



Fourth Session - Thirty-Fifth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHOMIAK, Dave	Kildonan	NDP
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Cliff	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
GRAY, Avis	Crescentwood	Liberal
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	NDP
MANNESSE, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
ORCHARD, Donald, Hon.	Pembina	PC
PALLISTER, Brian	Portage la Prairie	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
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VODREY, Rosemary, Hon.	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP
<i>Vacant</i>	Rossmere	
<i>Vacant</i>	Rupertsland	
<i>Vacant</i>	The Maples	

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, July 12, 1993

The House met at 8 p.m.

ORDERS OF THE DAY

(continued)

COMMITTEE OF SUPPLY (Concurrent Sections)

Mr. Deputy Chairperson (Marcel Laurendeau): Order, please. When this section of the committee last sat, we had been considering the Department of Consumer and Corporate Affairs. As agreed to by unanimous consent in the House earlier this afternoon, Rule 65(6.3) has altered the sequence of departmental Estimates in this section of the Committee of Supply.

For the committee's information, I will read the changes made in the House: Consumer and Corporate Affairs, Rural Development, Decentralization, Culture, Heritage and Citizenship, and then Industry, Trade and Tourism.

Also I would like to point out that Rule 65(9)(c) has been relaxed and leave was given in the House to introduce new departments after 10 p.m.

CONSUMER AND CORPORATE AFFAIRS

Mr. Deputy Chairperson (Marcel Laurendeau): We will now deal with Consumer and Corporate Affairs on page 24 of the Estimates book. We are dealing with line 1.(b) Executive Support (1) Salaries \$263,200—pass; (2) Other Expenditures \$49,700—pass.

(a) Minister's Salary \$20,600—pass.

Resolution 5.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,029,500 for Consumer and Corporate Affairs, Administration and Finance, for the fiscal year ending the 31st day of March, 1994.

This completes the Department of Consumer and Corporate Affairs. Thank you.

RURAL DEVELOPMENT

Mr. Deputy Chairperson (Marcel Laurendeau): We will now carry on with the Department of Rural Development on page 130. Under normal Manitoba practice, the Minister's Salary is

traditionally the last item considered for the Estimates of a department. Accordingly, we shall defer consideration of this item and proceed with consideration of the next line.

1.(b)(1) Salaries \$361,200.

Does the minister have an opening statement?

Hon. Leonard Derkach (Minister of Rural Development): Yes, I do. Mr. Deputy Chairperson, I would first of all like to welcome my critics to the Estimates debate for the Department of Rural Development.

This evening, I am pleased to introduce my department's Estimates for review, and I look forward to discussing the details of the services and commitments we are making for the 1993-94 fiscal year.

I guess, Mr. Deputy Chairperson, there is one word that actually describes by department's agenda, and that is "action." This department is taking action to stimulate economic growth and diversification. We are actively promoting rural communities as key players in the new and expanding global marketplace. We are actively pursuing new measures to update procedures, services and legislation related to local government.

* (2005)

As many of you will recall, there were a number of long-standing issues within the department when I came forward for Estimates last year. Since then the Department of Rural Development has taken definitive action to resolving outstanding issues, to examine and to discuss emerging issues and to introduce new programs and legislation to adapt to the changing demands of our society. We not only start new initiatives, we complete them. The credit for our success and the high rate of activity goes to the department staff and to the many rural Manitobans who have been working with us to address concerns by developing innovative solutions.

I would like to take this opportunity to acknowledge and commend the efforts put forth by municipal officials and administrators, the Union of

Manitoba Municipalities, the Manitoba Association of Urban Municipalities, the Rural Development Institute at Brandon University, the Economic Innovation and Technology Council and the many other rural organizations and individuals who have been working with the department staff over the past year.

I would also like to extend these commendations to the regional development agencies, whose work fosters economic development at local levels, and conservation and planning districts, whose work to promote sustainable development will benefit us today and in the future.

Over the past year we have completed the restructuring process, and we are very pleased to welcome a new deputy minister, Mr. Winston Hodgins and two new assistant deputy ministers, Ms. Marie Elliott and Mr. Larry Martin, to our Rural Development team.

As part of the restructuring we have created two separate divisions: the Rural Economic Development division and the Local Government Services division. These divisions will enable us to focus on new emerging issues and to make our staff more responsive to the needs and concerns of rural Manitobans.

We have also created a new Corporate Planning and Business Development Branch to improve communication and co-ordination within the department. This, in turn, will facilitate program delivery and enable us to eliminate situations where there are overlapping responsibilities.

At the same time, we continue to look for program gaps and opportunities to strengthen the rural economy. In conjunction with developing a framework for service, the department is examining its role in several areas including entrepreneurial development, tourism, telecommunications, value-added processing, agriculture, supply enhancement and procurement.

We will also be commissioning a major review of the local economic delivery system in the near future. The study will focus on the local, provincial and federal economic organizations with a view to streamlining and joint funding.

With the completion of the department restructuring, we are in an optimum position to set out on a new year that promises to be as action packed as the last. We have an exciting agenda for the upcoming year, and we are right now

working to develop a strategic plan to guide us through each new endeavour. This strategic plan goes beyond the boundaries of the fiscal year and beyond the limits of the department itself. It encompasses all of rural Manitoba and will act as a game plan for the next few years.

We are calling on rural Manitobans and staff in the department to work together, share ideas and generate new initiatives. This province-wide consultation process to develop this plan was set in motion in Manitoba's first Rural Economic Development Forum on April 22, 1993, in Neepawa.

The forum was organized by the department with the assistance and guidance of an advisory group made up of rural business leaders from across Manitoba. With over 300 participants from rural businesses, local governments, education and training, economic development, corporations and financial institutions in attendance, rural Manitobans were represented by people with a broad spectrum of views, interest and concerns.

The primary aim of the forum was to develop a united vision for rural Manitoba and to lay a solid foundation for future development by identifying guiding principles and giving priority to certain issues. The exciting and productive achievements we reached at the forum hold great promise for our future. I sensed a very powerful commitment was being made by Manitobans as they forged new partnerships, not only with department staff, but with neighbouring committees and fellow Manitobans.

We made it very clear to the rural Manitoba people that we are prepared to act on their suggestions and proposals. We also had overwhelming support for the strategy we are proposing for the future. Over 60 percent of the participants said, yes, to the framework we presented; 25 percent wanted to review it in greater detail.

With this positive reinforcement, we are confident that we are steering rural Manitoba in the right direction and we are letting the people of Manitoba be our guide.

In the upcoming months, we will collate all the information from the form and follow up discussions and return a summary report to rural communities. This community-based partnership approach will remain a fundamental component to our strategy. Grassroots input has been our most valuable asset

when examining current practices and seeking out innovative solutions.

