



First Session — Thirty-Fourth Legislature
of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS
(HANSARD)

37 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fourth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	LIBERAL
ANGUS, John	St. Norbert	LIBERAL
ASHTON, Steve	Thompson	NDP
BURRELL, Parker	Swan River	PC
CARR, James	Fort Rouge	LIBERAL
CARSTAIRS, Sharon	River Heights	LIBERAL
CHARLES, Gwen	Selkirk	LIBERAL
CHEEMA, Gulzar	Kildonan	LIBERAL
CHORNOPYSKI, William	Burrows	LIBERAL
CONNERY, Edward Hon.	Portage la Prairie	PC
COWAN, Jay	Churchill	NDP
CUMMINGS, Glen, Hon.	Ste. Rose du Lac	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DOER, Gary	Concordia	NDP
DOWNEY, James Hon.	Arthur	PC
DRIEDGER, Albert, Hon.	Emerson	PC
DRIEDGER, Herold, L.	Niakwa	LIBERAL
DUCHARME, Gerald, Hon.	Riel	PC
EDWARDS, Paul	St. James	LIBERAL
ENNS, Harry	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Laurie	Fort Garry	LIBERAL
EVANS, Leonard	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen Hon.	Virden	PC
GAUDRY, Neil	St. Boniface	LIBERAL
GILLESHAMMER, Harold	Minnedosa	PC
GRAY, Avis	Ellice	LIBERAL
HAMMOND, Gerrie	Kirkfield Park	PC
HARAPIAK, Harry	The Pas	NDP
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HEMPHILL, Maureen	Logan	NDP
KOZAK, Richard, J.	Transcona	LIBERAL
LAMOUREUX, Kevin, M.	Inkster	LIBERAL
MALOWAY, Jim	Elmwood	NDP
MANDRAKE, Ed	Assiniboia	LIBERAL
MANNES, Clayton, Hon.	Morris	PC
McCRAE, James Hon.	Brandon West	PC
MINENKO, Mark	Seven Oaks	LIBERAL
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rossmere	PC
OLESON, Charlotte Hon.	Gladstone	PC
ORCHARD, Donald Hon.	Pembina	PC
PANKRATZ, Helmut	La Verendrye	PC
PATTERSON, Allan	Radisson	LIBERAL
PENNER, Jack, Hon.	Rhineland	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren	Lac du Bonnet	PC
ROCAN, Denis, Hon.	Turtle Mountain	PC
ROCH, Gilles	Springfield	LIBERAL
ROSE, Bob	St. Vital	LIBERAL
STORIE, Jerry	Flin Flon	NDP
TAYLOR, Harold	Wolseley	LIBERAL
URUSKI, Bill	Interlake	NDP
WASYLYCIA-LEIS, Judy	St. Johns	NDP
YEO, Iva	Sturgeon Creek	LIBERAL

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, September 15, 1988.

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

Hon. Clayton Manness (Honourable Minister of Finance): I would like to table the Special Audit of the Manitoba Intercultural Council.

ORAL QUESTION PERIOD

Rafferty-Alameda Project Environmental Damage Assessment

Mrs. Sharon Carstairs (Leader of the Opposition): My question is to the Minister of Natural Resources (Mr. Penner). Another senior environmental officer, Denis Davis, the Director-General of Inland Waters, has warned that the Rafferty-Alameda licence provides no protection to Manitoba. Yet the Minister of the Environment (Mr. Connery) and his federal counterpart continue to downplay the impact the project will have on this province. We now have the draft American agreement, and Article 8 does indeed provide for \$204,000 in compensation to Manitoba for damages that the province will suffer as a result of the project.

The American position clearly recognizes that Manitoba will be damaged by this project. In light of this fact, will the Minister still continue to stand by his statement that it will not damage our environment, and if it will not, why are the Americans prepared to pay compensation?

Hon. Jack Penner (Minister of Natural Resources): I think the question has finally come that needs to be answered, and I congratulate the Leader of the Opposition (Mrs. Carstairs) for finally focusing on the points on the real issue. No. 1., the Saskatchewan dams that are being proposed right now, today, would not affect Manitoba at all. The Souris River today is dry at the Saskatchewan-North Dakota border. Whether you flow 50 percent of the water out of that river into North Dakota, or 60 or 100 percent, there would be no water flowing today.

There is, however, 20 cfs. of water flowing today out of North Dakota into Manitoba. I wonder, Sir, where it is coming from. Had it not been for the foresight of the American people to construct and build a dam that created Lake Darling, which will now, on a regulated basis, flow water into Manitoba, the people along the Souris River would simply not have water.

Rafferty-Alameda Project Impact Study Completion

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, with a supplementary question to the Minister of Natural Resources (Mr. Penner). Will he at once advise the federal Minister to put this entire project on hold until an impact study can be done to determine what the real damage to our environment is and not as only foreseen by the Americans, whose interest, surely, is to downplay the damage?

* (1335)

Hon. Jack Penner (Minister of Natural Resources): I suppose, Mr. Speaker, that the Leader of the Opposition (Mrs. Carstairs) does not know the difference between damage and benefit. I think I had just clearly indicated that the ability to flow waters through a river system because of water retention systems is a definite benefit to Manitobans, and the people living along the Souris River recognize the benefit.

However, the Honourable Leader also made mention of an agreement or a final draft. Well, there are numerous final drafts all around. The Americans tabled a final draft which is dated July 12. They tabled another one, a final draft, which is dated August. We put forward our proposal in a form of a draft back in June, we tabled another draft back in July, and there will probably be numerous more drafts until we have agreed.

Up to now, Mr. Speaker, we have not agreed to anything as Manitobans nor Canadians. We have not agreed to \$200,000 compensation. We have said continually, as Manitobans, and we have demanded from the Government of Canada an assurance that Manitobans will have equal quality of water that we have today, or better, or that the flows that come down the Souris will be maintained at this level that they are today under the agreement of 1959 and/or increased in flowability.

Mrs. Carstairs: Finally, the Minister has admitted they were going to get compensation. Compensation is payable for damages, not for a benefit.

Rafferty-Alameda Project Technical Committee

Mrs. Sharon Carstairs (Leader of the Opposition): Will the Minister of Natural Resources (Mr. Penner) indicate who, from Manitoba, is a member of the Technical Committee and what exactly is their function?

Hon. Jack Penner (Minister of Natural Resources): The Honourable Member is not only shortsighted but probably cannot hear either. The answers that I have just provided, I think adequately laid out our position, No. 1, that we have not agreed to anything. There has

been no agreement signed. There has been a provisional licence, with proper provisos written in, extended to Saskatchewan which takes into consideration our concerns, and I am quite confident that the federal Government will, as the Honourable federal Minister has indicated to me personally, assure Manitobans that their quality and quantity of water will be maintained.

Mrs. Carstairs: I did ask for a membership on the Technical Committee from Manitoba and what their functions would be, but that obviously is not an area he wants to make a response to.

Can the Minister tell this House what is the committee's primary concern? Is it the project impact on quality and quantity of water in the Souris River, or is it concerned with making sure Saskatchewan and the Americans get what they want?

Mr. Penner: The member on the Technical Committee, Honourable Leader, is Norm Brandson, and Bob Clarkson is the member that is on the Negotiating Committee. Those two people are our people that are negotiating this deal—are negotiating, I should say, our interests in this agreement.

However, it is also important to recognize that had we not, had we amounted the same kind of opposition to a project that was constructed within the boundaries of our province, and had we not, had we stopped the construction of the Lake of the Prairies, we would have stopped tourism, we would have stopped a fisheries industry that has been developed because of the development of a man-made lake, and we would have stopped the flow of water down the Assiniboine River. There would simply be no water running down the Assiniboine River today had we not constructed a dam on the Assiniboine River and stored water which we can now use. This project that is being constructed in Saskatchewan, I would suggest to you, could be used and will be used in a similar manner.

* (1340)

Mrs. Carstairs: With another question to the Minister of Natural Resources (Mr. Penner). Can the Minister tell this House if he considers it to be his mandate to look after the natural resources of the Province of Manitoba?

Mr. Penner: Yes.

Environmental Council Advisement

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, with a final supplementary, this time to the Minister of Environment (Mr. Connery). Can the Minister of Environment tell this House what advice he has received from the Manitoba Environmental Council, whose mandate it is to advise him on issues of grave concern to the citizens of Manitoba and their environment?

Hon. Edward Connery (Minister of Environment and Workplace Safety and Health): The Member should

know that the night we were planning to meet with the Environmental Council, I was in Ottawa dealing with PCBs. My Deputy Minister spoke with them. On this particular issue, we have not had discussions.

Rafferty-Alameda Project Federal Impact Study

Mr. Gary Doer (Leader of the Second Opposition): Notwithstanding the fact, Mr. Speaker, that the Minister of Environment (Mr. Connery) took a position on the weekend about no negative environmental impact, we have had the Premier (Mr. Filmon) say on Monday, in the emergency debate, that the licence would protect our water quality flows, and we had an official today, a hydrologist, contradict the Premier. We have had the Minister say we have cooperative relations with the United States. We have United States getting a mandate for a draft agreement that is going through North Dakota. We have had the Minister of Environment say there is no environmental problems on this project and therefore an environmental impact is not necessary; yet environmental groups across the province are saying—Mr. Speaker, my question is coming.

Mr. Speaker: Will the Honourable Member kindly put his question now.

Mr. Doer: It is the first question, Mr. Speaker. And we have had the Minister be critiqued by environmental groups and wildlife groups saying that an environmental impact study is necessary.

My question is to the First Minister (Mr. Filmon). Rather than say we cannot afford an Environmental Impact Study, and rather than just blindly trusting the U.S. Environmental Impact Study and the Saskatchewan Environmental Impact Study, will the First Minister ask the federal Government to have a federal Environmental Impact Study, and failing that, and if he cannot get guarantees from the federal Government tonight, will the First Minister immediately order a Manitoba Environmental Impact Study of this very major project?

Hon. Gary Filmon (Premier): Mr. Speaker, we have not said that we cannot afford an Environmental Impact Study. In fact, that is what the position was of the previous NDP administration, that they would not pay for an Environmental Impact Study. They wanted somebody else to do it.

We have taken the position of saying that we do not accept the position put forward by the Americans, that we want to have absolute assurances that the quality and the quantity of the water flowing down the Souris River, downstream to Manitoba, will be maintained or enhanced. That is our bottom line position. We have maintained that; we have been negotiating that. It is our position in all the talks that we have had with the Canadian Government so that they would know what interests they had to protect, and they are giving us those assurances. All the rest of the allegations and insinuations of the Member for Concordia (Mr. Doer) are nonsense.

* (1345)

Environment Canada Negative Impact Report

Mr. Gary Doer (Leader of the Second Opposition): I will ask another question of the First Minister (Mr. Filmon). In light of the fact that the member from the Canadian delegation, from Environment Canada, has stated at a meeting of June, right after the licence was granted by Mr. McMillan, and I will quote from the minutes. Mr. Halliday answered the question by stating that because of the proposed complex operation of the works, there may be some negative effects on the quality of water—

Mr. Speaker: Will the Honourable Member kindly put his question?

Mr. Doer: I am asking the question, Mr. Speaker. There may be some negative effects on the water quality at the Manitoba-North Dakota border. Will the First Minister (Mr. Filmon) now, in light of the federal Environment Department's assessment of this project, order today a Manitoba environmental impact on this very major project?

Hon. Gary Filmon (Premier): Mr. Speaker, without—
Mr. Speaker, the Member for Thompson (Mr. Ashton) continues to chirp from his seat. I can wait to give the response.

The Member for Concordia (Mr. Doer) continues to read documents and observations that are well-known. The fact of the matter is that if we do not get the assurances that we have demanded from the federal Government, then we are not satisfied with the project proceeding. We have not accepted anything, nor has the federal Government accepted anything. Even in today's newspaper where they quote a federal source, the same source that was quoted by the Leader of the Opposition (Mrs. Carstairs), he says that it is unlikely that the clause, the way it was worded, would stick because Manitoba does not like it. Manitoba's views are being taken into consideration. Manitoba's position is being upheld by the federal Government. All of those allegations and suggestions that there could be things go wrong are only if Manitoba did not defend its interest. We are defending our interest and it is not going to proceed in a way that is detrimental to Manitoba's interest.

Rafferty-Alameda Project Licence Authorities

Mr. Gary Doer (Leader of the Second Opposition): My question is to the First Minister (Mr. Filmon). Does he not understand that our assurances from the federal Government are gone the minute the Minister of Environment gave the licence without a national Environmental Impact Study? Mr. Speaker, I will table the minutes of the meeting where the federal Minister of Environment's officials have stated there may be a negative impact on the water at the Manitoba-North Dakota border. In light of the fact that we do not have a federal Environmental Impact Study, will the First Minister (Mr. Filmon) now order an Environmental Impact Study in Manitoba?

Hon. Gary Filmon (Premier): The Leader of the New Democratic Party (Mr. Doer) has undercut his own argument when he says that the federal official says there may be detrimental effects. That is only if it is proceeded with without giving us the assurances and the protection we have requested. We have requested that protection, we are assured that we will get that protection, and the "maybe" that he talks about will not occur.

Mr. Speaker: The Honourable Member for Concordia, with a final supplementary question.

Mr. Doer: My question is to the First Minister (Mr. Filmon). In light of the fact that the federal Minister has taken away our right to have an independent Environmental Impact Study with the granting of the licence, and in light of the fact that the Wildlife Federation and environmental groups in Manitoba are demanding, on behalf of Manitobans, a Manitoba Environmental Impact Study, why will the First Minister not give us today that Environmental Impact Study that a million Manitobans are entitled to?

Mr. Filmon: Mr. Speaker, the Leader of the New Democratic Party (Mr. Doer) says that the federal Minister has taken away our right to an Environmental Impact Study by issuing the licence. If that is so, then why is he insistent that we should have the study if we have no right to have the study? Of course, we have a right to have the study. First and foremost, we have indicated that we will not tolerate any adverse impacts from this work being done. We are telling—

An Honourable Member: You do not have any data; you have no evidence. You have no scientific evidence.

* (1350)

Mr. Filmon: Mr. Speaker, I cannot believe the hypocrisy that we get from the Member for Concordia (Mr. Doer) suggesting to us that we should have a study when his Government, when it was in power, was dealing with this for more than a year and did not have any study and did not have any analysis. We are taking the very simple position, Mr. Speaker—

Mr. Speaker: Order, please. The Honourable Member for Concordia, on a point of order.

Mr. Doer: A point of order. I believe the First Minister (Mr. Filmon), in his attempt to deflect this issue, is using unparliamentary language and language dealing with hypocrisy when he knows full well that we asked for a federal Environmental Impact Study well before the election.

Mr. Speaker: Order, please. I believe we went through this once before. That word does show up on both sides of Beauchesne's on parliamentary and unparliamentary. The way it was said, the tone was said, I do not believe the Honourable Member has a point of order.

The Honourable First Minister, to finish his remarks.

Mr. Filmon: Thank you, Mr. Speaker. I repeat, for the knowledge and the benefit of the Member for Concordia (Mr. Doer), the New Democratic Party in Government did not choose to have an Environmental Impact Study done by Manitobans, for Manitobans.

We are arguing and negotiating to ensure that Manitoba's interests are protected, that the quality and the quantity of water in the Souris River will not be deteriorated, and we are making sure that that is our bottom line position.

Mr. Harold Taylor (Wolseley): It is most interesting to hear the use of the word "may" on the other side of the House. "May" can connote a heck of a lot of things. So are the repercussions.- (Interjection)- Yes, you better listen to Elizabeth May.

Beaconia Beach Preservation Program

Mr. Harold Taylor (Wolseley): My question will be addressed to the Minister of Natural Resources (Mr. Penner). Just hours ago, at Fort Whyte Conservation Centre, at the invitation of this Minister, Members of this House, of all political stripes, signed a declaration of conservation.

Much discussion was also heard this morning about the sustaining of our natural resources, not mining them, but instead using them carefully and leaving them for future generations. Manitobans expect their Natural Resources Minister to look after and protect the natural resources in his care and custody. The question, Mr. Speaker, has the Minister of Natural Resources (Mr. Penner)—given the tone set this morning—toured Beaconia Beach, as he said he would two weeks ago, to view the destruction of a valuable resource at the hands of irresponsible hot rodders who are ruining this once beautiful stretch of lake shore for both people and wild animals, and just what is he going to do about it?

Hon. Jack Penner (Minister of Natural Resources): The concerns that the Honourable Member from the opposite benches has just raised is a concern to me as well as all Members on this side of the House. Our beaches, our environment, our natural resources, and especially our waterfronts and the maintenance of our waterfronts are of a real concern to us.

I have not been able to avail myself of time to go out to visit Beaconia Beach, but as I indicated to the Member a couple of weeks ago, I would do so, and I will do so. After I have had a personal view of the circumstances on Beaconia Beach, I will come back to this Legislature and report to the Legislature what I have seen and what I have found.

However, I want to indicate to you that the scary sort of questions raised a few weeks ago by the Honourable Member opposite as to what would happen over the long weekend simply did not happen, because the law enforcement officers that we have in that area were out on duty and did an excellent job of maintaining law and order.

* (1355)

Mr. Speaker: The Honourable Member for Wolseley, with a supplementary question.

Mr. Taylor: Right. I was there all day Saturday and saw no evidence of the police, but I hope by this time that the Minister and his colleagues on that side of the House have properly concluded that preserving natural beauty and limiting vehicle access with departmental concurrence can hardly be called privatization of a beach.

Will the Minister indicate what role he sees for his department in resolving this disruptive situation on provincial lands, and other than suggesting that the municipality develop its own by-law, when will he take action directly?

Mr. Penner: Mr. Speaker, as I indicated to the Legislature a few weeks ago, I was quite prepared to look at proposals for the development of some of our beach areas, including Beaconia Beach, and there has been a request made some four years ago by an applicant who was interested at that time in obtaining a permit to develop the beach. However, she indicated by letter to our department that she was no longer interested. She had now taken a job somewhere else and did not have the time to pursue the matter any further.

The offer still stands and the considerations will still be made, and we are going to take a good, hard look at our policies and the way we have done business in our department, especially in the development of our beaches and our natural resources, in the next while, and privatization might well be part of that.

Mr. Taylor: Following up on that slight change in tone, given that the local residents have petitioned this June for a quelling of the noise—and these are the people in the cottages and in the hamlet—will this Minister take positive, constructive, proactive actions by calling public hearings on the future of the beach area, including its marshes and lagoon, so that all interested individuals and groups such as The Friends of Beaconia, Island Beach Cottage Association and Ducks Unlimited can come forward and give input to a proper management plan for the preservation of that area?

