, I don't think it is a question of that, as I suggested, I think . . .

MR. MERCIER: Is that question directed to the Member for Selkirk, Mr. Chairman?

MR. CHAIRMAN: The Member for Wellington has the floor.

MR. CORRIN: I would remind the Honourable Attorney-General that this question did not pose a problem during the tenure of the former government. This matter became contentious during the now short term of the present government and it was while this government was imposing restraints that the courts were moved to express concern as to the deterioration of criminal prosecution standards in this province. So I don't wish to be too deliberate or too agitated in my denunciation of the present government regime, but I must say that it does seem strange that there was no need for the courts to pass this sort of notice during the tenure of the former government, only during the short term of this one.

But I must say that I am pleased that guidelines have been set as a result of the case that the Honourable Attorney-General has put before us. I am particularly pleased that senior members of his department will now be reviewing the appropriateness and propriety of plea bargaining transactions. I suppose that is a euphemism but I don't know how else to describe them. As I said, they are at best quasi legal and more akin to commercial transactions in the nature of the conduct of the administration of justice.

I am particularly concerned because I was frankly very concerned previously that the courts were being put at a great disadvantage. My honourable friend says that no harm came because after all the courts have considerable latitude when passing sentence. Well, as I suggested earlier, if you drop a charge using perhaps murder as an example, if you drop a murder charge to a manslaughter charge, the statutory minimum changes dramatically. You have a significant alteration in the statutory minimum that the court can impose and will impose and therefore you are fettering the discretion of the court to a substantial degree.

I would note also that in matters of importance, matters such as — using the Evans case again as an example — matters involving horrific detail and circumstance, I think it is very important,

most important that there be accountability of the Crown in the form and shape and substance of the Minister, and no discretion being allowed to be made or had by the individual employee of the department. Notwithstanding that I appreciate that most cases of this nature are handled by senior Crown Counsel as opposed to junior, I would think that before a decision of this sort is made, the Minister or his designated senior appointee should be involved and I am pleased to hear that such will now be the case. I am wondering — it begs another question — whether or not this will be the format in all proceedings where plea bargaining is transpiring, or whether this sort of review, this sort of senior level review, will only take effect and place with respect to more serious matters? If that is the case, I am concerned as to what matters have been defined as being sufficiently serious to warrant and merit the attention and assessment and evaluation of the senior officials of the Minister's department.

MR. MERCIER: Well, Mr. Chairman, it is a very difficult thing to define and therefore there is no definition. Basically what we are concerned about are any cases where there is any doubt whatsoever as to what a Crown Attorney should do, senior staff will be consulted.

MR. CORRIN: A supplementary, Mr. Chairman. Then I would ask whether or not we have indeed made any progress, because if the Honourable Minister is telling the committee that the discretion is not vested in himself or in his designated delegated authorities, but rather with the Crown Counsel actually responsible for the progress of the case, I would suggest that very different standards will be applied. I would suggest that very obviously, a very busy, possibly an overwhelmed junior Crown Counsel, may exercise a very different sort of discretion or prerogative than a very competent senior experienced Crown Counsel meeting the same opposition in the form, perhaps, of a very experienced competent defence counsel. I would suggest that if we are going to have uniformity, the only thing to do is to define some sort of guidelines so that this sort of discretion is not exercised at the junior level but rather for the sake of administrative accountability and policy accountability, that it be moved upstairs to where it belongs, to either the Minister or his designated delegates within the senior ranks of the department. Might I respectfully suggest that such guidelines of accountability be defined very early on because I think that not to do that will cause justice to fall into disrepute. We will have the old situation where if an accused can afford to hire a very competent, experienced senior defence counsel, discretion with respect to plea bargaining will tend to fall in his or her favour and if the poor hapless individual finds him or herself with an inexperienced junior counsel, perhaps discretion will fall the other way. So I would suggest that there is obviously a need for a better defined policy in this respect.

MR. MERCIER: Mr. Chairman, I don't share the honourable member's lack of faith in the competence and ability of members of the department.

MR. CORRIN: Mr. Chairman, through you and with respect, I think my honourable friend is aware that for some years there has been considerable difficulty in retaining senior members of the department. There has been a tendency for members, once they have reached what might be called a middle level, after a few years of service within the department, to move on to private practice. I must say that I think one can generalize and state that for the most part, with few exceptions, most of those individuals very soon become recognized as competent, able, highly-sought members of the ranks of the defence counsel within the province.

Now, with respect to my honourable friend's department and the members of that department, I don't think it is stretching the point too far, to suggest that generally speaking they're at a disadvantage when confronting these individuals, who constitute the to a very large extent the ranks of defence counsel within the province, and I think it is specious for the member to suggest that discretion of this sort can be vested in them, when in fact their counterparts at the defence bar are the same people who have gone through their positions and have for one reason or another sought positions at the private bar. And I would suggest that the only way that we can adequately defend the public interest, and perhaps even look after, during the initial stages of these young lawyers' careers — and a great many of the lawyers with the Criminal Division of his department are young lawyers by anybody's definition — is to provide adequate supervision and to give them adequate support services, and the only way to do that is build in strict policy guidelines so that members are not left to their own resources when having to make critical decisions.

We all know that in this province decisions represent precedents, and I don't think that I for one would like to see precedents of this sort being left to the discretion of very junior counsel confronting former colleagues who sought out different pastures in the private sector.

So in response, I would suggest that the Minister should make a serious attempt and effort to define some guidelines that can lead these individuals in this respect.

MR. MERCIER: Well, Mr. Chairman, I note the member's concern, and we will review the matter certainly in the light of his comments and determine whether any further action is necessary.

MR. CORRIN: A supplementary. I am also concerned as to whether or not the Minister is going to specify any guidelines when dealing with individuals who are not at arm's length with himself or other members of his party, or the government, and what I'm talking about now is situations such as the one that arose in the Evans' case, and I'm sure it is probably a rare circumstance and situation, but it does transpire from time to time, where you have an appointee of the government, in this case I believe the chairman of the Manitoba Police Commission, put in a position where he is bargaining with a departmental solicitor, barrister, respecting pleas. In this case, even if the responsibility was chucked upstairs, even if the final decision were to be made by the Attorney-General himself, there would be I think an essential conflict, and although, as I said, this is going to be possibly a very rare situation, it has transpired on one occasion and it may well happen again. I was wondering what the Attorney-General was going to do to try and eliminate and avoid these sorts of occurrences from happening again.

I also wanted to ask him whether or not he thought it was proper for the chairman of the Police Commission, given the fact that he is in a position where he may and will and probably is on a regular basis being called upon to determine the propriety of conduct of members of the police forces across our province to be allowed to engage in the conduct of criminal cases before the courts dealing with police witnesses, people who he may well later be called upon to sit in judgment of. There is a very serious liability inherent in that sort of process, Mr. Chairman, and I would suggest that sooner or later some shrewd lawyer or some shrewd police officer is going to bring that to the attention of the public. I would suggest that you can't do both; you can't on the one hand represent the interests of an accused and cross-examine the police trying to discredit a police officer's testimony, and then on the other hand put on another hat and be an impartial judge of the conduct of a police official. I suggest that this is going to lead on a disaster course which is going to have very serious recriminations, not only on the government, but again on the administration of justice within the province. It was a matter of grave concern for me when I saw this particular individual involved in the Evans' case.

Although it wasn't discussed publicly, I think many people within the profession, were concerned as to whether or not the Attorney-General would be able to impartially exercise discretion in a plea-bargain situation dealing with an appointee of the government of that sort of stature and that sort of position. So I would ask the Attorney-General whether or not there's going to be any regulation devised, perhaps even an informal request made to this individual asking him to withdraw from criminal litigation for the term of his office as chairman of the Police Commission?

MR. MERCIER: Well, I think the Prime Minister of this country put it most succinctly when he said, "Bunk," because bunk is exactly what this is. I think the comments made, Mr. Chairman, by the Member for Wellington, are completely unfair, the suggestion that because Mr. Shulman was an appointee of the government to a position that he is going to be favoured by the Attorney-General's department. In fact it is probably exactly the contrary, because the appeal was, in fact, launched, and we all know the result of the decision of the Court of Appeal.

I have never heard any suggestions, for example, with respect to the special prosecutors retained by the previous government, Mr. MacGregor and Mr. Gallagher, who had been active in criminal law, that there was ever any suggestion that they should drop out of the criminal law field because they were retained by the government in a particular area. I think the member will be aware from his days on City Council that there would be on the one hand a lawyer retained by the city — in that case it was of course through the Board of Commissioners because the Council was not involved in making appointments — but on one day counsel would be retained by the city to defend the city's interest and the next week he would have another case dealing with another matter against the city.

I think it is unfair to Mr. Shulman to have those kind of comments made, Mr. Chairman, because there is just absolutely no favouritism to anyone by the Attorney-General's department, and Mr. Shulman is the vice-president of the Manitoba Law Society, Mr. Chairman, and I have to reject those remarks totally out of hand.

MR. CORRIN: Supplementary, Mr. Chairman. For clarification, although I think the Minister has almost intentionally set out to misconstrue my comments, I did not in any way disparage the ability or competence or integrity of Mr. Shulman. Mr. Shulman is a friend of mine, Mr. Shulman is a colleague of mine and Mr. Shulman has been retained by members of my family and his father before him as counsel for years — **SSPANNING TWO GENERATIONS NOW.** So I would like to suggest that there is certainly no effort on my part to be concerned about the qualifications of this eminently suitable member of the bar. I, for one, am fully familiar with the standards of his practice

and can assure you that that was not my intention, so let the record be clear.

What I was directing myself to was the principle involved, and perhaps I was hypothesizing using this particular example, but I assure the Minister that there is going to be dramatic repercussions if this sort of thing is allowed. And with respect, I think it's for the Minister to exercise discretion, not necessarily Mr. Shulman or any designated appointee of his department. What I have suggested is, that if a person in the position of chairman of the Manitoba Police Commission is in fact allowed and enabled to continue his practice, his or her practice of law within this province, criminal law within the province, then most certainly there is going to be a conflict of interest, because you can't on the one hand ask people to believe that you are an impartial arbiter, an objective, impartial arbiter of police conduct, and on the other hand have an individual defending the interests of an accused individual and of necessity, in those circumstances, having to cross-examine, and cross-examine diligently, police officers with an attempt very often to impune their credibility with a view to trying to counterbalance, or to, as it were, - destroy the case being brought by the Crown through the auspices and with the assistance of police officials. I would suggest that the conflict is obvious — it's not hypothetical — and I would suggest that if the Minister were a police officer who was brought before such an individual in his designated capacity as chairman of the Commission, and had previously been subject to thorough cross-examination in those circumstances, and whose credibility perhaps even had been impuned, who was perhaps found in that particular case not to have done what he might have done in order to best administer the ends of justice, I would suggest that the Minister, being such a police officer, would be most concerned about his future being adjudicated by such a member of the bar. So I would suggest that it's incumbent upon the Minister to take steps to eliminate and alleviate the possibility of such a conflict of interest.

The Minister cited the case of the Winnipeg Police Commission. I should tell the Minister, if he wasn't aware, that members of the legal profession who sat on City Council studiously avoided, with the exception of one individual, studiously avoided the Commission for that very reason. I can think of one or two individuals who I believe, well, who told me that they cautiously avoided and in fact refused service on that particular Commission, because they felt that it represented a conflict with their practices. They didn't feel that they could wear one hat in the morning and another in the afternoon. I might say that one of those members was a member of the Honourable Minister's caucus, and I would suggest somebody whom the Honourable Attorney-General has a great deal of respect for.

So I would suggest that the principle abides, and we're not dealing with personalities, we are dealing with a matter of substance and principle, and I would suggest that if the Minister avoids making a decision, then the decision will be made as per usual in the form of public opinion. It will be done very arbitrarily and it will probably be made on an appeal basis, when some police officer, as I said, retains shrewd counsel, who decides that this is a contravention or denial of his rights of natural justice.

MR. MERCIER: Mr. Chairman, I'm glad that the honourable member agreed with me as to the integrity and ability of Mr. Shulman. I'm satisfied that Mr. Shulman would exercise those characteristics if indeed there arises a situation in which he may have a possible conflict of interest.

MR. CHAIRMAN: The Member for Wolseley.

MR. WILSON: Mr. Chairman, basically I listened with interest and I wanted to get back to where the Member for Wellington started off pertaining to plea bargaining and the fact that the Minister, if I'm correct, did he say that a review of the whole matter was being considered by his government; and the second part of that, is there a schedule of fees amongst the legal profession. We talked about the Evans' case. Is there a special fee set in criminal proceedings that, for instance, somebody arrested on a major drug situation it would be \$7,500, rape would be \$5,000, breaking and entering \$2,500, and murder, everything they've got — is there any set schedule of fees by the profession for criminal proceedings or is it by the hour?

MR. MERCIER: Are you referring to Legal Aid schedule of fees?

MR. WILSON: No, I am referring to the particular industry schedule of fees pertaining to cases under criminal prosecution. If I get the answer I want, I can further get into my area of concern. In other words . . .

MR. MERCIER: Mr. Chairman, I believe that with the exception of the Legal Aid schedule of fees relating to criminal matters, there is no prescribed schedule of fees for criminal matters from the Law Society.

MR. WILSON: Well, my concern is on the street, it is one of my concerns of trying to end the plea bargaining to the extent it had been under the former government, was the fact that individuals were paying \$7,500 when arrested on drug charges and when plea bargaining took place, the lawyer did very little work and still was entitled to the \$7,500 fee, whereas under civil litigation, he would have to account for the hours he spent on the case. So this is where my concern came forward, is the fellow paying the \$7,500 for the fact that he got a lesser sentence than anticipated or is he paying it because there is some schedule of fees amongst the industry for a particular crime?

MR. MERCIER: Mr. Chairman, as the honourable member is aware, the Law Society is a self-governing profession and that is a matter within the jurisdiction of the Law Society.

MR. WILSON: Mr. Chairman, then I am very pleased I put my comments on the record because it seems to me that this is very well-known amongst people on the street, from all walks of life and especially those who are sort of fringe people who always seem to be in and out of trouble, and it would seem to me that if they do read my comments, they might look into the fact that possibly there is a particular known fee for certain types of cases and that fee is charged whether the fellow spends a month on the case or whether he spends just several hours.

My other comment was to certainly agree with you, Mr. Minister, and to disagree with the Member for Wellington, but a number of things the Member for Wellington said were things that I could identify with and agree with. I think I have expressed this as a known fact in the architectural field, that it certainly seems to me in my time in Winnipeg, that many young lawyers who are now very successful lawyers in this city, started out and if I could use the term, got their MA or post-graduate degree by being employed by the government, stayed one or two years and then went on into private practice. So it would seem to me that indeed we have a fantastic turnover; I hope this turnover now has stopped because of our increased salary structure, because it seems that we did have this type of youthful team. This is not to say they are not a very capable team. I have met many of them and they are very capable but the problem I envision is that when you are in plea bargaining, I do feel the experienced lawyer should be involved in it — these are my personal comments only — because the rookies are no match for the likes of the Brodskys and Regiers and Walshs, whoever may be dealing for these particular people who can well afford. I noticed the Member for Wellington contradict some of the situations that the Member for Selkirk had said when he proved that at least in criminal law, that it is those people who get into the area of hiring these people, either through Legal Aid or otherwise, who are able to take on the less experienced people in the department and obtain the lesser sentences. So these are my own personal comments that I wanted to put on the record.

My last thing is a question: would you be able to tell me or take as notice, because I was sincerely critical of the former Attorney-General when I asked the total cost of the lawyers travelling around the country, to Austria, and I remember the great Mitchel-McCaffrey team, under the CFI Commission of Enquiry, that travelled the length and breadth of the country at the taxpayers' expense, and I wonder if he would be able to tell me the total cost of the CFI enquiry to date, under the Criminal Prosecution section that we are before, or just an estimate. Mr. Matas in the Tribune had said that the cost was \$2 million, and I believe the former Attorney-General had said that that figure was a little high. I'm wondering if we have reached that plateau yet.

MR. MERCIER: Up to March 31 of 1978, the total expenditures for legal fees and related expenses relative to the criminal fraud proceedings were \$511,677.98.

MR. CHAIRMAN: The Member for Selkirk.

MR. PAWLEY: Mr. Chairman, I believe I should ask, in view of the impression that might be left by the Member for Wolseley's question, have you any reason to be dissatisfied with any of the work that has been done by the special prosecutors to this date? Are you continuing along in the same course of action as was carried on earlier under the previous government in respect to the special prosecutions in the Kasser, Reiser, etc. matter?

MR. MERCIER: We are continuing the same course of action, Mr. Chairman, and have no results.

MR. CHAIRMAN: The Member for St. Vital.

MR. WALDING: Mr. Chairman, my question arises from the remarks of the Member for Wolseley.

I would like to ask the Attorney-General if an individual can have his solicitor's account taxed in a criminal matter the same as in a civil matter?

MR. MERCIER: I believe so.

MR. WALDING: That being the case, I wonder if the Attorney-General would explain again for the benefit of the Member for Wolseley, just what recourse an individual citizen would have if he felt he was being charged too much.

MR. MERCIER: The Law Society office answers calls like that every day.

MR. WALDING: Thank you.

MR. CHAIRMAN: The Member for Selkirk.

MR. PAWLEY: Mr. Chairman, I think I should just say, in view of the fact that the Member for Wolseley has injected some doubt into this area, that one of the concerns which I had during the period that I was Attorney-General, was the fact that in our society the international white-collar criminal seems to have so much going for him, whereas the petty thief has much less going for him insofar as dealing with the criminal justice system. One of the main problems seems to be our extradition laws of which Manitoba made numerous representations to the Federal Minister of Justice that there should be an improvement in the treaty arrangements dealing with extradition treaties. There are so many loopholes in extradition treaties that it seems that if you are powerful enough and wealthy enough, no matter how horrendous is the crime that is committed, you can escape paying for your wrongs.

It always surprises me, Mr. Chairman, that a law and order man such as the Member for Wolseley is so soft when it comes to the area of the wealthy and the powerful in the field of international white-collar crime. I can recall being under criticism from the Member for Wolseley because we were attempting to do what was reasonably necessary in order to obtain remedies, remedies insofar as the crimes that were perpetrated in this province, in our view, by certain individuals. So that here again we face that inference from the Member for Wolseley that there is something that has been undue and excessive in the cost to date.

Well, Mr. Chairman, we can have two laws, and I hope that we can explore this further as we proceed along with these Estimates, whether or not there are two laws. But unfortunately the path which I believe the present Attorney-General rejects, of taking a soft view of international white-collar criminals and a hard line position insofar as the smaller criminals, is certainly one that we never shared with the Member for Wolseley when we were in government.

MR. CHAIRMAN: The Member for Wellington.

MR. CORRIN: Mr. Chairman, dealing very generally now with the question of retention of outside counsel, and I was going to raise this under the Civil Division of the department but I chose to wait until such time as we were also dealing with the Criminal Prosecutions, because I was particularly interested in the prosecution of individuals such as Reiser and Kasser and the necessity to retain special counsel in order to proceed forward against them. I'm a new member and I suppose I have to qualify what I am about to say by saying that I am totally unfamiliar with the previous state of affairs. I do, though, feel that what I have to suggest has some merit.

For a long time, I felt that if the government were to exercise fiscal restraint, and this government of course is avowed to do that, I might say at any cost, then one of the ways that that could best be effected is through the tendering process. Of course now, contemporaneous with the new standards that exist within the province and the public and private discussions that are now being held within the ranks of the Law Society pertaining to the question of advertising of legal services, it occurs to me that it is quite timely, most timely, to broach the subject of tendering for legal services being provided to government by special counsel and for that matter, other sorts of agents that are retained by the various departments. I am talking about professional agents.

But dealing specifically with tendering procedures for legal services, I would ask the Minister whether or not he sees any merit in establishing guidelines that would necessitate public tender for the provision of legal services. I am appreciative of the fact that certain individuals, by virtue of experience, by virtue of special aptitude and skill, perhaps are given special status — and should be given special status — when matters such as this, the matters of retention of counsel arise. But it seems to me that living in a province the size of Manitoba and having a profession that is now of a fairly significant size, affords the opportunity for many, and has afforded the opportunity for many individual members of the profession to reach significant levels of attainment within their

chosen profession. I would suggest that it is no longer appropriate for any individual, as has been done in the past when tendering has been broached at other levels within the Law Society particularly, it is no longer appropriate to suggest that only a very few individuals are capable and competent of handling work and therefore there is no merit in the tendering format. I would ask the Minister whether or not he will consider implementing tendering guidelines with respect to provision of services of this sort?

MR. CHAIRMAN: The Attorney-General.

MR. MERCIER: Mr. Chairman, I think I indicated when we dealt with the Civil Litigation Branch, that we had added one additional position there with a view to doing as much as possible of the ongoing continuing work within the department, because it is the most economical, rather than retaining outside counsel to do ongoing work.

Certainly there are cases when special expertise is required or special, perhaps even independence from the department is required, that it is necessary to go outside the department. In cases like that, Mr. Chairman, they could be likened to the situation where you require an operation by a doctor. In those particular circumstances, it is not the lowest price that you're concerned about, you're concerned about the quality of the particular work.

MR. CORRIN: A supplementary. I would note, Mr. Chairman, that I suggested that there be guidelines drawn; I wasn't so specific as to suggest that price was the only standard. Obviously when you're talking about professional services, price is not the only standard, but I would suggest in certain circumstances by use of guidelines you can create a situation where all other things are equal and you can do that in a number of ways I think. I think that one can call for a certain number of years experience at the bar, one can suggest perhaps even that there be references with respect to a specific, a particular type of work.

Dealing with the Forest case for instance, I think both myself and the Minister were in concurrence and agreement that both counsel, respective counsel, Professor Gibson and Mr. Twaddle, were both qualified and competent to go forward, both capably endowed with forensic skills and legal knowledge and most suitably chosen for the conduct of this particular case. But, having agreed that the two individuals were the same, I would suggest that perhaps in those sorts of circumstances, it does boil down to price. If you have two qualified experts who are, as in the Forest case, recognized by the Attorney-General as being of equivalent stature, I would suggest that it's not irregular and it's not inconsistent for me to suggest that tendering might well be the most equitable manner of proceeding, having in mind the fact that the government must protect the public interest whenever retaining outside agents in the employ of the administration. So having that in mind, I would ask the Minister whether or not he would agree that given the fact that his government is so cost conscious and is so concerned as he has suggested on several occasions, even this evening, with making government more efficient, making government better managed fiscally, I would ask whether or not he would be willing to consider even implementing the tendering process on a limited experimental basis in order that members of the bar and members of the public can gain some insight as to whether or not this practice might be of value to the citizens of the province.

MR. MERCIER: Mr. Chairman, perhaps for the third and last time, I have indicated that we have taken the position to expand the in-house staff of the Civil Litigation Department because we feel that that is the most economical way of handling all of the ongoing duties, and we feel that we have in fact absorbed some of the work that was previously done by outside counsel so there is only the rare and special case where we anticipate that it will be necessary to retain outside counsel, and for the moment, we have not considered any form of public tendering for legal services.

MR. CORRIN: A supplementary, Mr. Chairman. Addressing myself to that reshuffle, Mr. Chairman, I would have to remind the Honourable Minister that it was he who suggested that there had been no increases in the complement of the criminal section of his department, no increases whatsoever in the number of persons employed. As a matter of fact, there was a reduction of one SMY in this fiscal year, in these Estimates. So I would suggest that for the Minister to now advise the members of the Committee that he is taking decisive action by expanding the complement of his staff. . .

MR. MERCIER: The Civil Litigation Department, I said.

MR. CORRIN: Well, we're not talking of civil litigation when we're talking about cases involving for instance, Messrs. Reiser and Kasser. . .

MR. MERCIER: You didn't differentiate between civil and criminal.

MR. CORRIN: . . . we're talking about both criminal and civil matters, I think, under the heading of the criminal section. If the Minister wants to attempt some sort of finesse and move back onto the civil item, as I said, I am more than willing to discuss both. I think in both cases, the same principle pertains and applies. I think the principle is very simple; if the government is cost conscious as it has said, if it is in fact deliberating on ways and means to reduce the public expenditure in this province, then I would suggest a very cost effective manner might be the tendering process and I would suggest there is absolutely no way that this government can establish whether or not such a process has merit and whether or not it might be comparatively speaking, more efficient than infinite expansion within the ranks of the department, and I must point out on that point, I must aver to the very special nature of the cases that we have been discussing. I think there are very special circumstances and reasons why the government in the cases such as CFI and the Forest case do not retain counsel from within the ranks of the department, simply because these are very specialized areas of law, they require persons who have specialized knowledge and experience, and obviously it would not be efficient for the department to staff these — you might call them these specials, these special need professionals on the speculation that there may one day be a case where their special talents could be utilized. Obviously you are not going to staff Professor Gibson, or a Mr. Kerr Twaddle with your department on the surmise that one day you may have need to avail of their specialized services. It's much better, it's more effective and more efficient when you do, to go outside and retain them, but I am merely suggesting that if and when you do, the tendering process is the most efficient manner of doing it.

We have heard debate in the Legislature, the Minister of Highways was just a few short days ago telling us that it was his intention and the intention of your government, Mr. Chairman, to upgrade the standards of tendering within the province, that he found that there was concern; not agreed with by members on my side, but he found that there was need for concern in this regard. Given this manifestation of concern, I would suggest that we extend that concern not only to apply to the sale of airplanes and government businesses, but also to the retention of professional services.