Thanks to the co-operation and the active participation of groups like UMM and MAUM and municipal administrators and officials, we have successfully resolved a number of outstanding issues. In particular, we have raised the limits for licence fees associated with Transient Trader. The change calls for maximum manual fees of \$200 for rural municipalities and urban municipalities with populations to 5,000 and \$500 for urban centres with populations over 5,000.

We have reached third reading for a new regional waste management legislation that will enable rural municipalities to combine their resources to establish regional waste disposal sites. This legislation sets new standards for the development, operation and maintenance of waste disposal grounds. We are currently working with some of our northern communities, including Lynn Lake, Flin Flon, Snow Lake and Churchill, to seek out creative solutions that will enable them to adjust to industry changes. Our efforts include exploring options to diversify the economy and co-ordinating all levels of government to ensure the long-term viability of these communities.

* (2010)

Another very important landmark achievement was the resolution of the policing issue. Through extensive consultation and co-operation, we have made changes to the Provincial and Municipal Tax-Sharing Program to narrow the gap between the cost paid by municipalities for providing police protection at their own expense and those policed under the provincial RCMP contract. Under the new plan, municipal-cost communities will receive a larger portion of the PMTS funding payments for police services than the provincial-cost communities. The funding shift will be phased in over two years, and an additional payment of \$200,000 will be provided to provincial-cost communities in 1993 to ease the transition to a new cost-sharing arrangement. I am very pleased with the cost-effective and practical solution that was reached through the co-operative effort. The new tax-sharing arrangement will be easy to administer, easy to understand and a more equitable approach to policing costs for Manitoba communities.

We are also right on schedule in implementing our strategy of ongoing and continuing

improvement to the assessment system. Even property classification portioning, while they have been somewhat controversial, have served a very necessary function. They have allowed us to phase in market-value assessment without the sweeping tax shifts and upheaval that would normally occur with a change of this magnitude. The adjustments that continue to occur throughout a ten-year strategy allow for a natural progression to market-value assessment. With these changes in place, we have already made significant strides in improving the level of fairness and equity in the taxes paid by the various classes of property. In fact, the major thrust of the changes deal directly with the concerns raised by municipalities throughout the province.

We are now gearing up to begin the next province-wide reassessment for 1994. This reassessment will set us on a course for a regular reassessment cycle that will ensure the tax base reflects a current and accurate property assessment. At the same time, the new market-value approach clarifies the assessment process and enables ratepayers to understand how their property has been assessed. Also, in response to concerns raised by municipalities, we are working to redesign the tax statements from property tax notices. Based on the feedback from municipalities, we have developed a new design that clearly distinguishes between the municipal and school board portions of the tax notices. We have also worked with municipal administrators to create new and improved designs for the reports and forms that support budgeting and taxation.

As I mentioned earlier, taking action means resolving issues, which we have done, and taking on new challenges to address outstanding and emerging issues. One of the biggest undertakings for the next three years is a comprehensive review and revision of The Municipal Act and related municipal statute. Our government made a commitment to revise this outdated act, and we have now set the wheels in motion. The last substantial amendment to the act took place in the 1970s and only scratched the surface in terms of significantly updating the legislation. Our goal today is to examine the act and develop new, innovative ways for municipalities and other local service providers to meet challenges today and in the future.

* (2015)

The Municipal Act and related statutes review will determine public opinion on related issues and concerns about Manitoba's municipalities and how they are governed and how local services are delivered. These concerns have been summarized in a discussion document that has been distributed throughout the province. Public meetings will be held around the province to provide ample opportunity for Manitobans to participate in the consultation process. This grassroots input is a very important aspect of the review, and I am encouraged by the number of people who are taking a keen interest in this process. We have appointed a panel to organize the public meetings, collect the data and prepare a report that incorporates recommendations from our consultations with Manitobans.

While we are working to revise the acts, staff in our department and regional offices will continue to provide services and assistance to local governments throughout the province.

I am pleased to note that we are increasing the number of economic development officers across Manitoba. As these additional officers take on responsibility for economic development initiatives, they will enable our other staff to focus on the more traditional functions of local government. I want to stress that we remain committed to the partnerships we have developed with local governments, but the department and in particular the new Economic Development Division are also fostering partnerships with businesses and entrepreneurs to promote rural Manitoba.

All of our economic development initiatives are geared toward building on the natural strengths and the resources that abound in Manitoba. We all recognize that rural Manitoba is a strong, vibrant player contributing to the province's long-term prosperity. It is our responsibility as a government to ensure that Manitobans have the tools they need to grow stronger and more competitive. We are not saying we can do it for them, far from it. We are saying we are ready and willing to establish programs that will enable Manitobans to help themselves.

I point to the overwhelming success of the Community Choices program. When we first introduced this program, we believed it would run its course and finish by the 1992-93 fiscal year. What we did not count on was the immense support and enthusiasm from rural communities.

Because we are still receiving requests from communities who want to establish a round table for their area and because we have witnessed the many positive benefits of Community Choices, we have allocated funding to extend this program to the new fiscal year. There are currently 41 round tables in Manitoba involving 81 communities. This represents approximately 40 percent of all municipalities in the province.

The Grow Bonds program continues to offer Manitobans one of the most viable and exciting options to invest in themselves and give a boost to the local economy. Approved projects are well on their way to developing new jobs and an expanded industrial base in the local area. The Altona Grow Bond office continues to receive and evaluate new proposals, and I anticipate we will hear several more good-news stories in the upcoming year.

The Rural Economic Development Initiative or, as it is better known, REDI is also showing great promise. To date, approximately \$11 million of rural VLT revenues have been committed, recommended for approval or expended on economic development programs for projects in rural Manitoba. This total includes \$1 million to support the Ayerst expansions, \$600,000 to develop a new crop diversification centre and roughly \$2.6 million in various approved projects. During its first year, the department received over 200 preliminary applications with about two-thirds being recommended to proceed to a more detailed application. Of the 84 detailed applications received to date, 40 have been approved or recommended and are in the final stages of the approval process, and 30 projects are undergoing active review.

In the budget announcement, our government dedicated \$12.3 million of VLT revenue to support economic growth and development in rural regions. This is more than three times the amount of last year's commitment. Of that total and in response to requests at the local level, \$3.5 million has been allocated unconditionally to local governments at their discretion because they know best what to do in their communities.

By tapping into our Feasibility Studies program, our Infrastructure Development program, or the MBA Student Consulting and Development Support projects, a community can access both funding and expertise to enhance its local infrastructure and to help its economy.

These programs are getting a positive review from rural Manitobans and from their communities and we are hearing equally enthusiastic responses to the newest REDI program, the Rural Entrepreneur Assistance program. The REA program, as it is known, provides guarantee loan assistance and business support services to eligible new and existing businesses in communities outside of Winnipeg. REA is unique because it is specifically designed to ensure capital and training are more accessible to rural small business or farm-based business and commercial ventures. While it targets cottage industries and small business operations that may not qualify for other economic support programs, REA can be used in conjunction with other government and private funding.