Mr. Penner: Mr. Speaker, I want to indicate to the Legislature that we have designated, during the last short while, a large part of that southern part of the lake as a heritage marsh. Part of the development scheme over the next while will depend on what sort of agreements we can arrive at with such organizations as Ducks Unlimited in the development of that whole area.

I think it is simply too soon to state right now what effect that will have on areas such as Beaconia Beach, but as I indicated to the Honourable Member opposite, we are quite prepared to look at and listen to proposals in the future for the development of those areas and, should I say, maintain the natural beauty and the resources of those areas.

Amateur Sport Funding

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): Mr. Speaker, yesterday, my honourable friend from Transcona (Mr. Kozak) asked the following question: Why is this Government waging a war of attrition against the 96 province-wide sport associations by withholding every penny of the lottery revenue due them from the Manitoba Sport Directorate since the beginning of the fiscal year?

The Liberal computer is wrong again. No grants have been withheld. All sport groups have been advised of their funding for this current fiscal year. In 1987, the grants were mailed on September 30, and in 1988 the grants will be mailed by the month-end.

Wife Abuse Reform Program

Mr. Paul Edwards (St. James): Mr. Speaker, indeed, it is very nice to see the kind of quick action we are now getting from some of the Ministers in response to our questions.

My question is for the Attorney-General (Mr. McCrae). On June 20 of this year, the Attorney-General agreed publicly to consider a review of how wife abuse cases are handled in his department. He also stated that he was open to holding public hearings on the question of wife abuse in this province and with a view to assessing how the laws impacting on that area could be reformed.

Mr. Speaker, since June 20 of this year the women of this province have indeed been waiting for responses to those promises. Has the Attorney-General completed his review of how cases are handled and has he decided whether or not to hold these public hearings on this critically important issue?

* (1400)

Hon. James McCrae (Attorney-General): Mr. Speaker, first the Honourable Member suggests that a promise was made about public hearings, and now he asks if I am considering having public hearings. The fact is there was never a promise made like that. I believe the Honourable Member might be referring to a newspaper article which he is demonstrating for me in contravention of the Rules of the House. In any event, he is referring to comments made by someone else about a meeting at which the matter of public hearings was never even discussed.

Mr. Edwards: If in fact the quote is wrong, the precise quote from the Winnipeg Sun, Monday, June 20, 1988, then I accept that denial of that statement. I would certainly encourage the Attorney-General to consider public hearings. It seems like a fairly good idea.

Unified Family Court Pilot Program Announcement

Mr. Paul Edwards (St. James): My second supplementary question is also to the Attorney-General (Mr. McCrae). The Court of Queen's Bench Act that

has just come in does not deal with the expansion of the unified Family Division of the Court of Queen's Bench in rural and northern Manitoba. Will the Attorney-General please tell this House why this, you would think, convenient opportunity to bring in this expansion was not used to expand the benefits of the unified Family Division to the rest of this province?

Hon. James McCrae (Attorney-General): I wonder, Mr. Speaker, if the Liberal computer can tell us tomorrow how many public hearings have been asked for since the beginning of this Session. I think it would be a rather large number, probably a larger number than the number of times the word "concern" has been used in this House, probably a larger number than the number of times the word "fearmonger" has been used in this House. The Liberal computer is good at telling us how many times those words are used here, but not so good about telling us how many times they have been requesting public hearings.

The Honourable Member's question regarding the unified Family Court is a serious one. I take his question as a serious one. I announced earlier in this Session the Access Assistance Program as a pilot project for the City of Winnipeg and added that if that pilot project should prove, as I suspect it will, to be a successful project that I would like very much to see it taken beyond the City of Winnipeg and taken throughout the Province of Manitoba so that all Manitobans could benefit.

I would say the same thing about the unified Family Court, that the unified Family Court is something which benefits people in Winnipeg. As an MLA from outside the City of Winnipeg, although I have had occasion to be here quite a lot in the past, and certainly lately I have been in Winnipeg a lot, I am very happy at the appropriate time to be able to make announcements. But the Honourable Member says it is convenient. I do not know if it is so easy to say that expanding that aspect of the court province-wide is a convenient measure.

Mr. Edwards: Well, if the Government does not want to listen to the people, that is fine, that is their prerogative, that is their choice, that is clear, that is their practice. When they do hold public hearings, they do not know how to run it.

Mr. Speaker, my final question is for the Attorney-General (Mr. McCrae), and I note that he did not answer the last one. I am glad he has raised the pilot project for access assistance for non-custodial parents. We were both at a meeting last night, the inaugural meeting of the group. My question is: Will the Attorney-General table in this House the precise plans for that pilot project which were asked for last night and which have been asked for many times and have not been given by his department? What is he hiding? Will he please produce the details of that pilot project?

Mr. McCrae: Perhaps, Mr. Speaker, when the Honourable Member understands what his own question is, I would be wiser to answer a question that the Honourable Member knows he is asking. This gives

me a rare opportunity when the Honourable Member says to answer anything.

Mr. Speaker: Order, please. The Honourable Member has more than enough time to answer almost anything.

Western Diversification Fund Food Industry Announcement

Mr. Leonard Evans (Brandon East): I would like to address a question to the Minister of Industry (Mr. Ernst). Statistics released by the Western Diversification Fund indicate that Manitoba has only received \$28 million of \$362 million approved by the fund as of August 31. This is 7.7 percent of the total allocation for western Canada, whereas Manitoba has 14.5 percent of the western population. In other words, we are only getting half of our fair share in terms of population. Can the Minister explain why Manitoba is not getting its fair share of the money? What is the Minister and his department doing? When are we going to get some industry announcement out at Ottawa as opposed to announcements about more jail bars?

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): On May 9, when we took office, there was \$5 million approved under the Western Diversification Fund for Manitoba—\$5 million because the previous Government of the Day created problems, created disharmony and attempted to put provincial expenditures into the Western Diversification Fund instead of honouring up to them themselves.

Mr. Evans: A related question, Mr. Speaker. Is the Minister prepared to stand up and support the food processing industry in this province, which is being threatened by the Free Trade Agreement as outlined today in a full page ad in today's papers, wherein there are dire predictions that Canadian food processors will close factories and move them closer to lower cost materials in the United States?

Mr. Ernst: With regard to food processing in Manitoba, let me say that we have discussed this issue with a number of people in the food processing industry. Those people do not seem to be quite as concerned as the Honourable Member for Brandon East (Mr. Evans). As a matter of fact, they are taking the production of McCain's in Portage la Prairie and exporting it quite profitably to Japan, something that we want to assist.

The Carnation Plant has expressed no concern at all with respect to food processing in Manitoba. So they may have taken ads in the paper which I have not seen, but from the discussions that I have had with industry in Manitoba, those people who are in the food processing sector in this province indicate no great concern at all.

* (1410)

Mr. Evans: A supplementary, Mr. Speaker. Inasmuch as McCain's is signatory to this ad, will the Minister take the initiative and call a meeting now in light of this ad—a meeting of his staff, himself and the officials

of those industries, including Campbell Soups, McCain's and so on, to hear their views now as outlined in this ad and see what can be done now to assure that these industries such as McCain Foods will not be lost to Manitoba?

Mr. Ernst: I had a meeting, as I indicated earlier in this House, with the President of McCain Foods in his office in Florenceville, New Brunswick, two months ago. At that time he expressed concern about a Potato Marketing Board in Manitoba and across the country. That was his big concern; not the question of free trade, but whether he would have to pay more to the producers of this province because of the Potato Marketing Board. That is the concern and I think that is a smoke screen for that basic concern.

Western Diversification Fund Program Criteria

Mr. John Angus (St. Norbert): While I might agree with the Minister that the former Government did a very poor job in economic development in this province, I wonder what you have done in the last five-and-a-half to nearly six months to improve the record on the Western Diversification Fund?

Some Honourable Members: Oh, oh!

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): The months of term of office seem to change with each Member opposite standing up. It was May 9, Mr. Speaker. It was four months ago—four months and two or three days. So in the four months and two or three days, we have seen an increase from \$5 million to \$28 million in Western Diversification Funding coming to Manitoba.

In addition to that, we have established a working ministerial committee, including Mr. McKnight, the Minister responsible for the Western Diversification Fund. We have seen a Health Industry Development Strategy signed by the federal Government that will also lever funds out of the Western Diversification Fund. So a number of things are ongoing and a number more will be announced in due course.

Mr. Angus: In the same period of time, we have seen many, many more millions of dollars go to Saskatchewan, Alberta and British Columbia. My question to the Minister is what is the criteria for the selection on awarding these things? Is it on merit, industrial requirements, or is it on political patronage?

Mr. Ernst: There are several things, but the first thing—my honourable friend from St. Norbert (Mr. Angus), the critic, ought to know what the criteria is if he is any kind of a critic, but let me say further this, that we will be happy to send him the criteria. It is a federal Government initiative, as he knows, and it is the federal Government that decides upon the criteria.

The criteria that does decide upon funding from the Western Diversification Initiative is a question of good, solid, sound business providing diversification of our economy and jobs for Manitobans.

Mr. Angus: In relation to the answer, we seem to be falling short in terms of the Minister indicating that we do not have good solid firms. Let me ask you—Mr. Speaker, my supplementary question—is one of the criteria some sort of a national Keystone Club that businesses have to belong to in order to get money from the federal Government?

Correctional Facility Headingley Violence

Hon. James McCrae (Attorney-General): On September 7, the Honourable Member for St. James (Mr. Edwards) raised with me a question of an incident at the Headingley Institution on March 23, 1988, involving an assault on a staff member at that institution, and I told the Honourable Member I would look into the details and come back to the Honourable Member.

It is very, very regrettable that a member of the staff at Headingley should be assaulted as he was on that day. But the Honourable Member suggests a very serious administrative error is what led up to the problem. I am informed that the inmate involved was in the appropriate security area as he was classified to be in. The fact is that the incident happened when the inmate was taken to a telephone at the officer's desk, so that regardless of how he was classified, it happened at a time when he was going to the telephone. I am informed by my staff that the inmate was in the appropriate security area and as classified.

Unless the Honourable Member can bring forward something different, that would seem to end the matter. I am told that he was housed in the appropriate area.

Day Care Private Subsidies Transfers

Ms. Judy Wasylycia-Leis (St. Johns): Yesterday, the First Minister (Mr. Filmon) did a disservice to the families and child care providers in the Province of Manitoba by implying from his seat that the growing concerns over his Government's policy in child care were not real, were not genuine.

My question to the First Minister is, given the growing evidence of real concern as demonstrated by the rally being held tonight, will he reverse his Government's policy of giving subsidies for private, for profit child care centres, or at least hold off on that policy decision until his own task force on child care has reported?

Hon. Gary Filmon (Premier): Mr. Speaker, I made absolutely no comment with respect to the concerns of the children and the families of Manitoba. My comment was about the Member for St. Johns' (Ms. Wasylycia-Leis) growing tendency to try and stir up some opposition to the policy that has been developed by this administration that is a policy of non-discrimination to ensure that children, children needing day care, will get day care in the spaces that are most appropriate to their needs, closer to their homes, and that children will be able to have their subsidies taken with them to whichever licensed day care centre they choose to be put in by their families.

That is a policy that is for the best interest of the children in the families of Manitoba, and in no way do I accept the preamble of her question. It is a phoney question that she has put forward to suggest that in some way we are not operating in the best interests of the children of Manitoba, and that is our goal and that is our objective, and that is what we will do.

Mr. Speaker: Order, please. The time for oral questions has expired.

INTRODUCTION OF GUESTS

Mr. Speaker: Before we proceed, may I direct all Honourable Members' attention to the Speaker's gallery, where we have with us this afternoon the Honourable Beryl Evans, MLC, a Member of the Legislative Council of New South Wales, and also the Honourable Richard Evans, DFC, an Associate Member of the New South Wales Association. On behalf of all Honourable Members, we welcome you this afternoon.

We also have with us here this afternoon in the gallery—the gallery to my right—12 students from the Gordon Bell High School, Grade 12, under the direction of Mrs. Lyon. This school is located in the constituency of the Honourable Member for Wolseley (Mr. Taylor). On behalf of all Honourable Members, we welcome you here this afternoon.

* (1420)

ORDERS OF THE DAY

Hon. James McCrae (Attorney-General): I move, seconded by The Honourable Minister of Finance (Mr. Manness), that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

There will only be one committee held today, and that will be in the Chamber dealing with Industry, Trade and Tourism.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Seven Oaks (Mr. Minenko) in the Chair for the Department of Industry, Trade and Tourism.

COMMITTEE OF SUPPLY

SUPPLY—INDUSTRY, TRADE AND TOURISM

Mr. Chairman, Mark Minenko: I call this section of the Committee of Supply to order. We are considering the Estimates of the Department of Industry, Trade and Tourism. We are on item 2.(f), Rural Economic Development.

Mr. John Angus (St. Norbert): Mr. Chairman, on a number of occasions, I have asked the Minister for information concerning the Western Diversification Fund and the grants that were given. He has indicated on

a number of occasions that he is going to give me the information, and even today he suggested that he would send me over the criteria for selection and participation. I was just asking if he has that ready and would be prepared to send it over.

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): Not being at all psychic, Mr. Chairman, I am pleased to table the information relating to the funding of projects under the Western Economic Diversification Fund. The criteria for the fund I will have to provide for the Member at another time. I do not have it with me today.

Mr. Angus: Mr. Chairman, I was just wondering if I can confer with my colleagues from the New Democratic Party in relation to the length of time we are going to spend before we get into Tourism. Can you ball park it so that they can indicate to the staff that they should be ready to come down. I know John Plohman wanted to get into Tourism too—(Interjection)—on this particular section, yes.

Mr. Leonard Evans (Brandon East): We have a number of questions on Rural Economic Development, in particular, and there may be one or two on technology. But if all goes well, I would hope we would be into Tourism before the end of the day.

Mr. Angus: I have no further questions in relation to item 2(f), and would move that section be passed.

Mr. Chairman: Is it agreed to pass item 2(f)?

Mr. Angus: Oh, you have questions on the Rural Economic Development area? Sorry, Len.

Mr. Leonard Evans: Mr. Chairman, I have a number of questions on Rural Economic Development. Really what that means is development outside of Winnipeg, I suppose, although some people in certain regional cities do not consider them to be necessarily rural. In this area, the Member for St. Norbert (Mr. Angus) asked the question and I do not know whether we got the answers. We are concerned about the secretariat that has been set up, the committee of Cabinet on Rural Economic Development that has been set up, and I gather it has a secretariat.

I am concerned about who is on the committee, what are the terms of reference of the committee, what projects is the committee looking at now, what are the priorities of the committee. Have you yet evolved any plan for regional or rural economic development through that Cabinet sub-committee?

* (1430)

Mr. Ernst: Mr. Chairman, as I indicated the other day, the committee itself has not yet been formalized, and I anticipate that is going to happen in the next week or so. In terms of a secretariat, it is not a secretariat in that sense but rather this is a unit within the department that will service the requirements of that committee of Cabinet.

The membership will be appropriate Ministers who have concerns related to a variety of areas within Economic Development spheres: Natural Resources, Agriculture, things of that nature. So I can advise the Minister of the exact make-up of the committee once it has been formulated, I said in the next week or so.

Some of the RDCs actually work very well and some have problems. It is our intention, if we ever get out of Estimates, to go on a road show within the next month or so to consult with each of the RDCs, to consult with the municipalities in those areas and business groups, Chambers of Commerce and things of that nature, to see how best to structure the Economic Development delivery unit within that area, or how the RDC, if you want to retain that name, would be most effectively structured.

Some, we suspect, are not going to need anything adjusted to it at all. Others, we may see some different kind of restructuring in the ultimate sense of delivering an appropriate level of service. Just in the same tone, Mr. Chairman, we have not therefore, because of that concern, budgeted any great amount of increased funding for RDCs because simply to throw money at them at this point is not necessarily going to solve the problem. We have to first determine how best they can refocus their operations, if necessary, and then we will provide that interrelationship and the service level from this department.

Mr. Leonard Evans: While I thank the Minister for that answer, I did also ask a question about what plans, if any. I guess he could answer, well, the committee has not met, we do not have any plans. But the department is there to serve as a secretariat, I gather, this branch, which is fine. But is it the Minister's intention to proceed with some kind of a proposal through this committee of Cabinet on how to go about enhancing, promoting rural and regional economic development?

Let us face it. It is very difficult to get industrialization in Manitoba and it is even more difficult in the smaller centres for some obvious reasons. A lot of our manufacturing is market orientated; in other words, you have processing plants establishing where the people are, where the population is. Perhaps that explains why, to some extent, Ontario and Quebec have so much of the secondary industry in this province.

But there are some opportunities and we know there are some thriving smaller processors, some thriving smaller manufacturers in certain regional centres. Portage la Prairie has done very well in the last few years and partly with the cooperation of the department and the Central Plains Regional Development Corporation, a lot of improvement in the food processing industry and other industries.

So I am wondering, does the Minister, is he prepared to put forward a plan of development or is he going to take—if I can use the term and I use it just—

Mr. Angus: Laissez-faire.

Mr. Leonard Evans: That is exactly it. The Member from St. Norbert (Mr. Angus) has taken the words right

out of my mind, whether he is going to take a laissez-faire approach which means no regional planning necessarily but we will work with the regional development corporations and we will see what comes. Whatever comes, we can help them; whatever unfolds will unfold, or is he going to take more of a proactive approach and say, well, these are some objectives we would like to see and this is what we are going to go after?

I am not suggesting you can have perfect economic planning; I am not suggesting that. I am suggesting some kind of an idea, a set of proposals where you have some ideas of what is the additional potential for Brandon. What is the additional potential for Dauphin or Portage la Prairie or whatever? What can the department and the Minister and the Government do to enhance manufacturing development, let us say, and related industries, other industries in these centres? Is he prepared to go with that kind of an approach or will he take the laissez-faire approach?

Mr. Ernst: Let me say that firstly the approach that will be taken by the Rural Economic Development Strategy will be a very proactive approach. We see one major objective, apart from the general objectives of economic development. We see that there is a necessity to repopulate rural Manitoba. If we do not, we are going to be facing a shrinking economy in rural Manitoba, one that does not bode well for the province. It is our intention to take a very proactive approach with regard to economic development in rural Manitoba. We see a necessity to have additional development.

Quite frankly, Portage la Prairie, yes, is a success story, but the population of Portage la Prairie before McCain and before Campbell Soup was relatively small and, as a result of that, has grown. We see that as an example of how economic development can occur not just in areas of major population in rural Manitoba but in areas of smaller population. That population will gravitate to those jobs. We see that as a very, very distinct need for Manitoba. We are, at the same time, not going to be planning in isolation. We are going to be planning for a fully integrated economic development system in Manitoba.