I can assure the Minister that there are legal firms in this city, large legal firms, who staff many lawyers of diverse backgrounds, who would be quite pleased to participate in a tendering procedure. I don't think that they would feel that they were at any disadvantage, legal firms of 5, 10, 15, 20, 30, and 35 members, if they were called upon to compete one with the other in this sort of procedure. As a matter of fact, I think that you would find that it would once and for all dispel a lot of the past criticism that has been associated with the retention of counsel by government. The old traditional charge that there is a good deal of pork barreling. N you know no one has ever proven it and I am not sure that it's true. I, for one, would argue that it's quite untrue, and it's unfounded, but unless the government takes some deliberate measure and procedure to circumvent these sorts of charges, there will be no way to put the lie in the mouths of those who wish to impute motives and make such charges publicly and privately. So I would suggest that the Minister give consideration to the tendering process in the retention of legal counsel.

MR. CHAIRMAN: The Member for Wolseley.

MR. WILSON: Mr. Chairman, in 50 seconds or less, on a matter of sort of personal privilege, the Member for Selkirk sort of indicated that I was an agent for the rich and the powerful, and I can't help but reject that totally because I criticized him on the Vogt case, where a man had killed his wife and left his father-in-law crippled for years, and two years later he was playing tennis on the courts of the province here. So I can reject that totally and say that my concern is that international law should be left either to the United Nations or something, because the United States and others haven't been able to get hold of Vesco and others haven't been able to get hold of hijackers, and the FLQ and others. I think if you are going to have practical government, you have \$6 million to \$8 million sitting in Quebec, many lawyers have indicated there is absolutely no hope of bringing Mr. Kasser to justice, I'm saying for the taxpayers of Wolseley and myself — and it's my own personal opinion, and obviously the Minister and the Member for Selkirk are slightly in agreement, I feel that principle only goes so far and when there is \$8 million sitting there for the taxpayers of Manitoba or even if I am exaggerating, it's only \$6 million plus interest I say the time has arrived that I as an individual try to convince my government to get the \$6 million because that can buy an awful lot of happiness in Manitoba.

MR. CHAIRMAN: The Member for Selkirk.

MR. PAWLEY: I want to speak to that point of personal privilege, if that's in fact what it was.

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Mr. Chairman, first, I didn't accuse the Member for Wolseley of being an agent for the wealthy and the powerful. I was suggesting there was an inconsistency between his policies and his attitudes towards the criminal justice system as between two classes: one, the rich and the powerful, the very rich, the International white-collar criminal, and those involved in petty theft; and secondly, I don't think I need emphasize that to leave the international white-collar crime to United Nations would be like trying to row a canoe across the Atlantic Ocean — you wouldn't get very far.

MR. CHAIRMAN: (b)(1)—pass; (b)(2)—pass. Resolution 20; Be it resolved that there be granted to Her Majesty a sum not exceeding \$2,304,100 for Attorney-General, Legal Services — pass.

Boards and Commissions 3.(a) Manitoba Law Reform Commission, 3.(a)(1)—pass — the Member for Wellington.

MR. CORRIN: Mr. Chairman, I noted in a local daily newspaper that there was an advertisement finally posted for the position of Director, I believe Director is the actual designation of the position, of the Manitoba Law Reform Commission. I think a lot of people have been quite concerned for some time after the departure of Mr. Frank Muldoon, that there was a very demonstrable need to replace this very capable individual in this capacity, and I was wondering whether or not the Minister could make any report to the Committee as to what progress has now been made in retaining. . . —(Interjection)—

MR. MERCIER: Mr. Chairman, I refer the member to Hansard covering the discussion this afternoon.

MR. CHAIRMAN: I am told, to the Member for Wellington, I wasn't present, but I am told that that subject matter was discussed at great length this afternoon during these Estimates.

MR. CORRIN: Well, you see, Mr. Chairman, if I would have been here and I would have raised it this afternoon, I would have been told that it should be raised under 3.(a)(1), but I am pleased to hear that matters are moving forward with great expedition.

MR. CHAIRMAN: 3.(a)(1)—pass; 3.(a)(2)—pass; 3.(b). . .

MR. CORRIN: Might I ask, Mr. Chairman, not to be redundant, but given that we discussed the question of the retention of the director of this particular commission, did we go into any further detail as to the format to be adopted, or perhaps to be continued by the department with respect to this very important body?

MR. CHAIRMAN: The Attorney-General.

MR. MERCIER: As much as required, Mr. Chairman. \$

MR. CORRIN: Do I take that then, Mr. Chairman, to be a negative response? He indicated, as much as required; I don't know whether that again is a facetious reply or. . .

MR. MERCIER: I think we had a very full and thorough discussion of the operation of the Law Reform Commission this afternoon, Mr. Chairman, particularly the position of the Chairman, whether it should be full-time and part-time, and what accommodation could be made in respect to the operation and I think it was adequately covered by the members who were here.

MR. CHAIRMAN: 3.(b)(1) Salaries — the Member for Selkirk.

MR. PAWLEY: Under the Human Rights Commission, I would like the Minister to advise me as to the staff presently in the Human Rights Commission, the number of staff this year compared to last year, and reduction if any, where, and also I would like the Minister to deal with the reasons for the decrease in the Human Rights Commission, a significant decrease of some \$40,000 in this not too significant item financially.

MR. MERCIER: Mr. Chairman, I believe that the two positions that have been deleted were in fact unfilled and had been unfilled for some time. I think, upon the appointment of a chairman, whether that be full-time or part-time, then obviously we will have to review the budget with the new chairman in preparation of the Estimates for next year.

MR. PAWLEY: Mr. Chairman, I believe that — oh, you've moved from Law Reform to Human Rights.

—(Interjection)—

MR. FOX: It's getting late, we had better adjourn.

MR. MERCIER: The positions that were not funded were one-half term SMY and one and a half contract SMY which was summer student research and the secretary. Would you like the details which would comprise the 41.7 reduction? There's also a reduction in professional fees because we're going to use the lawyers in the Civil Litigation Branch. That reduction amounted to the reduction in the Printing and Publications is \$5,000, and a reduction in Advertising and Exhibits of \$3,600, and other minor items of \$900 which total \$41,700.00.

MR. PAWLEY: Now, Mr. Chairman, I'd like to ask the Attorney-General whether the position of northern field worker has been filled insofar as the commission is concerned, that is the worker working out of the The Pas office?

MR. MERCIER: Mr. Chairman, I'm advised that there were two workers in the north. One resigned and the position was allocated to a secretary's position in the city so that there is still one worker in the north.

MR. PAWLEY: Mr. Chairman, that information does cause me concern because if there is an area where Human Rights Commission and its activities are very important it is in the northern area. It was for that reason that we established an office in The Pas in which there served a secretary plus a field worker. Now, if I'm led to believe that we only have one person working in The Pas at the present time — one field worker, no secretary — in view of the number of complaints which originated in the north, and I think we can understand the reason for the type of complaints that would occur from the north in view of the native situation, Metis situation . . .

MR. MERCIER: Mr. Chairman, there was apparently two field workers plus one secretary at The Pas. The one worker resigned and the moneys for that position were transferred to a secretarial position in the city so that there is still one field worker plus a secretary in The Pas.

MR. PAWLEY: So what we really are faced with then is a reduction of one field worker in the north. Well, I must express disappointment, Mr. Chairman, that there has been a reduction of a field worker in the north because I believe there is need for Human Rights Commission activity in view of the very nature of the communities throughout the north and the character of the complaints spells a need for a Human Rights Commission and fieldmen in the north. So I want to ask the Attorney-General whether he can assure us that there won't be a further cut in the remaining fieldmen in the north in The Pas district?

MR. MERCIER: This year?

MR. PAWLEY: Yes.

MR. MERCIER: No, there's none that I'm aware of, Mr. Chairman.

MR. PAWLEY: Well, Mr. Chairman, has there been a reduction in field workers elsewhere in Manitoba? Is the reduction consistent with the reduction in the north — a 50 percent reduction in the north insofar as field workers are concerned?

MR. MERCIER: Mr. Chairman, this was a decision of the Human Rights Commission I assume based on the priorities that they established for themselves and the work flow. There have been no other reductions in field workers outside of The Pas.

MR. PAWLEY: Mr. Chairman, I do think that if it's a decision of the Commission it's one that's been imposed as a result of the pressures of the reduction in the number of dollars made available so I want to express grave concern about that area. As well I would like to express concern about an earlier comment that the Minister made in connection with reduction in fees. One of the innovations which we placed into the Human Rights Act in 1974 was a provision which removed any veto from the Attorney-General insofar as the referral of cases to boards of adjudication. It was my feeling at the time that it was most important that the Human Rights Commission not be subject sometimes to the particular political whims of whatever Attorney-General was in being at any one time, so in 1974 we removed the veto insofar as referral, the veto which had previously existed enjoyed by the Attorney-General. In order that that be effective I think it's important here, and I certainly prefer

in-house legal services as much as possible, but I think this is an area where it's important to utilize from time to time independent legal services to ensure that there is independence from the Attorney-General Department insofar as matters, particularly those that may involve government itself and questions of discrimination pertaining to government. So I want to ask the Attorney-General, in view of the reduction in fees allocated, whether there's an intention to use here more in-house services as he indicated the intention was in other fields?

MR. MERCIER: Mr. Chairman, yes, the intention is to use more in-house services but I recognize the point that the honourable member is attempting to make, that in some cases it could be seen to be a conflict of interest if an in-house departmental staff person did represent the commission on a matter and each case will simply have to be assessed on its merits. If we can foresee that problem then we'll take the necessary steps to retain outside counsel and avoid it.

I might say, Mr. Chairman, that since assuming government we have had one request for a Board of Arbitration and that matter has been proceeded with but not concluded yet.

MR. PAWLEY: Mr. Chairman, I would also ask the Minister in connection with a program that was undertaken by the Human Rights Commission dealing with ethnic group work. Can you advise me whether that is continuing.

MR. MERCIER: Mr. Chairman, I've indicated the various areas which were reduced. As far as I'm aware that program is being carried on.

MR. PAWLEY: Can the Minister advise me of the percentage of increase in complaints? Certainly in the period from the inception of the Human Rights Act up to the present time there's been a steady increase in the number of complaints as more and more of the public became aware of the workings of this commission. Can I be advised as to the percentage increase in complaints received by the commission last year at this time to this year at this time?

MR. MERCIER: Mr. Chairman, I believe that that information is contained in the Annual Report of the Human Rights Commission. I don't have a copy with me.

MR. PAWLEY: Is it out now?

MR. MERCIER: Yes, it's tabled. Perhaps just to give the honourable member notice, I'm advised that there is an error in the report which will have to be corrected.

MR. PAWLEY: Mr. Chairman, I want to express additional concern to the Minister about what appears to be reductions insofar as education prevention. It seems to me that the Human Rights Commission is one that should not basically rely upon response mechanism but certainly has to inform the community. It has to be prepared to work through the schools and the workplaces and other groups. I remember the excellent work that was done by the commission with the Hotel Association over the last year or two. I'm concerned that with the reductions that the Attorney-General mentioned that there will be a reduction insofar as education. Is the Attorney-General telling us that the commission will be now more response — it will be solely response orientated?

MR. MERCIER: Mr. Chairman, I believe the effect of the reduced funding will be to reduce the amount of moneys available for mass printing of educational material.

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

MR. CORRIN: I'll be very short and deliberate. I must say that I was quite concerned and still am quite concerned about the recommendation made by the Task Force respecting the Human Rights Commission. I would like to know whether or not the Task Force members responsible for the review of this particular commission consulted with the Minister prior to making their deliberations, and whether or not the Minister is aware as to whether they sought the advice and counsel of the Chairman or the Director of the Commission? I do have another question but I think it would be more appropriately supplementary.

MR. MERCIER: Mr. Chairman, I did not consult with the Task Force relative to their recommendations on the Human Rights Commission. I don't know whether or not they consulted with anybody on the Commission.

MR. CORRIN: Having heard that response, and I thank the Minister for being so forthright, I would

respectively again suggest that the Minister, prior to making any conclusive decisions respecting the nature of this particular government agency, make a special effort to consult with the Director of the Commission in order to apprise himself of the work that the Commission has done and its expectations for future growth and development. I think we can all concur — I don't think anybody at this table would disagree that this is a very important fundamental area. This particular commission does work which by its very nature makes our society here in Manitoba more cohesive and more humane, and, as the Member for Selkirk has pointed out, if there are to be any cutbacks as were recommended by the Task Force and particularly in its educational activities, and I would remind the Minister that these educational activities are with respect to advice that is given to school children, to working people throughout the province, people in remote northern situations and particularly indigenous people of native ancestry, and women's groups of course. I would suggest that all of Manitoba would be the less for such a restraint policy, and although there has been some evidence that there have been some limited cutbacks, I would strongly importune the Minister to be most cautious, to be very conservative when considering making any changes in the scope and extent of the jurisdiction, the qualitative program of this particular commission.

MR. CHAIRMAN: The Attorney-General.

MR. MERCIER: Mr. Chairman, the last sentence of the paragraph on Human Rights Commission says that the Commission, as its first priority, should be directed to respond to complaints regarding violation of rights under the terms of the Act, and I don't think anybody could disagree with that. Certainly that has its own educational value. So I assume that the member is not referring to that particular sentence.

MR. CORRIN: No, Mr. Chairman, what I was concerned with was the actual last sentence the Minister skipped — if he looks over on Page 21, the last sentence is actually, "Consideration should be given to the number of staff reductions that can be realized by the above recommendations." And the recommendation was that there be a reassessment and an adjustment of the Human Rights Commission's educational activities.

I would suggest that it is very very difficult, and I'm sure that the Minister will agree if he thinks about this in any depth, it is very difficult for a person who is unaware of his or her rights — a woman who may well not be aware of the provisions of the Human Rights Legislation in this province; a native person who may not know about these same laws — it is very difficult for such a person to exercise his or her rights under those laws unless there is an active program of education and dissemination of information in all our communities. So the one without the complement of the other is vitiated in purpose, Mr. Chairman. There will be no significant value to a program that sees significant curtailment of educational activities. I think that the Minister would have to agree that people who have these limited backgrounds, or for that matter like most people who are not familiar with the law, would be very unlikely to bring matters before the Commission unless there is what I would like to call a more activist — am pleased and proud to call a more activist position taken by the government in this respect. So, having said that, I would hope that the Minister would concur that my concern is not ill-founded but founded on a reasonable premise and on an equitable foundation.

MR. MERCIER: Mr. Chairman, I think basically what the Task Force is saying is that we should attempt to get the best value for our dollar spent in this area and any other particular area and we just have to look at the effectiveness of some of the mass mailings that go out because I think many of us know how some of those reports are treated and we just have to make sure that the money is effectively spent. There is no question that there is an educational function that is necessary.

MR. CHAIRMAN: The Member for Winnipeg Centre.

MR. J. R. (Bud) BOYCE: I have just a couple of questions, Mr. Chairman. Did I understand the Attorney-General right, that he has not read the recommendations of the Report; did I misunderstand the Attorney-General?

MR. CHAIRMAN: The Attorney-General.

MR. MERCIER: The Member misunderstood, Mr. Chairman.

MR. BOYCE: Thank you very much. One other question to the Attorney-General. He had said earlier that he was going to carry out mass mailings or something?

MR. MERCIER: No, Mr. Chairman, what I pointed out was that one of the areas of reduction was \$5,000 for the printing of publications. We have reduced the mass mailings.

MR. BOYCE: But you still have some mass mailouts or some way of informing the public of the involvement of the Human Rights Commission?

MR. MERCIER: Yes, Mr. Chairman, this is just a reduction in the amount of the money, not a deletion of the moneys, as I understand it.

MR. BOYCE: Is it the intention of the Attorney-General to include in this information which is provided to the public, the limitations of people involved in law enforcement, such as bailiffs — to spell out the powers of people, law enforcement officers and others, in Human Rights . . .tv

MR. MERCIER: Mr. Chairman, that is not a provision of the Manitoba Human Rights Act. That legislation is contained in other Acts.

MR. CHAIRMAN: (b)(1).

MR. PAWLEY: Where do we deal with that question, Mr. Chairman, of the bailiffs and private practice?

MR. MERCIER: It is a matter for Consumer Affairs, Mr. Chairman.

MR. CHAIRMAN: (b)(1)—pass; (b)(2)—pass; (c) Canada-Manitoba Criminal Injuries Compensation Board — the Member for Selkirk.

MR. PAWLEY: Mr. Chairman, in connection with the Criminal Injuries Compensation Board, there is a considerable increase in the amount that we are collecting from Ottawa, to \$103,000 from \$50,600, thus meaning that the province's share to Criminal Injuries has in fact been reduced rather than increased. The total is an increase but because of the increase by the Federal Government in excess of \$50,000, there is in effect a reduction in the amount contributed by the Province of Manitoba toward Criminal Injuries.

I find the increase rather peculiar to the extent that there are continuing ongoing claims which have to be paid sometime for a lifetime of disability, and I'm wondering if the Minister could advise us as to the number of such lifetime claims this year as compared to one year ago.

MR. MERCIER: Mr. Chairman, I believe that the increase in funding is a result of an increase from the Federal Government from five cents per capita to ten cents per capita, which was provided in the agreement that the Honourable Member for Selkirk signed sometime after October 11 and 24, so that I should give him credit for that.

I did today file the agreement, or the annual report, which the Member for Winnipeg Centre has, which would have the statistics, I believe, in answer to the honourable member's question.

MR. PAWLEY: It is the lifetime claims that I was concerned about. I gather that the Minister is assuring us then that although the increase here is modest, that it is covering sufficiently the ongoing claims which are increasing year by year.

MR. MERCIER: There has been no change in the program, Mr. Chairman.

MR. CHAIRMAN: (c)—pass; (d)(1) Police Commission — the Member for Seliirk.

MR. PAWLEY: Mr. Chairman, I would like to obtain some comment from the Minister as to the priorities that are being undertaken by the Manitoba Police Commission at the present time. What studies, what pursuits are the Police Commission involved with at the present time?

MR. MERCIER: The Frampton Case.

MR. PAWLEY: Any other matters? Is the Commission doing nothing at the present time except the Frampton case?

MR. MERCIER: No, that is the primary matter of real concern, I believe, that the Police Commission

has been dealing with which, of course, is subject to a great deal of litigation.

There has been no change in the programming of the Manitoba Police Commission, Mr. Chairman, so that they are simply carrying on with their usual functions that they have and the usual programs that they have.

MR. PAWLEY: They have dealt in the past with such questions as police high-speed chases, child abuse and other subject matter has commanded much of their time. I am just wondering if the Minister is then indicating that he is not aware of any special studies that are being undertaken by the Commission at this point?

MR. MERCIER: Any new studies?

MR. PAWLEY: Yes.

MR. MERCIER: No.

MR. PAWLEY: Insofar as the Frampton case, I would just like to clarify: Has the Minister indicated to us earlier that insofar as the Frampton case was concerned, that it was sufficiently general in nature that it would deal with the question of police brutality in general rather than only in a singular fashion dealing only with the Frampton item? That the terms of reference were sufficiently broad?

MR. MERCIER: Mr. Chairman, inasmuch as this matter is presently before the Manitoba Court of Appeal, I would prefer not to discuss the matter. I would refer the Honourable Member for Selkirk to the Order-in-Council, a copy of which I can make available for him if he would like so that he could review the terms of reference for himself.

MR. PAWLEY: Mr. Chairman, I am not really enquiring as to the merits or demerits of the case.

MR. MERCIER: The interpretation of the Order-in-Council is a matter that is before the Court of Appeal.

MR. PAWLEY: Well, I would like to have commented a great deal on this entire question of dealing with that subject matter, but I believe I will give way to your indication that the matter is before the Court of Appeal, Mr. Chairman, and probably save my comments until next year.

MR. CHAIRMAN: (d)(1)—pass; (d)(2)—pass; (e) Board of Review — the Member for St. Vital.

MR. WALDING: Thank you, Mr. Chairman. I would like to ask the Honourable Minister what it is that the Board of Review reviews?

MR. MERCIER: Mr. Chairman, the Board of Review reviews the cases of people involved in criminal cases as to their mental competency, generally every six months.

MR. WALDING: Mr. Chairman, can the Minister tell me what the board consists of, how many members, how they are appointed and who they are?

MR. MERCIER: I believe there are five members appointed by Order-in-Council. There are, I believe, two psychiatrists, two social workers, and a lawyer as chairman. I think, as the Honourable Member for Selkirk will be aware, Mr. Leon Mitchell was for some time wanting to be replaced on the Board of Review, and he has been replaced. There was also one change with the psychiatrists because one of the gentlemen had been away on sabbatical and came back and almost by mutual agreement between the psychiatrists, one replaced the other. I could get the names. Dr. Lambert is one now and Dr. Varsamis resigned.

MR. PAWLEY: The Chairman.

MR. MERCIER: The Chairman of the Board of Review is Gary Brickman.

MR. CHAIRMAN: The Member for St. Vital.

MR. WALDING: Can I ask the Minister why there is such a small amount for this,

MR. MERCIER: Mr. Chairman, the members are paid by way of a per diem and they do not in fact meet that frequently.

MR. WALDING: Is there any staff attached to the Board?

MR. MERCIER: No, there is no staff. I believe the practice has been for the chairman to utilize a secretary whenever meetings are required to be held.

MR. CHAIRMAN: (e)—pass — the Member for Selkirk.

MR. PAWLEY: Mr. Chairman, can the Minister indicate whether this — s this is a very important Board in that its function is one that is extremely critical as it deals regularly with those that have been involved in criminal charges but are inhabiting our mental institutions — I'm wondering how regularly the Board has been meeting, Mr. Chairman, and how many cases is the Board presently charged with?

MR. CHAIRMAN: The Attorney-General.

MR. MERCIER: Would you repeat the question?

MR. PAWLEY: Yes, I will. How many cases is the Board presently dealing with, and how regular a basis is the Board meeting with?

MR. MERCIER: Mr. Chairman, I am advised that there are only, approximately, twelve cases.

MR. PAWLEY: I think it's important here that it be understood, because we have been subjected to some comments that there are certain inmates of our mental institutions that are working in Personal Care Homes, etc., that were charged with serious criminal offences, but have been permitted to work in Personal Care Homes and what not. Can the Minister assure us that insofar as any one that has been committed to a mental institution, found not guilty by reason of insanity, that that person would not be discharged from the mental institution to work in a Personal Care Home or other facility on a day basis, unless first receiving the appropriate okay from this particular Board?

MR. MERCIER: Mr. Chairman, I believe that the Minister of Corrections did make an investigation and a statement with respect to that matter. If the member is concerned that certain persons who are subject to the control of this Board have been out working during the day, I can certainly make inquiries and advise the member.

MR. PAWLEY: I believe that the community as a whole ought to be assured of that, because I concur that the calibre of the membership of the Board here is high, and there seems to be sometimes a view, sometimes I think recklessly expressed in the community that inmates of institutions have been allowed to work in areas of public trust just by the Okay of some official in a mental institution. I can understand why those fears are expressed if they are not based upon adequate knowledge, maybe my knowledge isn't adequate. I would like to be assured that before one is able to so participate in a position of public trust, such as working in a Personal Care Home, from a mental institution, if one is there as a result of criminal charge though found not guilty, that it would only be after being processed through this Committee and through no other means or avenue. If the Minister can't provide me with the answer to that at this time, maybe he could provide it to me during the discussion on his salary?.

MR. MERCIER: Mr. Chairman, I'll undertake to obtain that information for the member.

MR. CHAIRMAN: Board of Review—pass — the Member for Wellington.

MR. CORRIN: Mr. Chairman, I am quite interested in a figure that the Minister provided. He indicated that only some twelve individuals were in fact under review by this particular Board. I must say that struck me as being most unusual, perhaps I don't fully understand the extent and scope of the jurisdiction of the Board, but I thought that the Board had jurisdiction with respect to all people who had been found to be unfit to stand for their trials. Now, perhaps I'm wrong, perhaps the Board also has jurisdiction for people who after imprisonment were sentenced to serve their terms in mental institutions, either as a result of their having fallen mentally ill subsequent to their incarceration,

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or because they were thought to be operating under some diminished mental responsibility by the people who pass judgment in those sorts of areas. I'm wondering if the Minister could give me some clarification and tell me then to what class these twelve individuals fall?

MR. MERCIER: Mr. Chairman, the Board of Review is established pursuant to provisions of the Criminal Code — Section 547, I'm advised is the particular section. My understanding is that it refers to people found not guilty by reason of insanity, found by the Court to be not guilty

MR. CORRIN: You mean, unfit to stand for trial?

MR. MERCIER: Found by the Court.

MR. CORRIN: Found by the Court to be unfit to stand for their trial?

MR. MERCIER: Right. Or not guilty by reason of insanity.

MR. CORRIN: Well, to go one step further, there are some people who at their trial are determined not to be fit to stand before the Court and enter a plea. Those persons, I presume, are held at the pleasure of the Crown. It hasn't always necessarily been determined whether that individual was insane at the time of the alleged offence. I'm wondering whether those people fall within the purview of this Board's jurisdiction and discretion?

MR. MERCIER: Yes.

MR. CORRIN: I see. So this Board in effect would determine when an individual is fit to enter a plea and to stand for trial

MR. MERCIER: They make a recommendation, then the Court will decide. But they are required to review the cases every six months.

MR. CORRIN: Oh, I see. Supplementary, Mr. Chairman. Then they have a dual role, in a sense, in that they also have to deal with cases where the Courts have adjudged a person to be unfit at the time of the commission of the offence.

MR. MERCIER: Yes, not guilty by reason of insanity, yes.

MR. CHAIRMAN: (e) — pass — the Member for Wellington.