Like last year, the REDI program is going beyond its mandate to assist communities with rural economic development by incorporating a special component to assist young people. We recognize the importance of keeping our young people working and learning new skills in their own home communities. An essential part of this learning process must start with their education. We must teach our children entrepreneurial skills and encourage them to set aside the old philosophy about educating ourselves for a specific job.

We all recognize the successful Manitobans in the future will use their education to create their own jobs and opportunity. Through the Green Team Youth Employment and Parks Enhancement Program and the Partners with Youth program, young Manitobans will have more opportunities to find jobs throughout the summer months.

Last year the Green Team alone employed 204 youths and worked on 34 project locations for July and August. This year, we are building upon last year's success and expanding the program to provide skills training and employment to about 340 youths over a longer period. That is going to run from May until the end of September.

The Partners with Youth program will also continue this year. Through this initiative, young Manitobans are hired by local communities, agencies and businesses who receive matching provincial grants of up to \$2,000 to cover costs. This year, Partners with Youth is introducing a new component designed to encourage young people to start their own full-time businesses. The key elements of this program are that young people

have jobs, receive excellent hands-on experiences and stay in their rural communities while local businesses have the extra help they need to complete local projects.

The REDI program is also providing funding to support studies examining the feasibility of a new initiative that would expand natural gas service in rural Manitoba. Rural communities throughout the province are requesting the service as a means of strengthening their rural economies by providing a more diversified energy supply. While it is too premature to provide any specific details today, I would like to indicate that a thorough and comprehensive study of the issue is being carried out and that all opportunities are being examined. I can also assure members that all communities and interested parties will have an opportunity for input before the decision is finalized.

As part of our department's mandate to promote economic development, we are focusing on a number of other initiatives to improve infrastructure and enhance the foundation of our rural communities.

Downtown Revitalization: The communities involved in this initiative are well underway to giving a facelift to their downtown areas. Because of the success of this initiative, we are currently exploring the possibility of expanding the program to include other interested communities.

PAMWI: Through careful allocation of resources and cost efficiency, we are also looking to expand the Federal/Provincial Partnership Agreement on Municipal Wastewater Infrastructure to include more communities. The \$90 million PAMWI agreement was signed to provide cost-shared assistance to upgrade municipal water infrastructure in rural communities.

While we are on the topic of conservation and responsive plans for the sustainable development of our province, I believe it is important to touch on the valuable input of Conservation and Planning Districts.

* (2020)

These districts are an example of sustainable development initiatives in action. By organizing and co-ordinating different regions of the province, they make efficient use of joint resources and contribute to the quality of life in rural Manitoba. Both districts have demonstrated they have the local knowledge and expertise necessary to

co-ordinate this type of work more effectively than government.

The Department of Rural Development certainly recognizes the valuable contributions of conservation and planning districts, and we are committed to exploring ways of making them more cost-effective, while providing the same basic services. We intend to proceed with a complete review of The Planning Act and The Conservation Districts Act as soon as we have completed the consultation process for The Municipal Act review.

The review of the two acts will examine options to ensure both acts respond to the demands in a cohesive and effective manner. The main objectives of the review are to streamline, clarify and modernize the development of land use approval processes and to create better links between environmental reviews, water and land use planning processes and conservation programs.

I want to emphasize that any review process we implement will include the full participation of the public and the ongoing consultation with stakeholders. We are also proceeding with the review of provincial land use policies adopted in 1980. The revised policies were completed this past year and are now being considered by the Provincial Land Use Committee of Cabinet. Following their approval, the new policies will be adopted as a regulation under The Planning Act.

With each of these endeavours, we are striving to find an appropriate balance between promoting and planning for new industries while adhering to the sustainable development principles that protect our environment. We are also working with Manitobans to address concerns related to the environmental impact of livestock operations. A multisectoral committee, which is made up of producer groups, municipal representatives and consumer organizations has been established in finalizing management guidelines and an environmental code of practice for hog operations. These guidelines will be available to producers and municipalities in the very near future.

At the regional level, interdepartmental technical advice and assistance is being offered to producers and municipalities to co-ordinate the review and approval of large scale proposals. As with all ventures in our department, we are stressing the

need for communication, co-operation and mutual understanding as the key to resolving issues.

We have all witnessed and participated in enough activity over the past year to realize that partnerships are making a difference. From my remarks here today, I am sure it is clear to everyone that we are having a very active and very productive year.

While it may sometimes appear that the various initiatives going on throughout the department are running independent of each other, the fact is that they are all geared to one very important goal—creating a climate for growth in rural Manitoba to ensure that rural Manitoba remains a vital growing centre of our province where people enjoy a high quality of life.

My department will continue to do its part to provide assistance and tools to rural communities. I have seen from experience that rural Manitobans have the enthusiasm, the skill and the persistence to take those tools, seek out opportunities that abound right here in our backyard and to turn those opportunities to their advantage.

Members have received copies of the Estimates supplement. I am prepared now to proceed with a detailed examination of the Estimates for the Department of Rural Development for the 1993-94 fiscal year.

Thank you very much, Mr. Deputy Chair.

Mr. Deputy Chairperson: We thank the minister for those remarks.

Does the critic for the opposition party the honourable member for the Interlake (Mr. Cliff Evans) have an opening statement?

Mr. Cliff Evans (Interlake): First of all, I would also like to welcome the new staff that the minister has put in place, starting with his new deputy minister who took over, I guess, a year ago and the two new staff members, Ms. Elliott and Mr. Martin. I have had the opportunity to meet both of them. I am sure that their support in your department will be beneficial and hopefully we can get rural Manitoba and rural Manitobans back in line with the much, much needed input to be able to sustain themselves and maintain rural Manitoba as a large portion of this province.

* (2025)

I think, Mr. Deputy Chairperson, that the minister has made quite a few statements here this evening,

and I would think the minister, using a term, the ball is in his court and has been for the last year since he has obtained the ministry of the Department of Rural Development. I think that we would like to see action. As he had mentioned in his opening statement, they are supposed to be dedicated to action within Rural Development.

I would think that this minister and this government and staff and with the realignment of the budget in Rural Development must deal with the issues in rural Manitoba. We must deal with the issues of getting people back into rural Manitoba, staying in rural Manitoba, trying to maintain a work environment for young people in Manitoba so that they are able to come back after schooling or stay.

I think right now, I have not had the opportunity to be a rural Manitoban as long as the minister has, but I know that some of his statements I find true, that the people in rural Manitoba, and a lot of people in rural Manitoba, want to stay in rural Manitoba. In a lot of areas there is nothing there for the young people, and some of the people who have been there for many years are leaving. So I think that we have to definitely do something.