As I said with regard to the committee, once it is established, once we have the consultation process having been gone through, then we will look at the necessary tools needed in order to do that. We will build on the economic strengths and good points of each of the sectors in rural Manitoba. Hopefully, we will be able to be, in the long term, successful to see repopulation in rural Manitoba, thriving economic centres in rural Manitoba. It is not just simply good enough to say that because of transportation or access to markets that it is not good to locate in rural Manitoba. With a decent highway system, one we have not had for a while and which we will hopefully work towards over the next period of time, we will see transportation access. Communication access today is very good and will continue to improve. We do not see that there is a major problem with respect to those things.

The labour force of course is a problem from time to time and from place to place. We also see

opportunities there, that those kinds of jobs will gravitate. It would be silly to put a 5,000-job industry into a town of 200 people with no labour force within 100 miles around. That would not make a great deal of sense right off the bat. Most Manitoba industries, as a matter of fact, are not of that significant magnitude. They are 50 jobs and 60 jobs and 100 jobs and those kind of things. We hope that out of this strategy will come a significant impact on development in rural Manitoba.

* (1440)

Mr. Leonard Evans: Just to carry on this line of questioning, I gather then the Minister intends to take a proactive rather than a laissez-faire approach. Would he go so far as to suggest he may have targets for development? I referred a week or so ago to the Conservative Government in the late Sixties, Targets for Economic Development, the TED Report. It was a major initiative. One Sidney Spivak was Minister at that time. There was an attempt at that time to put targets for development of different industries, not necessarily by town or region but for the province as a whole.

There were certain objectives. It was not an economic plan as such, it was objectives. We would like to have this kind of development in the apparel industry. We would like to have this amount of development in the food-processing industry or whatever. Is there any thought that your department might develop targets for development in these specific regions?

The depopulation the Minister refers to of course is largely a function of increasing productivity in agriculture. This is the irony of it. As we become more efficient, we produce more grain or agricultural output per farmer or per worker and we need fewer people on the farm. We have had that rural depopulation which has occurred not only of course in Manitoba and not only western Canada, but it has occurred throughout the world. Certainly, you see it south of the border, North Dakota, and so on where efficiency in farming has led to depopulation. So you do not have the depopulation in the regional centres, but they are not growing as fast because of the depopulation in the areas and the zones.

At any rate, and I agree with him, you cannot put large industries easily in small towns. It can lead to a lot of difficulties in terms of infrastructure costs and so on. We have had a lot of experience with that in this province, but I guess my question is: Is the Minister thinking of some kind of targets for the regional areas, for the rural areas, and does he have any further thoughts along those lines?

Mr. Ernst: Mr. Chairman, as I said earlier, we have goals. The principal goal, as I said, was repopulation of rural Manitoba. That is easier said than done, no question. It is going to happen over a longer period of time rather than a shorter period of time. There is no magic in this business. It will certainly take some time to do that.

In terms of specific targets for individual areas, we see Manitoba's economy building upon its own

strengths, taking advantage of niches that we see in the economy as being available to Manitobans. Obviously, we are not going to have a Hyundai plant in Manitoba, so I think it would be foolish of us to expend a lot of effort and resources attempting to bring a Hyundai automobile-manufacturing plant to Manitoba.

We are going to concentrate on our existing strengths, our existing niches in the economy and try and build upon those. We will be identifying in each area of Manitoba what their individual strengths are as well as the general strengths of the province. Once that has been established, once an RDC structure has been put into place, once the appropriate mechanisms are there for the support of that RDC, we will then assess how successful we can be or try and anticipate how successful we are going to be once that infrastructure basically is put into place. It is not doing a great job at the moment in some areas and we need to address that quickly.

Mr. Leonard Evans: This department over the years or departments that formed this particular department have been associated with a broad spectrum of development activities, not only manufacturing but services, and has played a role historically in making suggestions as to relocation of Government activities. That is one way of course to help build up certain centres and it has been done by different Governments over the years.

The Minister of Northern Affairs (Mr. Downey) was telling us the other day about the Water Services Board being moved to Brandon. I can tell you, under the Schreyer administration, there was a decision to regionalize some of the offices of Manitoba Hydro. The Western Regional office, instead of being in Winnipeg, it was put in Brandon. That is just another example. Efforts were made to put additional MPIC activities in Brandon. The general insurance is handled there, the head office is there, and so on.

I suggest, Mr. Chairman, that it is a very difficult matter and the Minister's officials will know better than anyone else here perhaps, to bring in and entice manufacturing. I am not for one moment going to suggest you try to get blood out of a stone or you try to do the impossible or something that in the long run will not work.

You are dealing with the private sector, encouraging the private sector and, even though subsidies may be available or grants, which are rather short term, you are still not going to be successful in locating manufacturing establishments in specific cities and towns around the province, unless it makes sense. To make sense, there has to be a market, there has to be adequate labour supply, there has to be—I do not think that is much of a problem—and certainly markets, raw materials, transportation costs, the obvious factors that come into play when you talk about profitable locations.

* (1450)

I say that it is appropriate for this rural development committee of Cabinet to look at, because the Minister

himself said that there are other departments represented in the committee, the possibilities of some decentralization of provincial Government activities. I am advocating it, so I guess I am asking the Minister now whether that is going to be an appropriate forum for the Cabinet to discuss matters such as some distribution of Government activities around not only to assist in development of some towns and cities but also perhaps to bring services a little closer to people.

Mr. Ernst: Yes.

Mr. Leonard Evans: Sorry, I was distracted by my colleague behind me here. I gather the answer was short and sweet. It was "yes."

Members of the House will look forward to see what plans the committee might come up with and what action, what results will occur. I am very encouraged by that positive response.

I have two specific areas. We talked about regional development corporations. I might say that they have had a mixed history. Some have been more successful than others for some very good reasons. Some have actually disappeared or one has disappeared, the one in the area that I happen to represent. The Westman Regional Development Corporation decided to fold up some many years ago. It was not a decision that was made by Government or suggested by Government. It was a decision made by the municipal officials because the regional development corporations are funded, to some large measure, by grants from the municipal corporations.

The municipality has to decide to join and, if it does, then it pays on a specific formula basis. So the regional development corporations are very much part and parcel of municipal thrusts, municipal concerns, municipal activities. So we do not have a Westman Regional Development Corporation. There are, however, in the City of Brandon, some people who are very concerned about ensuring development in that city and in locales near the city. It leads me to a question that I have regarding the Brandon Economic Development Board.

The Brandon Economic Development Board is seeking funding from the department so that it can have a more appropriate role in the City of Brandon in the Westman area, and it points to the fact that there is no provincial funding of a regional development corporation, unlike the rest of the province. On that basis, they make a case, I think a fairly good case, for some financial assistance from the province. I'm specifically talking about the Brandon Economic Development Board. I wonder if the Minister could tell us whether he is prepared to provide some funding of that particular board at this time.

Mr. Ernst: We have a problem in western Manitoba. There is no Westman Regional Development Corporation. That is one of the things we are going to be discussing when we do our consultation process with regard to RDCs. It is not a simple matter of simply providing money to Brandon, because we do not provide money to Winnipeg either. We do not provide

to any other major centre, Steinbach or Dauphin or Thompson, so that matter is going to have to be taken under consideration. No decision has been reached and we have to address the question of whether we are going to start funding specific centres as well as regional development corporations. If we do that, it does create some problems. We have seen that in the Parklands region already, because Dauphin has received certain funding outside of the provincial Government process, through community futures, that it has created some concerns and problems within the Parklands region.

So that whole process has to be looked at, has to be gauged, and we have to determine whether we are going to start funding individual centres or not. If we do, I know that the Winnipeg Business Development Corporation will certainly be standing on our doorstep looking for not just a little amount of funding, but a substantial amount of funding. The development corporation, Mr. Chairman, has done well. The city funds the majority, the Chamber of Commerce funds a substantial part of it as well. In Winnipeg—and that carries on the business development function of Winnipeg—my Deputy Minister happens to be a member of that board and I, too, served on that board several years ago when I was a member of City Council. As I said, we will be considering that in due course.

Mrs. Gwen Charles (Selkirk): Mr. Chairperson, I speak now as the Member for Selkirk and ask this Minister, because I am so glad to see under the Activity Identification that it defines one paragraph as "liaises with the federal Government to influence delivery of federal program in a coordinated way to reflect the priorities of the region and the provincial government." As this Minister is aware, the previous Government and the federal Government made a tentative agreement to go ahead with downtown development in the Town of Selkirk. Could this Minister inform me on the status of that agreement?

Mr. Ernst: There were letters of exchange, as I understand it, with regard to certain levels of funding regarding the Selkirk Landing Project. Since we have come into office, we have received overtures from Brandon for a downtown redevelopment. We have received overtures from Portage la Prairie with respect to downtown redevelopment, and I believe Dauphin with regard to downtown redevelopment. Because this matter has taken on—as well in the City of Winnipeg under Urban Affairs, has a significant initiative that has gone on over the past six or seven years.

As a result of those advances and the fact that the funding arrangement proposed under the previous Government with regard to Selkirk Landing was different than certainly in the Core Area Initiative, I have involved the Minister of Municipal Affairs (Mr. Cummings) in this process and he will be handling the question of downtown redevelopments of urban centres outside of Winnipeg from this point on.

It seemed to be primarily a municipal problem and all municipalities obviously will have to be treated in a fair and equitable way. As a result of that, the Minister of Urban Affairs (Mr. Ducharme) and the Minister of

Municipal Affairs will be discussing those issues. I have divested myself of that particular project from this department. It seems to me it ought to have been a municipal project in the first place rather than under some kind of business development situation. It seems to make sense having gone through from the other side, the Core Area Initiative in Winnipeg over a number of years, two different proposals, and so we thought it was more reasonable, more effective and fairer to everybody if they are all treated the same way dealing with—under the Department of Municipal Affairs.

Mrs. Charles: I had heard that was the possibility. I would like to discuss, I guess in some detail, the problems of Selkirk, being perhaps the only community of that size located so close to a major municipality of the City of Winnipeg—and it is very difficult for business to compete, not only on the scale of variety that Winnipeg offers and the fact that it is within half an hour, an hour's drive, at the very most, to have that market available to the people of Selkirk and the region. But I would also suggest that Selkirk is also as much of a keystone city as Brandon is to the western area, and that Selkirk serves all the Interlake, with the airports off the river and the airport of St. Andrews. There is a lot of freight that goes north of there, and that we could take advantage of.

Does this Minister in any way see that his Minister's portfolio should include the development and special cases and special needs of regional areas?

Mr. Ernst: I am not sure what the Member from Selkirk (Mrs. Charles) refers to in terms of development of special cases, or whatever. We, as I say, will be working with all areas in the province to attempt to build on the strengths that they offer, Selkirk included. We see no need to discriminate against any community. We think that the more diversification we can get, the more rural repopulation we can gain, the better off Manitoba is going to be in the long term; that all districts of our province then will be well represented, will have economic basis upon which to build, economic basis upon which their service industries can thrive. I understand I have had several meetings with the mayor of Selkirk with regard to problems associated with Selkirk. We understand those things, and we will be working on them.

Mrs. Charles: If the Department of Municipal Affairs is to look after regional economic development as to downtown development and business development within communities, can this Minister inform the Opposition whether there will be funds that will be available to the Municipal Affairs Department?

* (1500)

Mr. Ernst: I did not say that the Department of Municipal Affairs is going to be dealing with regional economic development or anything of the nature. I said a specific downtown renewal project wherein land would be acquired into the public domain under whatever form for redevelopment purposes is not dissimilar to the Core Area Initiative in Winnipeg, or the North Portage Development Corporation, not dissimilar, I

suppose, to other requirements in other municipalities. That is distinct and different from—that is the acquisition of land for a specific purpose. The developments that go on those lands, or other developments relating to the economy of a municipality, or whatever, will still remain with my department.

With regard to the question of funding, there was no funding in the department, this department, for carrying out that project, notwithstanding the fact that the former Premier made a commitment. There was no money in the Budget for that project. At the present time, there is no money presently in our Budget for that particular project, however, that is not to say that once consideration and a decision is made on any given project that additional funding would not be provided. Individual, specific cases, I mean nobody put in their budget, at the time that they considered the Winnipeg Core Area Initiative, put the kind of money that was required for that into any budget in the first instance. The decision was taken, the agreements reached across general party lines, or general Government lines, and then once that agreement was reached, then funding was placed in appropriate lines in the Budget over a period of time to meet those needs. So that is how it would happen in this case as well.

Mrs. Charles: Can the Minister define, therefore, what this paragraph would mean that it would influence the delivery of federal programs to the areas, I assume. Could he elaborate on the description here?

Mr. Ernst: Governments have over the years participated—federal and provincial Governments—in a variety of programs, the latest round of which were called ERDA agreements, and those agreements related to a number of different kinds of economic development initiatives. The Tourism Agreement is an ERDA agreement, the Urban Bus Agreement is an ERDA agreement, and there are several others which have been in place.

I, as the Minister responsible, and chairing a committee at the present time of both provincial and federal Cabinet Ministers to deal with the question of renewal of those agreements—many of them expire in March of 1989. We are attempting to focus on our primary needs and attempting to negotiate those agreements with the federal Government. So we have a number of areas we want to consider, we want to have put into place. Whether they are called ERDA agreements or something else really does not matter as long as the money comes in and the criteria is such that we can take full advantage of it.

So that is where we are at at the moment with regard to those agreements and those are the kind of agreements that can be levered for a variety of purposes.

Mrs. Charles: Would these agreements be based on a match-grant situation?

Mr. Ernst: Mr. Chairman, I dearly would like to have 100 percent federal funding; that is the goal. Realistically they have over the past number of years been about

50-50 in terms of cost sharing. Some have varied slightly from that and we hope to maybe lever some additional percentage sharing over time. We, in our little research, have discovered that from time to time other areas of the country have received different cost-sharing arrangements than those in Manitoba.

An Honourable Member: Albert and Saskatchewan have.

An Honourable Member: B.C.

Mr. Ernst: No, Mr. Chairman, not the western prairie provinces, but certain provinces east of Quebec have received certain kinds of funding so that we hope to bring those examples to the attention of the federal Government in an attempt to have them meet those kinds of objectives for Manitoba.

Mrs. Charles: I take it any funds found to support these ERDA agreements—and I would like to go into the one he had mentioned the other day on the possible water agreement. But I take it any of these matched funds the money would be found and I, therefore, ask the Minister if the money is found to match ERDA agreement, why cannot the money be found to match this \$2.5 million the federal Government has offered to the Town of Selkirk?

Mr. Ernst: I thought, Mr. Chairman, I had indicated to the Member for Selkirk that once an agreement is reached on a particular formula for funding of downtown renewal-type projects, such as the one the Member refers to, that that money—I did not say it would not be found, I said it would have to be allocated at that point. As well, if ERDA agreements are negotiated today by the time you get to a point where you can advance projects, you are into a different fiscal year in any event. So while there may not be funding located in the Budget right now for potential negotiated ERDA agreements, the likelihood of them being advanced to any significant degree before the 1st of April next year is small. So assuming a successful negotiation process, assuming these agreements could be put into place, we would have to start budgeting for our share of those funds next year.

We presently have allocated money in this Budget for our share of the funds for this year. The monies we expect to flow between now and April of 1989.

Mrs. Charles: One further question on the downtown redevelopment of Selkirk. Many people in the area of downtown Selkirk and, indeed, of the Town of Selkirk are putting their lives on hold and development of the town is on hold until some decision is reached on this, as I am aware that you have been told by various board members and representatives of the town. Can the Minister inform me as to whether he is aware or has any time commitment by the federal Government, assuming that the Government does not call an election before—if they should be able to stay in power for a long term, will this money be available for a long term or is this a short-term offer?

* (1510)

Mr. Ernst: My understanding, Mr. Chairman, that the money available to Selkirk from the federal Government is under the Community Futures Program. I am not aware just at the present time how long the Community Futures Program will exist, if there is a time limit on it, or—they are generally five years. The Community Futures Program is what?—two or three years old? Two or three years old, so presumably the take-up would have to occur some time in the next two or three years in order to live. While the agreements may be five years, they usually have a year's grace period for take-up of money once the project has started. So I would assume it would have a couple of years at least left.

Mrs. Charles: Thank you for that response. Just getting back to the other day when we discussed the need of a constant water supply for development of industries in small towns and small population areas, the Minister mentioned the possibility of a new ERDA agreement on water supply. Could he inform me any further on that possible agreement?

Mr. Ernst: I forget, Mr. Chairman, exactly how detailed I got with the Honourable Member last time, but we are concerned. We know that there are major projects required in a number of centres all across rural Manitoba so we are in the process of attempting to negotiate that agreement. We have not had a meeting since last time we discussed this matter, so I cannot give any further indication as to progress in that area, although we are having discussions on a regular basis and we hope to be in a position to meet again fairly quickly so that some of these things can be squeezed into place, shall we say.

Mrs. Charles: Thank you for your answer. Just for further information, are you looking at this as help for particular cities, Portage la Prairie and cities that are in need, immediate needs, or is this money to cover blanket causes in the province? Could you give me some details of your discussion on that area?

Mr. Ernst: We recognize, Mr. Chairman, that we have needs in a number of areas. We have readily identified high profile needs; needs that have been around for a while; needs that have been brought to our attention on a regular basis; and, quite frankly, needs that we have been raising with previous Governments on a regular basis, so that we are attempting to identify—we have identified—we are attempting to put into place sufficient monies to cover at least those. We would also like to see some contingency funding attached to that because obviously there are going to be additional problems arise over time, or there are problems that have not yet been identified, or problems that have been identified but not yet brought to our attention.

There are a number of—I cannot say small, because none of them are really small—less dramatic, shall we say, projects required all around the country. There might need to be in one centre, \$100,000, as opposed to millions of dollars required to meet a certain need and to really provide that community with what it requires. So we would like to see some contingency funding going to that area on a blanket basis,

and we would like to go through the list of projects including Selkirk that are in need of significant overhaul.

Ms. Charles: Will this list be developed by your department or the Department of Municipal Affairs, and will it be in consultation with the MAUM association, understanding that, of course, these are generalities as the agreement has not been drawn, and is this just particularly for water services or will this be for infrastructure in general?

Mr. Ernst: It is not our intention in general terms to look at putting in pipe services throughout a community. That is not the intent of this agreement. This intent is environmental protection—sewage treatment, basically—and primary water service. Those are the two main areas.

Ms. Charles: Just further, could you explain possibly how you expect to draw up the list of needs for those services?

Mr. Ernst: Mr. Chairman, they have been generally identified Municipal Affairs and through the Departments of Labour and Environment, Workplace Safety and Health. Those two areas come into contact with these problems on a regular basis. They have identified the needs, and from that list, we will be developing our "want" list, shall we say. We do consult with the Union of Manitoba Municipalities and MAUM on a regular basis. The Minister of Municipal Affairs (Mr. Cummings) does that regularly. We will be consulting with them, and if they have additional problems to bring to our attention, we will certainly try and include them as well.