MR. CORRIN: Just as a matter of curiosity, Mr. Chairman, because I think we are all, supplementary, we are all familiar with cases — I'm now thinking of a case that was quite famous in the 1950s, and I can't remember the citation so I guess we're not all familiar with it — I could recite almost the entire head note but I can't remember the name of the accused, but in any event this individual was interned on this basis and was found to no longer be suffering a mental disability, was subsequently released and did become re-involved. The individual involved himself in homicidal sexual activity, which entailed both sex and homicide, eventually found his way to be hung in Headingley Jail. But, I'm wondering whether or not any such people have been released by this particular Board of Review, and I'm not specifically saying a homicidal maniac, but has the Board exercised discretion in favour of any of these people who are interned at the pleasure of the Crown.

MR. MERCIER: Was the name of that gentleman Westgate?

MR. CORRIN: I don't know, I used to live on Westgate, I don't know.

MR. MERCIER: They make a recommendation to the Lieutenant-Governor-in-Council. They don't release them.

MR. CORRIN: They make recommendations, and have they made such recommendations, to your knowledge, in the past twelve months? Has any such person been released?

MR. MERCIER: Yes, they made one that I recall.

MR. CORRIN: Well, was this person released?

MR. MERCIER: It was recommended he stand trial.

MR. CORRIN: Then this was a person who fell into the first category as opposed to the second category.

MR. MERCIER: Yes.

MR. CORRIN: I see. Thank you.

MR. CHAIRMAN: (e) Board of Review—pass; (f) Manitoba Lotteries Licensing Board: (1) Saleries — the Member for Selkirk, and then St. Vital.

MR. PAWLEY: I would like the Minister's explanation. As I read the Manitoba Lotteries Commission Board, last year there was \$12,700 allowed, this year we are dealing with \$47,600 — someone's salary has been added into this category.

MR. MERCIER: Yes, Mr. Decker and his secretary.

MR. PAWLEY: W Where was Mr. Decker and his secretary last year?

MR. MERCIER: Oh, pardon me, his secretary has been added this year.

MR. PAWLEY: But not Mr. Decker.

MR. MERCIER: Mr. Decker was there before.

MR. PAWLEY: Where was his secretary last year? Where was her salary?

MR. MERCIER: He didn't have a secretary.

MR. PAWLEY: Mr. Chairman, are we finding that this is a section of the Attorney-General's department where there has been a ballooning in the Civil Service and that a secretary has been added to the staff of the Manitoba Lotteries Licensing Board?

MR. MERCIER: Well, Mr. Chairman, there's been ballooning in a lot of areas. There's been a 10.2 percent increase in the total Budget.

MR. PAWLEY: Mr. Chairman, I just want to briefly comment I would have preferred to have seen that one extra in the Human Rights Commission rather than here.

MR. MERCIER: I think you might be aware though, through you Mr. Chairman, of the large number of applications that are made and the amount of paper that is processed through this particular area.

MR. PAWLEY: Well, there has been in the past as well large numbers of — and I don't know how they were done previously, I presume that somebody else . . .

MR. MERCIER: Mr. Decker was probably using secretarial assistance somewhere else.

MR. PAWLEY: But obviously it was being shared with someone else, whereas now, I understand there's a full-time secretary allotted to this particular section. However, I won't make a deal of that, I just say that I find that a little inconsistent.

MR. MERCIER: Spending money like drunken sailors.

MR. CHAIRMAN: (f)(1)—pass — I'm sorry, the Member for St. Vital.

MR. PAWLEY: Let me point out, Mr. Chairman, let not the First Minister suggest, as he did the other day, that New Democrats do not point out areas where there could be money savings.

MR. MERCIER: Are you recommending that the secretary position be deleted?

MR. PAWLEY: Shared with somebody else.

MR. MERCIER: And this position be deleted

MR. PAWLEY: That the position be shared as it was last year.

MR. MERCIER: And that one secretarial position be deleted?

MR. PAWLEY: Well, that we return to the status quo of last year, yes.

MR. CHAIRMAN: The Member for St. Vital.

MR. WALDING: Yes, Mr. Chairman. The Member for Selkirk has asked one of the questions that I wanted to ask on this, and I wonder if the Minister could tell me how much revenue comes into the consolidated fund by way of this particular Board?

MR. MERCIER: It is fairly substantial, Mr. Chairman. We will just get the exact figures. We estimate \$160,000 for this year.

MR. WALDING: That's a lot of money, Mr. Chairman.

MR. MERCIER: A secretary would appear to be a good investment.

MR. WALDING: Well, I'm not so sure whether that is really the area that the Board needs more assistance, Mr. Chairman, from remarks that I've heard from people that have been involved in this particular area. I know that there are a lot of different organizations that hold lotteries and gambling of different types, including, I'm told, different fairs around the country and carnivals, and this sort of thing. I'd like to ask the Minister what provisions there have been made for inspection and policing of these different forms of gambling in the province?

MR. MERCIER: Through Mr. Decker and various law enforcement agencies.

MR. WALDING: Is the inspection done then by Mr. Decker, personally, on all of these or is it left to the police forces? Can the Minister expand on that?

MR. MERCIER: It would be fairly rare for Mr. Decker to attend personally, but mainly done through the law enforcement agencies and various police departments.

MR. WALDING: Does the Board then call on the relevant police organization to look into every application that it gets, or does it do so on a selective basis, or how is it worked?

MR. MERCIER: The Board looks into the applications I believe when the applications are granted. The actual holding of the event could be subject to the police — not subject to, but the police could visit the operation to attempt to ensure that the provisions of the licence were being complied with, and copies of the Orders, I am advised, go to the appropriate police departments.

MR. WALDING: Can the Minister tell me what facilities the Board has for auditing, or at least checking in some manner the accounts that are kept by the organizations carrying on these lotteries, casinos or whatever?

MR. MERCIER: They, I believe, require audited statements and returns which are checked by Mr. Decker.

MR. WALDING: Mr. Chairman, I have been informed that many of the statements that come into the Licencing Board subsequent to the lottery being held, are simply written statements by an officer of the association involved, that they are in fact not audited in any way and that the statements are unsubstantiated and the board has no alternative other than to accept a simple sheet of paper stating that so much money came in and so much was paid out.

MR. MERCIER: I can only assume, Mr. Chairman, that there are various levels of lotteries that are allowed, ranging in degrees of size, and that maybe in some instances that audited returns are not required when they are very small lotteries run by local community clubs or something of that

like. If there is a particular matter that the member would like to be enquired into, perhaps he would like to mention it now or privately afterward.

MR. WALDING: Can the Minister confirm that the organizations carrying on the lottery pay a commission of 1 percent to the Board, that this is where the revenue comes from?

MR. MERCIER: I believe it is 1 percent.

MR. WALDING: To extrapolate from the Minister's figures that 160,000 comes into the Provincial revenue every year, and multiply that by 100, would indicate that there is \$16 million going through these licenced lotteries. Now, that is a lot of money, Mr. Chairman. I'm a little concerned about what checks are being carried out on the organizations that are handling these very large sums of money.

MR. MERCIER: Mr. Chairman, I should indicate that I too am concerned. A great deal of money is involved, as the honourable member has indicated, and I am presently contemplating a review in conjunction with another Minister and hope to be able to formulate that plan within the next few weeks.

MR. WALDING: Can the Minister inform the committee to what extent the Provincial Auditor is involved in at least checking the Lottery Board's records as far as revenues are concerned and the reporting of various organizations?

MR. MERCIER: I am advised, Mr. Chairman, that the Provincial Auditor is involved in checking the licences and returns and various documents that are submitted to the Lotteries Licencing Board.

MR. WALDING: Is the Provincial Auditor to report — well, to whom, to the Board or to the Attorney-General?

MR. MERCIER: He reports through the Board to me, Mr. Chairman.

MR. WALDING: When does the Minister expect to receive this report from the Auditor, Mr. Chairman?

MR. MERCIER: I would assume, Mr. Chairman, that it is done on an annual basis.

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

MR. WALDING: Can I just ask, Mr. Chairman, whether the Auditor's involvement is the same as far as this board is concerned this year as in previous years? Or is he making any special investigation into the matter?

MR. MERCIER: No, there has been no change, Mr. Chairman.

MR. CHAIRMAN: (f)(1)—pass; (f)(2)—pass; Resolution 21: Resolved that there be granted to Her Majesty a sum not exceeding \$1,193,600 for Attorney-General, Boards and Commissions—pass. Item 4 - Land Titles Office. 4.(a) Salaries — the Member for Selkirk.

MR. PAWLEY: Can the Attorney-General advise whether all the branch Land Titles Offices last year, whether there was an excess of revenues over expenditures insofar as the operations of the individual Land Titles Offices.

MR. CHAIRMAN: The Attorney-General.

MR. MERCIER: Whether there was an excess of revenue over expenditures in all branch Land Titles Offices?

MR. PAWLEY: Yes. I could be more specific. I would particularly want to refer the Attorney-General to his announcement regarding the Boissevain Land Titles Office in which there had been, because of desire to eliminate costs, government costs, two years ago, there was a study being made as to whether or not the Boissevain Land Titles Office was a greater drain upon the provincial cost picture than it was of a benefit and for many years, hand-running the Boissevain Land Titles Office

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had shown an excess of expenditure over revenues. I would think that a government which considers itself to be cost conscious would be quite sensitive to the operations of the various Land Titles Offices.

MR. MERCIER: Mr. Chairman, the revenue at the Boissevain Land Titles Office has increased fairly significantly.

MR. PAWLEY: And is there an excess of revenue over expenditures now in the Boissevain Land Titles Office?

MR. MERCIER: Yes.

MR. PAWLEY: Is that true of the Portage and Morden Land Titles Offices as well?

MR. MERCIER: Yes.

MR. PAWLEY: So that all Land Titles Offices are demonstrating an excess of revenue over expenses.

MR. MERCIER: Yes.

MR. PAWLEY: Well, I am very surprised because that hadn't been the picture. It must be the inflation of land values and increase in Land Titles Office fees.

MR. MERCIER: There has been no increase in Land Titles fees since we have come into office. There has been, of course, a great deal of activity in the southwest section of Manitoba with respect to oil rights, which may be accounting for part of the renewed activity there.

MR. PAWLEY: I would also like to ask the Minister, in connection with his earlier comments on computerization, whether at the same time as the study is being made as to placing the Land Titles Office on a computerized basis, if some consideration is being given to establishing a Land Registry Office so that a title guarantee system, which might, just might — I'm not recommending it but I think it is worthy of study — which might be of general economic benefit to Manitoba?

MR. MERCIER: I am not sure what kind of a Land Registry Office . . .

MR. PAWLEY: Similar to that which is carried on in the United States, title guarantee offices, which reduces the amount of — where the title is guaranteed.

MR. MERCIER: Well, the title here is a guaranteed title.

MR. PAWLEY: It is guaranteed but . . .

MR. MERCIER: What the member may be referring to is a system of . . .

MR. PAWLEY: There is a reduction of the need for legal services, as I understand it, in the American system as compared to the system that we conduct in Canada, some parts of the United States.

MR. MERCIER: My understanding of that system in the United States was that it was more of a bonding requirement of private persons who search titles and report on titles; their opinions are guaranteed by a bond.

MR. PAWLEY: I believe that is so but I gather that at the same time there isn't the necessity for legal services, that the bond carries that responsibility.

MR. MERCIER: You'd have to look into it, investigate what the costs are there compared to what they are here.

MR. PAWLEY: Well, I would suggest it might be an area that the Attorney-General might wish to consider as it could work in conjunction with the computerization of the Land Titles Office.

MR. CHAIRMAN: 4(a)—pass; 4(b)—pass. Resolution 22: Be it Resolved that there be granted to Her

a sum not exceeding \$2,256,300 for Attorney-General Land Titles Office—pass.

MR. BROWN: Committee rise.

MR. CHAIRMAN: The member moves committee rise. Committee rise.\$

SUPPLY — NORTHERN AFFAIRS

MR. CHAIRMAN, Mr. Abe Kovnats: I would direct the honourable members to Page 67, the book of Estimates, Resolution No. 101, Clause 7, Development Resources Division. We are on Clause (c)(1)(a) Salaries—pass — the Honourable Minister.

MR. MacMASTER: There were a couple of questions, Mr. Chairman, that were asked of me. I have the answers for them now.

In the previous section — just a minute — 7.(c)(1)(a) — there were 14 vacancies previously under 1977-78; there are presently 20 vacancies and at the moment we are in the process of filling these vacancies, Mr. Chairman.

Under the Humane Trapping Program, to the Member for Rupertsland, there is \$14,000 for the federal-provincial — we use the title, it's a working committee that study the problems in relationship to humane trapping throughout the country — and our contribution this year is \$14,000 to that, and we will be purchasing, Mr. Chairman, \$3,000 worth of humane traps.

On the question in relationship to where financing would come from for any projects that may take place, the special ARDA program last year had approximately \$1 million and we had the same amount this year, Mr. Chairman. The CEDF loans, it's correct that at the moment those loan requests that are associated with Special ARDA are the ones that are going through today and this entire program is being reviewed. It might be of interest to yourself, Mr. Chairman, and the members opposite, that I have documented on several occasions and am still pursuing the possibility of this particular funding agency coming some of the questioning that's been raised this afternoon where we got the resource people and the people going into the communities who are discussing the possibilities of resource development, and the fund is in another department. I don't know what difficulties the previous Ministers had with it; I would assume there would have to have been some, but I would like to believe that if that funding agency was within my department the answers to the questions certainly could flow a lot easier as to we have the people and we have the funding and we control the thing as to the people who go into the communities, and we research the resource and the availability and the future of it and then we have the funding to work with it.

A very similar situation has taken place under the SNEP program. I have documented on two or three occasions and am still pursuing the possibilities of that particular program coming within my jurisdiction. Here again, I am not hung up whether we call it efficiency or what we call it, but it just seems like common sense to me that that's where those two particular programs should be, again, because of the logic of some of the tone of questioning and some of the answers I've been giving. If you work it together, those type of funding agencies, I believe, should be within the department that has the resource people that's going out and are directly, of course, relating to the people within the communities.

The other agency, your Manitoba Agricultural Credit Corporation, I'll be dealing with under the Fish and Wildlife Section but just in passing, it is continuing on a similar basis to last year.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, one of the questions we asked the Minister was: What amount of funding is available in the SNEP program this year? How much is budgeted for it?

MR. MacMASTER: In my particular Estimates, there is \$1 million Special ARDA like there was last year, Mr. Chairman. I have monies in the Fish and Wildlife for the Manitoba Agricultural Credit Corporation. The other two agencies are, at this moment, within another department and their Ministers, I would assume, will be dealing with the funding and the procedures and the policies in which those two particular funding agencies, how they relate and how much money is in there.

MR. McBRYDE: Mr. Chairman, the Minister may be interested in taking over the CEDF and the SNEP programs but at this point, as far as we can tell on this side of the House, neither of the programs are functioning in terms of economic development and employment creation. They are CEDF only in relation to bridging, Special ARDA funds. And SNEP, it doesn't appear that any assistance has been given for economic development and employment creation projects since the

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first batch that were approved under the previous administration were reaproved under this administration or it doesn't appear that any funding is coming forward. So, Mr. Chairman, if you relate that to the present section that we're dealing with, you will find that we have a fair amount of people to assist projects to develop but no funds to assist projects to develop.

I wonder if the Minister can indicate to us under this Section (c)(1)(a) whether there is a person in charge of that section and to whom he or she reports.

MR. MacMASTER: There is a head of that particular section, Mr. Chairman, and he reports directly to the director of the division.

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

MR. McBRYDE: Yes, Mr. Chairman, I wonder if the Minister could give us a breakdown of the recoverables from Canada under that specific (c)(1) section.

MR. MacMASTER: It is cost-shareable under the NORTHLANDS, 60-40, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, I just want to confirm that the full amount shown here is cost-shareable; it's 100 percent cost-shareable on a 60 percent basis.

MR. MacMASTER: That's the way we budget it, Mr. Chairman.

MR. CHAIRMAN: (a)—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Thank you, Mr. Speaker. Just to comment on the Minister's statements regarding CEDF and SNEP. I'd be much more impressed with his fight to have these programs under Northern Affairs, if there are any programs left to administer.

As we discussed this afternoon, CEDF is acting only as an interim financing agency now for special ARDA grants, and the SNEP Program has pretty well been depleted of whatever funding the Conservative Government has left in there, after cutting out most of it, so that the Minister may be working along the right track in terms of wanting to have these programs under his department. But it really won't make much difference to his department or to the people in northern Manitoba if these programs aren't supported generally by his colleagues in Cabinet.

Now I sympathize with the Minister, as I've said before, because I really think he has a tough fight given such a reactionary and aggressive group that he has with him in his caucus and in his Cabinet. They're certainly not sympathetic to the needs of northern Manitoba, and I'm sure this Minister must have had his problems when he was trying to take his Estimates through that group in terms of getting anything out of it. We can see from the cuts in this program before us why this Minister is so unenthusiastic about bringing these Estimates to the House and, in fact, demonstrates his unenthusiasm — if you call it that — with respect to these two programs as well, CEDF and SNEP.

So, Mr. Chairman, I'd just like to put on the record, that these two programs are very necessary ones for northern Manitoba, both CEDF and SNEP. I would certainly support the Minister in trying to convince his colleagues to provide some funding for northern entrepreneurs and/or community groups that are trying to get Economic Development and Employment Opportunities established for their communities.

Right now, as far as I can see, everything has come to a complete dead halt, a standstill, and unless there is some funding provided through these two programs, this whole development resources division that we're discussing here is really only a study in futility. It's an academic exercise for the people who are working within this division to try to work up potential projects for communities, if there is no funding for them to be able to make them a reality.

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

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could give us some standard information, the staff man years when he took office, the vacancies when he took office and the number of staff for this year.

MR. MacMASTER: Mr. Chairman, there were 10 SMYs; there is now — one that was cut is vacant. They were in Northern Affairs.

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

MR. McBRYDE: Yes, Mr. Chairman, would this increase reflected in Salaries and Wages be a normal percentage increase, or is there some unseen item in there?

MR. MacMASTER: The majority of it is normal expected increase in salaries, and there are a couple of positions that have been upgraded to higher classified positions, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could clarify that further, because in the section before we have an increase of \$20,000 for wages, with some staff increases. In this case, we have no staff increase and a wage and salary increase of \$40,000.00. I wonder if the Minister could explain the reason for the magnitude of these salary increases that would bring about that kind of a jump from a much smaller section.

MR. MacMASTER: I will get that, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, just a comment. It would appear offhand that the Minister is accepting the Task Force's one outstanding recommendation. I use the word "outstanding" in quotation marks. Their one great observation about the Civil Service is that the senior people in the Civil Service weren't paid enough. It would seem at first glance from this, seeing that we have the same number of staff man years and a \$40,000 increase, that the Minister is certainly taking that one recommendation to heart. And even though there really isn't going to be anything for these senior people to do, given that there is no funding for community projects in Northern Manitoba, no more CEDF loans and no more funding under SNEP that we know of, that these people are still going to be paid more money for doing less work. In fact, as I say, if these two funding agencies aren't supported by his government, these people will be paid money for doing nothing.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could just take a moment or two to tell us what, in fact, these nine people will be doing.

MR. MacMASTER: Well, Mr. Chairman, we still have some of our corporate projects. There are four or five of them that have gone, of course. Mistik Loggers have gone, and Athapap and Pakwagan is in the midst of discussions at the moment. Minago is gone and we had our shut-down of the Churchill Pre-Fab. We are still operating and running Moose Lake Loggers and Channel Area Loggers. There always is the possibility of additional projects of some nature coming up, but the two that are certainly left are the Moose Lake Loggers and Channel Area Loggers, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, of the ten staff here that the Minister mentioned under Corporate Projects, I wonder if he could tell us how many of those ten were from Northern Affairs and how many were from Renewable Resources.

MR. MacMASTER: Of the ten last year, I had thought they were all from Northern Affairs; one of them was from Renewable Resources and nine were from Northern Affairs.

MR. McBRYDE: Mr. Chairman, I would like to recommend to the Minister that he actually reduce this section of the operation, because as we pointed out already there is very little for them to do.

The previous responsibilities of corporate projects was Minago Contractors, with the Churchill Pre-Fab Plant; was Athapap Builders, Mistik Creek Logging Company, the Young's Point Operation at Pak-wagan. Mr. Chairman, those all came under the Department of Northern Affairs and none of those exist under this administration or this Minister. So, Mr. Chairman, I would think that he should be able to operate with two staff instead of nine and all these funds. Unless he has some intention to start doing something, I would recommend that this section be drastically reduced so you don't have people sitting on their hands with nothing to do.

MR. CHAIRMAN: (a)—pass; (b) — the Honourable Member for Churchill.

MR. COWAN: Yes, Mr. Chairman. I would like to quiz the Minister in a bit further detail on the closing of the Churchill Pre-Fab Plant. I'd like to start out by asking the Minister what arrangements have been made to keep the equipment and the machinery in that plant in the community of Churchill and available for the use by the community, if they so desire?

MR. CHAIRMAN: The Honourable Minister.

MR. MacMASTER: Mr. Chairman, the Churchill Pre-Fab operation, over a period of five to six years there were losses in excess of \$6 million, probably \$6.5 million. The year ending 1977, in that particular year, there were \$962,000 lost. The year ending 1976 there was \$1-½ million lost. So in the last two years of real operation, there was \$2-½ million that we lost in that particular operation. That doesn't include the arrangements that were made with Manitoba Housing and Renewal Corporation to supply them with houses that were to go up in Churchill. It's our understanding that the 19 modular homes that are going up in Churchill are going to cost in the neighbourhood of \$1.8 million or something to the effect of \$95,000 a home. I suppose we can talk about the figures we might have got a tender for, or what we might have done, but I would think in the neighbourhood of \$50,000 in that country might have been a better fee or better cost.

I think desperate is the only word to describe it, the efforts we put in to try to get a piece of the action with the North-West Territories in the last housing project. I won't recite all the arrangements that we made, the number of people involved, and the special Management Committee orders that I managed to get through in sending people up to Churchill and costing things out b% involving the people in Churchill in trying to get some cost, going to the Territories, putting in the tender, I think was a pretty desperate sort of a bid to try and keep that alive, and we weren't successful. We have had many meetings and many discussions with the mayor and his council — and Economic Development group, I think they call themselves in Churchill, a group of people who are working very hard trying to keep that whole thing alive, trying to keep the community alive. We have worked, I think, extremely well, and have had some pretty good relationships with them. We've assured them the equipment up there will be left for a year. In the meantime they're working, and as they come up with ideas we work with them, hoping to find something to do at that particular plant in Churchill. I think that possibly answers the questions the Member for Churchill asked, Mr. Chairman.

MR. COWAN: That does, indeed, partially answer the question, Mr. Chairman, but I'd like to delve a bit deeper into it because it is a concern to not only myself, but a concern to all those residents of Churchill who depended upon that plant for their livelihood, both those who worked directly for the Churchill Prefab Plant and those who worked in the community servicing the work that came out of that plant. And it's also of concern to all northerners, because they look upon that plant as an example of what can, or perhaps what cannot be done with the northern economy, so I don't think that it would be fair to gloss over the tragedy that has befallen that. I think we should take this opportunity now to examine in detail the problems with that plant so that we can learn by that, and so that we can talk out, perhaps, some solutions at this time.

The Minister said that the North-West Territories' tenders were a desperate sort of a bid to keep that project alive, to keep the Churchill Prefab Plant alive. I'd like to know from the Minister exactly the tendering procedure. He said he wouldn't go into detail. I would like him to go into detail if he would be willing to, to explain what went into the tendering and how our tender eventually differed with the winning bid and who had the winning bid — to just sort of run down, not in great detail, the whole process of the North-West Territories' bid for the Churchill Prefab buildings.

MR. MacMASTER: Mr. Chairman, I can't recall all the people that were involved in this particular process. I know that some of our staff people and some of the people from Churchill were involved; I know that I involved the Minister responsible for Manitoba Housing and Renewal Corporation; I know that we had Number Ten Architects in the city here involved; I know that we did costing on rail cost to ship parts and pieces I know that we questioned and itemized every nut and bolt that we thought we were going to need here in the city, and worked that against the rates going north and the freight rates; we worked the rate of the people in Churchill into it and the cost of running the plant, and put the package together. Everybody thought that it was a reasonable package, being that a lot of the materials were coming from Winnipeg, the freight, and the fact that it was being built in Churchill and then sent on north. We came in extremely high compared to the other tenderers, and consequently we didn't get a shot at the job whatsoever.

MR. COWAN: I would ask the Minister then, Mr. Chairman, if he would recollect how extremely high we came in, in comparison to the winning bid — who had the winning bid, if he has that information available, and how much we were over it. What I'm asking for is a differential between the winning bid and the Churchill bid.

MR. MacMASTER: I'll have to get the name, Mr. Chairman, of the successful tenderer. I'll get the actual figures, but I believe we were \$15,000 or \$20,000 per unit higher. If you take into consideration what I mentioned previously, that we believe it's going to cost \$1.8 million to build the 19 units

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right in Churchill, that's \$95,000 apiece, and our guess is that private enterprise, whatever, could possibly build them between \$50,000 and \$54,000, so that in itself is \$40,000 over and above what possibly would be the price of a private contractor, per house. So to the Member for Churchill through you, I say that I'm guessing when I say we're \$15,000 or \$20,000 over but it's a guess that's not low. It's probably in that neighbourhood. We were extremely far out and we did some questioning and wondering. The only example that I can come back to is the cost that we think it's going to cost us to put those 19 houses up by the time they're ready. We think they're going to cost \$95,000 apiece, and we guess that another contractor could put them up for \$50,000 to \$54,000.00.