He is talking about all this money that is being committed through the REDI program and from Lotteries Commission and what-not, but I think that my message to him, and the message from rural Manitobans, is that instead of just talking about feasibility studies, instead of just talking about what is needed within the communities, they, the people in rural Manitoba, UMM and MAUM, are looking for better direction from the government and assistance.

The minister has indicated that he is going to bring economic officers throughout Manitoba, and I would like to be able to give the minister as much support as possible, not politically, but just for the fact of being a rural Manitoban myself, one who is awfully proud of the fact that I moved to rural Manitoba some nine, 10 years ago, and perhaps not consider myself a full rural Manitoban, but one that enjoys rural Manitoba, enjoys living there, and I want to see some future, not only for my family, but for others, not only in my community, but throughout communities in Manitoba.

So he talks new programs and initiatives, he talks about foundation for future, he talks about downtown revitalization. It is fine to talk, and I think that being also the new critic for this area, I am sort

of a little bit inexperienced as far as everything that is going on within the budget. I was sort of hoping that we would have the opportunity to be able to go through this in much more detail, so that I could possibly have a better understanding of how the department reacts. However, due to time restraints that we have, I will just close my comments and would like to request that we do have some time for some specific questions. I will allow the member for St. Boniface (Mr. Gaudry) to make a few remarks and leave us some time to deal on specific issues. Thank you very much.

Mr. Deputy Chairperson: I thank the honourable member for those remarks. Does the critic for the second opposition party, the honourable member for St. Boniface, have a statement?

Mr. Neil Gaudry (St. Boniface): Oui, Monsieur le Président.

It gives me great pleasure again to be the critic for Rural Development, and I want to express my thanks to the staff of the minister. The minister himself has offered many times to go to the rural areas with him when he has gone. But I have never heard such a long-winded opening statement. I would not have used that comment, but one of his colleagues—

An Honourable Member: Those were just point form

* (2030)

Mr. Gaudry: No, I appreciate—I know there are time constraints on this, but like I say, no, we could go till midnight, but then we have to stop, and that will be the end of our Estimates. There are other departments also.

Like I say, I would like to thank his staff for the co-operation, and I hope that we are co-operating the same way. We will continue to do so. I would like to go into the Estimates and ask questions, and I would like to thank the minister for his opening remarks.

Mr. Deputy Chairperson: At this time, we would ask the minister to invite his staff and introduce the staff present.

Then we will move on to line 1. Administration and Finance (b) Executive Support (1) Salaries.

Is it the will of the committee then that we pass all the lines other than the Minister's Salary and (b) Executive Support, that we come back and deal

with those two at the end? Okay, then we are going to move on; we are going to pass some lines.

Mr. Gaudry: What about the decentralization? How is it going to be dealt with? It is following Rural Development.

Mr. Deputy Chairperson: It comes after Rural Development. There is a separate—okay. We will carry on then.

1.(c) Brandon Office (1) Salaries \$91,800—pass; (2) Other Expenditures \$53,800—pass.

(d) Human Resource Management (1) Salaries \$151,900—pass.

Mr. Derkach: I believe you had asked that I introduce the staff to the members opposite here. I would like to introduce, first of all, the deputy minister for the department, Winston Hodgins. I would also like to introduce Roger Dennis, who is the executive director for the Local Government Services branch; also Ron Riopka, who is the director of Corporate Planning and Business Development branch; and Brian Johnston, who is the manager of Financial and Administrative Services. Brian is here.

Mr. Deputy Chairperson: (2) Other Expenditures \$17,300—pass.

(e) Financial and Administrative Services (1) Salaries \$212,400—pass; (2) Other Expenditures \$249,100—pass.

2. Boards (a) Municipal Board (1) Salaries \$297,900—pass; (2) Other Expenditures \$126,100—pass.

(b) Surface Rights Board (1) Salaries \$23,400—pass; (2) Other Expenditures \$17,800—pass.

Resolution 13.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$465,200 for Rural Development, Boards, for the fiscal year ending the 31st day March, 1994.

3. Corporate Planning and Business Development (a) Salaries \$542,700—pass; (b) Other Expenditures \$59,100—pass.

Resolution 13.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$601,800 for Rural Development, Corporate Planning and Business Development, for the fiscal year ending the 31st day of March, 1994.

4. Local Government Services (a) Executive Administration (1) Salaries \$73,700—pass; (2) Other Expenditures \$22,800—pass.

(b) Assessment (1) Salaries \$5,092,400—pass; (2) Other Expenditures \$1,073,900—pass.

(c) Local Government Support Services (1) Salaries \$684,500—pass; (2) Other Expenditures \$349,300—pass; (3) Transit Grants \$1,280,000—pass; (4) Centennial Grants \$14,800; (5) Police Services Grants \$200,000—pass; (6) Municipal Support Grants \$1,045,800—pass.

(d) Grants to Municipalities in Lieu of Taxes (1) Grants \$34,480,200—pass; (2) Less: Recoverable from Other Appropriations (\$32,540,300)—(pass).

(e) Information Systems (1) Salaries \$595,200—pass; (2) Other Expenditures \$1,946,100—pass.

Resolution 13.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$14,318,400 for Rural Development, Local Government Services, for the fiscal year ending the 31st day of March, 1994.

5. Rural Economic Development: Provides resources to create new employment opportunities in rural Manitoba through encouraging and assisting in the establishment and expansion of rural businesses.

Item 5.(a) Executive Administration (1) \$102,500—pass; (2) Other Expenditures \$18,500—pass.

5.(b) Infrastructure Services (1) Salaries \$1,186,900—pass; (2) Other Expenditures \$387,800—pass.

5.(c) Community Economic Development Services (1) Salaries \$2,398,600—pass; (2) Other Expenditures \$769,300—pass; (3) Grants \$536,600—pass.

Mr. Derkach: Mr. Deputy Chairperson, just before we pass this resolution, I thought it might be appropriate to introduce to my opposition critics the Assistant Deputy Minister for the Economic Development Division, who has just joined us at the table, Mr. Larry Martin.

Mr. Deputy Chairperson: Resolution 13.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,400,200 for Rural Development, Rural Economic Development, for the fiscal year ending on the 31st day of March, 1994.

6. Expenditures Related to Capital (a) Transit Bus Purchases \$30,000—pass.

(b) Water Development \$400,000—pass.

(c) Sewer and Water \$2,000,000—pass.

(d) Canada-Manitoba Partnership Agreement on Municipal Water Infrastructure \$3,520,000—pass.

(e) Drought Proofing \$435,300—pass.

(f) Conservation Districts \$1,757,800—pass.