I do now know that we are going to be able to—if there ever is enough money to meet every demand and every need in every case, so we may well be faced with a prioritization process once that is completed, and we may well have to do some further consulting once we identify those that are of the most pressing concern.

Mr. Angus: Just a very brief question to the Minister.

Mr. Minister, you and I both have familiarity with things like the Core Area Initiative. One of the successes of those initiatives was the hands-off aspect of turning the money over to arm's length corporations to administer and work through with the private sector the requirements they had.

I distinctly heard you—at least I believe I heard you. I think I heard you say that the money was going to be used for these town-site developments for the acquisition or for the purchase of land. Is it your intention to distribute these funds on a conditional basis that they do specific projects that you want, or are you going to be taking a hands-off approach and leaving it to the professionals and administrators that can address this situation the way it should be addressed?

Mr. Ernst: It will be decided in due course once a strategy is prepared to deal with the question of redevelopment of downtowns in rural centres. There are no specifics dictated at the present time at all.

Mr. Angus: Let me ask, clearly. As of today—it is the 15th of September, I believe—at 3:15 p.m., has that that agreement been entered into? Is it signed? Has the deal been made?

Mr. Ernst: Which agreement is the Member referring to?

Mr. Angus: Let us talk about particularly the Selkirk one.

Mr. Ernst: The Selkirk Landing Project?

Mr. Angus: No.

Mr. Ernst: Mr. Chairman, the answer is no agreement has been signed.

Mr. Angus: In fact, I could ask if there are any back there that you have signed that you have not told me about. I doubt that that would get me anywhere, Mr. Chairman.

Can I just get some clarifications on the figures that were released for the Western Diversification Fund? It suggested a number of projects. It says "as of August 31, 1988," and the total projects are 176 and there is \$104 million, but I am just not sure as to when this accumulative figure is created from.

* (1520)

Mr. Ernst: If the Member for St. Norbert (Mr. Angus) is asking over what period of time have these grants been given, the first anniversary of the Western Diversification has just passed. That is an accumulative total to date.

Mr. Angus: This is the accumulation of all of the Western Diversification Grants in the four western provinces from the beginning of the program til now.

Mr. Chairman, the Western Economic Diversification Fund Annual Report, 1987-88, indicates some \$300-odd million being dispensed. This indicates only \$104 million. Is there an explanation?

Mr. Ernst: If the Member will read about halfway down the first page of the paper I provided to him, the short sheet that I provided to him, it will tell him that there are certain other projects that have been approved that have general application and/or are specific. One is the Port Moresby National Park for, I believe, \$79 million. That is in addition to the amount of money listed at the top of the page. There is also the Agri-Soils Biotechnology Agreement, I believe, for \$45 million, which has application over all the prairie provinces and is not provincial specific. That is again accumulative. So if you add them all up, it comes to about \$306 million or \$307 million, the numbers on the balance of the page. The specifics of where the differential between, I think it is 350 and 36 or 7, I have not yet been able to determine from Western Diversification, bearing in mind this is a federal program and the information we get is provided by number.

Mr. Angus: Fair enough, Mr. Chairman. The Minister has changed since we worked in the same interests for the people in the types of reports that he is giving. I find this report a little confusing in light of the report that I have here that indicates there is \$303 million. Now if he had said that the \$104 million is in addition to or on top of the conclusion of last year's programs, then it would make some sense, but it seems to be written in a difficult-to-understand way. If the Minister would permit, so that we do not take the times of the committee, if he would entertain discussing this with me afterwards just to clarify things, I would like to get some clarification.

The second thing is, on that if I can, this particular press release issued July 31, Industry, Trade and Technology. It says "See legend last page." There is no legend attached. These appear to be just the Manitoba firms. Is that accurate? Just the Manitoba firms? Okay. Is there a legend that goes with it?

Mr. Ernst: Presumably, if it says there is a legend attached to it, there must be a legend. We will have to attempt to find it.

Mr. Angus: Okay, thank you.

Mr. Leonard Evans: I would like to pick up where we left off a few minutes ago on the regional development activities; but before I do, the Member for Selkirk (Mrs. Charles) raised the matter of funding of development projects in Selkirk and other centres, I guess.

The Main Street Manitoba Program, which was administered by Municipal Affairs, did do a lot to assist, in my view, in the retail-commercial sector improvement in many towns of Manitoba. Many towns have benefited from that program throughout this province—the Main Street Manitoba Program. I do not know whether the Minister is familiar. The City of Brandon decided that particular program was not really meant or suited for a city of that size, and I think they are right. I think Main Street Manitoba was for much smaller centres, important towns, but not for a city the size of Brandon of about 40,000 people.

The city does believe, however, that it is entitled to some assistance—I am talking about downtown redevelopment, if you will—from the provincial Government. We were looking at a municipal development fund, and again, it is Municipal Affairs, so I am not going to get in—I am going to stay in this department, because this department has a role to play I think. The previous Government was looking at a new municipal development fund which would assist a place like Brandon in renewal downtown redevelopment. The city, needless to say, looks very enviously at what has happened in Winnipeg over the years with the Core Area Agreement and all that.

My question then is, can the Minister or will the Minister play a role in this process, and will he assure us or can he assure us that he can assist in providing, as I think the city is justified in receiving, some provincial funding for downtown renewal in the City of Brandon?

Mr. Ernst: As I indicated, the question of those kinds of things, downtown renewal of major urban populated

centres outside the City of Winnipeg, we feel is best dealt with by Municipal Affairs so there is a common policy across the province. We have the experience of the Winnipeg Core Area Initiative, albeit on a level of magnitude perhaps considerably greater than expected anywhere else but, nonetheless, we have had experience. Some of the problems associated with it are different as well. The basic policy question of downtown redevelopment and how that is accomplished, under what conditions and so on, it is our view that it is best suited under Municipal Affairs.

That is not to say that any Government department works in isolation, because it does not. The Department of Industry, Trade and Tourism will be assisting in a variety of ways in those kinds of things dealing with the occupiers and users of that redeveloped land. That is our function and we will do that, but the question of redeveloping the land, how much, how it gets funded, who has control, and ultimately who is displaced will be dealt with by Municipal Affairs in conjunction with the municipality.

Mr. Leonard Evans: I can understand that. It is probably rational for a Department of Municipal Affairs, if that is the lead department, to be involved in this generally because that is where the money might come from. His department—I guess he has acknowledged this—does play a role surely, because we are talking about business development in Manitoba's second-largest city. I know the Minister has said that, and I am saying that I would hope that you could play a role.

You see, the previous Department of Business Development and Tourism did work with Municipal Affairs right across this province in all the upgrading of the retail sectors in dozens and dozens of towns. It played a very activist role. I would like to think that this department could help in promoting. I would hope that this Minister could get there and fight for downtown development in the City of Brandon, even though the funding may come from another department. I think it is incumbent upon a provincial Government—and this is something I have said for years. I am not saying it now, I said it when I was on the other side. We had millions of dollars spent in the City of Winnipeg. I think it has been a very good development and I am pleased to see it, but I think it is incumbent upon the province—it would be fine if we could get federal money as well—to do its share now in assisting in the rejuvenation of the downtown area of Brandon, the business centre of Brandon. I would hope the Minister will play a proactive role in that respect.

Mr. Ernst: There is nothing I would like better or that the Member for Brandon West (Mr. McCrae) would like better than to make Brandon forget the Member for Brandon East (Mr. Evans).

Mr. Leonard Evans: Now that is not nice. I did not say that about you.

* (1520)

Mr. Ernst: I say that somewhat facetiously, Mr. Chairman, but we are committed to that situation. My

Deputy Minister, along with the Minister of Municipal Affairs (Mr. Cummings) and the Member for Brandon West (Mr. McCrae), met with the Brandon redevelopment group two weeks ago approximately to discuss that very issue, and we are giving it our utmost consideration at the present time.

Mr. Leonard Evans: I am pleased that the Minister has had that meeting. I can advise him I too have met with them many months ago, in fact, on more than one occasion, because they wanted to outline to the Opposition their concerns. So that is good, I am glad that meeting has taken place.

On a different topic, I would like to get some explanation from the Minister as to why he would agree to having the Norman Regional Development Corporation relate to the Department of Northern Affairs rather than to this department, because your department coordinates all these activities in commerce, in small industry as well as large industry. It has a critical role to play in economic development in the North.

You could say, well, we have a Department of Northern Affairs that is focused on northern development. I mean, you could argue along those lines that the Northern Affairs Department should have a part of the Department of Health. The section of the Department of Health dealing with the North should be in Northern Affairs. A section of the Department of, let us say Education, should be in the Department of Northern Affairs and so on, or there should be a special office of consumer protection in the North. While you can have field offices on those line departments, I do not think it is necessarily good organization to have that RDC relate to the Northern Affairs Department. It properly relates to your department and I would like to see a change made. I would like to see that brought back to the department.

Mr. Ernst: Mr. Chairman, the Member for Brandon East (Mr. Evans) is exactly right. It should relate to our department. It does relate to our department and it has not changed.

Mr. Leonard Evans: I am pleased with the Minister's answer. I am surprised because I thought an announcement had been made that it was going to be related to Northern Affairs. There has been no announcement to that? Well, I do not know where I heard it. I read about it, I did not dream about it, I thought I read about it. If it was in the Free Press, it must be true. I am very pleased with that. I think my colleague from Flin Flon (Mr. Storie) has to get away and he has a couple of questions, so I would like to yield the floor to him, on regional development.

(The Acting Chairman, Ed Helwer, in the Chair.)

Mr. Jerry Storie (Flin Flon): Mr. Chairperson, I understand from the Minister that, as long as I ask my questions and get away, he is prepared to entertain the questions so that is reassuring.

I have not been involved in all of the discussions that have gone on in committee. I may have missed some

answers to some of the questions that I have if they have been posed. I notice, in item 2.(f), there are some reductions in personnel. Has the Minister explained to the committee those reductions? Which functions were removed from the department? It looks like there is a reduction of two staff years.

Mr. Ernst: Two business development officers were deleted from the Rural Economic Development section of the department.

Mr. Storie: Could the Minister give me the names, the locations of those officers? Were they located in Winnipeg or other parts of the province, or were they attached to other parts of the province regardless of the location?

Mr. Ernst: There are both in Winnipeg, Mr. Chairman.

Mr. Storie: Mr. Chairperson, one does not always want to draw erroneous conclusions from facts. I believe that, although the Minister has given us his assurance that Rural Economic Development is going to be a priority, I think that the reduction in this particular section of staff is a signal in opposition of his stated concern. I do not think that anyone in rural Manitoba, and I know no one in the regional development corporations, believes that there is enough support from the central Government, the central agency of economic development in the province. I am sure that the Minister has had expressions of concern from those groups, if in fact they are aware that those reductions have taken place.

Mr. Chairperson, there are no increases directly to the regional development corporations, if I read this correctly. I do know that the regional development corporations have formed a group, an association of regional development corporations. Is the Government funding that agency independently? Are they receiving any funds from his office or the former Business Development and Tourism office?

Mr. Ernst: No, Mr. Chairman, we are not.

I should make mention, I may not have completed the answer to the Member for Flin Flon's (Mr. Storie) earlier question when he asked of the two SYs who were deleted from the department, one of those people was working in northern Manitoba, Mr. Morrisseau. He has in fact been transferred to the Department of Northern Affairs, which may lead back to the Member for Brandon East's (Mr. Evans) concern over the question of the Norman Regional Development Corporation. Mr. Morrisseau is now employed with the Department of Northern Affairs, and will be the first contact point in that department in terms of local contact with our department. The rest of our department will deal with all of the concerns, will provide all of the services, continue to provide the same services that they provided to northern Manitoba regardless of that change.

Mr. Storie: In terms of the rest of the department, the reduction here of two staff officers who focused, I believe, most of their attention on northern rural and

northern development, are there any individuals assigned particularly to liaise with northern groups, northern businesses at the present time?

Mr. Ernst: As I indicated in some earlier discussions regarding Rural Economic Development—perhaps the Member for Flin Flon was not available for it—each regional development corporation will have a staffperson assigned directly to it from this department. They will work exclusively with that regional development corporation to deal with problems in that area or opportunities in that area. In addition to that, they will have of course the entire department to draw upon in order to provide specific expertise where required.

Mr. Storie: Mr. Chairperson, I want to put on the record that I feel that approach to supporting rural and northern Manitoba and the regional development corporations I think is a wrong-headed approach. The fact of the matter is that without consistency, without assigning someone having individual staff—and I think it should certainly be more than one person—but without having someone assigned who begins to understand the range of problems that regions face in this province, what we are going to have is a very piecemeal approach, depending on the other duties that those individuals have because clearly—I hope the Minister was not leaving the impression that those people would be assigned full time to deal with each individual regional development corporation, because clearly that would not be a full-time responsibility. However, depending on their other workload and their other interests, the regional development corporations I believe, in the long run, are going to be short-changed in this exercise. Not only have we lost staff years, staffpersons who have responsibility in those areas, who have some expertise, who have familiarity with local people, the movers and shakers as it were in northern Manitoba, who understand the issues, we have lost the continuity.

* (1530)

The Minister asks from his seat whether I have faith in the regional development corporations. Yes, I certainly do. They are an effective body and have received significant increases in funding over the past few years from the previous Government, but they do not supplant the efforts of the department nor do people in northern Manitoba want to believe that there is no one in Government, who may be involved in a planning capacity, who is assisting the Minister and this Government get a handle on regional development from a provincial perspective. It is not good enough to just lend assistance to the regional development corporations, although that has to be a priority as well. The Minister seems intent on limiting, reducing the planning capacity, and that is my next question in this area.

The Government, the Conservative Party during the election announced, at least in the North, that it was going to develop a rural northern development plan. Can the Minister indicate whether he has assigned anyone to this task in particular? Has the Minister made any progress? I think many of us in the North found

it rather disconcerting that a Government in waiting would announce only that it is going to start planning after the election. Having come to grips with the reality that the Conservative Government did not have a plan but was prepared to develop one, is that process under way? Are we going to see a northern development plan in particular, but a northern rural development plan perhaps more generally, from this Minister in the next little while?

Mr. Ernst: First of all, I want to take exception to the Member for Flin Flon (Mr. Storie), who is suggesting that there is no planning and everything is fragmented and nothing is happening in the North. Nothing could be further from the truth.

First of all, we have the Norman Regional Development Corporation. We have a contact person seconded exactly to that corporation to deal exclusively with them and to provide that link between the Rural Economic Development Committee of Cabinet, and the regional development corporations.

(Mr. Chairman, Mark Minenko, in the Chair.)

In addition to that, two new regional development officers have been appointed in northern Manitoba, one in Flin Flon and one in Leaf Rapids. Those will work exclusively in those areas to deal with their tourism and the economic base. That funding is provided from the Mining Community Reserve and they will be exclusive officers employed by those areas to deal with, on a first-contact basis and on a general basis, and work in those communities on a daily basis.

So, I think with all of those things plus the Department of Northern Affairs, which is in that area on a constant basis and deals with a whole variety of questions, many of them related to the economic well-being of the residents of some of those northern communities, many of those northern communities, we think collectively will produce a significant benefit for the North. The North is not forgotten by any matter or means. The question of a northern development strategy, the question would be best addressed to my colleague, the Minister of Northern Affairs (Mr. Downey).

Mr. Storie: I certainly will have an opportunity to discuss northern economic development with the Minister of Northern Affairs (Mr. Downey). I hope the Minister is not suggesting that the provincial Industry, Trade and Tourism Department is not or has no interest in developing, for its own purposes or in conjunction with Northern Affairs, a development plan, a strategy for dealing with all of the issues that are going to arise out in northern Manitoba.

The Minister mentions that two people have been hired for what I understand to be tourism development officers, through the Mining Community Reserve Fund. The Minister will also know that those two communities obviously are important and I am delighted that use of a Mining Community Reserve Fund is being put in place, but there are dozens of other communities which also need a great deal more support.

Flin Flon is a relatively sophisticated community with sophisticated private entrepreneurs and sophisticated

businesspeople and business entities like the Chamber of Commerce who can promote their interests independently in some instances, not that the support is not welcome. But what about the other communities with no support? How are they going to ensure that their message gets through to the Minister of Industry, Trade and Technology (Mr. Ernst), that their interests are protected as we develop a plan for economic development in Manitoba which includes the North?

Mr. Ernst: Mr. Chairman, just to clarify the question of the development officers, the one from Flin Flon is to deal with Flin Flon, Snow Lake, and Cranberry Portage districts and will have a focus of primarily tourism. That is the main strength of the Flin Flon district as it relates at the moment outside of mining. So that opportunity, I think, that tourism opportunity is a major opportunity for some quick gains, so that tourism from that general area. From the community of Leaf Rapids, it is an economic development officer, as I understand it, to try and deal with some of those kinds of situations in that district.

With respect to the overall development strategy, certainly the Department of Industry, Trade and Tourism is interested in the North. I indicated that before the Member stood up. I am surprised that he would want to put something on the record like that which kind of showed he was not listening to what I had said. But in any event, we are interested. We will be working closely with those communities. There is a direct link for those communities through the Norman Regional Development Corporation direct to the Rural Economic Development Committee of Cabinet. In conjunction with Northern Affairs, we will be dealing with those issues and dealing with their particular concerns. They can be assured that any interests that they have will be well represented.

Mr. Chairman: Is it the will of the committee to pass item 2.(f)(1), (2) and (3)? Item 2.(f)(1)—pass; item 2.(f)(2)—pass; item 2.(f)(3)—pass.

We are now considering item 2.(g), Business Resource Centre.

Mr. Storie: One question. At one time it was proposed that the Business Resource Centre—I believe that is the one on Niakwa Road—move to the inner city area, to the downtown area to be more accessible to small businesses in the downtown area. Is that being considered at the present time?

* (1540)

Mr. Ernst: It is our intention to carry that out.

Mr. Storie: One of the concerns that I still have with the operations of the Business Resource Centre, Business Development Centre—I do not know which to call it—was the ability of the centre to respond to the ethnic business community in a more direct way. It had seemed to me that, over the past decade certainly in the Winnipeg area, we have seen an influx of entrepreneurs from other parts of the world, who come with a great deal of business skill, who come with capital

to invest but do not always have the connections, who do not always understand the relationship between business and the Department of Business Development and the Winnipeg Business Development Centre and so forth.

Does the Minister have any plans to reach out to this important business group in our community?