MR. COWAN: Then I would ask the Minister, Mr. Chairman, because they've obviously done a great amount of research into this particular tender, how many man work years would have been created had they been successful in their bid for the North-West Territories' houses?

MR. MacMASTER: I'll get that answer along with the others.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, under this section, I wonder if we could have the exact breakdown for the cost-sharing with the Federal Government, whether or not there is a person who is in charge of the corporate projects and to whom that person reports.

MR. MacMASTER: It's 60-40 percent, and the person presently in charge of that particular area, the head of the Resource Economics group (C), this person reports to them. To the Member for Churchill through you, Mr. Chairman, quite some time ago I received a letter from the Mayor of Churchill saying in part, "First may take this opportunity to thank you for your concern for the people of Churchill regarding the closing of the pre-fab plant, and your support in our efforts to eventually reopen under new management here on the local level." And it goes into describing the group that they have established within the community, and ends up by saying, "Thank you once again for your support, patience and positive approach on behalf of our people in Churchill. These days of constraint and readjustment from one coast of our country to the other have placed a heavy burden on those who must govern. Our very best for your continued input into the democratic process." And if the Member for Churchill would like a copy of that letter, I can supply him with one. That's from the Mayor of Churchill after we had gone through the unpleasant task of shutting this particular plant down, Mr. Chairman.

MR. COWAN: Thank you, Mr. Chairman. As we all know, those who had the joys of sitting in this House under the previous administration, and myself through personal contact, the Mayor of Churchill is a very polite and generous person, and I think he was just showing that in that letter to the Minister. —(Interjection)— Oh, I think he meant it 100 percent. The Minister of Mines suggests that I didn't think he meant it. No, I think he did mean it, and I would not take away from that letter. I would just say that it is an example of his politeness and his generosity. I would ask the Minister of Mines to accept that statement.

I would like to get back to the closing down of that plant, because while the Mayor of Churchill, who was a previous member for the Churchill Constituency in this House, was polite and generous. I also know that he did share some concerns about the impact and the affect that the closing down of the Churchill Pre-Fab plant would have on the community, and I also know that he was not 100 percent convinced that the closing down of the Churchill Pre-Fab plant was either necessary or beneficial in the long run

So what we have to do is we have to examine the cost of closing down that plant because when a person closes down a plant, or when a government closes down a plant, they look at the immediate savings and the immediate savings in this example were, I believe, over \$6 million in the last 5 or 6 years. But what they also have to look at, and I hope it wasn't overlooked in this case but it may have been, they have to look at the cost to the community in closing down a plant, or closing down an operation, and they have to look at it from a variety of perspectives, not just from the one perspective of how much did that plant make or bring in profit last year or bring in revenues, and how much did we spend to maintain that plant. They have to look at the social costs and they have to do a social cost-benefit study of either closing or keeping a plant operating. And the social costs in this example, because of Churchill, because of the unique position that Churchill has occupied in the last number of years, the social costs were quite high. It's a one industry town to begin with, and for the most part that was the fort which would have been a government industry, and when that fort pulled out they had to move quite quickly to develop new industries to keep that town alive, to keep that town surviving, because what we're talking about here is not the closing of one pre-fab plant, we're talking about the closing of the major employer in that community at

the time it was closed, and the last employer. It was a last ditch effort and it's had a profound impact on the Community of Churchill, although the mayor may thank you for your efforts and I am sure they were well intended, and I am sure they were well meant, and basically I am convinced that they were well deserved in this case. I could be proven otherwise, but I would say that they were well deserved in this case. But while he may do that he also has shown, on numerous occasions, deep concern over what the closing of that plant is going to do to the social cost to society as a whole, to all of Manitoba, because you just can't knock the wind out of a community like Churchill and not have that impact felt throughout the rest of the society, felt throughout the rest of the province, both economically and socially.

It had great social cost to the north in a number of ways. It starts people drifting from that community; there is no longer any work, there is no reason to stay there so they start drifting and they're not finding work in the other communities in the north. They don't have a Pakwagan operation to go to; they don't have an Athapap Builders, or Mistik Creek Loggers, or a Minago Contractors, they don't have Hydro to go to, and the mines — we all know what the mines are doing, the mines are not hiring, they're laying off instead.

So with that sort of a situation created these people become a burden, through no fault of their own, absolutely no fault of their own, because there isn't productive employment for them in the place that they have been brought up and the place that they want to stay, so they drift throughout the north, creating more social costs. Social costs to the town of Churchill itself probably have had the most impact. They have ripped apart that town, like I said, they have knocked the wind out of that town. It is reeling from that blow, and I realize that it would have cost a lot of money to keep the plant operating, but I am just questioning now if perhaps that wasn't worth it, if that wasn't money well spent in light of what it has done to the Community of Churchill. Because when you knock the stuffing out of a town like that, when you do that you are creating all sorts of side problems, adverse effects that ripple through the community. You will have more problems with drinking, and that is why I was particularly saddened to see the AFM program cut back so drastically in that community. You will have more problems with the break up of families, because a person is not working, a person is not productive, it can not maintain a stable and a comfortable and a happy family life, so you have that rippling through the community. And each of these adverse impacts or effects will build upon the other, and build upon the other, and build upon the other, driving Churchill deeper and deeper and deeper into an economic depression, a localized economic depression that it cannot escape from.

And then of course we have the impact of the closure of that plant to the workers themselves, not only to the people who are presently working there, but to the people who might have worked there in the future, and this is why it is so important to me to find out how many people would have been employed, how many man work years would have been created by that Northwest tendering bid. Because these are people that now are not only unemployed but the longer they stay unemployed they will become more and more unemployable, because a person without a job — put yourself in the place of an employer if you will and you have a person who comes up to you and he says he would like a job. They say what have you been doing for the last year or two years or three years? The person says, I really couldn't find work, I haven't been doing anything. Well, the employer is going to be hesitant to hire a person with that sort of previous work history. On the other hand, if the person says, I have been productively engaged in building houses for the past couple of years, then they can use that to build upon, to build their own work record, and to build their own work history, to get better and better jobs.

So you can use that pre-fab plant, and I think one of the initial reasons for that pre-fab plant, was as a training area for workers to develop those sort of work skills, and also work histories. So when we see the plant close down as we have, we have to take all those social costs in the consideration, and we just can't look at it and say it lost \$6.5 million. That's unfair, it's unfair in particular to the workers, it's unfair to the Community of Churchill, and it's unfair to the entire society, because you cannot have a localized depression such as that, that does not have its impact on the rest of the economy in Manitoba.

So I would like to discuss with the Minister while he's trying to get those figures, and I hope he comes up with them shortly, the number of work man years that would have been created by that tender, the Northwest Territories tender. I would like to ask the Minister what arrangements he has made, so that if the people of Churchill as a community, or a local group in Churchill, decide that they want to take a crack at putting that plan into some sort of operation, what subsidies he has arranged for them, what use of the plant, what use of the facilities, and what help the province would give those people of Churchill, help they need in getting their community back on its feet once again. So I would ask the Minister that — what arrangements have been made for future use, either by the province or by the community itself, or perhaps even private enterprise, but what arrangements have been made in that area.

MR. CHAIRMAN: The Honourable Minister.

MR. MacMASTER: Mr. Chairman, I have the answer to the Member for Churchill's previous question. It was Weber Homes of Yorkton, Saskatchewan, that was the successful tenderer, and the prices that came in, we were just exactly 100 percent higher right across the board. For an example, a four-bedroom, he tendered 24,000 X dollars, and ours was 50,000 X amount of dollars, so we were 100 percent higher in our tender. I appreciate what the Member for Churchill is saying about the impact of these, particularly talking about the social impact in the down-the-road ramifications that has, and the feeling of unemployed and the desperation feeling I think I can relate with him when he is talking about those types of things, but we just couldn't, thinking of all those nice things, and not meaning that lightly, we just couldn't continue to operate with a million to a million and a half a year loss.

The number of people that could have been employed, I suppose run from 35 to 40, up as high as 50 or 55. They numbered, they say, 55 for the last particular year, but on a payroll check, I think you would find it in the 40s somewhere on a reasonably constant sort of a basis. I would suspect that we're talking over and above the wages, somewhere possibly in the neighbourhood of \$18,000 or \$19,000 per employee over and above that to keep them retained and keep them employed. What you are then doing is you are training people, rightly so, and you are employing them, but what you have, Mr. Chairman, is people building something that there is no demand for, and they are building something that they can't sell. And we have heard it, and I have heard many people through the north say, and I know it to be a fact in some instances, that if you are employed in doing something that is useful as far as a newspaper clipping or as far as some piece of estimates, that that isn't really as important to the person that is employed, that he is doing something that is really useful, that he knows that the product that he is building is worthwhile and that it's going someplace, and something is going to happen to it. So I am not a psychiatrist, and I don't think anybody else across from me is, but I do know that people that are working at something that is useless, has no end and the thing that they are building really isn't going anywhere and there is nothing you can really do with it when it's finished, isn't psychologically good for people, and possibly it creates a feeling within the people that are doing that, maybe not as bad as being unemployed, but I am certainly sure that you don't get that fulfillment from within yourself that you are doing something that is possibly, and I don't like to say the word useless, but if you are building something that there is no demand for, and there is really no market for it after you get it, it certainly must psychologically have an effect on the people that are working at it.

If in the future, down the road, and we're still talking to this very active group that they have established in Churchill, if there is any possibilities of using that plant for something worthwhile, I would like to assure the Member for Churchill that the expert help that we would be prepared to offer is in management, talking about the management of the plant, and marketing possibilities, those are the type of things I think we would have to get in place, having nothing against the talents or saying nothing about the talents of the people in Churchill. But I think the marketing possibilities of that particular product, and maybe there is some there next year, I don't know, Mr. Chairman, I know that particular market is absorbed for this year, it's gone. As I outlined, we lost that, but down the road we'd be prepared to assist them in researching any endeavours that they propose. Some of the people we have been talking about here within my Estimates, could work with the people on those particular things, and talk about the type of management of any new prospective use of that plant, and most certainly talk about the marketability of the product once it was produced.

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Chairman. I would then ask the Minister, when they were reviewing the bidding process and the tendering process, and when they were ultimately as a result of that reviewing of the closure of the Pre-Fab plant in the Community of Churchill, were they also looking at alternative employment possibilities for the people of that community in that community, so that they could stay there and work at productive jobs?

MR. MacMASTER: There was a variety of discussions took place, Mr. Chairman, in relationship to alternate employment, and none of us in our wisdom, and I don't lay claim to having the greatest amount of it or the people that were involved in those discussions are not the wisest people I suppose in the world, but we were all very sincerely working at it and thinking about it and talking about, and in a direct answer, no, we could not, at that particular time, come up with alternate employment for the particular people involved.

MR. COWAN: Yes, Mr. Chairman, if that's the case, that they could not find any alternative

what did they expect — what did they expect — the workers who had been productively employed in that Churchill pre-fab operation, what did they expect those workers to do? Was the alternative open to them welfare, or did they offer to subsidize a move to another community where there might be employment available? Just what did they have in plan; what future did they foresee for those workers forced out of work because of the closure of the Churchill pre-fab plant?

MR MacMASTER: On a short term, Mr. Chairman, I think, at least I am certainly hopeful, that there is some type of seasonal employment for them right within the town of Churchill, and in addition of course, there has to be some additional work done to the units that were already built, and I think you will find that a good number of them will be employed in that particular project.

MR. COWAN: Yes. Could the Minister then, Mr. Chairman, indicate to us how many people are presently employed in servicing the buildings that have already been built by the Churchill Pre-Fab?

MR. MacMASTER: I would have no idea at the moment, Mr. Chairman.

MR. COWAN: Yes, Mr. Chairman, thank you. What we have here then, to my way of thinking and I have probably been as involved as one can be, considering the distance between Churchill and here, in the closing of the Pre-Fab plant, and what happened to bring about the closing of the Pre-Fab plant, what we have is a no-win situation. The Minister says that people who are building something that there is no demand for, people who are building something that can't be sold, people are doing make-work projects, who are occupying their time with make-work projects, cannot possibly feel psychologically good, and that's his phrase, psychologically good, for their efforts. I agree with him, that those people who know that they're doing a make-work project, who know that they are not really producing, cannot feel the best about their jobs, cannot feel the best about the work they do, and that, Mr. Chairman, applies whether they are working for private industry or whether they are working for the public sector, or whether they are working for an operation such as the Churchill Pre-Fab operation. They can't possibly feel good about it, but on the other hand, I think that they feel a far sight better than the person who is not working at all. I really honestly and sincerely believe that they are getting some psychological feedback, some good feeling, that they are getting good vibes, so to speak, from the work that they are doing, even if it isn't, even if it isn't entirely productive work, but the fact that they are working, has to be of more benefit to them personally and psychologically than not working.

So when we close down the Churchill Pre-Fab plant, and we say we do so because those workers don't feel good because they're not producing something that is absolutely needed or something that can be sold easily, then we are doing a disservice to those workers if we close it down on that basis alone. There is probably very little we can do right now and it's anticlimactic if not counterproductive to stand here right now in this House and discuss the feelings of the people in Churchill, because they have already been through the worst of it; it has to get better. And it will get better for them, I'm hopefully and sincerely convinced that it will get better for them, that there is now a better road ahead than that which lies behind them. But at the same time, I think that we have to look at this process of closing down an operation such as the Churchill Prefab, because I really don't think it should be done, and that's my own personal bias that I'm speaking from in this case. I really don't think that we should have closed it down. The Minister says it cost us \$1 million, it cost us \$600 million, it might have cost us less this year, it might have cost us more this year. But eventually, with dedication and with patience, and I realize we are talking about patience with money here, but with patience that plant would have found its niche in that community and that community in turn would have found its niche in the Province of Manitoba. By closing it down, we have interrupted that process and we have closed it down at a time when, the Minister admits, there was no alternative employment.

The same thing happened in Pakwagan, when we closed Pakwagan down, there was no alternative employment. I talked to one of the people who was employed for Pakwagan operation, and the man had worked for a number of years, I think the number was 25, without going on unemployment, without not having a job, for 25 years of productive work. I talked to him on the phone and I said, "What are you going to do, are you going to find another job?" He said, "Jay, there aren't any more jobs." He knew that, he didn't have to look, he didn't need a crystal ball, he didn't need to do a cost benefit study or analysis. He knew there weren't any more jobs. So I said, "What are you going to do?" He said, "I'm going to go on unemployment." I said, "Well, that doesn't sound like you. I know you better than that and it doesn't sound like you will be happy on unemployment." I said, "How long do you figure that is going to last?" He said, "Until my benefits run out." He had given up. Now, I have great faith in this individual and I know that he will come

back and he will find productive work one way or another. He is one of those individuals who has a drive, the energy, and perhaps the finesse to do that. But not everybody is that lucky, not everybody has the opportunitiss that this person will have, or the background that will aid this person in getting another job.

So there are some in the Churchill Prefab plant instance and in all the other closures, there are some who are now going to be drones — I use a word from the Opposition, drones — in our society, non-productive workers. bnot because they want to — not because they want to at all, because given the choice between productive work, or even seemingly productive work, work that perhaps has the taint of make-work projects, but given the choice between working, actually doing something, and sitting back and collecting benefits — no matter how good those benefits may be — they have invariably in the past, and I have no reason to doubt that they would in the future, they have invariably chosen to work. They have chosen to be employed productively, for society's benefit and for their own benefit, their personal satisfaction.

So when you close it down and you don't have any alternative employment and you really haven't, from the answers the Minister has given me, they really haven't sought any sort of game plan to help get Churchill back on its feet. I asked him what he would do, Mr. Chairman, I asked what the Minister would do if the people of Churchill decided they wanted to get that plant back in operation, and he told me they would give it management help, they would give it marketing help and they would research market possibilities. Well, I would ask the Minister right now, are they researching market possibilities, and alternative market possibilities for that plant? It is a big plant. I have been there, the Minister has been there I am sure. It doesn't need to be used as a prefab plant. It can be used for other employment. Have they researched those alternative uses of the machinery, the equipment, the manpower, and the buildings of the Churchill Prefab operation?

MR. CHAIRMAN: The Honourable Minister.

MR. MacMASTER: We haven't been specifically researching marketing possibilities at this particular moment but we are aware of the types of machinery in there and I am sure that our people are at least working and wondering just what it could be converted to. We don't really know.

The previous question from the Member for Churchill as to how many staff man years it might have created, our estimate is 12.5, because of the prefabbing and the packaging and the bolting together of the numbers in the amount of that particular order for the Territories wasn't that great a labour intensive job but it was still, I say, certainly one that we were after.

MR. COWAN: I would ask the Minister then, can he pledge at this point, and I'm not sure that it is within his Ministerial responsibilities or within his Ministerial capabilities to do so, but I would ask him, can he — and if he can — would he pledge now to immediately start in a systematic manner reseacching alternative uses of the Churchill Prefab equipment building and manpower available. Can he pledge to us now that he can start that on a systematic, organized basis, not a haphazard we're thinking about it, we're hoping about it, but can he promise us now a definite plan to research the possibilities of converting that operation into another operation to gainfully employ people in the Town of Churchill?

MR. MacMASTER: We're working with the particular group that is established there right now, Mr. Chairman.

MR. COWAN: Yes, could the Minister then, Mr. Chairman, explain to us the nature of the work that they are doing with that local group that has been organized in Churchill for the purpose of researching eloyment possibilities in that community, and initiating, I might add, employment possibilities in that community.

MR. MacMASTER: As I previously said, Mr. Chairman, we are looking at and will continue to look at the possible alternate uses of that particular plant, keeping in mind that there are other contracts for housing next year in the Territories.

MR. COWAN: Yes, I would ask the Minister then, can he pledge to do that on a systematic basis? Can he put together a report that perhaps the House could peruse as to what alternative forms of employment might be created by use of the Churchill Prefab ope ation? Can he pledge to do that this evening for us, so that we all might pe use it and drawing more people into the process, we draw more ideas in and we draw more possibility of a successful completion of that research.

MR. MacMASTER: Mr. Chairman, if the Member for Churchill or any friends or otherwise that he

has wish to contribute ideas, documents or anything else, we would be quite willing to put them together or further study them. We are prepared to let anybody contribute ideas into this particular situation.

MR. COWAN: Mr. Chairman, could the Minister indicate to us what his response would be if a community, a local community group, asked to purchase the equipment and plant, although I'm not so sure that it would be possible to do so with the building facilities, but wished to purchase the equipment and whatever came along with that for, say, the sum of \$1.00 so that they could start their own project, would the Minister be willing to allow them to do so so that they could create gainful employment on their own in that community, without having to go through, in this case it would probably be the debilitating process of raising capital enough to buy outright the equipment. So that would be more or less a subsidy, an initial seed subsidy, to them to get started. Would he be willing to commit himself to that policy?

MR. MacMASTER: Mr. Chairman, we are dealing fairly directly with the Mayor and the group in Churchill. There has been a request for one of the pieces of equipment attached to that particular operation, and we've been dealing through the Mayor in an effort to make that available to local people, which in itself would create some work, not a great deal, but we will continue to do that, exactly.

MR. COWAN: I'm not aware of the details of that particular transaction, Mr. Chairman, but I would ask the Minister, it would seem to me, that if they're dealing with only one piece of equipment that the process could be expedited fairly easily, and I would ask the Minister how long they have been going through this process of dealing with them for that one particular piece of equipment, and what progress has been made, to date, in that exchange.

MR. MacMASTER: Mr. Chairman, a piece of the equipment was requested to be released by the Mayor and council in this particular group, and we put that in motion for them and I don't know now whether it's been resolved or not, but I would suspect that it has been. The last time I was talking to the Mayor, he was satisfied with the way the system was working, and he was satisfied with the work that we had done on that particular matter.

MR. CHAIRMAN: (a)—pass — the Honourable Member for Churchill.

MR. COWAN: Then the Minister is indicating to us by extrapolation that he would be willing to lease all the equipment in that particular facility on the same basis?

MR. MacMASTER: Mr. Chairman, I would consider any responsible proposal, particularly from the people in Churchill, particularly from the group that is established. With the blessing of the Mayor, we would certainly look at any proposals that they had and be prepared to work with them and help them make it a better one.

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

MR. McBRYDE: Mr. Chairman, in regard to Churchill, I wonder if the Minister would just want to make clear, because he could have left some room for misunderstanding, when he refers to the people involved in useless construction I'm assuming that he's talking about the future, what would have happened in the future, because the redevelopment was completed, and I just don't want the Minister to be in a position where someone interprets that he was talking about the work that was previously done, building houses right in Churchill. I wonder if the Minister could just confirm that he was referring to future possibilities, since there is no more housing left in Churchill. It would have been make-work, as opposed to the past.

MR. MacMASTER: I thought I made that very clear, Mr. Chairman. To reiterate, the people that might have continued to work would have been putting together something that there was really no demand for and no market for, and I was simply saying, reiterating that I don't know that much about psychology, but I do know I've talked to enough people who are working at something that has not much meaning down the road in relationship to the final product, that they don't really appreciate it all that much.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister or his staff would have the figures there of the last contract that was completed, and I believe that would have been an MHRC contract, what the cost per job was, or put it another way, what actually the loss per job was to the taxpayers

of Manitoba on the last contract that the operation undertook.

MR. MacMASTER: The nearest that we could come, Mr. Chairman, was the loss for the year ending March 31, 1977. It was \$962,372.00.

MR. McBRYDE: Mr. Chairman, the Minister doesn't appear to have figures to deal with the question and we don't know whether the loss he's talking about is interest on previous losses, whether he's talking about training funds or direct losses. I have to assume, Mr. Chairman, for example, when he talks about \$6 ½ million he's throwing in every cent of government assistance in there for that figure, because the last figure I had was closer to \$4 million during the period of operation of that plant, as separated from actual on-the-job training cost of that plant. I wonder, if there was to be a sudden need for housing in Churchill, a non-anticipated need for housing, let's say a Federal-Provincial agreement or something and new people coming in that they needed housing for, or the Federal Government had to move staff in to supervise the Polar Gas or something, and there was a contract for housing, whether or not the Minister would consider having the prefab plant bid on those houses?

MR. MacMASTER: Mr. Chairman, there's really no question. If there was that type of upsurge in activity and it's interesting that the Member for The Pas has mentioned the Polar Gas route because we have talked just about this. Certainly, with the facility there, we would be pulling together what we would like to believe is some pretty sharp people to try and get the pencils working and see what kind of product we could turn out. And we'd be working with, again, the group that's established within Churchill to see just how well we could do it, and if there was an upsurge or a great demand within the town of Churchill, you can rest assured that myself as a Minister in this government would be looking at what type of product we could put out to supply that demand, Mr. Chairman.

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

MR. McBRYDE: Mr. Chairman, if there was a straight government contract for houses in that immediate area, or within what was called the market viability area of Churchill Pre-Fab, I wonder if the Minister would move to have that plant given — let's say, Mr. Chairman, that there was a need for hydro houses at Gillam, which is on the rail line before the road gets in there — would the Minister consider bidding on that, or would he consider even asking his colleagues that some slight preference be given to Churchill Pre-Fab for that kind of work.

MR. MacMASTER: Mr. Chairman, we're talking pretty hypothetical, but I'm prepared to view any major development in that part of the country with a bright eye, and certainly we're very, very aware of this particular building and the facilities that are in it.

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

MR. McBRYDE: Mr. Chairman, the reason I asked some of those are twofold. One is that the opportunity that the Minister says he would take advantage of, that his government would take advantage of, was the opportunity that presented itself in 1971 to our government and to the people of Churchill, an advantage was taken of that opportunity. The last contract breakdowns that I have available showed that the cost per year, or per staff person year, on that operation, was about \$6,200, and, Mr. Chairman, that's a situation where in fact the employment in Churchill was being subsidized. But if you take \$6,200 a year, Mr. Chairman, I am sure that's the amount that a family would get on welfare if the head wage earner were on welfare, and I am sure that the Minister would even consider that in light of his comments to my colleague, the Member for Churchill. If he was going to have to pay \$6,200, of which 60 percent is cost-shareable with the Federal Government, I am sure the Minister would consider paying out those kinds of funds to ensure the employment, because the income tax on that money plus the amount saved on welfare costs, amounts saved on jail, police, hospital, etc., etc., I think the government would recover its investment.

The other reason, Mr. Chairman, I asked those questions is because I have trouble with the Minister's remarks on Churchill Pre-Fab and his activities on Churchill Pre-Fab when I related it to Minago Contractors, which also is a corporate project that comes under this project. Minago Contractors did receive training assistance, 60 percent recoverable from the Federal Government; Minago Contractors did have a contract with the Highways Department, constructed half a road, were expecting to build the other half of the road this coming construction season. The last Annual Report tabled by the Minister showed a profit of \$85,000; the sale of the operation showed assets in the area of \$1 million, and yet, Mr. Chairman, the Minister who would appear to be willing to have kept Churchill going if that had been the financial picture of Churchill, or in fact even if there

had been work available and there wasn't a profits possibility, but a small loss possibility, for some reason saw fit to close down Minago Contractors. Mr. Chairman, there is some inconsistency I think in that position that has been taken by the Minister in relation to one project, and another project having all the possibilities that he would like to find in Churchill and employing people of Moose Lake, Cormorant, and The Pas, mostly native people, and that operation is closed down. Mr. Chairman, that is something that I have considerable difficulty in understanding.