(g) Downtown Revitalization \$583,000—pass.

Resolution 13.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$8,726,100 for Rural Development, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1994.

Lotteries Funded Appropriations:

7. Rural Economic Programs (a) Grow Bonds Program (1) Salaries \$319,200—pass; (2) Other Expenditures \$519,900—pass.

(b) Rural Economic Development Initiatives (1) Salaries \$140,300—pass; (2) Other Expenditures \$52,300—pass; (3) Programs \$5,718,300—pass.

(c) Special Projects \$2,000,000—pass.

(d) Rural Community Development Projects \$3,500,000—pass.

Resolution 13.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$12,250,000 for Rural Development, Rural Economic Programs, for the fiscal year ending the 31st day of March, 1994.

* (2040)

Now we will revert back to 1.(b) Executive Support (1) Salaries \$361,200.

Mr. Cliff Evans: Mr. Deputy Chairperson, the minister in his opening remarks made comment with regard to natural gas and that there is a study going on, that a certain amount of money has been allocated for this. But there is concern out there, and I would like the minister to clarify further and give us more detail as to the study, what is going on with it, why has it been four years since we came to this government, in 1989, the IDC did, which I was a part of. Since then the IDC has diligently done an enormous amount of work. Just within the last year, year and a half, the Interlake Dehyd Products has been struck. They have spent a countless amount of dollars on studies, have travelled to Japan, have brought a delegation here. My

colleague from Swan River has also raised the issue with the minister and this government.

As we talked about in private members' resolutions, my comments to the government were, let us get some of that gas, some of that natural gas underneath the seats of the ministers responsible, light them up and let us get moving on this and just find out where we are going. It has been a long time and that is on record. What direction can you give us today, what is going to happen with the natural gas? It is a big issue out there. It is a very important issue to a lot of people. I would really appreciate some answers on that. Where are we going? I do not want to wait, and neither does everybody else. There are a lot of people out there that are depending on some positive answers from this government to move ahead with projects.

We talked about infrastructure, we talked about economic rural development, we talked about maintaining economic development in rural Manitoba. This is a great opportunity.

Mr. Derkach: I would like to start out by telling the member from the Interlake that over the course of the last year and a half, since I have been minister of this department, we have acted on several fronts. With regard to natural gas, it is no less important than many of the other initiatives that we have embarked on.

But let me say that natural gas is not simply an energy source that we as a government can provide to rural communities at no cost to those communities. He has to understand that, first of all, there has to be some major commitment from a community to be able to pay for and to be able to hook up to that source of energy. It is not a matter of laying a pipeline to a community and saying, now there you go, community, link up if you like. Do not worry about the infrastructure that we have had to plow into the ground.

Before you can plow any line into the ground, there has to be some work done with regard to whether or not this is an economical way of providing an energy source to a community. The member represents an area where there has been some activity, and I might say, over the last year and a half or so, some serious activity with regard to promoting a community and with regard to finding industry to locate in that community.

I can tell you that is a result of the action that has been taken by this department through the

Community Choices program. Up until that time, many of our communities were very stagnant, and I do not say that of any particular community in our province. I say that of many of our communities in our province where they were sitting back and, perhaps because of the economic times or for whatever reason, were waiting for someone else to do their work for them.

Over the last year and a half, we have tried to encourage communities to use their own resources and to look for answers from within. Many have done that. I would have to say that the community of Arborg is one of those communities that has really taken the initiative, the Community Choices program, and has really gone to work in terms of actively pursuing a viable industry for their community.

It is that kind of interest and that kind of activity that has motivated us to respond to them as one community among many to look at the feasibility of providing natural gas service to that community. I have to tell the member also that this is not a small initiative. You cannot simply go out and extend natural gas service to a community and hope that it will somehow pay for itself. There has to be a great deal of work taken into account when you are dealing with the kinds of dollars that we are looking at. Inter-City Gas, as the member knows, has for a long time had a policy where they will not extend natural gas until it is feasible to do so.

We have indicated that to assist these communities—we know that in some communities there is not any hope in them being able to pay back the infrastructure cost in five years, so we have taken the initiative to do a study and then perhaps to work in partnership with those communities to extend the service where it is most feasible. There are communities around our province which, it seems, are poised and ready for development, where the community has now reached a point where the homeowners are ready to sign up to hook on to natural gas, and it is that kind of activity, that kind of interest that will assist us in extending natural gas service to some of these communities.

But I can tell you it is not a small undertaking. It is a huge undertaking, and right now between the Department of Energy and Mines and my department we have staff who are working very diligently at looking at the feasibility of extending natural gas service to the communities that are

most ready for it. We have been working now for the last year, I would say, very, very diligently. We have assigned at least two staff people who work on it full time, one from Energy and Mines, one from my department, who are actively working on it day in and day out with the communities, with the suppliers, looking at alternative ways, doing the cost structuring. We have also now had Manitoba Hydro come on board and give us some of their expertise in terms of putting numbers together and that sort of thing.

So it is my hope that within the foreseeable future we will be seeing some action in that regard.

Mr. Cliff Evans: Mr. Deputy Chairperson, I would just want to put on record that the minister made reference to certain communities participating more diligently than others when it comes to natural gas. I certainly do hope that he was referring to the Interlake area and Arborg and that area and the Interlake Development Corporation, because since 1989 this area has been trying to deal with just the things that the minister has just finished saying. There has been nothing since 1989. Now, if any one area—and I am not aware of any other area—but specifically that area and those communities and those development corporations that have been working to provide and complete studies, it has been this area.

Basically, the minister says that it is costly and whatnot, but I certainly know that. I certainly realize the costs and, I think, so do the communities. But, besides just the community at large of Arborg and the Interlake Development Corporation, I have not heard of anybody from the minister's department, from the government's office or from Centra Gas doing any type of an initiative study within the areas.

I live in one community and I live in the area, and I have had nobody come to me and say, would you want natural gas? Could you participate in restructuring your place of residence or business or whatever? I really have not. If I have not, and if there has been, I would certainly like to see a survey, but nobody has come to me with a feasibility study. The studies that are going on right now within the department and that, I can appreciate to a point. The minister talks action. This is action by dealing with some things like this natural gas issue on a front-line basis.

* (2050)

Mr. Derkach: Well, the member may not know, but during the round of meetings that we had, the regional meetings, the district meetings that were held, there were several points where we discussed that entire issue.

I would say that the Village of Arborg and the Interlake Development Corporation have really not been prepared or have not been at a point where they are ready to receive natural gas service at this point. As a matter of fact, I met with them last week. The member says he is aware, and he should also know then that we talked about the quantity of natural gas.

Of course, the community itself has not really surveyed its membership to see whether or not they can have a 65 percent hookup rate, which is required if natural gas is going to go into a community.