Mr. Ernst: Yes, Mr. Chairman, we recognize the need for reaching out to that community, especially many of the immigrants who have distinct needs, different than those perhaps of those people who are born in Canada. We are investigating that situation and we will be looking into it very closely. We are working with the Federal Business Development Bank who have some expertise in that area. Through the International Centre we are also presently working in that area, so that we have approached all of the associations of new Canadians in Manitoba to try and seek out interested people in those areas to see whether we can be of assistance to them.

It is an important area. It is one that we are giving very great consideration to and one which we will continue to give consideration to in the future.

Mr. Storie: Mr. Chairperson, I appreciate that the Minister is interested in considering it. I would hope that his commitment would go somewhat beyond that and perhaps he would consider moving more quickly to establish the kinds of outreach activities that the department has not done in the past to support the investment that is occurring and to increase that investment if it is at all possible.

Could the Minister indicate whether he would consider establishing for this fall, in conjunction with the other business development educational programs that are offered through small business, including orientation programs for each of the business areas, each of the communities that exist within the province and are doing business?

Mr. Ernst: Yes, Mr. Chairman, we are already undertaking those.

Mrs. Charles: The overview on the Women's Entrepreneurial Development, could the Minister give an outline of how much money is set aside for that and which areas it will be going into?

Mr. Ernst: Mr. Chairman, we have one consultant on staff who deals specifically with women's entrepreneurial issues. Her job, in the first instance, is to ensure that all department programs are tailored so that they fit with women's interests in regard to becoming entrepreneurs, so that we do not have a specific development fund budget within that department related directly to that particular issue other than the salary and normal expenses associated with an employee operating within the department.

All programs in the Government are available to women entrepreneurs. None specifically exclude any women entrepreneurs. All are available, all through the work of our consultant in that area, will be tailored to

ensure that they are available to women entrepreneurs. I should say that we do have some funding available for studies relating to women entrepreneurs and businesses that they wish to start, so that we have some I think \$12,000 set aside in the department for those issues.

Mrs. Charles: Would the Minister further inform me of how these studies would be initiated? Is this done through his department or are groups received by him to promote these studies?

Mr. Ernst: There are done through the Women's Business Owners Association.

Mr. Chairman: Is it the will of the committee to pass item 2(g)(1) Salaries—pass.

Item 2.(g)(2) Other Expenditures—pass. We have now passed all the items flowing through Resolution No. 99.

Before the House is Resolution No. 99: RESOLVED that there be granted to Her Majesty a sum not exceeding \$13,107,100 for Industry, Trade and Tourism for the fiscal year ending the 31st day of March, 1989; Il est décidé d'accorder à sa majesté une somme n'excédant pas \$13,107,100 pour l'industrie, le commerce et le tourisme: pour l'exercice se terminant le 31 mars 1989—pass.

I will now draw the committee's attention to item No. 3: Technology Division, item 3.(a)(1) Technology: Industrial. Are there any questions with respect to item 3.(a)(1)? The Member for Flin Flon.

* (1550)

Mr. Storie: I have two questions in this section, in item 3. Technology Division. The Minister and this Government have been strangely silent while probably the most important technology project in this province's history idles away over on Ellice Avenue.

The federal Government quite rightly decided back in 1983, 1982, that they were going to build the National Research Building in the province and constructed a \$43 million structure. The Minister was in here waving around with some great deal of pride that the Western Diversification Initiative has put in some \$20 million into Manitoba through its initiatives.

Yet we have probably the single most important project to the technology future of this province being undermined by this federal Government, a building that was supposed to lead Manitoba into the 21st Century in terms of our ability as a province to compete in high-tech areas and in an area where we believe the future lies.

Although the federal Government has tried to mask its failure to deal fairly with Manitoba by establishing a network to try and fill that office and provide some tenants who have useful projects for Manitoba, it is a colossal disgrace to the people of this province.

I believe the Minister of Industry, Trade and Tourism (Mr. Ernst), with his close ties and friendships with the

federal Government, should be able to achieve what we deserve and that is to have that building used as a national research facility which it was intended to be used for. There is no other example across the country where a national research building of that stature is privately operated in effect. There is no other example where the federal Government does not provide adequate support staff, research staff, operating costs to maintain a facility such as that.

Can the Minister indicate whether he has had any meetings, whether he intends to, or this Government intends to, stand up to the federal Government and ask Manitobans to be able to have what they deserve to have in the area of technology and research in this province?

Mr. Ernst: The Member for Flin Flon (Mr. Storie) stood up and said—and I wish I could quote him exactly but I did not write the words down—to some extent at least that this building was the greatest technological advancement for Manitoba or the greatest advancement in technology for Manitoba. Mr. Chairman, it is a building.

There may be some new technologies in the construction of the building that may be of some benefit, I suppose, to Manitoba overall. It is what goes on in the building that is important to Manitoba. What goes on in the building will be the test in terms of new technologies for Manitoba.

The building is occupied by 27 private firms occupying approximately 70 percent of the space in the building and are carrying on research and development activities at no cost to the taxpayer, as a matter of fact, of benefit to the taxpayer, of a contribution to the Government of Manitoba. The Member for Flin Flon—in his days in Government—was very used to throwing taxpayers' money around all over the place with total disregard for the person who has to earn those tax dollars and pay them to the Government.

I think it is important now that we recognize that there are private sector companies carrying on research and development activities in that same building providing technological advancements for Manitoba.

Mr. Storie: The Minister has demonstrated on more than one occasion the fact that he is not prepared to stand up to face the federal Government squarely on this issue and to come out a winner for Manitoba. They have accepted time and time again the few crumbs that the federal Government is prepared to offer—the few crumbs. It is disgusting that this Minister and this Government have no political balls. I am so angry—

Mr. Chairman: The Honourable Minister, on a point of order.

Mr. Ernst: Mr. Chairman, on a point of order, the Member's language I think is offensive. I think he ought to apologize. He ought to apologize not just to me but to every Member of this House. I think he should retract that statement immediately. That is totally unparliamentary and something that I find disgusting.

Mr. Chairman: The Member for Flin Flon (Mr. Storie), to the point of order.

Mr. Storie: I do not know whether that is in fact unparliamentary, but if I have offended the Minister, I will certainly withdraw those remarks.

I want to indicate that I am disgusted nonetheless at the willingness of this Minister and this Government to continue and be a partner in the unfortunate and reprehensible actions of the federal Government to fail to act in the interests of Manitoba. The Minister cannot point to one other province, one other national research institute, that is not fully funded by the federal Government, that is not staffed with National Research Council engineers and researchers, that is not fully supported in an operational sense for the benefit of Canada and for the benefit of the province in which that research centre is located.

The Minister may want to say that well, this is private money that we are getting. The Minister cannot say with any degree of security that that research, whether it is AECL or the AEI or Bristol Aerospace or any of the other companies that are in there doing research, would not have gone forward with that research without the facility support that they are receiving. The fact is that the federal Government had to look like it was doing something, so it filled it up with people, used incentives, cajoled industries and groups, including Government agencies, to take part in that building.—(Interjection)—Well, encourage probably using financial incentives, perhaps, but encourage is perhaps too moderate a word. I think cajole is more in keeping with the spirit of what actually took place, and I remind the Minister that I watched part of that.

* (1600)

It is unfortunate that what we have seen in the Minister's response is an indication that the importance of this technology centre, the importance of developing and seeing technology grow and develop in this province, is not important to the Minister. We have lost a major opportunity as a province, and probably as a nation, and there does not appear to be any awareness of that fact on the part of the Minister, and that is unfortunate.

I asked the Minister whether he was making any representation to his federal colleagues to see that facility used in the manner in which it was intended to be used, whether he had any intention of standing up on behalf of manufacturers in this province who could have benefited from the research and the investigations that might have been undertaken there. Does he have any intention of standing up on their behalf?

Mr. Ernst: The Member for Flin Flon (Mr. Storie) seems to be more interested in throwing the taxpayers' money around than he is in seeing other technology come to Manitoba, to be developed in Manitoba at no cost to Manitoba taxpayers, but at the cost of, and for the benefit of, those companies who will ultimately sell that technology for profit. That is something that I do not find reprehensible at all, and I do not find disgusting at all. As a matter of fact, I find it refreshing for a change that we are not throwing the taxpayers' money up in the air for grabs, that we are not throwing it into research that may or may not have development

potential in Manitoba, or technological benefit for Manitoba.

I am not, quite frankly, going to be one who is going to be prepared to throw the taxpayers' money around, unlike the Member from Flin Flon (Mr. Storie).

I think we see now development taking place—important development. It is not enough, certainly, and it is something that we are continually going to be searching out, so that we see new technologies, and other technology development, research and development activities take place in Manitoba, and from time to time with some Government assistance there is no question. The fact of the matter is it is not quite good enough in my view to have the Member from Flin Flon suggest that the federal taxpayer, whether it is from Manitoba or not, should be simply dumping money into a facility because he thinks it is a good idea.

Mr. Storie: It is not just me who thinks it is a good idea. The previous Liberal Government—and I hear, "Hear, hear!" I am not sure which side the Liberals are on in this House, whether they support the idea of a national research centre in Manitoba. It is apparent that they do not from their comments. They are, apart from the previous Government, previous federal Government, supporting that project, believing that it would bring benefits to Manitoba and to Canada. There are thousands of other scientists, researchers, including people at the University of Manitoba, our community colleges who are looking forward to that being a facility, and I believe there were many industries who saw some benefit in having a national research facility here for the development of manufacturing technology.

So let it not be left on the record somehow that it is only I or the New Democratic Party which believe that that facility should have been faciled -(Interjection)-Well, the Minister seems content to do nothing, which is a normal response from this Government to any major initiative to promote the interests of Manitoba.

Actually my second question is on the next item, so I am prepared to let this one pass.

Mr. Chairman: Is it the will of the committee to pass item 3.(a)(1)?

Ms. Avis Gray (Ellice): Mr. Chairperson, I notice under this section for Salaries, there are six SYs, one allocated to manager and five allocated to professional/technical. Could the Minister tell us how many Affirmative Action target groups are represented in these six SYs? Easy question for you.

Mr. Ernst: I am not sure exactly where the Member was getting her question from. There is one managerial staffperson, and there are five professional/technical, and three administrative support people in this department. The Member said six managerial positions?

Ms. Gray: Five

Mr. Ernst: There is one manager, there are five technical people.

Ms. Gray: I was told six.

Mr. Ernst: Right.

Ms. Gray: I was told six. How many of them are representing Affirmative Action target groups?

Mr. Ernst: The department supports the Affirmative Action Program in all hiring.

Ms. Gray: How many of the six positions, and I know SYs can be divided—I am assuming there are also six individuals in those six SYs—is that correct?

Mr. Ernst: If the Member for Ellice is looking at how many are women and how many men in that department, do you wish that question answered?

Ms. Gray: The question is how many of the six positions of the six SYs, how many of those represent Affirmative Action target groups, which of course is not just limited to women, as I assume the Minister knows?

Mr. Ernst: With respect to those six persons in this department, none represent those Affirmative Action target groups. However, the department supports and hires under an Affirmative Action Program throughout its operations—so while this particular division may or may not be representative of the department's total Affirmative Action program. In addition to that, I should point to the Member for Ellice that in the reorganization of this department, 34 people either had their term positions terminated or were redeployed within the Civil Service.

Based on the MGEA Agreement, which was in place and calls for no layoffs until 1991, it presents some problems in reaching desirable goals within the department's structure.

Ms. Gray: Could the Minister indicate to us, and this branch is one example of how the department overall fares in terms of reaching its target groups for Affirmative Action within the managerial and professional/technical areas, how close they are to the target groups?

Mr. Ernst: We have no specific information with regard to the Member in that regard. If she is keenly interested, we can attempt to find out exactly where we are.

The target is to achieve, over a 20-year period, representation within Government departments on a basis of equivalency to their relationship to the total population. That will happen presumably over that 20-year period. There are no specific identified targets that there will be 15, 16, 18 or whatever numbers of people of any particular group, one or another, within the department.

Ms. Gray: If the Minister would be willing to table that information, we would certainly appreciate it on this side of the House. This particular area, Industrial Technology, one thinks about this area as a traditionally male-dominated area in terms of science and technology. I am wondering if the Minister could indicate to us, in this department, in particular, because it has traditionally been male-dominated, what are some of

the systemic barriers that have been identified, and has your department prioritized these barriers in terms of an implementation program to remove some of these?

Mr. Ernst: The Member may well know that there have been problems in the past in this particular area, but I think things are changing. My federal colleague, the Honourable Frank Oberle, last night presented 75 scholarships in the science and technology area, 53 percent of which were for women.

Ms. Gray: Mr. Chairperson, we thank the Minister for that information.

Could the Minister tell us where, in this department, does the impetus come for affirmative action? Is there some one person responsible within the department or does each branch, such as Industrial Technology, have an individual identified where it is part of their job responsibilities?

Mr. Ernst: The department has an Affirmative Action Committee to deal with affirmative action within the department. It oversees its implementation, deals with questions, problems, etc., tracks the activity of the department to ensure that it is in fact meeting its obligations with regard to affirmative action.

As well, I would point out that the personnel manager of the department has done an excellent job in dealing with reallocation of staff as a result of the merger of the two departments. I believe now 80 percent or so of the people who were dislocated of departmental changes have now been redeployed.

Ms. Gray: Would the Minister indicate to us, this committee he refers to within the department, who do they report to? Who are they responsible to in the line responsibility?

Mr. Ernst: The Deputy Minister is responsible for implementation of the Affirmative Action Program within the Department of Industry, Trade and Tourism. That committee reports to him.

* (1610)

Ms. Gray: The committee reports to the Deputy Minister and the Deputy Minister obviously reports to the Minister. How does that committee within this department, what is the channel of communication and responsibility in relationship to the Minister of Labour?

Mr. Ernst: The specific committee, I do not think has any relationship directly with the Minister of Labour at all. The Civil Service Commission tracks affirmative action in the Government service. It is through that that Affirmative Action Programs are monitored. Each individual department carries out its own activities with regard to affirmative action within an established policy within the Government.

Ms. Gray: This committee within the department, do they have some reporting mechanism to the Civil Service Commission to someone in particular in the Civil Service

Commission as far as reporting on their activities and also receiving information about policy and implementation, and who is that individual?

Mr. Ernst: The personnel manager, Miss Sophie Zylch, is the person who does liaise with the Civil Service Commission and the Affirmative Action Programs within the Department of Labour to ensure that information is brought back and forth to the committee, that policy directions are transmitted and communicated interdepartmentally.

Ms. Gray: Do you know who in the Civil Service your department reports to? Is it an ADM? Who is that individual?

Mr. Ernst: I think I told the Member for Ellice (Ms. Gray) already that the committee reports to the Deputy Minister. The Deputy Minister is responsible for implementing affirmative action within our department, so that we have a liaison contact with Civil Service Commission. There is no reporting relationship, no managerial relationship from the Civil Service Commission to the Committee on Affirmative Action in our department.

Ms. Gray: If the committee within this department has a liaison relationship with the Civil Service Commission—I am assuming it is similar in other departments as well—then one would assume that each department basically has total responsibility for implementation; and if you have a liaison responsibility to the Civil Service Commission, there really is no direct authority from the Civil Service Commission regarding implementation of an affirmative action policy throughout the department. Would that be correct?

Mr. Ernst: The Civil Service Commission works, as I understand it, with every department in Government. They are the staffing responsibility function within Government. They are the overseer of the employees of the Government, but the implementation plan, the affirmative action plan, is the responsibility, as I said before, of the Deputy Minister. It is his job to determine that in my department affirmative action takes place.

Mr. Angus: A very, brief, simple and straightforward question to the Minister. Would you be kind enough to ask your personnel officer to provide the information, by tabling it, as to the total number of employees that you have, the total number of people that are under the affirmative action guidelines, that is, women and/or any other groups as identified, and the targets that you have over the next number of years, so that we can all see how effectively your department is living up to the suggestions now and doing in relation to progressions in the future? I think that is a reasonable request. Thank you.

Mr. Ernst: I would be happy to provide the number of people in the department, the number of people who—and I hate to categorize people, unfortunately, but if the Member wants that information, we are prepared to indicate the affirmative action employees under the department as well.

In terms of the plan, there are, as I indicated earlier, no specific targets beyond the overall plan of trying to reach that accommodation of relationship to population over the next period of time. So I have not that information to table.

Mr. Angus: I appreciate the Minister's—if he will table the information that I asked for and I think in that respect what we all want to be able to do is simply say yes, we are an equal opportunity employer as the Province of Manitoba, and here is the evidence, so I appreciate that. Thank you. I am ready to pass this section Mr. Chairman.

Mr. Leonard Evans: Mr. Chairman, a couple of questions on the Technology Division. Overall, I would like to know, maybe the Minister does not have this, but just what share does Manitoba get of federal expenditures on Applied Science? In other words, what share do we get? I know there is the National Research Council but there are other initiatives in the federal Government as well. Does the Minister have any idea as to the overall share that Manitoba gets in the area of technological development as it relates to industry?

Mr. Ernst: After getting some numbers read, or some relative numbers at least anyway, I am pleased to say that we do very, very well in Manitoba. We get more than our fair share in this area. Rural expenditures, 1986-87 in the country were \$3.6 billion; \$151 million of 4.1 percent was spent in Manitoba. 1986-87—that is Scientific Activities. Research and Development Activities: \$2.3 billion nationally, 4.7 percent, \$111 million spent in Manitoba. I guess that basically gives you some indication of the kind of expenditures that there are in Manitoba.

Mr. Leonard Evans: If I heard the Minister correctly, we get 4.1 percent of the monies spent through National Research Council? Total scientific—

Mr. Ernst: Total scientific and technological expenditures by the federal Government.

Mr. Leonard Evans: 4.1 percent and 4.7 percent for R and D, I think he said. I do not know how the Minister can say we get more than our fair share because it seems to me that is more or less roughly comparable to our population, Manitoba's population. I would not be too satisfied with that. I think we have to stand up, as my colleague from Flin Flon said, let us stand up for Manitoba.

I think that we should be getting more. I really think we got shafted with the National Research Council facility here. You know, it was put up by another Government, I know, but the Mulroney Government came along and proceeded to leave it empty. I think that is terrible. Talk about a waste of taxpayers' money.

I think we have to do more to lobby with Ottawa to get even more expenditures by the federal Government here. I cannot think of a better area than technological development. It is something that is footloose. It does not have to be necessarily in a heavily-concentrated population area, unlike some manufacturing that has

to be located in the centre of the market. That is not true for technological development.

I would like to think we make a greater effort to have more federal funding in this area. Also, I am concerned that there is some drop-off in some of the expenditures. Looking at the Information Technology, there is some drop-off from \$924,700 to \$861,700; that is in the way of Other Expenditures and Salaries. I do not know how significant that is, but I am not sure exactly what is happening here.