The other aspect, Mr. Chairman, of the Minister's policy and program in this regard, has been to sell off operations and, Mr. Chairman, that may or may not be a bad thing. If an operation can be operated separate from the government, can fulfill those goals of employing community people, of employing native people, and if there is some built-in guarantee that if the operation closes down, or if the purchaser wishes to move out of the Province of Manitoba, that the province could then regain the operation, then I wouldn't be that critical of the Minister for pursuing that particular path. And certainly in the case of Mistik Creek logging we have a former civil servant, former manager taking over the operation, along with the former manager of Minago Contractors. They appear to be, maybe the Minister knows, they appear to be employing the people that they had employed previously although the Minister might have more up-to-date information on that than I do, I'm not positive, but they appear to be employing the people that they employed previously, and yet for some reason no outside entrepreneur, no private contractor came in and undertook that project.

I wonder if the Minister is considering at this time creating any viable, what would appear to be viable projects, although they might be fairly marginal, for some of these remote communities, in relation to remote communities, whether he is considering the establishment of any companies, operations, which in fact the government would take the initial risk, because of the social objectives of creating employment for people in those communities, and if in fact the operation was successful and the kind of guarantees I mentioned could be built in, the government would then spin them off to private enterprise. I wonder if the Minister is considering that possibility with the corporate projects.

MR. MacMASTER: Mr. Chairman, I don't know what the latest figures are that the Member for The Pas has on the Churchill operation, but he was suggesting \$6,000 or thereabout per employee. The latest figures that I have are \$17,500 per employee which certainly is drastically different. The Member for The Pas, Mr. Chairman, mentioned Minago, a profit of \$84,000 to \$85,000 in the last particular year. You will note that it's a retained earnings statement that must be incorporated with the fact that there was in the neighbourhood of three-quarters of a million dollars worth of funds put into Minago within the last two years and at the end of that they ended up with a retained earning of \$85,000.00. I suppose, Mr. Chairman, if you gave somebody \$10 and they spent \$15 they would be \$5 in the hole, and if you gave them \$20 and they still spent \$15 then they would have a retained earning of \$5, and that's really the mathematics that the Member for The Pas wishes to use, and that's fine. I'm not going to debate that particular point with him any longer; we have been at it for a while here

in the House. The Mistik operation is, as the Member for The Pas said, under, we believe to be two capable people who are employing the majority of, if not them all, and if not more than, the previous operation that was run and of course taking losses by the particular government when they were running them themselves. —(Interjection)— Athapap operation, yes, we let that go also. I would think that as critical as the members of the opposition want to be, that they would come out of that rut for a minute and share with me the optimism of the projections of the people that have purchased that particular operation who claim, with great optimism, that they may create twice as many jobs and in fact their workforce may be 50 people, rather than 20 when we were running it ourselves. I would like to believe that that there are those on both sides of the House that share my optimism.

I was asked at one point during Estimates if I would give a statement in relationship to the Easterville Harvesting situation; I believe it was the Member for The Pas, possibly the Member for Rupertsland, that asked on this, and I will attempt — and I say attempt — because this is really an incredible mess, but I will attempt to explain where we are at with that. The operation itself is in fact in receivership of the CEDF, Community Economic Development Fund, the Department of Renewable Resources has spent \$106,000 to date and we have recovered nothing from that. There are logs, posts, scattered throughout the bush, which we have no idea how we are at present going to get out. CEDF has some loans outstanding, and I haven't particularly checked that, but I know that we have the \$106,000 that we spent on the operation.

The situation is rather difficult to explain, and how exactly we get into it and what procedures the previous two Minister's followed in relationship to this I don't know. I understand that the previous Minister of Renewable Resources retained some expert marketing assistance from parties, and we end up looking at some of the statements of fact, that the new group that the Minister of Renewable

Resources, the previous Minister, formed — I believe they called themselves Products in Marketing, and I think there was a director in the \$30,000 or \$35,000 bracket heading that up. They made a sale, or a prospective sale, to a company of what their records show to be 73,841 posts. This was debated vigorously by the particular company, so much so that a recount was called for and the count showed that in fact, yes, the company was right, that regardless of the products and marketing records of the group that the previous Minister had set up to handle this type of thing, regardless of what their records showed it wasn't 73,841; they had only delivered 66,98, so there was somewhere in the neighbourhood of a difference of 7,000 posts.

We further understand that the particular company certainly isn't very happy with the product. The posts in a lot of cases are too short, too small, some of them bent, apparently some of them rotten middles on them. We understand also that some of those that he has managed to run through that the customers are complaining. They were too small for pulpwood, and we were too far away from the mill even to use them if they had been proper size. We have now paid for 57,927 posts that are out in the bush someplace; we have paid \$32,000 for them, that's what the records show, and really, Mr. Chairman, I am not sure at this point whether we want to go and get them because if they are of the standard that the previous ones were I don't know who is going to buy them or where we are going to sell them. This whole mess may end up in court, Mr. Chairman, because there is an outstanding arrangement with this particular company to purchase, as I said, the 73,000 we said there was, and end up 66,000, and apparently the product isn't what we said it would be. So there is certainly a 7,000 post outstanding account that has to be dealt with, and the quality of the product and the possibility that it can't be sold. So that's the story of the Easterville Harvesting situation, and any contributions anybody wants to make to assist us in reconsidering or further thinking about the whole operation, would certainly be appreciated.

MR. CHAIRMAN: The Honourable Member for The Pas.

Mr. McBryde: Mr. Chairman, I thank the Minister for whatever it was. I had a little difficulty understanding for sure what he was getting at. Mr. Chairman, we have had some discussion on Minago Contractors before; I know I am not an expert on balance sheets. The Exhibit B tabled in the Minister's last reports, there is another line shows the project profit before Other Income and Adjustment of prior year's operations of Minago of \$295,613, and then the retained earnings of \$84,000.00. I would guess, Mr. Chairman, that that has something to do with the fact that there was loss in the year before and that there was an amount this year to help to make up for the last year's loss, Mr. Chairman, but the clear fact is, and I don't think the Minister will dispute it, that there was northern jobs created for northern residents, that the government now has money in its pocket by selling this operation, the government has not lost any money in Minago Construction

The assets, Mr. Chairman, sold for over \$1 million, even after loans, even after the commission to the auctioneer, the government is going to have a pretty big cheque in its general revenue fund. And Mr. Chairman, that doesn't make any sense in light of what the Minister said about Churchill, that he was willing to do this and willing to do that for Churchill. When he had something that was workable, he shut it down. And that's where there's no logic, Mr. Chairman.

In relationship to the Minister's other comments, Mr. Chairman, I would only ask the Minister, what is he going to do — this item we're under now, Corporate Projects — to attempt to assist the communities, launch economic development projects, what is he going to do? I just don't understand it. I don't think there are any plans, I don't think there are any proposals on the drawing board, I don't think he knows what he's going to do, and I wonder, Mr. Chairman, if he could just tell us if there's a couple of projects that are just about ready to go, viable projects that will be well administered by this Minister, that are going to create employment in the communities and create economic development. Mr. Chairman, does the Minister have any projects ready to go and what does he see this section doing for the rest of this fiscal year?

MR. MacMASTER: We have been dedicating the majority of our time, particularly the last few months, Mr. Chairman, of trying to clean up some of these situations. The member referred to the Minago operation and the costs and the retained earnings, there's no question, state \$84,865, that's of course if you forget about the $\frac{3}{4}$ of a million dollars that's been pumped into it, which obviously straightened out some of the debts. How much would have had to been put in this year, we don't know. We don't know if this particular company could have gone out and competitively tendered on the market. I think not, but there are those that would disagree with that particular assumption, Mr. Chairman.

MR. McBRYDE: Yes, Mr. Chairman. It's very easy for the Minister to sit back and criticize, Mr. Chairman. In the case of Minago, he doesn't have that much there to criticize, since over the years

of that operation, the jobs, the employment that's been created, the money that's generated in northern Manitoba, the government has gained, in total dollars, at the end they have more money than when they started. That's the simple fact of the situation.

But Mr. Chairman, what I'm more concerned about, is that we have a serious situation in the north. The Minister was expressing his concern and everything for the unemployed people in Churchill. Mr. Chairman, there's another 50 communities up there and they have unemployed people too. And the Minister wants us to approve funds for resource economics and corporate projects so that he can make something happen. Mr. Chairman, I wonder if he could tell us what he's going to do. What is he going to use these funds for? What is going to happen, Mr. Chairman? I don't know what's left to clean up, as the Minister says, he's sold everything off that was there already, so he has those problems out of his hair now. But I would like to know what he is going to do. Is he going to do anything and if so, what is he going to do?

MR. MacMASTER: Mr. Chairman, there is still some more cleaning up to do. The Channel Area Loggers group just recently came to our attention, that we have a substantial problem in that particular area. We find that over the last two to three year period, somehow, some way, we have lost 3,000 cords of wood in the bush. This is valued in the neighbourhood of \$90,000.00. The board, when it came to their attention, quickly met and fired the manager and the Chairman of the Board, Dr. John Loxley resigned, so consequently, Mr. Chairman, I still have another bonfire that I have to put out. So I've been relatively busy, amongst doing other things, trying to, as I said, clean up some of the problems. Here's one here that we're getting scalars out into the bush and the auditing department of the government is now somewhat concerned about a \$90,000 to \$100,000 loss and we're certainly concerned about where the 3,000 cords of wood disappeared to that we've paid for.

So the situations aren't cleared up yet, and this is another one that we're working on presently.

MR. McBRYDE: Mr. Chairman, the Minister is refusing to answer the question. The Minister did not touch upon the question I asked him. I want to know, with his 29 staff and his \$1.6 million, if he's going to do anything or not. I wonder if the Minister could deal with the question. Is he going to do anything, or should we approve these? We might as well, from what I can see and what the Minister has to say, eliminate these positions and eliminate these dollars, because there's no funds for further development, there's just the money to pay all these people and their expenses. Mr. Chairman, he has no idea of what they're going to do. Mr. Chairman, I don't think it's going to take 29 people and \$1.6 million to learn the fact that some inaccurate wood reports came in. I don't think it's going to take 29 people and \$1.6 million to learn that fact.

Mr. Chairman, the Chairman of the Board of Channel Loggers didn't resign because of that. He was not reappointed by the Minister, and maybe when the Minister of Northern Affairs gets control of CEDF he'll be aware of those facts as well, although I know that the Chairman of the board and the other board members were very concerned that there had been inaccurate reporting of counting earlier on. But Mr. Chairman, the Minister is asking this Legislature for 29 staff and \$1.6 million and he cannot tell us what he's going to use these funds for. He cannot tell us how he's going to create employment in northern Manitoba. He cannot tell us how he's going to bring about economic development in northern Manitoba, Mr. Chairman, because he doesn't know. He doesn't have a clue what he's going to do.

MR. CHAIRMAN: (a)—pass — the Honourable Minister.

MR. MacMASTER: Well, Mr. Chairman, I appreciate that the members opposite don't want to hear about some of the problems that I've been faced with, some of the messes that I have to clean up. —(Interjection)— You don't want to hear about the others. I can appreciate that. Well, we are working and we will continue to work with the Moose Lake Loggers and we'll continue to work with the Channel Area Loggers, even though at the moment there are substantial losses in those particular areas. We hope that the 3,000 cords of wood are found. There's really no question that we don't want to suffer those losses and I don't think the people involved in the operation want to suffer them. But we are involved with a variety of other projects at the particular moment.

I could run through some of those that we were involved with last year which we're continuing. In the Little Grand Rapids area, we're working with some of the fishing operations group and the same in the Oxford House area. In the Ilford area they're wanting some analysis done on the possibility of a tourism project. Lynn Lake is asking us very seriously — and I'm sure the Member for Churchill is aware that there appears, and I like to use that word because I don't think we want to be too positive about the decline of any place, but it appears that there will be a decline in what happens in Lynn Lake. Unless somebody comes down and finds another shaft, that particular community

may be facing a drastic cutback in a period of seven or eight years, because it's my understanding that the mine is running out. I've had meetings with the people from Lynn Lake who are very concerned about the future of it, and it happens that it's never fortunate when you see something like that coming about. But I suppose if there's any blessing, it is seven or eight years down the road and we can start planning for it to the best of our ability. So there's going to have to be some considerable work done with the Lynn Lake people as time goes on.

In Lac Brochet, there's an outdoor Motor Maintenance course that we've been running. In Moose Lake there is some assistance being given to some individuals on a logging equipment purchasing project. In Easterville they're talking about wanting a restaurant and service station and we're working along that line with them. In Cross Lake they're talking about trying to establish a motel-hotel sort of a complex and the possibility of a restaurant for that particular community. So that's just half a dozen that we happen to have in front of us at the moment, and I'm sure that there's going to be more come up during the course of the year that we'll be working on, and quite possibly some of the members opposite know of others that if we're not involved with at the moment, are certainly going to be coming to our desks in the near future.

MR. McBRYDE: Mr. Chairman, I thank the Minister for finally dealing with the question that I put to him. I note that the majority of these projects are ongoing projects, most of them are Special ARDA grants, and the Special ARDA has staff to assist people with their individual applications. If it's a resource-based operation, the provincial civil servants assist them, if it's a business separate from the resource industry like the cafe and stuff, the Federal civil servants give them advice and guidance in that regard. So I note that pretty well all the projects are ongoing projects under the Special ARDA program and so I still have some difficulty, Mr. Chairman, with the item before us, and what the people under that item are going to be doing, because the Corporate Projects has been dealing with more community-based projects as opposed to one individual in a small operation, which assistance is available to him from other sections of the operation. But perhaps the Minister is saying that they now have this \$1.6 million and they have 29 staff and that they are ready to start assisting communities with their development.

Mr. Chairman, that will be worthwhile if that is what the Minister is telling us, that they have 29 staff and \$1.6 million to start assisting people, although there might be some problems if there is not the money to back up the civil servants for whom we are approving salary and expenses under this particular section of the Minister's Estimates.

Mr. Chairman, we on this side, will be willing to give some backup and some support to the Minister opposite if he is willing to attempt to bring about employment creation and economic development in these communities. We will be quite willing to give him support, back him up, he's going to need it within his particular government, for that kind of effort, that kind of worthwhile but very necessary effort in northern Manitoba. Mr. Chairman, it won't be without problems. Let me tell the Honourable Minister if he undertakes these projects as he indicates he's going to do, and if the Minister is there for eight years and we come back with a few problems of these projects when he was in office, he'll be very fortunate, indeed, Mr. Chairman, because there is a considerable risk involved in bringing about economic development and employment creation in the communities we're talking about where the resource base is limited, where the distance from any kind of market is quite considerable. But what concerns us on this side of the House is that this government's approach and this Minister's approach appear to be, "Do nothing, and then you won't get into any trouble. Do nothing, and then the opposition can't criticize you." Do nothing, and all your Conservative colleagues will be happy. Mr. Chairman, I just hope that the Minister doesn't fall into that trap, that the Minister attempts, that the Minister tries to bring about development, and he will probably find that he gets more support from those of us on this side of the House than he does from his colleagues on that side of the House.

MR. MacMASTER: I would think one of the worst possible ways that I could get in trouble, Mr. Chairman, would be to do nothing.

MR. CHAIRMAN: The Honourable Member for Rupertsland.

MR. BOSTROM: Yes, Mr. Chairman, thank you. I would like to make a few comments on the Minister's statements so far regarding the Corporate Projects section. One of them I note he indicated some problems with is the Easterville operation, and my recollection of that is that it was a very difficult operation and there were production problems to begin with in that community. There are a number of agencies involved, CEDF was one of them, as I recall. The field level person who was responsible for making sure that the operation was organized and working in as efficient a manner as possible, is one man whom I understand he, after reviewing his performance to date, has seen fit to promote to Assistant Deputy Minister in his department to northern Manitoba, so I assume

the problems in Easterville, which he was responsible for were not so terrible as the Minister would point them out to be, or at least they were not of the nature that could have been avoided by the departmental personnel who were responsible for maintaining that operation and insuring that there were as few problems with it as possible.

There are, as my colleague from the north has indicated, always problems when you're trying to do developmental work in communities. The particular operation at Easterville, as I recall, was one of those difficult projects, and as the Minister has noted, one of the difficulties was in the area of marketing. The ManFor operation had originally agreed to buy the production from that company. After a period of operation, ManFor declined to purchase the fence posts from Easterville, so the department, for the first time in its history, scrambled around and tried to find a market for those posts in an export market. And as one can understand, when you have a situation like that, when you have staff who have never done that kind of thing before trying to find markets, that there will be problems.

But I hope the Minister will not take that one case as one which would persuade him not to proceed in trying to develop resource development type projects in northern communities, because that is only one isolated case, Mr. Chairman. The Moose Lake operation in Moose Lake, Manitoba, has operated successfully as a community corporation, a Crown corporation with community people on the board of directors, it has produced thousands and thousands of cords of pulp wood, produced a useful product, employed people who would ordinarily have not been employed, and Mr. Chairman, the benefit costs of operating that particular project are certainly well in the positive area. If it did require some subsidy over the years, it was miniscule in terms of the amount of money that was saved to the Provincial Government, and therefore to the taxpayers of Manitoba in welfare payments and Unemployment Insurance payments foregone.

In other words, Mr. Chairman, with all the dollars that went into that operation, it would have been a lot more expensive for the Provincial Government to not have done anything, and this is the case with many of these communities in the north, Mr. Chairman, that it's not only morally right, morally right for the government to become involved in a situation where there's high unemployment, but it also makes financial sense from a straight benefit cost analysis, when you take into consideration the costs of maintaining a community, the present costs of these communities where there's a high welfare cost because of unemployment, or high Unemployment Insurance costs in those seasons of the year when people are not employed, and Mr. Chairman, it can be demonstrated that with some effort by the government to assist these communities to organize themselves, to act as employeis in developing a resource base, that there can b significant benefits not only to that community but to the provincial economy. Because for the same dollars that you're putting into a community which ordinarily would be lost in the sense that these people would be receiving money and there would be absolutely no production for that money that's going into the community. When you have a resource development project going where the community is producing pulpwood or saw logs, lumber, fence posts, that is a potentially marketable product, for every dollar of product that's produced there is a saving to the Provincial and Federal Governments. Mr. Chairman, it's a well known documented fact.

I would hope that the Minister doesn't use one example like the Easterville situation to persuade himself that he shouldn't be proceeding with other developmental type projects in other communities, because I know, Mr. Chairman, it wouldn't be very difficult for him to persuade his colleagues not to do it, because they're predisposed in that manner already. —(Interjection)— Mr. Chairman, from all the comments that I've heard from the opposite side and from the obvious direction that this government is taking, it certainly wouldn't take very much encouragement on the part of the Northern Affairs Minister to persuade his colleagues to do less than they're doing now, which isn't very much. It would be very easy for him to persuade his colleagues to do less.

Mr. Chairman, I maintain that if a government is going to address itself to the problems in northern Manitoba, then they're going to have to get off their hands, they're going to have to get out there and work with those communities to assist them to develop their resource base. And they're going to have to be a lot more active than the Estimates before us would indicate they're prepared to be.

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Chairman. Earlier in answer to a question of my colleague from The Pas, the Minister mentioned that Lynn Lake seemed to be headed for hard times and I agree with him, it does. The nickel ore body there has been depleted, exhausted, and it's only a matter of a number of years, five, six, seven, eight, before the copper ore body at Fox Lake will also be depleted, and so we are looking at, down the road and not that very far down the road in terms of time, we are looking at some desperate situations for the community of Lynn Lake. The Minister mentioned that in his answer regarding those corporate projects that have been going on outside the ones

that we've talked about this evening.

He also said that there is going to have to be some considerable work done in Lynn Lake as time goes on, and that is indeed the case, but I would suggest to the Minister that now is the time to begin that process because Lynn Lake is already suffering from the effects of the closure of the Farley Mine, the exhaustion of the nickel ore body, and it's suffering quite badly, and I know they've made representation to this government. They made representation to the previous government, and I'd like to know — I know what the previous government did for that community — I'd like to know what this government is doing for that community in regard to creating some alternative forms of employment for the people in that community of Lynn Lake. The Minister mentioned it, I would ask him then to detail what is being done presently.

MR. MacMASTER: Mr. Chairman, the Member for Churchill is correct that there are some problems down the road, and we're also correct when we say that we've only had the first initial meeting with some people from Lynn Lake and it was just a week ago that I had lunch with the Mayor of Lynn Lake. The first initial thing that they've thought of, which a lot of people in northern Manitoba are talking about, is the tourist business. We find that that certainly isn't something we can disregard because Lynn Lake is ideal, if you wish, for that type of industry with its scenic setting and of course the fish and the moose and the rest of it that's inhabited in that particular area in great abundance.

But when you just take "tourist industry" and think that that's just how it happens, it doesn't just happen, it takes a multitude of months and years for planning on advertising and taking inventory of what tourist facilities are in place presently and what would be required in the shape of cabins and lodges and people to man them and lakes, and fly-ins and fly-outs and trains in and charters and the brochures you have to put out. There's a great deal of work that has to be done if that's the industry that we are going to promote up in that part of the country, and I think it generally is. I guess for a specific answer, that's as far as we have got at the particular moment, we have only had two or three hours of discussions at this particular moment.

There's another major problem facing us in northern Manitoba as the tourist industry commences to develop, and it will develop, there's really no question about it, that is, the sport fishing versus the commercial fishing, a fairly major significant problem that has to be dealt with. Not only the people in Lynn Lake, but the people within the communities have to become very, very involved, and we have had some discussions with some of the communities now. It's a difficult line to walk between the commercial fishing people who aspire to do that and make X amount of dollars at doing it, versus the moneys that can be derived from the tourists who may come in. Couple that with the opportunities for the people that live within the communities to act as guides and possibly run their own tourist lodges. You have to work out an acceptable medium and try and deal with the fishermen who have fished all their lives versus the young fellows and some of the older fellows who now want to bring some moneys into their pockets and back to their families and their homes from the guiding and the tourist end of it. So there's a great deal of work to be done in the months and years ahead in establishing a tourist industry, per se, in northern Manitoba.

MR. CHAIRMAN: (a)—pass — the Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Chairman. I thank the Minister for his answer. To seek further clarification, are we to assume that tourism is the only form of alternate employment that he has discussed in that short meeting with the mayor of Lynn Lake, because I know in my discussions with the Mayor of Lynn Lake and my discussions with other people in that community, there have been many, many forms of alternative employment mentioned, some of them, what would be phrased "off the wall" as to using the Farley Mine as a mushroom factory, with the dark, dank tunnels of a mine, they figure that they could grow some high quality mushrooms. There have been other more viable, I'm not saying that's not viable, I'm just saying that within my own realm of experience I'm not so sure that I would support that proposal wholeheartedly, but there have been other propositions that are more reasonable and are more conceivable. I just wonder if the Minister had opportunity to discuss with the Mayor some of the other forms of alternative employment or alternative industry that could be brought into that community and if so, what were they, so that we have some indication of which direction they are proceeding in in this case.

MR. CHAIRMAN: The Honourable Minister.

MR. MacMASTER: The mushroom in the mine suggestion certainly has been talked about. I have assured the Mayor of Lynn Lake and those associated with him that we're going to have some of our staff go through the north when this House is out and we can get back to doing other things, and hope to spend some time in Lynn Lake and in the surrounding areas, and at that particular

time I would hope that they, themselves, have some working papers, and maybe if we can find some time in the next two or three weeks before the House adjourns, that we can have some ideas about that particular area. But the tourism thing seems to be the one particular idea that stands up front, Mr. Chairman.

MR. COWAN: I'd like to ask the Minister, seeing as how when he was asked by the Member for The Pas to comment on where the moneys that are listed under this item are going to be spent, he mentioned Lynn Lake as a possibility. I'd like to ask him then, specifically and in detail, what moneys under this section have been committed to be spent in the community of Lynn Lake for Corporate Projects.

MR. MacMASTER: Just staff time at this particular time, and I really don't know how much that will involve as we work into the months that are facing us.

MR. COWAN: Yes, the Minister also mentioned a fishing operation in reference to the question from the Member for The Pas in Oxford House, Little Grand Rapids and probably a number of others that I didn't take because they weren't in the particular constituency, and then he, at a later date, mentions that there is going to be considerable conflict, and indeed, there is going to be considerable conflict between tourists wanting to use those lakes for sport fishing and therefore, operators of tourist lodges and that part of the economy that caters to tourists are going to be pressuring quite extensively to have a reduction in the number of commercial fishing operations on those lakes. So that they can fish the lakes and bring in tourists to fish the lakes. We see this happening now in our neighbouring province of Ontario, so it's not a hypothetical problem. It is a problem that exists presently, and will, as the Minister said, and quite correctly so, will become more of a problem and more of a problem as time goes on.

So I'm wondering how he is, in his own mind, reconciling that conflict when he is giving money to fishing operations at Little Grand Rapids, Oxford house, and a number of other communities, and at the same time saying that they want to bring tourists into these areas to do sport fishing; the two operations seem to be at odds with each other.

MR. MacMASTER: I think the two simple words are "with great difficulty," Mr. Chairman. But you have to deal with the situations in a particular area as they arise, and we are hopeful that the industries can flourish side by side, but there's no doubt in my mind or in the minds of the department that there is going to be great difficulties in achieving our goal.

MR. COWAN: Yes, thank you, Mr. Chairman. I can't say that I feel sorry but I can say I empathize with the Minister for the difficulties that do confront him in regard to the use of lakes in the north for tourist fishing, versus the use of lakes in the north for commercial fishing, and I have my own personal bias in this, which I, at this time, don't think it is necessary to go into in any great detail. But I do see the commercial fishing operations as providing more concrete, more viable, and more productive work for the inhabitants in the north, and therefore would encourage the Minister, when trying to work out the conflict with great difficulty, so that these two industries can flourish side by side, that they don't follow the example that they followed in Ontario, where they are casting aside the commercial fishing possibilities of a lake so that the tourist may have more access to the fish in that lake, and I just urge him at this point not to follow that policy.