The other problem that they have right now is they are not sure whether or not this industry they are speaking about is one that is going to be a reality. Now it is a chicken-and-egg thing. We have indicated to them that we are not going to be standing in their way of development. If it means that their community is ready, then we are certainly prepared to work with them in co-operation.

The other community that has been actively looking—and I see the member for Swan River (Ms. Wowchuk) is here. I attended a meeting at their chamber of commerce at which natural gas was sort of their focal point at their meeting. I indicated to them at that time, again, that we are doing work, and Swan River is one of those communities that is aggressively looking for industry.

They have contacted a potential user of natural gas, who may be prepared to locate in their community. If that becomes a reality, once again we will not stand in their way of development. We will be working in co-operation and in partnership to provide them with the least expensive source of energy that we can. But what it means is that before that happens, we have to be prepared to have our homework done so that if in fact the project goes ahead, we are ready to swing into action and to take the steps necessary to provide that gas service almost immediately, rather than starting to do a feasibility study at that point to determine whether or not we can supply the energy.

We are working not just with those communities. I mentioned the communities of Killarney, Melita and Deloraine, in that area of the province. We are working with those communities as well. It is a huge province. We are trying to ensure that, if industry does move in and it looks like one that requires energy, we will be there working with that community.

I have to tell the member for the Interlake that we have been in contact with his area almost on a weekly basis, and we are certainly prepared to work with them. When they are ready, we will be there to work with them.

Mr. Cliff Evans: Getting off that topic, but mentioning the Interlake Development Corporation, can the minister tell me the funding for the RDCs? How much was it cut this year? What really is the future for the RDCs? There is concern out there. I think some of the RDCs are concerned that the minister's department is going to attempt to phase these development corporations away, primarily due to the cuts in funding. Some of them cannot take any more cuts. They have done a tremendous service to this province since their inception. A lot of them, since also the inception of the Community Futures, have worked very hard in their own areas and with their own municipalities and as a corporation to set their goals aside and deal with the issues in their areas that are not going to overlap with Community Futures and/or other agencies.

Can the minister, first of all, tell me how much money has been taken away from the RDCs this year? What is the future for the RDCs?

Mr. Derkach: Mr. Deputy Chairperson, despite the fact that we have passed this section, I would like to indicate to the member that we have reduced the RDCs by 10 percent. The reason we have reduced them by 10 percent is well known. It is a budgetary decision that was made. If we look at the kinds of services that we have had to reduce in other areas as a result of the fiscal times or financial times that we are experiencing, the member should probably appreciate the fact that, when we are seeing services in other areas rationalized to allow for our budget to be as it was in terms of the deficit, it means that we all have to share in some of that pain, and RDCs were no different.

In terms of the future of RDCs, that certainly is something that we are looking at at the present, not that we want to phase out or eliminate Regional Development Corporations, but, as the member knows, there are varying degrees of success of RDCs throughout this province. Some are working extremely well and have excellent results that they can point to in terms of their activity. Others are finding it more difficult and are finding that communities that used to belong to them are backing away and hiring their own development officers.

So what it means is that we need to take a look at where we are going with Regional Development Corporations to ensure that we strengthen them in some way, or we perhaps have to reorganize them so that they become more effective tools in the delivery of economic services in the province. It is too early for us to indicate anything at this time, but there is no design by government to try and eliminate them completely and not have any kind of a structure out there in rural Manitoba, because I think, from my comments, the member knows that we place a lot of importance on rural Manitoba. We have talked about partnerships. We are trying to forge those partnerships in a very positive way.

(Mr. Edward Helwer, Acting Deputy Chairperson, in the Chair)

As the member also knows, though, we have looked at other delivery systems. We have our own development offices throughout rural Manitoba. Community Futures has offices. We have local economic development groups. We have the round tables. There are many organizations in communities now that are trying to do the same kind of thing. What we are trying to get co-ordinated in a better way is the way we deliver economic development services in rural Manitoba. That is basically what we will be looking at, rather than looking to see whether or not we should cut this service or not.

I might say, if you were to take a look at this department's overall budget, you would see that this department is one of very few that has had an increase in its overall budget because of the amount of money we have received from the VLTs.

Mr. Gaudry: The minister, in his opening remarks, spoke about Grow Bonds.

Can he tell us what effect and what statistics he has in regard to the success of Grow Bonds in rural

Manitoba as far as employment and what it has done to the communities that have been involved with the Grow Bonds?

Mr. Derkach: I am very happy to talk about the Grow Bond program, because I believe it is a very effective tool to assist communities in utilizing their local capital for long-term economic benefit. This is not a program whereby we go ahead and find projects for communities. Rather, we put this program out, and we promote it as a tool for communities to use. It is up to the communities, then, to come forward with viable projects that could be funded through the Grow Bond program.

It must be appreciated that this is a long-term initiative. It is not a short-term kind of band-aid program for economic renewal in rural communities. Again, it is a program that works in partnership with the community. It is expected that over the next year we will be seeing another four or five projects come forward.

Communities are becoming much more in tune with what the Grow Bond program is about today and are starting to pursue it in a much more realistic way than had been the case in the past. To date, we have five projects that have been approved through the review process. Two of these projects have been announced and the bonds issued. Both Rimer Alco in Morden and the Care Corporation in Teulon have certainly shown that the money is there in the rural communities, that it only takes a very short time to raise that money and to get the corporation going.

* (2100)

Two projects we have approved. At the present time the communities are negotiating with the proponents to get these projects up and going. So that is a total of four. The fifth project was approved by the proponents; they have arranged some private funding and have decided not to go ahead with the Grow Bond proposal. That will happen from time to time.

We have also some additional projects that are in their final stages of approval. Again, the projects vary in size, and they vary in the complexity, but we try to do a thorough job in the due diligence that is performed on each of these projects to ensure that we do not put the money of people and communities at risk. So there is some chance of that project becoming a reality and becoming viable and one where we will see jobs.

In terms of the number of jobs that have been brought forward, I think we have something like 74 jobs that have now been created as a result of the projects that have been announced. In terms of dollars, we have a million dollars in Grow Bonds that have been approved. The approvals have resulted in about \$2.6 million of investment in communities.

With respect to projects being negotiated at a community level, it would be a further million dollars in commitment from the government, and it would involve another \$3.6 million in project investment and something like 67 additional jobs. The projects that are now going through for final approval involve a \$400,000 bond issue with an additional \$700,000 of investment, creating something like 20 jobs.

Mr. Acting Deputy Chairperson, in summary, I guess I would say that in approved and recommended-for-approval bond projects, we have about \$2.4 million of Grow Bond commitments, about \$6.9 million in total project investment and a total of about 160 jobs in rural Manitoba. That is not a bad record for the first year, and certainly we expect that this coming year we will even do better.