* (1620)

What I am saying, Mr. Chairman, my point is that this is an area that we have to devote more resources to, and my own personal opinion, it is an area that promises a lot of potential for us. In some ways we have done that in the health industry and now you have a completely separate section on health care products and services in the department. But in many ways that is what the health care industry development was all about. It was a development of applied technology in large measure.

I think we have seen some successes with the Canadian Food Products Development Centre at Portage la Prairie. I was the Minister when we negotiated this in the Seventies. I know it was signed in '78 but we negotiated it when I was the Minister. That has come a long way and it has played an important role in Manitoba food processing. So I say this is a natural area for us. It takes dollars, I know, but I think in the long run there is a payoff. So we have to do more to get the dollars out of Ottawa and I would like to see the Government spending an appropriate amount in this area as well

Mr. Ernst: Mr. Chairman, we are seeing some of that occurring already under the health industry development strategy. The new virology lab will go a long way to providing R and D activity and federal Government R and D expenditures in Manitoba. The lab out next to the Mint is providing some of that already as well. There will be further activity relating to the health care field, both in applied science, applied technology and in new development of technology over time. I agree with the Member for Brandon East (Mr. Evans), we need to do more. We will attempt to do that.

Mr. Leonard Evans: Specifically on the Information Technology side, I think it is referred to as InfoTech, I was wondering are there any new contracts with specific industries that I understand are supposed to utilize this facility, Burroughs, for instance, is one example that comes to mind. Are there any other opportunities, any new contracts in this area?

Mr. Ernst: Mr. Chairman, there are no new contracts, although the existing ones are still in place for a period of time yet.

Mr. Leonard Evans: Can the Minister tell us whether there are any spinoffs from this effort at this point, from InfoTech? Are there any spinoffs? As I understand

when we went into this that there was a possibility of benefits, multiple benefits in the private sector. I was wondering if there are any spinoffs yet, any multiplier effect from expenditures in this area.

Mr. Ernst: We have had a small branch, Geographic Information Service office opened by IBM in recent time with regard to spinoff, I suppose, from InfoTech ultimately. It employs 10 people in development of analysis of geographic mapping and things of that nature.

Mr. Leonard Evans: On a different point here, grant assistance to the Manitoba Research Council is down this year. Is there any explanation for this?

Mr. Ernst: The Manitoba Research Council is slightly down in terms of funding. What it does is reflect the emphasis placed on applied research to be done for the private sector. There is a long-term strategy, longer term, medium term, at least even a strategy to see the Manitoba Research Council become more self-sufficient. The target, at the present time, is 60 percent self-sufficiency, and they will earn 60 percent of their operating costs from revenues generated outside of Government or outside of the Manitoba Government. They may do activity for other Governments.

Mr. Leonard Evans: I just have one other question on a different area. That is actually 101, so I have no further questions at this time under 100. He may wish to pass that, unless there are other questions.

Mr. Chairman: Item 3.(a)(1)—pass; item 3.(a)(2)—pass; item 3.(b) Grant Assistance—pass.

The resolution before the committee, No. 100: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,287,500 for Industry, Trade and Tourism, Technology Division, for the fiscal year ending the 31st day of March, 1989; 100, Il est décidé d'accorder à Sa Majesté une somme n'excédant pas 4,287,500 pour l'Industrie, le Commerce et le Tourisme, Division de la Technologie, pour l'exercice se terminant le 31 mars 1989—pass.

I would like to now direct the attention of the subcommittee of the Committee of Supply to item 4. in the Industry, Trade and Tourism Department, The Canada-Manitoba Economic Development Planning Agreement.

Mr. Leonard Evans: We will just be brief on this item. The money is down quite substantially. There may be an easy explanation for it but, regardless, what are we getting for this money? What is happening in this area? I think planning agreements, planning itself can give us a lot of information as to where we are going and what possible opportunities there may be in the future. So I wonder if the Minister could elaborate on just what is happening under this planning agreement right now.

Mr. Ernst: This money is provided on a cost-shared basis with Canada for basically Government studies, long-term studies, for strategic planning into the future in a variety of areas. We have had, under the agreement,

a total of 17 studies for a total of \$905,000 have been spent up to this point. During the fiscal year, '87-88, health industries, there was \$20,000 spent; grain storage and handling on an international market basis, \$50,000; performing arts facilities, \$11,000; financial services industries, \$117,000; quality assurance in manufacturing, \$25,000 spent under the Canada-Manitoba Planning Agreement.

Mr. Leonard Evans: I do not know whether we got an explanation as to why there was a drop in the spending from \$280,000 to \$120,000.00.

Mr. Ernst: In principle, it is a lower level of activity, in part created by the election and change of Government, change of Ministers, a variety of those things. By the time you get into the swing of things again, the Budget is delayed, as obviously we know, so that levels of activity have not been pursued as much as they might have under a normal year.

Mr. Leonard Evans: These are pre-feasibility and other studies. As I was saying before, this is an area that we could look to, to give us an indication as to what is going to happen down the line. I was wondering if the Minister could comment. Is he optimistic about some areas that we are studying now, looking at the feasibility of some possibilities? Can he indicate to the committee whether there is something that may be of some interest in the near future that might see the light of day because of the work that is being done here?

Mr. Ernst: Basically, \$120,000 worth. There are no studies under way at the present time. There are several ideas in the works as to how best to utilize this funding, and we will be proceeding with that in due course.

* (1630)

Mrs. Charles: Could this Minister tell me, under the line that provides for studies on the role of Crown corporations in Manitoba's economic development, has there or is there to be done any study on the cost of rural telephone systems to the economic development of our rural communities?

Mr. Ernst: I am advised that there have been no studies under this planning agreement and, as I said, there are none under way. Several are under consideration and, if the Honourable Member would like us to give that consideration, we will.

Mr. Angus: It is with a great deal of pleasure that I pass the Industry, Trade and Technology Section, and move with glee on to Tourism.

Mr. Chairman: Item 4—pass.

Order, please. This subcommittee of the Committee of Supply is to consider Resolution 101: RESOLVED that there be granted to Her Majesty a sum not exceeding \$120,000 for Industry, Trade and Tourism, Canada-Manitoba Economic Development Planning Agreement, for the fiscal year ending the 31st day of March, 1989; Il est décidé d'accorder à Sa Majesté

une somme n'excédent pas \$120,000 pour l'Industrie, le Commerce et le Tourisme, Entente Canada-Manitoba sur la Planification, pour l'exercice se terminant le 31 mars 1989—pass.

I now draw attention to the committee's consideration of item No. 5., Tourism Division, item 5.(a)(1).

Mr. Neil Gaudry (St. Boniface): Mr. Chairperson?

Mr. Chairman: Bonjour.

Mr. Gaudry: My first question is, what effect will the consolidation of the Department of Tourism, being one of the very important industries in Manitoba, have on the Tourism Division?

Mr. Ernst: It is going to be a very positive effect, one that will provide a major focus for tourism in the Province of Manitoba. Our people in the department streamlined the operation. I would like to introduce them if I could have the opportunity.

Mr. Hubert Mesman is the Director of Marketing for the provincial Tourism Department division; Ms. Joanne Sigurdson, who is the Director of Development for the division; and Mr. Roland Lavallee, who is the Director of—I have forgotten—Quality Assurance and Industry Relations for the department. These are the senior management so far. There is an Assistant Deputy Minister competition being undertaken at the present time. That Assistant Deputy Minister will be the senior management of the department, once appointed. Of course Mr. Eliasson continues as the Deputy Minister.

Mr. Gaudry: You say you have streamlined the department. In what way? You have cut down the staff years. How many people have been affected in that department?

Mr. Ernst: The Member for St. Boniface (Mr. Gaudry) perhaps understands how the department is structured. It has been restructured into two line divisions. There is a reduction of five people overall, remembering that there used to be two separate departments with two separate administrations, two separate support staffs, two separate, in part, accounting and financial areas as well. So the overall reduction is maybe not as significant as it looks.

Secondly, we have under the department two areas of staffing: one is departmental staffing; the second is Tourism Agreement staffing. Under the Tourism Agreement, staff are paid as part of the Canada-Manitoba Tourism Agreement on a term basis, I believe, as opposed to the permanent staffing contained in the remainder of the department.

Mr. Gaudry: In the grants and other expenditures, what is included in there, in the \$199,400.00? There has been no change at all.

Mr. Ernst: Grants to the Tourism Industry Association of Manitoba of about \$60,000; Winnipeg Convention and Visitors Bureau, which will terminate likely depending upon what happens with the City of Winnipeg

Tourism Authority at the end of this year, that is \$36,000; the Brandon Economic Development Corporation, \$15,600—the Member for Brandon East (Mr. Evans) will be pleased to hear that; the Interlake Region, Central Plains Region, Eastern Region, Pembina Valley Region, Western Region, Parklands Region and the Norman Region all receive each \$12,500 approximately.

Mrs. Charles: In the description of this Tourism Division, it talks about media relations. Is that all in-house media relations or is this outside companies? If so, which companies would they be?

Mr. Ernst: Could the Member identify where she is referring to?

Mrs. Charles: On page 57, it is speaking of various ways of advertising and the media relations. I am wondering if there is a company hired or this is all in-house relationships?

Mr. Ernst: That page, Mr. Chairman, refers to the entire Tourism Division. We are on Tourism Division, Administration, at the moment. There is a department or a section, division of Corporate and Community Relations. When we get to that, we could discuss that if you wish.

Mr. Leonard Evans: Under this area of administration, we have the grants to the Tourism Industry Association of Manitoba, otherwise referred to as TIAM. I know the Government of Manitoba has funded the organization for some time in various ways. Is there any move or any consideration by the Minister and by the Government to change the role of TIAM as it relates to the Tourism Division of this department? In other words, is there any intention to have it do work that may be done by the department at the present time in terms of tourist promotion?

Mr. Ernst: Mr. Chairman, I am having a number of discussions with the TIAM board of directors with regard to certain areas that could be carried out more beneficially and at less cost to the taxpayer by TIAM or a similar type of organization. There are a number of other administrative areas that we are considering or looking at at the present time as well, but no decisions have been made. I think, if the industry reorganization is going to have a meaningful role to play, there can be some activity for them to take place and assume some of the areas that are presently occupied under the Government's departments.

As well, there is an opportunity, and we are going to be carrying on some discussions once the season is over, with the Manitoba Lodges and Outfitters Association to consider whether they can take over the very successful Master Angler Program and operate that on behalf of the Province of Manitoba as well. Those decisions are not made. Discussions are ongoing, but we see opportunities that can take place from the industry associations.

* (1640)

Mr. Leonard Evans: If that occurs, of course I am assuming there will be monies provided in the votes

of this department. I am not sure whether it is in these lines. There are really no changes in the dollars. In fact, there are fewer dollars under 5.(a) this year than last year. That does not prevent of course the Minister from finding money in some other related area. So my question then is—although this is still in a very preliminary stage, discussions are still taking place, no decisions have been made—does the Minister anticipate a reduction in spending in this department in terms of departmental activities if additional grants are being given to TIAM?

Mr. Ernst: The things that I referred to just a moment ago and the Member for Brandon East (Mr. Evans) referred to just now may occur in the future. It is not anticipated that they are going to occur within this fiscal year so that, as far as this fiscal year is concerned, it is as printed. Those activities are highly unlikely to occur before April 1 of next year.

With respect to the overall reduced expenditures, I point out that it is predominantly, for instance, under 5.(a) in the Estimates on page 109. It is in the area of Salaries, and that relates to the fact that we have no Assistant Deputy Minister yet in place but anticipate having one in place relatively soon. As a result, it is only a part-year salary payment and hence the lower amount.

Mr. Leonard Evans: That is fine. I would imagine then that while there are no monies in this budget, there will be some implications if it goes through so it is a hypothetical still. If it goes through, there will be some implications. So I guess my questioning was along the lines: will there be savings in expenditures within the department in terms of departmental activities that will offset the issue of expenditures by way of grants to TIAM, along those lines? I do not know whether the Minister wants to answer that or not.

Mr. Ernst: Those are all hypothetical questions. They will be answered in due course.

Mr. Leonard Evans: This is the area that we have money for planning and direction. It is very critical, therefore, in terms of future developments, and I am wondering what is happening—I believe there was supposed to be a development at Hecla and I do not know whether this is the right place to ask this but it talks about “provides planning and direction,” whether we can talk about the suggestions of a private cottage development at Hecla Island. It was thought that we could enhance the Hecla Park by providing cottages and people could come up with families. It would be a little more reasonable perhaps in terms of rent than the Gull Harbour facility itself. What exactly is happening in that area?

Mr. Ernst: Mr. Chairman, we have a section in the division dealing with the Tourism Agreement. That is where development projects would take place, and that is the best place I think to discuss those so we do not start confusing one another.

Mr. Leonard Evans: Item 7, 10 in the Manitoba Tourism Agreement.

Mr. Ernst: Yes, item 7, you are correct.

Mr. Leonard Evans: Just by way of questioning, can we discuss about developments planning for Grand Beach. Would that be under that and also Gimli or Duck Mountain, or any -(Interjection)-

Mr. Ernst: Any development project basically would come under that.

Mr. Leonard Evans: Okay, pass.

Mr. Chairman: Item 5.(a)(1)—pass; item 5.(a)(2)—pass; item 5.(a)(3)—pass.

Mr. Leonard Evans: Wait a minute. Did you say 5.(b)?

Mr. Chairman: 5.(a)(3).

Mr. Leonard Evans: 5.(a)(3), yes, pass.

Mr. Chairman: Pass. I would direct the committee's attention to item 5.(b) Marketing, (1) and (2).

Mr. Gaudry: Mr. Chairman, in Objectives there, you said: “To provide a consumer information and sales program through Travel Information centres and tourist booths located throughout the province.” How many of these have we got in the Province of Manitoba?

Mr. Ernst: We have one permanent location, we have one semi-permanent location, we have seven seasonal locations and we have two mobile units.

Mr. Gaudry: Mr. Chairman, I do not know whether it is proper here to question this with the Minister. I think we have had a couple of discussions but I am looking—you say, you have got five major centres, “Introduction of electronic travel data” and, with the Pine Tree development, would not that be in duplication of what is going on? I know they have some of them that are ready to go and it is just a matter of opening them up if the project finally goes ahead.

Mr. Ernst: Mr. Chairman, the whole question of Pine Tree Consulting's operation is up in the air at the moment. The federal Government has suspended funding pending an audit and review of their operation to date. None of their locations are operating at the present time. There are a number of structures around, but there are no electronic connections and no electronic data associated with those that I am aware of yet. There are 17 of those, I think, at the present time in place but none are operational. So they, in any event, would provide a supplementary service, extended hours, extended season service to our travel centres.

At the present time, we have live bodies sitting there welcoming people to Manitoba, giving them tourist information, providing advice and assistance wherever possible. There is nothing, quite frankly, better than a friendly smile to welcome somebody to your province, certainly not an electronic gadget.

Mr. Gaudry: Going into the Salaries, you have had a decrease of two. Could we be advised who they were

and if they were transferred to other departments or redeployed?

Mr. Ernst: There were staffpeople released. I am sure the Member is not particularly interested in the names of the individuals, but there were staffpeople released as a result of a Senior Officer Review that was conducted under the previous Government. They had released one individual and the other one has been redeployed in that scenario, so two people gone under the Senior Officer Review. Due to reorganization, there was one person released and we had—yes, just two SYs.

Mr. Gaudry: What is the reflection of the increase when you have got a decrease of two in the staff years and then you have got an increase of—

Mr. Ernst: There are, in the normal course of events, merit and general staff increases that were negotiated through the MGEA, so that provides some of it. There is in part also the question of an Assistant Deputy Minister which was not there previously and who will be there shortly.

Mr. Leonard Evans: This area of marketing, just to go back for a moment, this Pine Tree Consulting or Pine Tree Visitor Information Network, I am not clear. Is the province going to put money into this particular program or not and, if so, how much?

Mr. Ernst: There is no decision been made. An application has come in from that company for funding. We are awaiting the results of the federal Government review and audit before we do anything. I understand it is in the hands of the federal Minister at the moment and, once that is in a position to be released, we will be meeting with the local representatives of the department to discuss the question of Pine Tree and what is going to happen. It was never provincially funded. It was funded totally under the federal Job Innovation Program or Jobs for Tomorrow or some program similar, a federal program anyway, to the tune of about \$1.5 million.

Mr. Leonard Evans: So as I understand the Minister, the funding or consideration for funding has been federal, so there is no intent by the province to put money into this project. Is that correct?

Mr. Ernst: I wish the Member for Brandon East (Mr. Evans) would not put words in my mouth. What I said was an application has been made to our department. No decision has been taken pending the review of the federal Government's position.

* (1650)

Mr. Leonard Evans: So that means there is a possibility that the province may be funding this particular Visitor Information Network. It is a possibility. Again I ask the question: What is the probability? What are the odds?

I would like to, while we are on to marketing, there is a move and the Minister who probably is very familiar

with this, given his background with the City of Winnipeg and his contacts with the City of Winnipeg, that is the move to, as I understand it, wind down the Winnipeg Convention and Visitors Bureau and to put in its place a new entity called, "Tourism Winnipeg," to take on the task of marketing the City of Winnipeg commencing January 1 of 1989. As I understand it, they will cease business on December 31 of this year and the new organization will carry on.

Among other things, and this is public information, I believe that the Tourism Winnipeg budget is proposing that a 1 percent increase in business tax be levied to raise revenues to a maximum of \$300,000 in 1989. Does the Minister have a position on this, either for it or against it, or can he shed any light on this particular proposal?

Mr. Ernst: The City of Winnipeg of their own initiative undertook to create Tourism Winnipeg. It is an agency of the City of Winnipeg, a corporate body. The City of Winnipeg provides grants to the Winnipeg Convention and Visitors Bureau and so does the provincial Government. The City of Winnipeg will discontinue their grant funding to the Winnipeg Convention and Visitors Bureau, I believe, at the end of this year. Whether the Winnipeg Convention and Visitors Bureau closes or not or continues to operate will be their decision, not anybody else's. It will, however, have their funding reduced significantly by the withdrawal of the City of Winnipeg funding. But it is a private organization. I am a member of that organization and have been for many, many years. But the City of Winnipeg has decided they wish to take a different tack. They are going to fund that Tourism Winnipeg operation, in part from general tax revenue and in part from a business tax levy that will require legislation in order to implement it. We—my House Leader is not present—anticipate introducing legislation to allow that to occur this Session.

Mr. Leonard Evans: Sorry, I did not hear the Minister because of other noise in the room. Did you say that it is the intention of the Government or it is not the intention of the Government to accommodate the City of Winnipeg by bringing in legislation so that they may levy this business tax?