I would like a little further clarification on his own personal opinion on this as to which provides the more viable and more permanent form of employment in the north, the use of lakes for tourist fishing or the use of lakes for commercial fishing.

MR. MacMASTER: Mr. Chairman, I think you can argue both ways if you so choose to, and in any particular form that you so choose to, but if tourist lodges are involved and are employing people within the communities for guides and to run the lodges, or if the people themselves are running the lodges themselves that are having tourists flown in, under that particular set of circumstances for that particular community, you'd have a heck of a time trying to sell them on commercial fishing.

Now, there are other communities who do not have those types of aspirations, the commercial fishing communities, who by tradition between that and trapping and whatever, that's been their way of life and changes aren't as evident, I think is the simplest way you can put it. But there are other communities who are prepared, I believe, to work both ends against the middle and come out winners on both sides, where they can work winter commercial fishing, off season commercial fishing, and still get some of the people within their communities employed during the sport fishing season of the year. I guess we'd like to have our cake and eat it, too, as I'm sure the Member for Churchill — again, I say it's going to be difficult but it's certainly a problem that I'm facing

and I have no fear of facing it and I hope in the years to come we find that we have some element of success in that particular area.

MR. CHAIRMAN: (a)—pass — the Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Chairman. Well, the Minister will find, as the Minister responsible for this same area in Ontario has found, that there will be cases where commercial fishing and tourism fishing can exist side by side in the same lake or in the same general vicinity, but he will also find, as the Minister has found in that other province, that there will be cases where they cannot, where it is impossible and it is inconceivable that they can exist side by side. And in that case, I'd like to ask the Minister — it's hard because it's a hypothetical case — where he would be most inclined, or which side he'd be most inclined to side with, the commercial fishing, or the tourist industry in that case. I'm just trying to seek some sort of a clarification of the Minister's own personal philosophy on this, and therefore don't expect a great deal of detail, but just a general indication.

MR. MacMASTER: Mr. Chairman, I can't answer that. I'm sure that I would be run out of some communities if I took a hard line on either particular industry where the community itself had decided that one way or the other was the way they were going to go. I think it is hypothetical, hypothetical to the point that I can't give an answer at this moment, but certainly still calling it hypothetical, I know, as does the Member for Churchill, that during the course of the year I'm probably going to be faced with that type of decision. And I can only assure him that I'll do the best to my ability, armed with the information from the people involved, to make the right decision and some of us are blessed with making the right one more often than the wrong one, and I hope that's the case with myself.

MR. COWAN: Well, the Minister is going to be faced again with another hypothetical situation. I don't want to belabour the point so I'll be quite brief. There will be, in his term, a traditional community that has traditionally made its livelihood, its local economy, has centred around a commercial fishing operation, that will be in a neighbouring jurisdiction to a more modern community, a community that is trying to develop a tourism industry, and he will at that point have to make a choice between the traditional community's livelihood and their living standard and their style of living, and also that of the more modern community. And in that case, I'm wondering what criteria the Minister is going to use to determine the use of the lake which would be in question in this certain hypothetical instance which is going to exist in the near future.

MR. MacMASTER: I can't answer that, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I can't sit back and listen to this discussion without making at least a couple of comments on it. One of the problems, Mr. Chairman, in the past has been that you've had a commercial fishery that has usually involved the native people in a community, and then you've had a tourist lodge which usually involves someone from southern Manitoba or someone from the United States who is the owner and operator of that lodge, and when you have that sort of a situation, then you have real hard feelings between the commercial fisherman and the tourist lodge operation who is an outsider, who hires people only occasionally, and they question the wages paid, etc., etc. Then you have a very clear conflict.

As we move into the situation, and I'm assuming that the Minister wishes to move in that direction, where more and more native people in the remote communities are becoming involved in the tourist industry themselves, that because it's an agreement or an understanding, or if it's a planned exercise within the community, that they're able to balance that off in some way. And Mr. Chairman, that is one approach, one part of economic development that maybe the Minister can undertake with the 29 staff, to assist the communities as they actually plan their economic development, so that they can straighten that out themselves in their own community, what they expect from commercial fishing, what they expect from tourism owned and operated by themselves, or at least controlled by themselves, perhaps with outside assistance.

Mr. Chairman, while I'm on that subject though, I want to warn the Minister not to put all his eggs in the tourism basket, because Mr. Chairman, it's a very delicate basket in any under-developed area where they're attempting development, to depend upon tourism, whether it's northern Canada or the Territories or whether it's the Caribbean. Tourism is a very difficult, unpredictable, and fairly unreliable method of economic development.

Mr. Chairman, there is room, and there is need, and it is one possible avenue in the northern

part of our province to develop the tourist industry and many communities are involved, many individuals are involved and have been involved somewhat successfully, and there is still room, Mr. Chairman, to expand in the tourist area. But there has been a pressure, and I don't know if the Minister has come across that pressure yet, because there is a separate department that deals with tourism, and a separate department that deals with northern economic development, and there has been a strong pressure to push tourism at the exclusion of other types of economic development in the northern part of our province, and only if tourism is included of one aspect of economic development are we going to be able to make it work properly, is it going to be an effective tool in economic development.

I would warn the Minister, if he's looking at CEDF and SNEP that he could easily run into a problem with the tourism people pushing, promoting, outside lodge people to move into certain areas, at the same time his staff is trying to assist communities with their economic development, and it's something he has to be aware of and vigilant at all times that in fact, the community is involved in any discussion of their economic development, whether it be tourism or other aspects. So Mr. Chairman, I just add those two words on the fishing and on the tourism for the Minister to consider.

There's a couple of procedural questions here, Mr. Chairman. The Youth Corps, which section do I locate it under, and I would also ask the Minister, if we finish this section, does he hope to go over to the next page, or does he hope to go back to fisheries and the other page that we jumped the other day?

MR. MacMASTER: We'll carry on in the rotation that we're going, Mr. Chairman. The employment services section, the next section on the Estimates, some of our people in there are running the northern youth program right now.

MR. CHAIRMAN: (a)—pass; (b)—pass; (2) — the Honourable Member for Rupertsland.\$

MR. BOSTROM: Before we leave this section, I believe that the Department of Resources had a youth program, wilderness corps groups that was operational each year, modest operation that operated in the Caribou Lake area in Manitoba. I wonder if the Minister could indicate if that is contained within this section or if it is contained within another section of his Estimates, or has it been cut this year?

MR. MacMASTER: That was dealt with under the administration section when we first started, and just so we don't have to go back through it, realizing that we don't have to, I just simply say to the Member for Rupertsland that it's virtually unchanged from what it was in previous years.

MR. CHAIRMAN: (b)—pass; (2)—pass; (c)—pass; (d)(1)Salaries—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, the standard questions, the number of staff in place in this section when the Minister came to office, then number of vacancies in that staff, and the number of staff that he is requesting here, and I think in this particular case, the number of persons fired and the original location of those persons that were fired.

MR. MacMASTER: There were, Mr. Chairman, 88 SMYs, staff man years. We reduced that by 48, down to 40. Of the 48 that we reduced, 35 of them were vacant and 13 positions we eliminated. Those 13 positions, the location of same were three in Thompson, six in The Pas, one in Leaf Rapids, one in Duck Bay and two in Norway House, and they were all in Northern Affairs and presently of the 40 SMYs, there are four that are vacant.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could just indicate what happened with the youth corps and if the youth corps has been budgeted for now this year in these Estimates or whether the Minister got funds from other sources to finance the youth corps at a somewhat reduced level this year.

MR. MacMASTER: The people who administrated the program are in here but the moneys aren't in here, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could tell us where the moneys are located, where he is getting the moneys from.

MR. MacMASTER: The Minister of Finance, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, will this be a special warrant item, covered temporarily from another appropriation, or does it appear in some specific item in the Minister of Finance's operation?

MR. MacMASTER: The Minister of Finance would have to answer that particular question, Mr. Chairman.

MR. McBRYDE: If the Minister could just refresh my memory, I have the press release somewhere because I commented on it. What was the number of young people expected to be employed and what were the dollars involved in the program this summer?

MR. MacMASTER: \$300,000, and we had projected 275 students.

MR. McBRYDE: Mr. Chairman, do those dollars include the community staff people in each community, where there is a project there has to be some kind of a supervisor, and I wonder, of the 13 people that were let go by the Minister, if some of those had been youth corps people and what positions that people now carrying out the youth corps had occupied before being given the new responsibility of the youth corps?

MR. MacMASTER: I'll have to get that question answered, Mr. Chairman.

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

MR. McBRYDE: Mr. Chairman, as we on this side go through the Estimates of each department, one thing that we're interested in finding out is if there are in fact expenditures by that department not shown in the Estimates and therefore not necessarily in the Estimates of the overall government Estimates of Expenditures for this year. And in this department, for example, we found the difference in the unconditional grant that will have to come via other mechanisms and the special \$3.00 per capita payment. I wonder if the Minister could double check the source for the youth corps for this year and whether it's been allocated already and announced by the Minister of Public Works in what he called his Employment Projects announcement on May 19th, would that include the youth corps, . . . it's indicated there that there is \$600,200 for capital works acceleration projects and I would assume that that would be different, or is that the same announcement? Does that include the youth corps.

MR. MacMASTER: No, that's different. That's not what we're talking about here, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, it would appear to me and to my colleague who deals with the Minister of Finance that we have another \$300,000 that's not shown in the overall government Estimates, at least we can't seem to locate a source for that, and so it was probably a later decision made by the Cabinet. It was not anticipated for this year, in fact I think it was anticipated that the youth corps be dropped for this particular summer.

Mr. Chairman, of that \$300,000, I know that the Federal Government has always in the past had a youth program run by Indian Affairs and the province picked up the other communities that Indian Affairs was not involved in. I wonder, of this \$300,000, if we recover some of that from other sources, or whether that is all provincial funds and basically it's balanced out because Indian Affairs is spending the money in a few more communities even than the provinces.

MR. MacMASTER: I can't answer at the moment, I'll take as notice whether any or part of that \$300,000 is recoverable, Mr. Chairman. I'll get that answer.

MR. CHAIRMAN: The Member for Seven Oaks.

MR. MILLER: Mr. Chairman, further to this question, I'm curious too about the source of these funds, and I wonder if the Minister can tell us, he keeps referring to the Minister of Finance, but these are his Estimates, whether in fact the amount being discussed is part of the 1977-78 Capital Authority voted in the last year's Estimates.

MR. MacMASTER: Mr. Chairman, the Minister of Finance has to determine where that funding is coming from. I've been assured that the funding is there, our people have put the program in place, and we're satisfied that the funding is there. The Minister of Finance would have to determine, and as the Member for Seven Oaks knows, as a previous Minister of Finance, there may be a variety

of ways that he does that, but I certainly am not going to stand here and speak on his behalf how he's going to handle that particular issue.

MR. MILLER: Mr. Chairman, I assume this program is now underway and therefore there must be funds. Before a program can be launched and be operated, there must be a source of funds identified, and so the Minister may not know exactly where it's coming from, but I'm wondering whether he knows that in fact, is it capital funds rather than current operating? It's not in the combined Estimates that we have before us, as he has indicated. If it's not in the combined, the only source would then be capital. Am I right in that regard?

MR. MacMASTER: Does the member have another question, Mr. Chairman? I'll attempt to answer that one.

MR. CHAIRMAN: The Member for The Pas.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could indicate — the reduction in the youth corps this year — what communities might be excluded this year because of that reduction.

MR. MacMASTER: It's a very similar program to previous years, Mr. Chairman, and we think we're going to reach the 275 employed this year that we predicted.

MR. McBRYDE: Mr. Chairman, is there a person in charge of employment services, and if so, who do they report to?

MR. MacMASTER: The person who heads up employment services reports directly to the Director of this division, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, I thank the Minister for his answer. I think he sees that I'm drawing up an organizational chart and I'm going to present it to him at the end of his Estimates.

MR. MacMASTER: Mr. Chairman, in answer to the Member for Seven Oaks, there are four possibilities, alternatives, I suppose, that the Minister of Finance could look at to derive these funds. Three of them I was aware of, and I'm glad I hesitated because there is a fourth one. I suppose he could come in with a special warrant, he could talk about it under Supplementary Supply, or Supplementary Estimates, or an Employment Program Capital carryover, but we have been assured that funds will be provided on a temporary basis until the final disposition of how the funding is to take place will be made available. I don't know if that helps us or not but that's as much as I know about the Department of Finance's options that appear to be open to me at the moment.

MR. CHAIRMAN: The Member for Seven Oaks.

MR. MILLER: I thank the Honourable Minister. He obviously doesn't know the source of funds, even though he's a member of the Executive Council, and the Orders-in-Council when they go through, he's going to be there when they're presented, but he's right, there are a number of sources and I was simply trying to determine whether or not the source of these funds would be the Capital which was approved last year and which is part of the Capital carryover which this present government chose not to lapse, but although they combined both capital and current in the new format, they chose to continue the authority voted last year to the tune of \$30 million and in fact will be expending more than what their printed Estimates indicate here because they are dipping into a fund voted in previous years.

So I think the Minister pretty well has corroborated that he doesn't have it in this year's print, and another source, he's going to have to look for the money elsewhere. It may come, as I've indicated, from Capital, or, we may still see it in supplementary supply, but I think if it was there, this Minister would know what his department is asking for in supplementary supply, and I know that by now the supplementary supply bill is ready, or at least the mathematics of it is ready. So that I'm surprised that he wouldn't know whether it's in there or not. But if he doesn't know what other sources it's from and he indicates his ignorance of it, I'll accept that he just doesn't know.

MR. CHAIRMAN: (1)—pass; (2)—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, before we pass this section, I'd just to like to make a comment,

and that is that it would seem significant that the section that gets the hardest crack by this government is none other than the Employment Services section, which had as its mandate, its direction, its purpose, to attempt to provide opportunities for northern people to obtain useful and productive employment, whether it be in projects in their own communities which they would assist in organizing, or in the recruitment of northern people for projects in other communities, in fact in construction projects in northern Manitoba whether they be hydro or other types of building, road maintenance, road building or whatever it may be, these people were providing a service, Mr. Chairman, that was not provided ever before in the past and which it now appears this government is not prepared to commit themselves to in the future, at least not in the fiscal year before us.

So Mr. Chairman, I don't want to let this section pass without making that comment on it. It would appear that this government is prepared to allow this type of operation to be significantly reduced and thereby its effectiveness certainly will be significantly reduced; the potential for employment in the future for these people I would assume will be potentially and significantly reduced; the people will have to go through the traditional outlets of Canada Manpower and others to attempt to provide themselves with employment in areas outside of their communities, and as we know, Mr. Chairman, and has been experienced in the past, the Canada Manpower, because they do not provide any Outreach facilities, any Outreach capabilities, really do not provide any kind of service to remote communities in northern Manitoba. Given that this government is cutting back this section, all I can say is that the impact will certainly be felt in the remote communities in this fiscal year and in the future. There are young people coming up in these communities, Mr. Chairman, that are coming into the labour force for the first time; there are older people in the labour force in these communities that are unemployed and that want work, require work, and the traditional outlets such as Canada Manpower in the past have simply not been good enough in terms of assisting them in finding employment not only in their home communities but in other communities outside their home area.

Mr. Chairman, I'm disappointed and I want to express my disappointment on behalf of those communities that this government has taken this step, of this kind of cutback in an area which is crucial and very important to the young men and women and all those in the labour force age group in these communities that were utilizing the services of these people that were in the employ of the Department of Northern Affairs; although it didn't come under my jurisdiction when I was in government I certainly knew of the operations, knew of what their mandate was, and I would certainly want to express my displeasure and disapproval and disappointment that this government is taking this step at this time.

MR. MacMASTER: Well, Mr. Chairman, I could share the Member for Rupertsland's disappointment if there was reason for disappointment, but there isn't. Thirty-five out of the 48 positions that we said that we reduced were already vacant and there were a number of people within this department that were support staff or some of the now non-existent corporate projects, so you still have 40 people in that particular department who will be dealing with job opportunities and job information services. In my humble opinion that is adequate to serve the communities and make them aware of the employment opportunities and to assist them to relocate and what is necessary to be done.

MR. BOSTROM: One case in point which I'd like to point out to the Honourable Minister is that in the community of Norway House where I believe he indicated two people were cut from the payroll of this department, as far as I know there have been no replacements for those individuals in that community, and as far as that community of 3,500 people which has a very high unemployment rate at the present time, as far as I know they are still not serviced as adequately as they were in the past. Therefore, Mr. Chairman, they will have much more difficulty in obtaining employment — necessary, needed and desired employment — not only in their own home community but in areas outside their home community. These people that were working within the Department of Northern Affairs provided people with a referral service so that they were able to take advantage of construction projects, construction jobs, as they came up, whether it be in the local area or in the Hydro job sites or in the northern construction generally, or in fact, anywhere in Manitoba, wherever there was potential employment that could be filled by residents who were willing and able to work. Mr. Chairman, there is a case in point right there, where the department slashed those two positions in the community of Norway House, and whether they were filled or not at the time they were slashed certainly would indicate that there was a necessity, a need to have someone working in that community that would fill that role. Now, the Minister may say that that role can be filled by Canada Manpower or somebody living in Thompson or The Pas or whatever, but I simply do not agree with him and I think that that community is certainly disappointed with this Minister's move, as others are disappointed in northern Manitoba.

MR. MacMASTER: Well, I think that the Member for Rupertsland, who is justifiably speaking on behalf of some of his constituents, does not have any more reason to fear today than he had in the past because there wasn't a full-time employment services officer in there, not in the recent history, anyway. The two positions that we cut were both clerks.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, maybe my colleague from Rupertsland and I would have had a disagreement if we had still been in government but there was in fact some reduction underway in the Employment Services when I was Minister responsible, and one of the reasons, Mr. Chairman, was that Canada Manpower was not providing a service; as we started providing a service, they started to increase their service, so in effect what we did was embarrass them into doing what they're supposed to do in northern Manitoba and Mr. Chairman, that was certainly a beneficial effect.

The other thing, of course, Mr. Chairman, that's happened is that, basically, a good part of this component related to placing people in industrial centres in industrial jobs such as mining or hydro or forestry, and Mr. Chairman, we have the problem that in fact the mining employment availability has been declining and the hydro employment availability has been declining, so in fact over the last three years there has been a steady but definite decline in the operation.

Mr. Chairman, one area though where I certainly do share the concern of my colleague is that the reductions made by this Minister and this government always appeared to be in the remote communities and the increases always appear to be in head office staff, and Mr. Chairman, I think that's a bad situation to be in when you keep building up your head office bureaucracy and keep reducing the field staff of the department.

The other thing that this section was getting into in terms — besides doing the placement type of work that I was talking about which was declining — was in development of special employment projects and that relates quite closely of course to the resource economics and the corporate projects and that was an area of expansion to try and assist the communities in yet another way with their own project. One thing that would happen, Mr. Chairman, is that we could assist using the NORTHLANDS funds 60-cent dollars, and I better just recheck that question with the Minister, too, is the percentage of this section that comes out of — if this is 100 percent shared, that is, 60 percent of this total amount comes from the NORTHLANDS Agreement. I'll just double-check that with the Minister while I'm at it, but in fact, to be able to provide some training preliminary to a project getting off the ground. So if in fact the community was going to go into a sawmill operation and they didn't have people already trained in that field, this section could assist them in the training for the first number of months so that then they could move, and the actual project would get assistance in terms of dollars because they wouldn't have to pay full salaries for the first few months and the people in the communities would receive training which they could continue to use in this community, or if they decided to relocate they would have another skill that they could use to relocate.

But there was, Mr. Chairman, a deliberate effort to allow reduction in this section and that is why what was then the Northern Manpower Corps or the Northern Development Corps chose to have a greater number of vacancies in this section so that they could have some of their other, more urgent sections, the employment creation and special projects, corporate projects section, fully staffed, and keep their 10 percent vacancy rate by having a high vacancy rate in this one particular section of the operation. I wonder if the Minister could just confirm that, what percentage of this that comes under the NORTHLANDS.

I wonder if the Minister could also indicate what has happened, what is the latest word on the agreements with the mining companies in terms of relocation projects, that is, that the fairly new agreement with Hudson Bay Mining at Flin Flon, the old agreement with Sherritt-Gordon at Leaf Rapids and the ongoing agreement with Inco at Thompson, whether in fact those projects have been dropped with the reduction in work force in those communities or whether in fact those projects are still able to place some people. I believe this is the section that this would come under. I also wonder, Mr. Chairman, if there is enough employment and enough people being placed at Thompson to continue the contract with the Metis Federation that we had in the past at Thompson, or whether the employment placement has dwindled to the extent where it's no longer worthwhile to continue that project?.

MR. MacMASTER: Mr. Chairman, the cost-sharing is 60-40 and the relocation projects and programs are still in place, and the one in Thompson is somewhat scaled down but certainly in place because we are optimistic that hiring will — well, it has commenced to a very small degree in the last two to three months and some of us are optimistic that it will pick up over the period of the summer. The members of the opposition are correct that Canadian Manpower Corps is

and extending some of their outreach, if you wish, into the communities. I stand corrected in my answer to the Member for Rupertsland because there is, in fact, an employment consultant station in Norway House and there is in fact in addition to that a Canada Manpower Outreach worker stationed in Norway House.

MR. McBRYDE: The comments on the Inco Thompson project, do they apply to the Sherritt-Gordon in Leaf Rapids and the Flin Flon-Hudson Bay, or what is happening with — could the Minister just bring me up to date on those two relocation programs as well?

MR. MacMASTER: Well, I haven't got the details, Mr. Chairman, but I know that the one at Hudson Bay is still operational and the one at Sherritt-Gordon, regardless of the situation at Lynn Lake, is still in operation in Leaf Rapids, and the one in Thompson is still in operation. There is more emphasis being established, priorities are being changed somewhat to the relocating in the Thompson area as to really helping the people that are already established, settled in; there's a great deal of follow-up required in these particular instances and I think there is more emphasis being placed on that at this particular moment, and it can shift that emphasis later on during the summer when and if there are more employment opportunities in the Thompson situation.

MR. McBRYDE: Mr. Chairman, I wonder if the department is still considering or planning any, what you might call more temporary relocation projects, that is, of flying people from their community to the job on an agreement with the company and then flying them back home again, an on-the-job, off-the-job program which had been tried in the past with only limited success, but there were a couple of projects still under consideration and negotiation at this time last year. I wonder if there are any of those anticipated for this year, or whether the concept has been dropped as unworkable.

MR. MacMASTER: It's not being considered this particular year, Mr. Chairman. I suppose in the past when employment was booming and you had a variety of circumstances under which people were arriving in communities or being brought to communities would be a more advantageous time to deal with that particular type of program, but the others are in place; I haven't given any consideration to going to that extra step at this particular time.

MR. CHAIRMAN: (1)—pass; (2)—pass; (d)—pass; 7.—pass. Resolution No. 101: Resolved that there be granted to Her Majesty a sum not exceeding \$4,389,000 for Northern Affairs and Renewable Resources and Transportation Services. Development Resources Division, \$4,389,000—Passed. Resolution 102. Clause 8, Construction and Transportation Division, (a)(1)Salaries—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could send us over the organizational chart for this section and whether he wants to generally summarize the section or whether it's enough of what's in the Book here for us to deal with it.

MR. CHAIRMAN: The Honourable Minister.

MR. MacMASTER: Just in general terms, Mr. Chairman, this division is the division of Construction Transportation Services. It covers the operation, maintenance, airports, construction management, Equipment d Storage section, the Air operations and the Marine operations within the Province of Manitoba.

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

MR. McBRYDE: Mr. Chairman, there was an Assistant Deputy Minister that had responsibility for some of these functions here and I believe he even expanded to include most of these functions here at one time, and I wonder if the Minister could indicate if that staff man year has been deleted and what is the present status of the former Assistant Deputy Minister?!

MR. MacMASTER: The former Deputy Minister, Associate Deputy Minister of this particular department, for health reasons found it impossible to carry on with that particular post and he is now working in the Department of Highways, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, I have the standard questions here: staff and vacancies when the Minister took office; staff he anticipates using this year. Mr. Chairman, I want to ask some questions at the appropriate stage about some trailers purchased by the Resources Department from Missi

Falls — yes, from Missi Falls and I wonder where would be the best point in the — I don't want to get out of order — the best point at which to raise questions about the disposition of those trailers.

MR. MacMASTER: Under (d), Mr. Chairman, Equipment and Stores.

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

MR. McBRYDE: Yes, I think the Minister has some of these answers preprepared. On the staffing, if he could give those.

MR. MacMASTER: There was seven, Mr. Chairman, and there is seven now. As far as the vacancies, there were no vacancies of the seven before.

MR. CHAIRMAN: The Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, could the Minister explain the increase in Salaries and Wages here given that there has been a retirement of a senior government administrator, or semi-retirement, transfer, whatever, and the fact there's still only the seven SMYs in that divisional administration area and yet there appears to be a fairly significant increase in the Salaries as well as the other expenditures.

MR. CHAIRMAN: The Honourable Minister.

MR. MacMASTER: I'll get that breakdown, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, of the seven how many were former Northern Affairs and how many were from Resources, and where are those seven positions located geographically?

MR. CHAIRMAN: The Honourable Minister.

MR. MacMASTER: Six Renewable Resources and one Northern Affairs, Mr. Chairman.

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

MR. McBRYDE: Mr. Chairman, the same question here. The staff — I assume that they were all Northern Affairs staff. If they weren't the Minister could correct me. Vacancies in the present staff required to carry out this function.