Mr. Gaudry: Yes, Mr. Acting Deputy Chairperson, in your expected results here you are seeing more individuals, including young people, pursuing entrepreneurial opportunities in rural Manitoba.

How many of these jobs have come out where it is young people that pursued entrepreneurship?

Mr. Derkach: Are you talking about the Grow Bonds program?

Mr. Gaudry: Yes.

(Mr. Deputy Chairperson in the Chair)

Mr. Derkach: Well, Mr. Deputy Chairperson, it is difficult to say how many of these people are young and what you define as young, but a lot of the people who are taking the jobs in these communities are from the local communities. They vary in age, of course, but a lot of them are the younger people who are married, raising a family.

We also insist that when a Grow Bonds corporation is put together, we have one young entrepreneur on the board and that means that individual has to be under 30. I can tell you that we have had some difficulty in some communities finding an entrepreneur under 30, so we have had to work with that community to try and find

somebody. So you can see that our communities are not made up of a lot of young people.

I would have to say that where we are hoping that this will take us is to allow more young families to remain in rural communities and also bring some young families back to rural communities, and that is sort of the underlying thrust, if you like, of the Grow Bonds program because with industry will come the attraction of young people into these rural communities.

Mr. Gaudry: Yes, Mr. Deputy Chairperson, I think that is what I was getting at. I know it is pretty hard. Will it bring younger people back into the rural communities? Are we attracting them to stay? Like you say, it was pretty hard to find young entrepreneurs in the local communities. I think it is important that maybe we communicate more to get them interested in coming back to the rural areas.

Mr. Derkach: Well, Mr. Deputy Chairperson, the member for St. Boniface is absolutely correct and right on in terms of what the thrust is of all of our economic development programs. When you look at the Partners with Youth program and the entrepreneurial element that is attached to it, what we try to do with that program is encourage young people not simply to go out and get a job, but more importantly to get involved in a project which may lead them to an entrepreneurship where they can remain in that community.

If you look at our REA program, the Rural Entrepreneur Assistance program, it is designed for cottage industry; it is designed for business at home or business on the farm or small business in a community. Again, our hope is that we can attract that young member of a family who perhaps does not have the ability to borrow the money from a bank to get a business going, to be able to come to us, work with us, and then by us guaranteeing a loan, assist them in starting up a viable business in a small community.

To that end, I might say we have had overwhelming interest in the REA program. If the projects that we have seen come forward become realities, we will utilize our allocation of a million dollars very quickly and will probably be out of money very soon. We will then have to make a decision of whether or not we put a pause on the program until our next budget year or whether in some other way we can pursue other projects that are viable and of benefit to rural communities.

Mr. Gaudry: Again, in his opening statement, the minister talked about the Community Round Tables and the Grow Bonds office, and the Expected Results talks about the grants that will be paid to Community Round Tables. Are there any grants that have been paid out already of the Grow Bonds?

Mr. Derkach: Mr. Deputy Chairperson, in '92-93 fiscal year, we paid out \$53,000 for Community Round Tables, and in this fiscal year—[interjection] Yes, because that is where we have the Community Choices program budgeted in.

In this fiscal year we will be expected to spend something like \$50,000 on the Community Choices program. What is interesting, and I should point out to the member—and I would encourage my critics to sometimes sit down with some of the round tables to talk to them about the kinds of things that are occurring in their communities—that one of the very interesting things I found was that communities have strengths in them that they did not realize themselves. By getting together and looking at where their strengths are and working on their strengths and developing a vision statement and a strategy, they are finding that they have opportunities that are right in their own backyards that have been there for some time, but they have really never sort of gotten them out of the—or tapped into them, as the member says, which is correct. That is the exciting part, and I hope it continues. Of course, our staff are working very actively with the communities, and I might say that some very small communities are really taking advantage of the program.

I can give you an example of a community which went through tremendous turmoil because they had approached the Manitoba Hazardous Waste Management Corporation to develop the hazardous waste site in their community, and it was totally rejected by the surrounding area. Everyone would have expected the community to die after that, but the reverse has happened. The community has bonded together, has formed a round table, and some very interesting and very positive things have resulted since that time. We are seeing that community really working towards its sustainability and also to revitalizing itself.

* (2110)

Mr. Cliff Evans: Mr. Deputy Chairperson, just a few other quick questions, one with regard to the

proposal by the community of Riverton that was made by council, I think, a year ago, maybe a little less, on their downtown revitalization program. The minister and his staff met with the mayor and council from Riverton dealing with their proposal.

Can the minister indicate just where that is at with this community?

Mr. Derkach: Mr. Deputy Chairperson, the community of Riverton, it is true, approached us about a downtown revitalization program. We indicated to them at that time that there were only three communities that had been identified for the downtown revitalization program, two of which had already been announced: Thompson and Brandon. It was a program that was designed for those communities that did not have an opportunity to participate in the Main Street program that had been undertaken in the '70s and the '80s, I believe.

With regard to their project, they certainly have an aggressive and a very impressive project if it ever comes about. The Department of Rural Development, the Department of Highways, and, I believe, a couple of other departments were involved in some follow-up meetings to that. I think even the University of Manitoba, if I am not mistaken, has also been contacted to do some work with regard to the revitalization of their downtown.

Although the project has not come forward in any formal way at this point, I think there is a lot of work going on with regard to the development of the project. Then it will be submitted, and we will take another look at it at that time.

Mr. Cliff Evans: For the minister's information, the university has already brought their different proposals to council. Council is dealing with that right now and in the future. I was wondering whether the department itself has taken any initiative itself to be prepared for a proposal.

Mr. Derkach: Mr. Deputy Chairperson, the department has been in contact with the community on a continual basis. Our economic development officer for the region has been a member who has been working on the initiative. As I indicated, the initiative is not fully complete yet and is not ready for a formal proposal at this time. When it does come forward, then we can take steps to work with the community to see that it is a reality.

I do not know how extensive that project is or what the cost of it is, and neither did the community

at the time when I spoke to them. Whether they have more idea about it now, I do not know. That is something that my staff may know, but I do not know what the particulars of that are at this time.

Mr. Gaudry: My last question in regard to the Estimates here. It is in regard to a concern that I had raised with the minister previously in regard to the access of information at the municipal level. It was in regard to subsection 143 of The Municipal Act permitting anyone to examine (a) to (f). However, it was in regard to certain payments that were made in details. The minister in his reply mentioned: In the very near future we will be undertaking a comprehensive review of The Municipal Act and we will be inviting interested parties to recommend changes.

Has there been any further study in regard to the access of information for the municipal people?

Mr. Derkach: Mr. Deputy Chairperson, the document that was prepared for The Municipal Act review has now been circulated to all municipalities. We have indicated to municipalities that we want them to share this document with their communities and the members at large in their community.