Mr. Ernst: Mr. Chairman, it is the intention of the Government to bring in legislation this Session that will allow the City of Winnipeg to levy that additional tax in order to support their tourism agency.

Mr. Leonard Evans: Again, I ask by way of clarification, did the Minister say in his earlier comments that there would not be provincial funding forthcoming for this or there may be a reduction of provincial funding to the City of Winnipeg for marketing purposes with this new set-up, having given the authority, if this should happen, that they have the authority to impose a business tax and carry on the way that they are suggesting to carry on? Will there be any reduction in the support or will there be any support from the department or Tourism Winnipeg?

Mr. Ernst: That has not yet been decided. Tourism Winnipeg is not yet in place. They are in the formative

stages at the moment. The decision by the City of Winnipeg to formalize that arrangement took place only at the end of August or beginning of September this year, a couple of weeks ago, so that they are in the process at the moment of putting together an operation. They have not yet made decisions with regard to the Winnipeg Convention and Visitors Bureau nor has WCVB made any decisions with regard to their own operations as yet. So it is still a little formative. We are not sure, so we have provided funding in our budget on a normal basis.

Mr. Leonard Evans: So what the Minister is saying, this is still hypothetical. It still has not come to pass and so on. My concern is duplication that might occur, although the argument might be, well, in tourism promotion, the sky is the limit, the more the better. At the same time, there has to be a rational allocation of money. There can be wasted money. I believe we would all agree in the -(Interjection)- I beg your pardon. I would remind the Minister that we have to be concerned about the various attractions we have in the province. There is just not enough money. The sky is the limit, I guess, in terms of tourism promotion. The question is, if this comes to pass, whether there is going to be some unnecessary duplication in marketing activities, events in the City of Winnipeg? Maybe then we should be directing more funds to promoting travel into the Whiteshell or up to Churchill or whatever.

Mr. Ernst: There is no question that an increase in funding—first of all, in the question of marketing, our Government has put a million dollars more funding into marketing this year than was ever there previously by the former Government. We think Manitoba has been undermarketed. We think we have not given Manitoba a chance. Within seven days of my coming into office as Minister of Tourism, the headline in the Winnipeg Sun was Manitoba is 10 out of 10. That was what they thought of the marketing program of the previous Government. They are niggardly funding for these marketing programs.

I think we see a big commitment. We see that tourism is a very important industry—three-quarters of a billion dollar industry in Manitoba employing some 18,000 to 20,000 people. We think that more marketing is required. We have put our money where our mouth is; we put \$1 million more in marketing. The City of Winnipeg, in addition to that, is going to put up another \$600,000 in 1989 for marketing. We think that is important. We think certainly there needs to be coordination. There is no point in both of us blowing our brains out, putting ads side by side in the airline magazine. We see that there is a need for a full coordination and cooperation with the City of Winnipeg tourism authority. We will be doing that, so that we can see either co-op advertising, selective single focus advertising as result of Winnipeg taking one initiative and Manitoba taking another.

We cannot and will not ignore the fact in our advertising that the City of Winnipeg represents a significant number of tourism attractions for Manitoba and represents certainly fully 60 percent of the people in this province. We are not going to take all of our

marbles and say we will ignore the City of Winnipeg, they have got their own, let them do their own thing. We do not do that in Economic Development.

In Economic Development, they have their own agency. They fund it themselves together with the Chamber of Commerce. We work hand in hand with that agency. We will do the same kind of thing. I have had a number of discussions already with the City of Winnipeg people and the councillor responsible for the development of the tourism authority. We will work closely with their staff in order to see that the Manitoba taxpayer receives the best dollar regardless of whether it is the City of Winnipeg taxpayer, a City of Winnipeg business tax taxpayer, or a provincial taxpayer.

Mr. Leonard Evans: I am not suggesting that somehow or other the City of Winnipeg be deprived. I am not suggesting that. I am just suggesting that we take a rational approach in allocation. If there is going to be -(Interjection)- I wish the Minister was speaking from his seat. One of these days we will get out of the first-envelope argument. One of these days we will depend strictly and I hope debate what this Government is doing. You are the Government; you have the responsibility. Let us discuss where we are going using the taxpayers' money.

* (1700)

Let me ask you a very specific question. More money than ever before, the Minister says, is being spent, about \$1 million increase. Can he tell this committee whether this department has an advertising agency that is going to handle this, and how much of the business is that ad agency getting, or are there several ad agencies, P.R. agencies, involved? Can he enlighten the committee on that?

Mr. Ernst: I would be honoured to enlighten the committee on it. We conducted a competition in July, I guess it was, for a marketing agency to assist us in our marketing program. I invited submissions from four agencies, the major four agencies in Winnipeg. Those agencies were McKim Advertising, Palmer Jarvis, Wordsworth and what is now Foster Marks Advertising. We reviewed those proposals, and we appointed Palmer Jarvis as the principal agent. They are overseeing the overall marketing program for 1989 for the Province of Manitoba.

We received, as part of the submission of McKim Advertising, a specific project related to internal, in-province advertising. I do not want to spill the beans because we would like to have a nice marketing announcement and so on when the project comes to fruition. It is a co-op advertising program with a major sponsor. It focuses principally on travel within Manitoba, and encourages Manitobans to travel within their own province and provides some incentives for them to do that. We thought that was a very imaginative project relating to—they had come up also with a corporate sponsor at the same time and suggested that this would be an interesting proposal, and we agreed. So we chose McKim Advertising to handle that particular project in

Manitoba. We felt it was only fair. They came up with the idea. It would not be fair for us to take the idea and turn it over to Palmer Jarvis as the principal agent. So we have contracted with McKim to handle that.

We also noted that in terms of assessing the strengths of each agency that the biggest strengths in terms of the regular written communication area was from Wordsnorth. They appeared to have the best ability in that area. So we have employed Wordsnorth to work under the Tourism Agreement area, so that the Canada-Manitoba Tourism Agreement is a separate operation in terms of the department. So they will be handling some communications work with respect to Tourism Agreement announcements.

Mr. Chairman: Order, please. The hour being 5 p.m., it is time for Private Members' Hour.

Committee rise.

Call in the Speaker.

IN SESSION COMMITTEE REPORT

Mr. Mark Minenko (Chairman of Committee of Supply): Mr. Speaker, the Committee of Supply has adopted certain resolutions and directs me to report the same and asks leave to sit again.

I move, seconded by the Honourable Member for Fort Garry ((Mr. Evans), that the report of the committee be received.

MOTION presented and carried.

Mr. Speaker: The hour being 5 p.m., it is time for Private Members' Hour.

PRIVATE MEMBERS' BUSINESS DEBATE ON SECOND READINGS PUBLIC BILLS

BILL NO. 2—THE BUSINESS NAMES REGISTRATION AMENDMENT ACT

Mr. Speaker: Debate on second readings—public bills. On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 2, The Business Names Registration Amendment Act; Loi modifiant la Loi sur l'enregistrement des noms commerciaux, standing in the name of the Honourable Attorney-General. (Stand)

BILL NO. 3—THE CORPORATIONS AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 3, The Corporations Amendment Act; Loi modifiant la Loi sur les corporations, standing in the name of the Honourable Attorney-General. (Stand)

BILL NO. 13—THE MANITOBA HYDRO AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Flin Flon (Mr. Storie), Bill No. 13, The Manitoba Hydro Amendment Act; Loi modifiant la Loi sur l'Hydro-Manitoba, standing in the name of the Honourable Member for Lakeside (Mr. Enns).

Mr. Jim Maloway (Elmwood): Mr. Speaker, I am very pleased to rise today to support this Bill sponsored by my colleague and Member for Flin Flon (Mr. Storie). I am actually pleased also to note that—I must be in a very agreeable mood now, I have spoken to two Government Bills and supported both of them, and that is not normal that Opposition Members are supporting Government Bills, so I am getting a little concerned myself that this trend should not continue too much further.

Since I am in such an agreeable mood, I was hoping that the Government would reciprocate. I have sat here for well over a month now waiting for them to say something about Bills Nos. 2 and 3, The Business Names Registration Act Amendments regarding the Brick furniture case, and they have continually stonewalled. They have been asked by the Liberals who have tried to move it forward into committee. They have been asked to speak and they have continued to disregard that suggestion by the Members.

Now back to the Bill at hand, Mr. Speaker, and I did want to start out by stating that The Manitoba Hydro Amendment Act, Bill No. 13, will in fact protect Manitobans' interest in developing of Manitoba's hydro resources under the proposed Free Trade Act. As a matter of fact, the Minister who I was speaking with a couple of minutes ago suggested this Bill was lifted off the Ontario Government's legislative agenda and, if it is, so be it. It represents a feeling and a view upon the part of people who are generally opposed to the Free Trade Agreement and view it as a massive sell off of our resources and of our country to the United States.

In fact, the Bill allows for the sale of energy to the U.S. subject to the needs of Manitobans and other Canadians. I see nothing wrong with that and it will ensure that the price charged to the U.S. buyers will be more than the price charged to Manitoba consumers.

We on this side are not opposed to large energy export sales to the United States. In fact, we have certainly partaken in sales over the years ourselves, but we must ensure that there is a reasonable return to Manitoba and Manitoba Hydro.

The energy provisions of the Free Trade Agreement are, without a doubt, a major sell-out of Manitoba's ability to provide a more stable and diversified and prosperous economy. There is no question in my mind to that. Manitoba should be entitled to attract industry with its low-cost energy resources but not by giving away the shop. You will recall a few years back the Conservatives were trying to entice Alcan to Manitoba with the offer of part ownership of part of a hydro plant. To me that sort of hankers back to a Third World

mentality where the Conservatives sort of are and have been at historically over the last number of years.

* (1710)

Mr. Speaker, I believe that we have a right to protect Manitoba consumers in the event of shortages. In fact, in 1973, there was an energy shock, an energy shortage of worldwide proportions. If this were ever to happen again, I would want to feel secure that Canada and Manitoba are in a position to protect our resources and not necessarily be tied into a continental energy plan which requires us to provide, perhaps, at that time, very much needed resources to the United States.

Under this agreement, the Free Trade Agreement, the economic union or the level-playing field with the U.S. really allows the U.S. to regard our resources as their own resources. In fact, this Bill introduced by my colleague will allow Manitoba to ensure future industrial development while at the same time protecting supplies and rates for Manitoba consumers. The Free Trade Agreement is an absolute sellout of this country.

In fact, as it indicated earlier, approximately 75 percent of our trade is now with the United States, and I would suggest that we are at the current time already overdependent on trade with the U.S. and we should be taking steps and making strides to try to develop our trade on a more even basis, on a worldwide basis. This agreement really calls for even more dependence and a sellout of our sovereignty to the United States.

Right now we are inundated with American TV, American movies. It is questionable as to how autonomous our military really is. I would suggest to you that if the truth be really known, the American military probably has overriding capabilities on ours. In fact, Section 904 of the Free Trade Agreement forbids Canada to charge a higher export price for its energy, "by means of any measures such as licences, fees, taxation and minimum price requirements." Canada can not refuse to sell its energy. In fact, it must sell a proportional amount in terms of when and if an energy crisis were to occur. I find this not entirely acceptable.

The energy area is just one area of sovereignty infringement that the Free Trade Agreement brings to the fore. The whole agreement is a sell-out because once again it incrementally provides for more integration. We are 90 percent there already, I would submit, and this just gives us the final push to the 95 percent and after that it is only another 5 percent stroll to full political union. Once an economy becomes that dependent on one country like the U.S., all it really has to do is threaten to withdraw from the agreement at a future time and put up barriers and our goose is essentially cooked. Had Mulroney not started on this road three and four years ago and he had left well-enough alone, we would have not raised these expectations the Americans now have.

Now, if we do not accept this one-sided agreement, I think that we are going to be open to retaliation on the part of the Americans, because the Americans now realize how good an agreement it is for them. I believe they are going to move on us very hard and decisively if now we do not go through, all because we brought

this up in the first place and aided and abetted and basically just walked right into it, giving away our resources and our country.

In fact, the state of Hawaii originally started in a free trade agreement with the United States, and I believe it was after a period of 10 years or so they had become so dependent on the United States that when the the United States—all they had to do was threaten to pull out of the agreement and Hawaii just rolled over and turned over the keys and became a state of the union.

We really do have to work on a more diversified economy. We have to have more trade with other countries. This agreement will actually lead us to a further deindustrialization of Canada, not that that has not been occurring over the last number of years, but it is going to be accelerated and going to be more serious in the years to come.

I reject this Fortress America mentality that some people in this House and in this country seem to have that somehow you can put a wall around North America and view it as an isolated trading bloc and that somehow it is going to be a more united and strong bloc as one homogeneous unit.

We are also very concerned on this side of the House about the standards that will be set in terms of social programs, old age pensions, Medicare and so on, under the Free Trade Agreement, because we believe that with the level-playing field will come pressures to lower wages and bring us into line with the social conditions that we find in states like Alabama and other have-not states.

In fact, the president of Magna, who I understand is running for the Liberals now, he was on TV awhile back and he was stating that while Magna had a successfully operated plant in Pennsylvania and other states, he had taken tours of these plants, and upon looking at the social conditions that people were forced to live under outside the plants, he preferred to pay a little more in terms of wages and operate and live in Canada. That was his preference.

The six-month cancellation in this agreement is often used as a reason for us to accept this agreement because we can always get out with a six-month notice, but I do not think it is as easy as that. I think once the commitment is made to move on this agreement, it is going to take more than a six-month cancellation to try to withdraw us from where we have committed ourselves to go.

I made a bet yesterday—perhaps I should not have—with a P.C. business guy who I know is anti-free trade, one of the few that are, I understand. Unfortunately, I drew Bush and Mulroney in the elections; he has Broadbent and Dukakis. So this is a bet that I am really hoping I am going to lose.

We are really at the crossroads in this country, and I think that there is a big concern on this side that social programs will be destroyed, and at a time when U.S. politicians are looking at our programs as models for their own country. I believe we should pass this Bill to protect our hydro and attempt the much broader struggle to throw out this federal trade deal, which I

think we can do by defeating the Conservative Government in the next federal election.

I do commend this Bill to the House and certainly, when the Attorney-General (Mr. McCrae) and the rest of the House see fit, I am sure we will send this Bill on to second reading and deal with any amendments that might come out of it at that stage and then pass it into law. Thank you, Mr. Speaker.

* (1720)

Mr. Speaker: Is it the will of the House to leave it standing in the name of the Honourable Member for Lakeside (Mr. Enns)? Do we have leave to leave it standing in the name of the Honourable Member for Lakeside? (Agreed)

BILL NO. 13—THE MANITOBA HYDRO AMENDMENT ACT

Mr. Richard Kozak (Transcona): The Manitoba Hydro Amendment Act, Bill No. 13, proposed by the Honourable Member for Flin Flon (Mr. Storie), is, despite its title, an Act introduced with the sole purpose of restricting the application of the trade agreement entered into between the Governments of Canada and the United States on January 2, 1988. As such, my colleagues and I have reviewed this Bill with a view to possibly supporting it. I hope that, by this point in time, no Member of this House will be unduly surprised to learn that the Liberal Party in Manitoba is on record as opposing the Free Trade Agreement.

Arguments against the agreement are quite well known. In my mind, they fall into two categories. The first is that under the agreement the laws of comparative advantage will operate to Canada's detriment. As the Member for Transcona, I myself feel this argument very keenly. Although the economy of my constituency has evolved considerably over time, it remains heavily dependent on the transportation industry. This industry is in the position of being theoretically exempt from the agreement but, as the agreement evolves over time, if Canadian voters decide to accept it in the impending federal election, there can be no assurance that transportation will remain forever immune. Quite frankly, I doubt that the laws of comparative advantage would serve our railways and truckers well if they found themselves head to head in competition with the large American railroads and truckers. As the Member for Transcona, I am very pleased to oppose the Free Trade Agreement. One might think that today I am intent on speaking in favour of Bill No. 13.

Canada's clearest comparative advantage lies in raw natural resources, the hewers of wood and drawers of water scenario. I am well aware that adjustments in foreign currency levels, commodity prices, wage rates and other economic equilibriums are entirely capable of disadvantaging Canadian business and Canadian workers to a profound degree. If the Bill under consideration could defend my constituents, Mr. Speaker, I would find it difficult to oppose. In fact, I would promote it with vigour.

The second argument against free trade, and it is related to the first, is that no one can predict the

evolution of law or treaty over time. Practice, judicial interpretation, political decisions are beyond the predictive capability of near mortals, and I see no obstacle to a major impact on the Free Trade Agreement stemming from protectionist sentiment in the United States.

I would remind Honourable Members that the dispute settlement mechanism under the agreement is a mere negotiating mechanism. What will it produce in the course of negotiations? We cannot even predict simpler matters with absolute certainty. One such simpler matter, and it certainly is not one that I would describe as overly simple but it is simpler than predicting the course of negotiations between two powers, is the value of the Canadian dollar vis-a-vis the American dollar.

The Minister of Finance (Mr. Munn), during this Session, has predicted a higher Canadian dollar and a lower Canadian dollar. The Minister of Industry, Trade and Tourism (Mr. Ernst) has this week advised me to direct questions on this matter to the Minister of Finance. I do not state this example with critical intent or with any questioning as to the intellect or competence of the two Ministers because economic predictions have a notorious track record. I suspect that my predictions might not be greatly more valuable than those of the Ministers I mentioned.

So I oppose the Free Trade Agreement, but it does not follow that the Official Opposition supports Bill No. 13, The Manitoba Hydro Amendment Act. Our province's direct and indirect guaranteed liabilities exceed \$11 billion if one includes our unfunded pension liabilities. The Manitoba Hydro-Electric Board, with assets of approximately \$4 billion, is the principal asset of this province. I hardly need add that the assets of the corporation, \$4 billion, are counterbalanced by the liabilities of the corporation, also \$4 billion, which represent the principal indirect liability of the province. The value of this asset must be preserved and enhanced with the greatest figure. No Member of this House is advocating realizing the province's equity in Hydro. No one is going to stand before us and say, sell hydro to reduce the province's debt. None of us will do that.

But a Bill that forces Hydro into a weak negotiating position by mandating preferential prices and preferential access to supply not just to Manitobans but to other provinces that offer us no such preference in return is entirely unacceptable. Hydro must be free to negotiate the best possible deal so that we, as a province, can preserve the value of this asset. A Bill that forces Hydro, also, to participate in Government regional economic development plans, regardless of the economics of these regional economic development plans, is also entirely unacceptable.

Perhaps, in conclusion, I might state that possibly the prime objection to this anti-free trade Bill is that it would come into effect, if passed by this House, regardless of what happens at the federal level to the Free Trade Agreement negotiated between the Governments of Canada and the United States.