MR. MacMASTER: There was 12.5 SMYs in the 1977-78 Estimates; there's 12.5 SMYs in the 1978-79 Estimates, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could tell me where the . . . The figure seems awful low, Mr. Chairman, for the Operation and Maintenance of airports, when there was a person in many of the Airports. I wonder if there is another place here besides Norway House where those figures would appear.

MR. MacMASTER: Mr. Chairman, you'll have to excuse me. I jumped a section in the book. I went straight to Norway House. I've been hearing from Norway House from the Member for Rupertsland and I guess it caught my eye. Operations and Maintenance (b) — 8.(b). We'll start again.

Under the . . . 1978 Estimates there was 70.5; this year, Mr. Chairman, there is 67.5 for a reduction of 3. This is broken down, Mr. Chairman. If the members opposite wish to mark it down there's a half staff man year at six places — to make it simpler — Ilford, Oxford House, Poplar River, Pukatawagan, Red Sucker Lake and South Indian Lake, and that's the three reduction in half SMYs.

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

MR. McBRYDE: Mr. Chairman, I just want to double check with the Minister here if he sees some reduction in the Operation and Maintenance of airstrips or whether he sees . . . Where exactly was

he able to carry out those savings? Was it in the reductions eliminating any person at six airstrips, or is there a general decrease in Maintenance? I know that, Mr. Chairman, the Minister was quite concerned to increase the maintenance at the Norway House road, and I wonder how he sees it's possible to decrease the maintenance at air-strips which, of course, if they're not properly maintained are a very dangerous situation and it's probably wiser to completely close an airstrip than to improperly maintain an airstrip so that pilots are not expecting a service there and come and find that the airstrip has not yet been prepared for them to land on it, and I just want to double check with the Minister how he sees these reductions, or where he sees these reductions taking place?

MR. MacMASTER: M.. Chairman, as I pointed out, it's six locations, half man years at each one, and we have found this possible by regularizing your airport schedules which, in effect, will remove a great deal of the overtime and the call out and reporting, that type of thing. This is the first year that we will have regular schedules in place on the airstrips in these particular areas in northern Manitoba.

MR. CHAIRMAN: (a)—pass; (b)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman, because most of the persons employed in this operation in the past have been local community residents, there has been a fairly intensive ongoing training program. I just wonder if that will continue in the same manner as it has in the past and where those training funds would appear. Would they appear here or would they appear in the other administrative section where there was also quite a large reduction in training funds?

MR. MacMASTER: Training will continue, Mr. Chairman, and the funds are here within this appropriation.

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

MR. McBRYDE: Yes, Mr. Chairman, I wonder if there were any further court cases, more recent court cases, involving pilots, airlines and the maintenance of airstrips.

MR. MacMASTER: Could the Member for The Pas elaborate on his question please. Any more court cases in relationship to pilots or airstrips or what?

MR. McBRYDE: There was previously at least one and perhaps two cases where there was legal action against the province and against the person charged with maintaining airstrip by operator, the aircraft operator, and I wonder if there has been any more problems in that regard and if the Minister knows the final outcome of the case which still wasn't settled to my knowledge.

MR. MacMASTER: Well, Mr. Chairman, at the expense of appearing naive, I don't know what the case was but I believe that if there were any cases before us at the moment, I would have been made aware of them. I'm not aware of any current ones. There may be something in history that I'm not aware of and if the Member for The Pas wants me to get a specific report on the outcome of a specific case, I'd be glad to find it out for both our informations.

MR. McBRYDE: Yes, Mr. Chairman, I'd be curious enough of the outcome of a case involving whether or not a snowbank was on runway, off runway, whose negligence it was, the pilot's negligence or the maintainer's negligence, providing he doesn't give the answer in Question Period, Mr. Chairman, then I would prefer not to have the answer, but if he could send it to me aside from Question Period, then I would be quite pleased to get that answer from him.

I wonder also, Mr. Chairman, if there is any contracting out of this work. There were in some cases communities that had their own equipment that wanted to do this work, and there was I believe only a couple of communities that actually had the capabilities to do it, and I wonder if there is still some of that community machinery and men being hired to perform the function, or whether there is no longer any of that. .

MR. MacMASTER: We are prepared to review those type of ambitious endeavours by communities; we are prepared to look at that anytime, Mr. Chairman.

MR. CHAIRMAN: (b)(1)—pass; (2)(a) Salaries—pass; (b)—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: I think the Minister gave us the salaries and so on, for the staff man years here earlier in his comments — if I heard him correctly, it was 12.5 last year and the same this year. Could the Minister indicate if this is the case, or what, if any changes there are in this section?

MR. MacMASTER: I was trying to listen to the question, and others, and asking questions myself. I'll reiterate what I said, and it may answer the questions. There was 12.5; there is 12.5 this particular year.

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

MR. McBRYDE: I guess it's under (2), there is a Recoverable from Canada figure, and I assume, I'm not 100 percent clear, is that just the Norway House Airport, or is that the Norway House and Island Lake Airports, or is it more than those two airports?

MR. MacMASTER: It's Norway House, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could tell us what happened to the Recoverable on the Island Lake Airport, because it was up to the standard necessary to receive MOT cost sharing, and I wonder if something happened, if the standard declined, or how come the MOT cost sharing was lost in Island Lake?

MR. MacMASTER: I would have to check, Mr. Chairman, and see if there is any Recoverables last year. I know of the airport, and I know that it's close to being at that stage. I can't just tell you, I will take notice and get back to you.

MR. McBRYDE: Thank you, Mr. Chairman. I am assuming that this full amount in Norway House is MOT, which is a standard program of theirs, when an airport reaches a certain level that cost share on operation and maintenance, and I am assuming from the figures that it's 50 percent cost sharing on operation and maintenance, I just want it confirmed that that's the case, it's all MOT, under their Canada-wide program.

MR. MacMASTER: Yes, Mr. Chairman.

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

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could give some assistance here with the amalgamation of the two departments, could he just define for me a little bit further, how much of this was in Northern Affairs, and what are all the functions covered by this item in the Estimates?

MR. MacMASTER: Yes, Mr. Chairman, I will attempt to get these figures correct. There was 110 in 1977-78; there is 43 in 1978-79. Two of the 110 were Renewable Resources, and 108 were Northern Affairs, 87 SMYs were cut, 29 permanents of which 9 were vacant, and 58 terms. When you take that away, then you must add back 20 SMYs, which we will be attempting to fill, and of the 20 that we're adding back, 8 are presently vacant today, and we hope to have the complement of 43 up very shortly.

MR. McBRYDE: Mr. Chairman, I was going to ask the question the Minister answered, but I actually asked a different one. I wanted him to define the responsibilities of this section, so I could be sure of what I was talking about in terms of their exact function.

MR. MacMASTER: Water and sewer airstrip construction, resource roads, marine terminals, and winter roads.

MR. McBRYDE: Mr. Chairman, when the Minister is talking about staff man years, I don't have the figures in front of me, although I might be able to find them, my recollection is that a large number of the staff man years would not even be term positions, but positions to cover off temporary staff, or construction staff, and I wonder if the Minister could give us some clue, my recollection out of 108 staff man years, a good portion of that would be staff man years, but nobody would fill that job. In fact, during the year, 12 people might fill it for one month, one position.

MR. MacMASTER: That's exactly correct. There was 58 term positions that were filled on a very casual sort of a basis in that particular cut in that section.

MR. McBRYDE: Mr. Chairman, I wonder if the MINISTER IS PROPOSING TO REDUCE THE CONSTRUCTION WORK, OR WHETHER HE IS PROPOSING TO LET IT ALL OUT TO OUTSIDE CONTRACTORS WHO WOULD BRING IN THEIR OWN CREWS, AND THEREFORE HE DOESN'T NEED THESE POSITIONS. I wonder if he could explain the reduction.

MR. MacMASTER: There will be some contracts in place, Mr. Chairman, but the communities are going to be as involved in that as anybody else.

MR. McBRYDE: Mr. Chairman, would I be correct in assuming that somewhere else in these Estimates, for example, Construction of Physical Assets, there would be funds there but no positions, so in fact the project itself would pay people to work for the project, and they wouldn't show up as staff man years. Is that a correct assumption?

MR. MacMASTER: That's correct, Mr. Chairman.

MR. McBRYDE: So, Mr. Chairman, the big reduction the Minister talks about here in staff is basically a sleight of hand, or moving the method of paying to a different section in the way of hiring people. I suppose removing them one further step away from the department, so they don't have to be covered off by staff man years is in a matter of fact, Mr. Chairman, the way we used to operate before Management Committee made us show all our casuals, and somehow cover them all off with staff man years to meet their requirements. But the basic reduction here isn't that great, although the Minister did mention some permanent positions, and I wonder if he could give the — I'm sort of having some trouble because he gave us a number of figures here now — what he called permanent positions in the reduction. If there were any permanent positions in the reduction, if so, what was their geographical location?

MR. MacMASTER: I'll prepare that, that's one sheet I didn't have, but there were 29 permanent, and 9 of them were vacant, so there was 20 positions, and I will get their location for you — Thompson, Mr. Chairman.

MR. BOSTROM: Thank you, Mr. Chairman. Could the Minister just indicate to us what program he has in mind — program of activity that he has in mind — for this section, for the 1978-79 fiscal year? I note that one specific section relates to winter roads, so I'm not talking about that program which I know we will discuss under that item. But what other programs will the department be undertaking as a result of the funds that we're voting here tonight?

MR. MacMASTER: Well, Mr. Chairman, one of the major thrusts this year is trying to clean up another mess in relationship to the water supply system that the previous administration started and certainly had some fairly basic problems with. I think the figures are roughly 75 percent overrun, being in the neighbourhood of a \$2 million job.

We have found that, again, in this area, that we had to do a tremendous amount of work trying to establish what type of system was in place previously in relationship to the water supply system to the communities, and we find in fact that there was really no system in place. We were dealing with — not hundreds of dollars or thousands — but we are really dealing in terms of millions of dollars.

We have determined to the best of our ability that there were \$2,153,000 allocated for the 1975-76-77, in that neighbourhood in that area, of a water system program to 20 communities and \$2.153 million was what it was to cost. We have now determined that when completed, it will cost \$3,718,000, and that's a fairly well educated guess.

We have determined that there is just a little short of a quarter of a million dollars worth of material that arrived in the Thompson warehouse, and went somewhere. We lay no fault in the hands of the civil servants, but we say, Mr. Chairman, that we can't find the particular projects that that material, at least, \$240,000 worth of it, what particular communities and what particular projects it went to. All we can find records of is that it went to Thompson and it went out of the warehouse.

We have had to establish a type of warehouse system in the Thompson area that can respond in an accountable and credible manner. I really can't, for the life of me, dream how it happened except that I suppose the previous Minister established that there should be a warehouse in Thompson, without a system to run it; and then all the materials for the water systems should go north to Thompson regardless of whether they had to come south after or not.

I have determined that after the warehouse was opened for a period of time, somebody somewhere decided that this was a pretty poor system. You just couldn't have stuff coming in and going out. So they decided to take a study on how to run a warehouse. I don't know, I've heard figures of 2 months, 3 months or 4 months that that particular study took place and when I came on the scene one of the first situations I heard about was the particular warehouse in Thompson, so the Deputy Minister and myself travelled there to talk to the civil servants who are running that particular warehouse.

It was a pretty sad situation. They had never been given any training. The warehouse was improperly set up to handle stock or to control stock, whatsoever, and the card and index systems and the inventory systems were absolutely negligible. But they knew at that point that a study had taken place, and in further talking to them I found that Phase I of the study was going to be implemented shortly. Well, I think we should have looked at it in a different light, that the warehouse system should have been established and you should have had some type of controls over it and how you were going to run it before you put the warehouse in place. —(Interjection)—

I don't say that anybody took the quarter of a million dollars worth of material, but I do say that that particular amount of material we have documented, arrived — we have documented, went out, but there's no documentation, Mr. Chairman, where it went.

Then we followed through — I'm trying to find out where we were at with these systems — and we found that on a rough check there was only three of them out of the 20 that were really working. And further following out, trying to establish the kind of moneys that had been allocated and the time and the labour towards them, we found an estimated, just over \$600,000 worth of time and labour had been allocated to the project but not to the projects; it has never been broken down where that kind of money went.

So we're talking about three-quarters of a million dollars of specifically unallocated funds and materials and it's been difficult to try and put that together. —(Interjection)—

There are five projects that are in hand today that we're going to be working at. There's remedial services' work required on just about every one of the systems to get them in shape. There's major repairs on at least three that we're going to have to be working on. There's start-up costs that we have to tie ourselves into. It's an extraordinary difficult program that we're undertaking, but we are going to try and get these water systems in place so that the promise that the people had of water some years ago, can become a reality rather than just having a building and the pipes and nothing really happening there. —(Interjection)—

So that's been a difficult period of time and it's been terribly time-consuming, but we are going to get on with that particular project this year.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Well, Mr. Chairman, the Minister brought up in the course of these Estimates, two other accusations, of which I had the information on. So I subsequently was able to show that the Minister didn't know what he was talking about and that he was not being truthful about those two accusations.

In this case, Mr. Chairman, I don't know what he's talking about. I don't have any material on the problem he's talking about. I'm not aware of that situation. And, Mr. Chairman, I'm very hesitant because twice before the Minister thought he had some kind of a case but I had the material here to show that he didn't.

Mr. Chairman, in this case it puts me as a former Minister, at a very distinct disadvantage, when I have no knowledge of this story that he just gave us. I know I have no knowledge of how accurate his story is and, Mr. Chairman, it's, I suppose, a good strategy on his part to bring up something the first time that I, as a former Minister, am completely unaware of. I would wonder if the Minister has fired any staff if there was the kind of problem he describes. And I would wonder, Mr. Chairman, if there was any note of this situation in the Auditor's report, which I just glanced through to just double check because I couldn't recall it. There is no mention of it in the Provincial Auditor's comments, Mr. Chairman, so it's a new situation that the Minister describes. How much of it is factual and how much he's making up, Mr. Chairman, I'm not aware of.

MR. CHAIRMAN: (1)—pass; (2)—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Well, Mr. Chairman, the Other Expenditures, perhaps the Minister could give us a breakdown here as to what exactly is planned for this year's activities with respect to this appropriation.

MR. CHAIRMAN: The Honourable Minister.

MR. MacMASTER: The \$852,400 is for winter roads, non-shareable; and the 452 — I'll break it out for the Member for Rupertsland — \$72,000 is for professional fees; \$100,000 is for general office; \$100,000 is for travel; \$10,000 is for equipment; and \$70,000 is for vehicles; and \$100,000 is for contract costs, for a total of \$452,000 which gives you your \$852,000 on your Other Expenditures.

M . CHAIRMAN: (2)—pass; (3)—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, on this section Winter Roads, I assume this is the shareable portion of the Winter Roads, that the other was the non-shareable portion. Could he just indicate what procedure he will be following with respect to the shareable portion of Winter Roads; who he expects will be doing the work and what will be the expected cost per mile and so on?

MR. MacMASTER: Negotiations, Mr. Chairman, are presently under way. I suppose we'd like to go into the season saying exactly what the price per mile is going to be, but I can simply say that it's going to be the best that we negotiate, the best we can negotiate, keeping in mind the conditions under which the people are bidding and the conditions under which they're going to have to work in the forthcoming winter.

MR. BOSTROM: Well, Mr. Chairman, just by way of comparison, perhaps the Minister could indicate what his experience has been over this last winter operation, what the cost per mile has been and what he expects for the future in terms of whether his department will be able to arrange comparable prices for this year, or what other problems he foresees?

MR. MacMASTER: I would think, Mr. Chairman, that they'll be somewhat comparable to last year. I suppose for two reasons: First of all the communities that were building the winter roads of course are better at it and far more efficient than they were last year, but they're going to be telling us about the additional costs. So I would like to think that there won't be any drastic change from the costs as they were related last year.

MR. BOSTROM: To be more specific, could the Minister give us a breakdown of the cost per mile experienced last winter, on the northern roads such as the road from Cross Lake across to the Oxford House area, as contrasted to the price per mile of the actual cost, not necessarily the negotiated price that was originally obtained but the final cost of building a road between Bloodvein and Berens River?

MR. MacMASTER: The roads throughout the entire system, Mr. Chairman, varied because of the previous roadbed and the conditions and lakes and waterways, but I would think they averaged out last year in the neighbourhood of \$1,400 a mile.

there was substantial savings last year, Mr. Chairman, in relationship to the Winter Roads Program, in the neighbourhood of \$350,000 to \$400,000.00.

MR. BOSTROM: Well, Mr. Chairman, given that last year was an excellent year for building winter roads, it can be expected that there would be a saving in some areas, particularly in the area of maintenance, which is an area that can really eat up the funds if you run into a particularly bad winter.

I did hear certain reports last winter and I'd just like to confirm that facts behind the rumours that I've heard, that certain prices were arranged, arrived at with respect to the Cross Lake Band and how much they received per mile, which appeared to be quite in excess of the amount that was offered to Channel Area Loggers, a similar type of operation, a road-building operation on the east side of Lake Winnipeg. I understand, as a result of the government's offer to Channel Area Loggers, they were not able to undertake that work and other arrangements were made, which didn't turn out to be that satisfactory.

I wonder if the Minister could give us the facts behind those two cases and set the records straight. I don't want to go into the rumours that I've heard, but I'd like to hear it from the Minister as to what were the facts in those two cases.

MR. MacMASTER: Well, Mr. Chairman, just days before I was sworn in, the former Minister of Northern Affairs had signed an agreement with Me-Ke-Si for a large portion of the road system which was certainly far in excess of anything else that was to be paid to anybody throughout the Province of Manitoba, and that was the mark, the high mark, at which I believe — and I'm going from memory now and it might not be accurate — that the Moose Lake logging people wanted to shoot for, and so be it, you know, that's their prerogative. But we weren't prepared because of

one particular arrangement, which I had nothing to do with, and thought was a little high. I wasn't prepared to let that be used as a bench mark for others and the word spread throughout the province that that was the mark to shoot for and that's good negotiations, except that my position was explained and the position of the department, and our attitude was explained and accepted by — I'm speaking from memory again — accepted by all groups throughout the province, that that was certainly not an amount that was going to be considered by our department.

The Moose Lake Loggers was the only group that stayed in and said, "That or not," and I think it was being suggested to them by others that that's what they should do. I hope this year that we can deal with the Moose Lake Loggers. I have expectations that we're going to be able to and I hope that they get a good fair piece of the action on this particular Winter Roads project.

MR. BOSTROM: Mr. Chairman, I believe I asked about the Channel Area Loggers, and how their operation, or offer, contrasted with what the Minister's department offered the community of Cross Lake for building winter roads.

As I recall it, there was a difference of about \$500 between what the department was prepared to offer Moose — not Moose Lake, but the Minister's got me talking about Moose Lake — but the figure I heard was, that there was \$500 more offered to the community of Cross Lake for construction of the road they were responsible for than that offered to the Channel Area Loggers operation on the east side of Lake Winnipeg. So consequently the Channel Area Loggers Company in their own right decided not to proceed on that basis because they couldn't see themselves being able to make anything on it or even meet their costs.

From the information I've received, it would appear that the final cost to the government of building that road between Bloodvein and Berens River, was at least equal to that price which the Minister had offered, or his department had offered to the people at Cross Lake, if I'm not mistaken.

Now, Moose Lake may have had similar discussions with the department and may have arrived at similar arrangements, I'm not sure, but the two certainly that I was interested in and requesting information on was the Cross Lake contract, the money paid to the Cross Lake people for the road they built, as contrasted to the offer made by the department to the Channel Area Loggers operation. I understood there was quite a discrepancy between the offers and in the final analysis, if I'm not mistaken, the reports I received indicated that the final cost to the government of constructing the Berens River to Bloodvein road was at least equal to that of the Cross Lake road.

MR. MacMASTER: Mr. Chairman, the Cross Lake-North Oxford House road was one particular price which came in reasonably on the average. There was substantially more pay to the Cross Lake crew under Chief Otto Monias for his particular section because it was on ice; it was a bad piece of winter road and he was paid substantially more. The Channel Area Loggers group wished to come in at that particular price. That's good negotiations, you go after the highest you can get. The Me-Ke-Si one was way up, and the next, of course, was a bad piece that the Chief at Cross Lake built across the ice. That one does compare with the price that the Channel Area Logger people wanted but we certainly weren't prepared to give them on solid ground the same price as we were some of the people in the north who were building on the ice, on not that good of ice either, Mr. Chairman.

MR. BOSTROM: Just for comparison purposes then, could the Minister give us the final cost per mile of the section of road between Bloodvein and Berens River that was where the Channel Area Loggers had originally requested the same amount for construction as the government was prepared to pay the Cross Lake people?

MR. MacMASTER: The Berens River-Bloodvein area was \$1,000 a mile and the Channel Area Loggers were asking \$1,600.00. The bad stretch of road in the Cross Lake area that the Member for Rupertsland is probably very familiar with, we paid \$1,700 for that. So there is the different scales that were paid, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, the Minister discusses the Me-Ke-Si contract quite frequently. I have no problem with the fact that the Me-Ke-Si contract having been a federal-provincial Me-Ke-Si negotiation, was one of the two items that I did sign after the election, but before leaving office, the other one being the Norway House airstrip — which was a similar federal-provincial agreement — those items had been under negotiation for some time and negotiation settlement had been reached with the Federal Government, so I proceeded to sign both of those agreements because, in my mind, it would be a month or two before the new Minister, the new government, would be able to deal with those situations. In the meantime, the agreements could be lost. I took the

for signing two agreements and I make no apologies for it.

Mr. Chairman, the Me-Ke-Si agreement is higher than the other prices this year. The Me-Ke-Si agreement the year before was higher than the other prices and the Me-Ke-Si agreement the year before that was higher than the other prices. Mr. Chairman, I think it's basically because the Federal Government was directly involved in the negotiations with the province that the Federal Government picked up 50 percent of the cost of the road — the Federal Government was willing to pay a little bit more. Mr. Chairman, we could completely do it ourselves without any federal assistance, or we could accept federal assistance and 50 percent of the cost but have them involved in negotiations for price. Mr. Chairman, the Me-Ke-Si prices never set a precedent before. No one else received the same prices that Me-Ke-Si did because nobody else had 50-50 cost-sharing with the Department of Indian Affairs.

However, Mr. Chairman, the negotiation with Me-Ke-Si was the only one I finally saw because I had to sign a federal-provincial agreement for the Me-Ke-Si price. I believe that departmental officials had authority to sign other contracts for all the other roads and I certainly was not personally involved in negotiations of winter road prices. I would like to double-check with the Minister whether this Minister is personally involved in negotiations of winter road prices.

MR. MacMASTER: Not personally, Mr. Chairman. The people within the department went out and talked to the people within the communities and came to what they thought was a reasonable conclusion. Nevertheless, with respect to the Me-Ke-Si situation, it's difficult for people in northern Manitoba to appreciate the fact and not use the figure because it's cost-shared with the Federal Government. As far as the people in Northern Manitoba were concerned, there was X amount of dollars that were being paid per mile and that's really what they were interested in and what a lot of them are shooting for. They weren't interested in whether it was cost-shared or where the extra dollars were coming from. What they were looking at, and rightly so when you're negotiating, is as big a price as you can to shoot for as the highest point.

MR. McBRYDE: Well, Mr. Speaker, as the Minister has pointed out, that's probably good negotiating strategy to shoot for a certain figure, but they had never in the past received that figure and I don't think the Minister needs to consider it any major accomplishment that they didn't achieve that figure when he was the Minister. I just want to make sure, Mr. Chairman, did the Minister get directly involved in the negotiations on the Cross Lake winter road?

MR. MacMASTER: During the course of the winter, Mr. Chairman, I've talked to so many people from Northern Manitoba about winter roads and I don't recall exactly me doing the negotiating. Many people have phoned and wanted more and wanted less, talked to our staff, and as you have with any particular project, there are always those that want more than. So I received phone calls and I suppose that I talked to a variety of people — every day there's phone calls from people in from Northern Manitoba that I talked with.

MR. McBRYDE: Well, Mr. Chairman, I'm not clear from the Minister's answer if the Minister was involved directly in the negotiations in terms of the price of the Cross Lake road.

MR. MacMASTER: I think you would say that I was indirectly involved with the negotiations of all the winter roads, Mr. Chairman. We certainly wanted the best for ourselves and the best for the communities. I talked to people throughout the province on that particular aspect.

MR. McBRYDE: Mr. Chairman, did the Minister involve himself in the Cross Lake road negotiations differently than he involved himself in all the other winter road negotiations? Was that road dealt with differently by the Minister than others in terms of negotiation of contract price?

MR. MacMASTER: I don't recall that it was, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could just run through the various contract per mile prices that he has.

MR. MacMASTER: In the Moose Lake area, there was 16 miles at \$16,000; South Bay-South Indian Lake, 10 miles at \$15,000; Whiskey Jack-Cross Lake, 14 miles at \$24,000; Cross Lake to Mile 45, 45 miles at \$65,000; Mile 45 to the Junction of Oxford to God's, 94 miles at \$94,000; Oxford House-God's Narrows, 55 miles at \$55,000; God's Lake, the ice road, 5 miles at \$7,300.00. Within the boundaries of God's Narrows, there were 9 miles at \$9,000; Split Lake, 14 miles at \$14,000; Ilford-Split Lake-Ilford-York Landing, 62 miles at \$42,000; Berens River, 40 miles at \$40,000; Me-Ke-Si was 376 miles at — I don't have that multiplied through, but it was at \$1,980 a mile.

That's the winter work road project for last year, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, the South Indian Lake road, 10 miles at \$15,000, how much of that is on the ice and how much of that is over land? The Cross Lake-45 miles at \$65,000, who was the contractor and what percentage of that road is on land and what percentage of that road is on ice?