I will campaign vigorously; I have campaigned vigorously against the Free Trade Agreement, Mr. Speaker. I will continue to do so. Unfortunately, I,

personally—and I believe my colleagues join me in this—cannot support this particular approach to combat of the free trade legislation.

* (1730)

Mr. Speaker: As was previously agreed, this Bill will stand in the name of the Honourable Member for Lakeside (Mr. Enns).

BILL NO. 16—THE REAL PROPERTY AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 16, The Real Property Amendment Act; Loi modifiant la Loi sur les biens réels, standing in the name of the Honourable Member for Lac du Bonnet (Mr. Praznik). (Stand)

BILL NO. 20—THE WATER RIGHTS AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Member for St. Norbert (Mr. Angus), Bill No. 20, The Water Rights Amendment Act; Loi modifiant la Loi sur les droits d'utilisation de l'eau, standing in the name of the Honourable Attorney-General (Mr. McCrae). (Stand)

DEBATE ON SECOND READINGS PRIVATE BILLS

BILL NO. 18—AN ACT TO INCORPORATE THE MANITOBA MOTOR LEAGUE

Mr. Speaker: Debate on second readings, Private Bills. On the proposed motion of the Honourable Member for Gimli (Mr. Helwer), Bill No. 18, An Act to amend An Act to incorporate the Manitoba Motor League; Loi modifiant la Loi intitulée "An Act to Incorporate the Manitoba Motor League," standing in the name of the Honourable Member for Dauphin (Mr. Plohman). (Stand)

PROPOSED RESOLUTIONS

RES. NO. 11—WASTE MANAGEMENT

Mr. Speaker: On the proposed resolution of the Honourable Member for The Pas (Mr. Harapiak), Resolution No. 11, Waste Management, the Honourable Member for The Pas.

Mr. Harry Harapiak (The Pas): I move, seconded by the Honourable Member for Elmwood (Mr. Maloway), that:

WHEREAS the depletion of Canada's natural resources is occurring at an alarming rate, to where it has been acknowledged by the Brundtland Commission, to whose ideals Canada is committed, that we must practise sustainable development in order to ensure the use of our natural resources in perpetuity; and

WHEREAS these natural resources are used in the production of consumer and other goods,

and subsequently disposed of as solid waste in landfills, thereby removing otherwise potentially productive land for better use; and

WHEREAS these landfills create a potential hazard to our underground water as a result of toxic leakage as well as result in annoying odours to nearby communities; and

WHEREAS many urban centres are experiencing serious and increasing litter problems: and

WHEREAS through the development of a comprehensive waste management program for Manitoba, we can significantly reduce the demand of and depletion of our natural resources, reduce the need for landfill sites and associated problems, and control the vast amount of litter on our streets.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba call upon the provincial Government to expand upon a public awareness campaign to encourage the recycling of household wastes; and

BE IT FURTHER RESOLVED that this Assembly go on record as calling upon the provincial Government to implement a comprehensive waste management plan, a key component of which is recycling; and

BE IT FURTHER RESOLVED that this Assembly call upon the Minister of Environment to give consideration to fund pilot projects in the cities of Winnipeg and Brandon and other municipalities to establish curbside recycling programs of household wastes in Manitoba and to consider providing financial assistance to municipalities in the development of such programs; and

BE IT FURTHER RESOLVED that this Assembly call upon the Minister of Environment to consider providing incentives to industries that are engaged in recycling programs and those who use recycled materials in their production processes.

MOTION presented.

Mr. Harapiak: Mr. Speaker, I am pleased to stand and speak on this resolution on recycling. I think it is a very important subject and it is good that we have this resolution introduced in the House on the day when we would have a session at Fort Whyte Environmental Centre where they spoke of more cooperation, our global community. We should not only be concerned about our own little environment here in Winnipeg or wherever we live, but we should be concerned about the global community.

I guess, as you go through different stages in your life, you kind of start wondering what we will be leaving as a society for future generations. I guess what made me think of this to a much greater degree in the last little while is my daughter, Maryanne, who live in London, Ontario, had a child, Julia Land, who was born on July 27. I guess when you become a grandparent, you are

moving on into the latter part of your life, and so you start thinking of what you leave behind as a legacy to your children or your grandchildren.

So I was pleased to be present at the Fort Whyte Centre and hear some of the words that were spoken by the Director of the Environment Centre and some of the people who spoke at the function, including our Minister of Environment (Mr. Connery) and the Minister of Natural Resources (Mr. Penner). I guess it all brings it down to the environment is such an important issue that we all have a role to play in the improvement and how we can handle some of the resources that exist there. Some people look at some of the garbage as waste, but I guess it is a resource if we can put it to use. Some of the recycling programs that have been brought forward in Manitoba have certainly shown that some of this garbage should be used as a resource and it is being used as a resource.

I just wanted to mention that I had an opportunity to meet with Harvey Stevens, the president of the Recycling Council of Manitoba and past president, Bob Fenton. At that time, they shared with us that, on October 1, they are going to be having a day where they are going to be turning trash into cash. They are going to set up a facility to accept people's waste, I guess it is a waste to them if they are getting rid of it. They are going to have a place at 139 Tuxedo Avenue and, for the first time, they are going to be having a depot at the Versatech plant at 436 William Avenue. I, as a critic for the Environment, have been asked to participate. I know that the Minister of Environment (Mr. Connery) has also been asked to participate that day. I think it is good that we should participate in projects of this sort, because it not only educates us as to some of the responsibilities in the recycling field but also it helps these organizations, who have some very ambitious plans, to show that there is support for the programs that are being brought forward.

I also had an opportunity to meet with the president of the Manitoba Soft Drink Recycling Corporation. The director of the operation is Lance Morrison, and he is involved in going from school to school and speaking to any organization that will listen to him about some of the things that they are doing in the whole area of recycling. I think it is good that they would go out and educate the public as to what the possibilities are in the whole field of recycling, because there are many groups that use this recycling of soft drink containers. Previously, they only used the aluminum cans but now they have extended that to the plastic bottles as well. Many organizations, like Girl Guide groups and Boy Scouts and school groups and mentally handicapped groups, go out and pick up their salvage, some of the cans that have been dropped along the road or right-of-way throughout our environment and they are cleaning it up.

Although it is garbage to many people, to these people who take the initiative and go out there and salvage they are turning it into cash. So I have to commend the Manitoba Soft Drink Recycling Association for the initiative they have taken. They started off in a very small building and they are expanding. This year, they are having to expand their

operation. They are a non-profit organization, but it also shows that there is some cash in that waste.

* (1740)

The other organization that is opening up their depot for the first time, the Versatech plant, is very heavily involved in recycling. I am especially pleased in this area because they use a lot of mentally handicapped people in their plant. I guess, being the parent of a handicapped person—I have a son who is 19 years of age and he is autistic. Just today, I had the opportunity to be present at his individual planning program dealing with his teachers and the group home that he lives at. They were talking about the possibilities of where they could find employment for some of these people. Versatech was one of the areas that they mentioned. They do hire mentally handicapped people, so I am pleased to be supportive of an organization of that sort that not only is doing a useful program by salvaging some of the garbage that is brought out, but it also is giving members of our handicapped community an opportunity for employment.

Having spent time with my son, I know how much better he feels as an individual when he can make a contribution. For some of those people, it does not have to be much of a contribution compared to some people in society. I know that if I take him home and I just help him move some dirt around the yard—he uses the wheelbarrow and makes a contribution—that you can see in his nature that he is making a contribution and he is happy he is doing it.

The school was just sharing with us today, whenever they as a school distribute flyers, Chad is one of the people who is always very happy when he sees the flyers that are brought into the school. Some of the other students grumble when they see a project of that sort, but Chad is a physical person so he is pleased to get out there and participate in a simple project like that of distributing flyers. At least he is doing something productive and I am sure that some day, with the progress he has made up to this point, he will be involved in some work where he will be looking after himself. I guess you have to give credit to the people who have worked for him. There have been many Government programs that we have had to take advantage of, because of the fact that he is a mentally handicapped person, and it has certainly made a difference to him. There has been a lot of growth over the last 18, 19 years.

There are some examples of other jurisdictions who are doing a lot in the whole recycling program. The City of Mississauga in Ontario, I think Ontario is the jurisdiction that is leading the country in how they are handling their refuse. There are classifying their garbage and, on the same day, they are picking up the recyclable garbage. That is really reducing the amount of landfill sites that are required for them.

I think that we as a province should be looking at this as well, and that is why in the resolution we call for a pilot project to be brought forward to the City of Winnipeg and Brandon and some other municipalities who, I am sure, would participate. The City of Winnipeg

itself is running short of landfill sites. They have now had to close one of the sites and a second one has about a four-year life span left. The remaining one really would last a lot longer if we were to recycle some of the garbage.

There are figures that show that up to 15 percent of our waste can be recycled. There are many paper products, aluminum cans and areas of that sort that can be recycled so we should be giving it serious consideration. Not only is it for the province's benefit but for the municipalities as well. There is a benefit because they will not have to bring on another landfill site for many, many years down the line if they take that approach and recycle up to 15 percent of the garbage that is being brought out for pick up.

I guess one of the areas that I have a real deep concern about is—and again, this is an area that can be recycled—in the handling of our petroleum products. At this time, there is no place in Manitoba where they can bring in petroleum products for recycling. I know that corporations like Shell Oil and Imperial Oil, when they have some operations in their own company, if they have some waste products, they have spill tanks where they can bring in the petroleum and bring it in for refining, but there is no place where the rest of us can go and dump our petroleum products. I think that is one of the reasons that we were calling on the Minister of Environment (Mr. Connery) to call a public hearing, because there are people who have come forward with suggestions of how they can make an improvement on some of these materials that are being dumped into our waste system at this time, which are flammable and extremely dangerous. We had some people come forward to us with suggestions as how they could utilize or set up a system to utilize those petroleum products.

I guess that is one of the main reasons that we were calling on the Minister of Environment (Mr. Connery) to hold public hearings, because I think that the fire that was created in Winnipeg a few weeks ago could happen again, because there are no places for these people who dispose of liquid wastes that they can dispose of. I think that is a product that can be refined and used. Why should we create a place in a landfill site where we burn off these, and when you burn it off there is some additional pollution being created as well.

Why do we not be a little bit innovative and look to industry? I think industry has some obligation, too, because they have the storage tanks there, and I think if we approached them in the right way that they would cooperate and help us come up with a solution of how we can dispose of those petroleum products.—(Interjection)—The Minister of Environment (Mr. Connery) is saying pollution in Winnipeg, we cannot do it. We are not asking him to burn it. I am asking him that we should create some storage site when there is petroleum products that people need to dispose of that they can bring this petroleum to a site and send it to a refinery where it can be recycled and reused.

I know that the used oil, there is a value of 13 cents a litre put on used oil and, therefore, they have set up a system to dispose of used oil, so I am sure that there is a need for handling other petroleum products and other solvents. I am sure, if the Minister would call a

public inquiry, that there are many people out there who are involved in the industry, they would come forward with suggestions as how we can be making a contribution and making —(Interjection)—The Environmental Council was something that I wanted to touch on because it was during our administration of the Government that the Manitoba Hazardous Waste Management Corporation was started under our administration.

I really think that if we read the background on this Manitoba Hazardous Waste Corporation, it is a Crown corporation that was established to develop and operate a hazardous waste management system in Manitoba. I think its mandate is to provide for the handling of provincially-regulated hazardous waste from their source to the treatment and disposal, consistent with the high standards of public health safety environment quality.

I think the next line that they are involved in is to find a site. I think it is extremely important that we move that up and find that site as quickly as possible, because I think that there are many hazardous wastes that are not being handled in the most efficient way. So I would hope that the Minister would once again look at some of the suggestions that we have made in our resolution and have that public inquiry, because there are many people who come forward but they said they are afraid to because they are involved in that liquid waste system, but if there was a public enquiry, that they would come forward with suggestions of how they can dispose of petroleum products. I would urge the Minister to pay attention to the resolution that we have on here, and also call a public enquiry so we can look at how we can handle those petroleum products as well. Thank you, Mr. Speaker.

* (1750)

Mrs. Gwen Charles (Selkirk): I am very pleased to be able to speak on this motion, this resolution, as I am in agreement with the intent of the resolution.

I was very pleased, on my maiden speech in this House, to speak on recycling that could be done within this building itself, and I understand the Minister will be making announcements soon, through Government Services, of how recycling of cans can be taking place in this building. I congratulate him on that effort that he is taking. At least, it is one effort.

The cost of our landfill sites, as a past representative of a municipality, is well-known to me. Municipalities have to find land to destroy, in essence, for many years after because of the chemistry that goes on in the landfill sites. Land is at a premium; we cannot afford to take it out of use for several years. The sites themselves, once they are used, are often misused because, in many cases, residents of the community will come in and set the landfill sites on fire, creating more pollution and more disasters that go on as the land around them catches fire. Indeed, I have received two instances from other ridings where they are complaining about their land having been destroyed because of fire that has taken place on them from landfill sites.

The majority of our landfill site is filled with recyclable material; paper, glass, aluminum and plastics take up

most of our products. There are many communities throughout the world who are moving towards using the natural materials to put into recyclable containers and use them instead of other chemical fertilizers.

There is much we can do towards recycling materials. I was very pleased to have been sitting, for the last two years, both on the Manitoba Environmental Council as well as Manitoba Environment Weeks, put out by the federal Government. We have urged, in the Town of Selkirk, both education and the need for recycling of our materials. ARC Industries, as the Member previous to me has spoken, has used the recyclable materials to employ disadvantaged individuals, and they are doing it very successfully.

I would suggest, as this resolution intends, that pilot projects on recycling material would go over over well with the population. The environment is becoming very quickly one of the top two items that people are concerned about as far as their own lives go, and, in particular, are very concerned that politicians should be paying attention to the environment.

With proper education, all people would quickly become aware of, because they want to become aware of, what they can do to recycle products and what they can do to enhance the environment. If most households are like mine, by the end of the week I have a stack of newspapers that, in essence, go just to fill up square feet of land if I do not put them to further use. Indeed, we do not have a de-inking plant in the Province of Manitoba, and I know of several groups that are sending newspapers out of the province to have them de-inked and to be recycled into other materials.

Plastics, as was stated, are being collected by the Manitoba Soft Drink Recycling Corporation and they can be recycled into such things as those little fruit baskets that we buy our strawberries and such in, in the spring.

Aluminum is 95 percent recyclable. Any aluminum can you pick up will indeed go right back into the industry again if it is recycled. The cost that we look at for such material is not only what we can recycle, but the cost of what we have to put into the environment to take these items out. For every ounce of aluminum that we recycle, obviously an ounce or better, it will not have to be taken from our ground. Certainly, when it comes to minerals, the rate we are destroying our land sites is incredible.

The most incredible of all is, of course, the rate that we are destroying our forests. Indeed, there are going to be major climatic changes because of the rate that we are cutting down trees in South America not necessarily just for the paper industry but for the raising of livestock to fill our fast food restaurants with appropriate hamburger.

All our land has to be protected. We have to provide and keep our land from being mined excessively. We have to keep our land from being deforested excessively. What we can do to that is recycle the products wherever possible. There is no reason that newspaper cannot be collected at the doorstep of every household every garbage day. As the Member before

me said, it is done very successfully in Ontario. I would assume that it is a project that starts out with a high success rate and probably dwindles off. So education is going to be a major part of that.

Having gone through Environment Week a couple of times in Selkirk where the children have been involved in environment projects, if we educate our children as to their role and the role that people can play in the environment, they are most aggressive in bringing their parents around. I think if we put it into the school actively, we will have a greater success rate in bringing it to everyone's attention. I do very much urge curbside recycling programs and especially in pilot projects where we may take one or two communities and perhaps have them challenge each other. I would suggest that if this keeps on going, that we probably would be able to come somewhere close to breaking even on the cost of it because the cost of products to be recycled are gaining their own markets.

When it comes to plastics, that is probably the worst thing that mankind has invented. We are all concerned about ozone and all the other areas in which we are destroying our planet so quickly, but perhaps the most cruelly, we are destroying our planet with plastics. I am sure most people here have seen newspaper clippings, magazines and certainly TV shows where they are showing animals who are wrapped up in plastics that are on the sea. I believe, if I am correct in saying, one of the newscasts this last weekend talked about if we stop using plastics today, 100 years from now they would still be washing up on the shores of our oceans. Plastics do not disintegrate unless we have gone to the new type of plastics that can be recycled and the new polymers that can go into the plastics and make them that they will be biodegradable and will destroy themselves when they come into sunlight.

It is with some sorrow that I see that we in Winnipeg have allowed a new styrofoam egg carton plant to come into being, or is coming into being. I am not sure of the time frame but I know it is being put on line. It is regrettable that we do not have a program in place that we could review all industries that are coming in as to their environmental soundness. Certainly, it would have been nice to have taken this company that is creating egg cartons and convince them to go from styrofoam into paper cartons that can use recycled materials.

It does not take much of a commitment to make a big impact, I think, to call upon this Government to look into such industries and to perhaps call upon the Environmental Council to look into ways and means to encourage industry to use products that can be recycled over new products which would be a very large step towards caring about our environment.

As for the Environment Council, I hope that soon we will be hearing that all 100 members are put in place and agreed to by this ministry.

An Honourable Member: We are waiting for them to give us recommendations.

Mrs. Charles: That is good. The Minister says he is waiting for recommendations, and I hope he encourages

them to speed up the recommendation. I am not sure that they are aware of that. Last week, when I was speaking to them, their impression to me seemed to be that they were waiting, so perhaps there is some communications breakdown there.

But it is very important that on the Environment Council we have people not only who are knowledgeable as to their educational background in the environment, but that we have people who deal with the environment day by day such as the farmers who have to deal with the chemicals and the pesticides and fertilizers and all that goes with it; that we have household members who have to deal with what it takes to run a household and what type of products we can or cannot use within a household. I would suggest also that we include them from all walks of life beyond that, within the city and without the city. I know it is a very aggressive committee that wants to do much with the province, no matter what the Government may be, and I encourage all Members to use their knowledge, individually or as a council, as much as they possibly can.

Incentives to go to industry to encourage them to engage in recycling programs would indeed take a large amount of man and person capabilities to put them in place. I know that everyone asks for studies, but I think there are areas that have to be looked at, and I would encourage the Minister as well to provide that mandate to the Environment Council to look at what type of incentives have been put in place in other constituencies, and what we could do to put them in place. I think as well to go somewhat beyond that, we have to look at the responsibility that industries have when they produce massive environmental hazards and what their responsibilities are in replacing

Mr. Speaker: I am interrupting the proceedings. When this issue is again before the House, the Honourable Member will have three minutes remaining.

The hour being 6 p.m., this House is now adjourned and stands adjourned until 10 a.m. tomorrow morning (Friday).