MR. MacMASTER: The South Indian Lake one is virtually all ice, Mr. Chairman. I understand previously they were paid as high as \$4,000 and up per mile; this year they got \$1,500 a mile. The Cross Lake to Mile 45 is basically all on ground. There certainly are no lakes through that particular area.

MR. McBRYDE: Mr. Chairman, that's the Cross Lake 45 miles at \$65,000 and it's all on ground. Who was the contractor in that case?

MR. MacMASTER: That was Kimichoomac(?) — I can't even say it — Development Corporation out of Cross Lake.

MR. McBRYDE: Mr. Chairman, is that basically the Cross Lake Indian Band operation?

MR. MacMASTER: Yes.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could tell us why the same price would apply to a lake route and a land route and whether or not he negotiated directly with the people of Cross Lake on that contract.

MR. MacMASTER: It was the Cross Lake Band that built the 14 miles and it was the community council who owned this development corporation that built the 45 miles. I can't tell you exactly why it was somewhat greater than some of the others.

MR. McBRYDE: Well, Mr. Speaker, there is, I suppose, a few ways that a Minister can deal — and it is a problem because in Northern Manitoba our preference was and this Minister's preference is to attempt to deal with the community and community companies. But, Mr. Chairman, when I had the responsibility as Minister, I would refuse to discuss contract prices when anybody called me, especially when that community was in my own constituency. I would say, "Look, I am not going to deal with contract prices, period. You deal with the staff that's negotiating with you. I am not going to enter into this discussion in any way at all," because, Mr. Chairman, attempting to deal with the community and to negotiate with the community companies is touchy enough as it is. It is not quite the regular bid system, Mr. Chairman, it is an effort to ensure that local people and local equipment are put to work and therefore I think it's incumbent upon the Minister responsible to be above any doubt in terms of how that contract price was arrived at or whether or not the Minister in fact had any say in that contract price.

Mr. Chairman, in light of the figures that the Minister has given us, and in light of the stories that are circulating in Northern Manitoba and the Cross Lake area in particular, I would just advise the Minister to follow the same strategy, that is not to have any involvement at all in contract negotiations, Mr. Chairman, especially when that contract negotiation is with his own constituents. I think he would be wise to make it very clear that he would have no involvement in any way in that kind of discussion and negotiation, that it would be entirely up to his staff. Otherwise, Mr. Chairman, you get the kind of concerns that have been expressed up north about the negotiation of these particular contracts.

Mr. Chairman, the other comments I have to make about the winter road situation is that it has been the policy, and each year more and more, that communities have been able to do the work themselves, and it has been a clear and direct policy to negotiate with the community companies and if the community wasn't quite ready to go, to get off the ground itself, then to use Northern Affairs' equipment but hire community people to the fullest extent possible. Mr. Chairman, the Minister I think is probably getting some poor advice, issued a press release and made many statements that indicated this was the first time this had happened. Mr. Chairman, there was almost no change between previous and present policy, hiring northern people and attempting to hire northern contractors. Mr. Chairman, for example, last year some of the same people were employed on Northern Affairs' equipment as foremen and managers with the understanding that they would be ready this last season to move into that — the community would be able to move into that situation themselves.

Mr. Chairman, the other problem that the Minister has, and again I don't blame the Minister

for this because, Mr. Chairman, there is a problem. Sometimes it's staff operating in the field, and in this particular case I think there was — again, it would be in line with past experience that I had, in that there is on occasion some civil servants, some in particular, will come and say, "Look how well we've done; we've done X for Y dollars," Mr. Chairman, when in fact X was done for Y dollars but there were a few other funds put in from different sections of the same department to make the contract look good, to make that civil servant look good, that he had done an exceptional job of managing that effectively and doing it at the lowest price. Mr. Chairman, that appears to be what happened with a couple of roads, that extra equipment had to be put in to assist the local communities and those figures don't show up in the final costs or appear in the contract price of those communities. Mr. Chairman, I don't blame the Minister for that, I think that he was advised that was the price and that was it, but there were some other sources of funds drawn upon and some other sources of equipment drawn upon to make the contracts look lower than in fact they turned out to be.

MR. MacMASTER: Mr. Chairman, I was up in that part of the country previously to the winter roads being in place, approximately in November I had gone up through there because I had heard of the mess at Camp 55 that had been left there the previous year. I'm prepared to give to the member opposite, the Member for The Pas in particular, because he was the Minister responsible — I'm prepared to let him see some pictures of the mess that I found when I got there. They eventually gathered up the 45-gallon drums that were scattered over, and would you believe that they found 1,154 of them. We managed to get them back; gathered them up, took them back and got a credit for them of \$16,452.00. We managed to find 41, 100-pound propane tanks and I have pictures of these which I will gladly give to the member. He's going to have to take my word for it that I was there and the pictures were taken because we just really couldn't believe the mess that was allegedly left over from the previous year. We returned these for \$2,000.00. We found batteries lying all over the place, brand new batteries. We've managed to document the cost of the particular batteries at \$700; they were scattered around outside the open warehouse they had there. We found 22 oxygen acetylene tanks strewn all over the place and we've gathered them up and returned them.

Now I don't know whether the Minister involved himself in getting around and looking at these places or whether he was poorly advised that this situation didn't exist. I find it hard to believe that he didn't know that it existed when many many people throughout Northern Manitoba were telling me, "Just go and look at that place." I didn't really want to believe that it was going to be what I found it to be, but that is the mess that we found; those are the pictures I had taken and I'm quite prepared to show them to the member opposite if he wishes to view them.

We also find in our tabulating and trying to account for the type of travel that was related when the Member for The Pas says there was really no difference in how the roads were run — we found last year, 1976-77, that there were \$182,000 allocated for travel and we haven't really determined yet exactly what — but when I do, I will let the member know — but it has been determined that generally speaking, very close, over 50 percent of that was used in helicopter fees. I can assure the member that those type of costs weren't applied this last year. I can assure him that the cas that were used throughout Northern Manitoba this past year were cleaned up and he won't find thousands of drums and bottles and batteries laying out in the snow next fall like I found last fall, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, I'll have to confess to the Honourable Minister that I was not at Camp 55 and I'm sorry that I never had the opportunity to go there. Of course, Mr. Chairman, I never heard anything about it either or I might have been able to go there.

Mr. Chairman, I wonder if the Minister could indicate whether there was any aircraft used in this year's construction, whether he's anticipating another winter roads' expenditures here in the use of aircraft.

MR. MacMASTER: It's very possible that some aircraft will be used this year, Mr. Chairman. I can get an estimated figure but I can assure the Member that it certainly was nothing like the \$182,000 that was spent last year. I do have these pictures which I'll show him at a later date, taken on the site, and I think as the previous Minister he will possibly be a little shocked at the mess and disarray that we found.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could explain then why there is no reduction in this budget. I understand there were helicopters and other aircraft used last year. I'm not sure, Mr. Chairman, whether the Minister relates those figures, which I don't have, entirely to winter road construction, or whether they relate also to what was called the ground clearing or ground construction before the winter road season of which there was considerable done the year before

and which, of course, requires more use of aircraft, especially helicopters, because there is no other way to get into some of these areas off-season until the winter roads are in. There was considerable work done in that regard. I wonder if the Minister could explain why he's not able to reduce this figure.

MR. MacMASTER: I'll get that information put together, the total cost from all funds for winter roads in 1976-77 and compare it to what it was last year, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, I was going to say that the Minister will have some difficulty, even for this past season when he was the Minister in charge of winter roads, because there are other sections that can be drawn upon to provide support services for winter roads and I know for a fact, Mr. Chairman, that those other sources were drawn upon. It's very difficult to break those out, to assign them specifically to winter roads but I know, in fact, that was the case, Mr. Chairman. I wonder if the Minister could indicate who did the contract last year for the Moose Lake winter road.

MR. MacMASTER: I read them all out, Mr. Chairman, but I'll see if I can find it again. I read out the entire operation of last winter. What was that particular section that you asked?

MR. McBRYDE: Moose Lake.

MR. MacMASTER: Yes, the Moose Lake Loggers did that 16 miles themselves, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, the Minister did get me confused earlier because he kept saying the Moose Lake Loggers wanted too much and therefore they didn't get the road. —(Interjection)— Oh, the Minister meant the Channel Loggers. That solves that problem then, Mr. Chairman.

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

MR. McBRYDE: Mr. Chairman, staff man years — I guess we'd better hear too what casual staff man years, permanent staff man years or regular staff man years, vacancies, and the present request for staff man years.

MR. MacMASTER: Mr. Chairman, there were 18.26 in 1977-78; there's 18 in 1978-79, a reduction of .26 which is casual help which we feel will not be required. Previously, in 1977-78, there were two vacancies. At the present time there is one vacancy.

MR. McBRYDE: Mr. Chairman, I asked the Minister earlier for some guidance. There were a number of trailers purchased with winter works' funds by Renewable Resources or basically by Marine Services, I believe. Some of these trailers were to be used for the terminals for ferry services but I believe there was an excess of the amount they needed and I wonder if the Minister could tell us what has happened to those other trailers and what he intends to use those trailers for.

MR. MacMASTER: Well, if the member wants a specific breakdown, Mr. Chairman, I would have to take some time on it, but there were some 88 trailers in South Bay. They have been scattered throughout the north for terminals. I am guessing — I think it's two to three that we let go in relationship to the Northern Flood Agreement. One or two communities wanted them, and I haven't got that breakdown. I believe there were two that the City of Thompson wanted for their cadets. There are two to Princess Harbour. Some have been terribly destroyed because of being located throughout the country. That's the best I can give you for a breakdown right now. I know that we do have some in hand for the moment, and I can't really tell you how many that is. If the member wants a further breakdown, I would have to spend some time and try to get back to him just the exact locations and where they are.

MR. McBRYDE: Mr. Chairman, I would like to know how many of those trailers were moved from Missi Falls and how many are still there? Who is the hauler who hauled the trailers, the mobile home mover that was involved in hauling those trailers, if any were hauled, or if they were not hauled yet, is there a contract or an agreement with anyone to haul those trailers? And thirdly, if any of those trailers have been sold to private individuals as opposed to communities or under the Northern Flood Agreement; have any of these trailers been sold to private individuals or to private companies?

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MR. MacMASTER: I'm not sure if intentionally or accidentally the member has referred to Missi. Now, is he talking about South Bay or Missi, because in South Bay we did haul them out. They were hauled out by department through a variety of methods. At Missi, they are still in there, Mr. Chairman. Now, if the member could just tell me from his seat, if he wishes, which group he is talking about — the Missi or the South Bay. It's the South Bay that I have got out and have a vague idea where they have gone; the Missi are still in there.

MR. McBRYDE: Mr. Chairman, that was my assumption, too, that the Missi trailers have not yet been moved, but it was also my assumption that there were 88 at Missi, and I wonder if I have my figures wrong, whether it is combined South Bay and Missi where there are 88. And if I am wrong, how many are there at Missi?

MR. MacMASTER: The figures that I have at hand — and they could be correct or they could vary somewhat — but it was 88 that were at South Bay, and the figure I have is 97 at Missi.

MR. McBRYDE: Mr. Chairman, then my question would be: The trailers that have been hauled, who hauled them? The trailers that have not been hauled, who is going to haul them? And whether any trailers from Missi or from South Bay, or any trailers in the possession of the department have been sold to private individuals or private companies?

MR. MacMASTER: There have been none hauled out of Missi, Mr. Chairman, so we can relieve ourselves of that discussion. The 88 from South Bay were hauled out before my time, but I understand that the department made the arrangements to have them hauled out. Again, I stand to be corrected, but I know at this moment, just thinking at this time of night, that I know of none that have been sold to private individuals or companies, as the question has been raised. There might be, but I really don't know of any.

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

MR. BOYCE: I wonder if the Minister could take under advisement a question? If he has a spare trailer I had promised the Chief at the Reserve at Rossburn that I would keep my eye open for a trailer for the reserve; they have some difficulty with people that come home and need a place to sleep off a few too many beers. It is a problem on some of the reserves and if, perchance, the Minister could take it under advisement, the question that if he has a spare trailer perhaps he could speak to his colleague, the Minister of Health, is this regard.

MR. MacMASTER: I'm not sure if, in a humorous note to start with, whether the member is planning on running up in that country or not — I would certainly welcome it. I think I know what he is talking about, Mr. Chairman, and I have duly noted it and I think I know the purpose he wants it for — very credible — and I will endeavour to see what I can do in relationship to this particular situation.

MR. McBRYDE: Mr. Chairman, are any of the dollars in this section recoverable from the Federal Government, and are any recoverable in the similar section last year?

MR. MacMASTER: I will get that one; is there another question?

MR. CHAIRMAN: (2)—pass.

MR. MacMASTER: I will get that information in a few minutes, Mr. Chairman. If there are any other questions, maybe I can carry on.

MR. McBRYDE: I wonder if the questions that I asked on those trailers, whether it be 88 or 97 — the whole works of them — if the Minister could give me a brief written reply rather than a question period reply to that, that's when he gets that information available.

MR. MacMASTER: Yes, Mr. Chairman, I will break-out that 88 to the best of our ability, both locations and where they are at, those that are held in abeyance at the moment and those that we feel have been destroyed upon, you know, past the usage stage.

MR. McBRYDE: Mr. Chairman, I would be interested in the disposition of the whole lot, not just 88 but the 88 or 97, or whatever the figure is of those trailers that had been involved in Hydro, in which the Resources Department picked up.

Mr. Chairman, I would be particularly interested in who hauled the trailers, because one question I have had from a couple of different licensed trailer haulers is who hauled those trailers? Because they have been concerned that perhaps an unlicensed person, somehow, was involved in that. So if the Minister could give me that information as well.

MR. MacMASTER: Mr. Chairman, the Missi trailers are still in place. Nobody has hauled them, and I am surprised that the Member for The Pas would ask me who hauled the others, because I would think that he was the Minister of Northern Affairs at the time. I don't know; I took it as an assumption from ourselves that the department had made the arrangements. Now, if, as Minister at that particular time, his department made arrangements with haulers or haulage people, maybe he can enlighten me, I don't know, or maybe he knows that it's in the records who did the hauling during that period of time. I am prepared to check the records and try and find out.

MR. McBRYDE: Well, Mr. Chairman, the Minister might cast his mind back and recall that that particular purchase of trailers, etc., was handled by the Resources Department and I did not have the privilege to be the Minister of Resources at the time. So that is why I am unfamiliar with it, and I think he probably recalls the division of the responsibility.

Mr. Chairman, in the process of considering these Estimates, the Member for Roblin has made a number of comments from his seat concerning the time of the night and the time that we're taking. And Mr. Chairman, I think that we, on this side, have an obligation to deal in detail with the number of questions, to understand what is going on with this government, and that is our duty as elected representatives to this House. If the Member for Roblin is anxious to go home maybe he could speak to his House Leader and then his House Leader could adjourn the debate on this particular item. We have about enough left, Mr. Chairman, to complete the thing tomorrow, but I wish the Member for Roblin would refrain from the comments from his seat about our representation to the people of Manitoba in opposition.

MR. MacMASTER: Mr. Chairman, I apologize to the Member for The Pas; he wasn't the Minister at the particular time that these were hauled out, it was the Member for Rupertsland. So I will again check my files and see how those trailers got out of there. If we can document that I will get that back to possibly both Ministers and then they will both know — both past Ministers.

MR. CHAIRMAN: (2)—pass; (3)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman. Could the Minister briefly explain that section?

MR. MacMASTER: Mr. Chairman, there is a recovery, projected recovery, of \$238,000 from other departments that we expect to collect during the course of this particular year.

MR. McBRYDE: Yes, Mr. Chairman, what kind of things would that be? There shows no recovery for last year, so I have trouble understanding what items it might be that they would be recovering moneys?

A MEMBER: Sale of trailers.

MR. McBRYDE: Chairman, I would assume that it's not from the sale of trailers that that fund refers to.

MR. MacMASTER: It is a rental system that we have established, Mr. Chairman, to other departments. All the equipment in these divisions is under the Equipment and Stores Division.

MR. CHAIRMAN: (3)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I would assume, then, that in other Estimates there is an amount set aside for them — the other departments — to pay this department these funds, would that be correct?

MR. CHAIRMAN: (3)—pass; (d)—pass; (e)(1) Salaries—pass; (2) — the Honourable Member for Rupertsland.

MR. BOSTROM: Could the Minister give us a breakdown here of the charges that have been brought about?

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MR. MacMASTER: Mr. Chairman, there was, in 1977-78 there were 94 and now there are 60, for a reduction of 34. Of the 34, 19 were filled and 15 were vacant. And there were 8 at The Pas, 11 at Winnipeg, 6 in Lac du Bonnet and 9 in Thompson. In 1977-78 there was a total of 21 vacancies. In 1978-79, at the moment, there are 6 vacancies. I think that should answer the question, Mr. Chairman.

MR. CHAIRMAN: (1)—pass; (2)—pass; (e)—pass. I'm sorry, we will go back to (3)—pass; (e)—pass. — the Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, before (3) is passed, I note that in the section above there is approximately a 30 percent decrease in the appropriation and an overall 30 percent decrease in (e); and in the section Recoverable from other appropriations, which is an appropriation which is directly related to the operation of the Air-Radio Services; and given that the Air-Radio Services has been cut back by 30 percent, I would think that common sense would indicate that this recoverable portion would be decreased by at least 30 percent, if not more. If such were the case, there would be a much greater amount that would be a deficit here than indicated in the Estimates before us. I wonder if the Minister has any comments on that.

MR. MacMASTER: We did, Mr. Chairman, reduce it by approximately the figures that the member has talked about. But we feel that with the utilization of the remaining planes, that this is the recoverable amount that we expect to get this particular year.

MR. CHAIAN: Order please. We just need a short time to change the master tape. If we could just adjourn or just hold for a minute. And let me be the first to wish you all a happy Tuesday. The master tape has been replaced. The Honourable Member for Rupertsland.

MR. BOSTROM: Well, Mr. Chairman, I just put that on the record to indicate that there is this rather subjective figure and it's a matter of judgment as to whether or not the revenues will decrease by the amount indicated here, or they will go down proportional to the decrease in that section altogether. In fact, depending on the mix of aircraft that are left in the fleet, this appropriation may go down proportionately more than indicated here, in which case the deficit would be much higher than budgeted for here. So there could be a significant difference here of a few hundred thousand dollars if the estimate of appropriation recoveries is not accurately estimated.

Just by way of information, Mr. Chairman, I'd like to know if the department is continuing the aircraft in the fleet, which were maintained for the specific purpose of maintaining a patient air transportation capability in northern Manitoba. As the Minister probably remembers, the MU-2 operated as an air ambulance in northern Manitoba the capability of flying to any base in northern Manitoba within two hours, to be able to react to an emergency, accident or health problem, and to move a patient quickly and safely out to help. I wonder if the Minister could indicate if that is going to continue.

There was also a program of an Aztec available in The Pas and in Thompson, which had the responsibility of also reacting to such requests. As I remember, these kinds of emergency flights that the PAT program handled were I believe approximately 15 to 20 percent of the total PAT flights — and I believe Air Division used to handle about 30-some percentage of those emergency-type flights. I wonder if the Minister could indicate what the program is geared up for this year.

MR. MacMASTER: The MU8 is still in place for that particular service, if required. The Aztec is still stationed in Thompson for that particular service, if required.

MR. CHAIRMAN: (3)—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Well, Mr. Chairman, there used to be an Aztec, as well, stationed at The Pas. Has that one been cut from the program?

MR. MacMASTER: Mr. Chairman, that Aztec, to the best of my knowledge, is not there and I would have to take the member's word that that's what it was specifically there for. But I think that that service is still in place. We don't foresee any problems delivering that particular program.

MR. BOSTROM: Well, Mr. Chairman, the information that I am giving to the Minister regarding the PAT capability, was in the annual report of the Manitoba Government Air Division, which he tabled in the House this Session, which is for the year ending March 31, 1977. In that report it indicates that two Aztec aircraft, one based at Thompson and one at The Pas, are on a 24-hour standby for emergency transportation from remote northern communities to local hospitals located

at Thompson, The Pas, Flin Flon and Lynn Lake.

Now, if the Minister is indicating to me that the Aztec has been cut from The Pas, then that would represent to me a deterioration in this service. I would like him to comment if he feels this is a deterioration in his view, or if not, what other capability is he prepared to offer the people in The Pas for that which he has cut back.

MR. MacMASTER: The Aztec that was in The Pas was on a lease basis and that lease has now been terminated, and The Pas will be served with the MU-2 or the Aztec from Thompson, whichever is found to be most appropriate, Mr. Chairman.

MR. CHAIRMAN: (3)—pass; (e)—pass; (f)(1) Salaries—pass — the Honourable Member for Rupert land.

MR. BOSTROM: Thank you, Mr. Chairman. I'd like the Minister to indicate what the change is here with the reduction of \$130,400, or \$132,400, whatever it is and which of the five ferries — three self-propelled and two cable ferries — are operating this year; and under what arrangements for schedules and service.

MR. MacMASTER: Mr. Chairman, I find this difficult to relay. But it's my understanding that the 10 positions in the Marine Division that were budgeted in 1977-78, were never filled; that it was before Management COMMITTEE FOR A FAIRLY WELL PAID GROUP OF INDIVIDUALS WHO — and I stand to be corrected — but that never got to Management Committee though, I suspect, the term of the previous Minister. The projected budgeted cost to run that was \$352,000 and of course there is a reduction now that we have 14 SMYs in place. The cost to us is, we suspect, to be \$220,000, which is — well, I don't know how you call this an increase — but I guess it's an increase over what was on paper but there's really a 14.38 increase in SMYs, because previously the SMYs, as I've been advised, were all vacant and never were established but I'd have to guess, were meant to be established, but never took place, Mr. Chairman. Maybe the Member for Rupertsland could explain how that all took place, I really don't know.

MR. BOSTROM: Mr. Chairman, I'm not asking about last year's operation, which I certainly could inform him about. I'm asking about the operation that's before us in these Estimates, and that is the 1978-79 fiscal year; and what exactly the program is for the five ferries that are owned by the government; there are three marine ferries, self-propelled, and there are two cable ferries..

Now, the question I asked is what kind of arrangements are being made for these ferries? Will they be operating? Where will they be operating? What are their schedules and what kind of staffing arrangements have been made, have been arranged, for this summer's operation? There's approximately a five-month operation and if you take an average cost of \$1,000 per man-month, there's 220 man-months here, with five months' operation, you're looking at approximately up to 44 staff man years.

Now the Minister can indicate how many actual people will be filling certain positions; if they will be employed only seasonally, or will they be employed in the Marine Division for the summer season, then in other work during the off-season, or whatever will be the arrangements?

I certainly do know what the arrangements were last year, but I'd like to know what the proposal is before us.

MR. MacMASTER: Mr. Chairman, the department will be running the Joe Keeper self-propelled ferry at Split Lake, with six crew members; the department will be running the Charlie Sinclair self-propelled ferry at Cross Lake with six crew members; the Edgar Wood will be run by the Community Services Group; Bloodvein and Princess Harbour, they'll be running that themselves.

The three cable ferries, the department will be running the James Epitagam at Sea River Falls and the Cross Lake Band are going to run the Tom McIvor cable ferry at Cross Lake and the Matheson Island group will be running the Inglemar-Carlson at Matheson Island, the other cable ferry, Mr. Chairman, and the James Abitagim at Sea River Falls will have two of a crew.

MR. BOSTROM: Well, Mr. Chairman, could the Minister indicate to us what arrangements he has made with respect to the ferrys that he has made contacts with regarding the community operations. I believe he mentioned there were three. One, the Edgar Wood with the Channel Area communities; the two cable carriers at Inglemar-Carlson and Tom MacIvor which he has contracted with the communities. Could he indicate what the cost to the government will be, what kind of arrangements have been made?

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MR. Macbmaster; The Edgar Wood self-propelled ferry is a lease arrangement, a \$25,000 subsidy, and the cable ferries, the Tom MacIvor at Cross Lake is leased with an \$18,000 and the Ingamar-Carlson is leased with an \$18,000 subsidy.

MR. BOSTROM: Can the Minister give us an indication of what it will cost the government to operate the other two ferries for the summer season, including the crew expenses?

MR. MacMASTER: Just give me a minute and I'll try and get that figure for you, Mr. Chairman.

MR. BOSTROM: While the Minister is looking for his answer there, I wonder if his staff could indicate to him if there is any possibility of federal cost-sharing on these funds for the ferries.

MR. MacMASTER: The answer to the last question first is no, and the approximate, very close, cost to run the Joe Keeper at Split Lake will be \$200,000; the Charlie Sinclair at Cross Lake will be \$120,000 and the James Abitagam will be \$30,000, Mr. Chairman.

MR. CHAIRMAN: (1)—pass; (2)—pass; (f)—pass; Clause 8—pass. Resolution 102: Resolved that there be granted to Her Majesty a sum not exceeding \$4,946,400, for Northern Affairs and Renewable Resources and Transportation Services, Construction and Transportation Division, \$4,946,400.00—pass.

MR. JORGENSEN: Committee rise, Mr. Chairman.

MR. CHAIRMAN: Not until I sign. Committee rise. Call in the Speaker.

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

IN SESSION

MR. SPEAKER: The Honourable Member for Radisson.

MR. ABE KOVNATS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Springfield, that report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. JORGENSEN: Mr. Speaker, I move, seconded by the Member for The Pas, that the House do now adjourn.

MOTION presented and carried and the House adjourned until 2:30 p.m. Tuesday afternoon.