We want to see those members who have concerns like the member mentioned come forward and express those concerns to the panel. It is on that basis that we will formulate the new Municipal Act. Certainly it is something that is important as the member brought forward. It does matter, and we are going to ensure that that in fact is going to be addressed when we move ahead with the new act.

Again, it is not going to be immediate, but we certainly want to hear from the people who have had difficulty in that regard and to express themselves before the panel, because that is the way that you will really get the ball rolling in terms of getting that change implemented into the new act.

Mr. Gaudry: Mr. Deputy Chairperson, would it be possible to get that information that has gone out to the municipalities from your department?

Mr. Derkach: If I have not circulated it to the members, I apologize for it, but yes, this document was available when we did our district meetings and I had fully understood that my critics had access to the document, yes. I will ensure that the member receives a document, and indeed I would

be prepared to sit down and discuss it with both critics at their convenience.

Mr. Cliff Evans: I have a couple of very quick questions to end the committee, Mr. Deputy Chairperson.

Mr. Derkach: May I just interject for a minute. On the same point, I have a document here for the member and it also has the French version with it, so I would like to present it to the member.

Mr. Cliff Evans: Mr. Deputy Chairperson, just a few questions on the REDI program to do with the infrastructure part of it.

The R.M. of Siglunes was very happy to receive a \$47,000 grant through the REDI program for a weigh scale in the community which they have long been trying to get through the governments. The questions were in reading the contract in that. It is on a 50-50 basis and if I am wrong, correct me. They would receive a certain amount up front, a certain amount as the job is being done and worked on, and then a final amount when the job is complete.

Is there any other structure to that? Does the department deviate from that specific structure of payment in any which way? Would there be any projects that—this is what they were sort of asking me, saying, well, if we need it, would we be able to get any more money or at a different time.

Mr. Derkach: I am not sure if I follow the member's questioning, but if in fact he is asking whether or not we deviate from the progress payment approach on these projects, the answer to that is no.

We try to ensure that as the project progresses and as phases of it are completed, we then make payment on the basis that a certain amount of work has been done. Then a certain portion of the money is held back to ensure that the project is finished not only to the satisfaction of the department or government, but more importantly, to the satisfaction of the community. Then we allocate the final amount after the project is completed, and we try to be as consistent as possible in that approach. To this point I do not believe we have deviated on any projects that I know of.

Mr. Cliff Evans: I would just like to comment on the REDI program, and hopefully with the monies allocated from VLTs, certainly with the new monies allocated to the department through the VLT

resources, the minister had indicated that the department received \$12.5 million from lotteries and that the department itself had increased in funding, but I am sure if he looks at the figures, the department itself, up to the lotteries grant, took a \$6 million cut. So I would hope that the minister with all his statements, opening remarks and that, will in fact be using that money that has been made available to the benefit of all the rural communities and the people in rural Manitoba.

I would also like to just make a comment. Since I have been critic, I have requested many times different information in discussions with the staff, and I want to just say that I am very pleased so far with the response that I have had from staff and from the minister's office itself. I hope that continues or we will have to go another route, and I do not necessarily know whether that route will benefit either one of us.

Mr. Derkach: Mr. Deputy Chairperson, I would have to indicate that yes, that goes both ways. Certainly there are times, I guess, when we cannot share all information that a member may like because of some third-party confidentiality that has to be respected, but if it is general information about the department, we are only too happy to be as co-operative as possible in sharing with the member so that they can do their job as well.

* (2120)

Mr. Deputy Chairperson: Item 1.(b) Executive Support (1) Salaries \$361,200—pass.

1.(b)(2) Other Expenditures \$77,800.

Hon. Harold Gillieshammer (Minister of Family Services): I missed part of the earlier discussion on REDI, and I wonder if the minister could give sort of a general overview of the types of projects that have been approved.

Mr. Derkach: Mr. Deputy Chairperson, I would be happy to talk about REDI in a general sense very briefly, just to give you an idea of some of the components of REDI which I think are important. We sometimes in haste do not really get a full understanding of what REDI is all about.

First of all, may I say that REDI is designed to assist communities in their own economic development initiatives. We have several components of REDI. One of them is the infrastructure program which municipalities can apply for or individual businesses can apply for. There was a question from the member for

Interlake (Mr. Cliff Evans) just a minute ago, which I may not have answered fully, but in his question he asked whether or not there was more than 50-50 funding.

I would have to say that if it is a single municipality under the infrastructure program, they can apply for up to \$100,000 for infrastructure. But if more than one municipality goes together on a project, there, of course, is more money made available to them up to limit of \$500,000.

If two municipalities, as an example, come together on a project, there is always an ability to access more money. So there is that difference which I did not explain to the member, which I think may be important.

An Honourable Member: The payment structure stays the same.

Mr. Derkach: The payment structure is the same.

There is also the Development Support Program, and again this program is for unique kinds of projects which will help a community with its economic base and provide it with an opportunity to develop a project that might be of lasting benefit to that community. Again, there is not a finite amount that is specified for that area because it will depend on the project and on the size of the project.

Again, under this program, the Ayerst example is one that I can use in terms of the amount of money that was allocated, which was \$1 million for its support in the development of the Ayerst plant in Brandon.

The M.B.A. Consulting Program is a very important one which communities are just starting to get on with, because we have just recently formalized the agreement with the University of Manitoba. I believe there was an article in the Free Press on Saturday which pointed to the success of the M.B.A. Consulting Program, which was with I, T and T before.

It still continues under I, T, and T, but we have tapped into it. Instead of duplicating administration and all of that kind of expense, we have piggybacked on that program and allowed that program to run not just for the summer months but indeed all year round. It enables the students in the M.B.A. program to go out and assist communities with financial studies, with bookkeeping, with getting their house in order, if you like, in small businesses, especially. It is a program that is very, very important.

The Feasibility Studies program is the one that we started with first. It is the smallest component of the program, and it allows for projects in communities to have feasibility work done to see whether or not an economic project is viable or not. We felt that this approach is important because many of our businesses in rural Manitoba cannot afford the luxury of a large consulting firm coming in and doing a feasibility study for it and they do not have the wherewithal to do it, so we assist them through the Feasibility Studies program.

Again, there are limits set under the guidelines of that program, whereby we are only allowed to expend so many dollars in relation to the cost of the total project. We allow that money to flow as quickly as possible to let them get on with their work. This is where the bulk of our money has gone to date, more in the Feasibility Studies program than any other programs.

Under the REA program, again, this is a loan program. It is not a grant program. Here we allow the proponent to go to the bank of his or her choice, or credit union, and if the project is one that is said to be viable—again, that decision is made by the credit union or the bank—then we will simply guarantee the loan. We will not guarantee 100 percent of it, we will guarantee 80 percent of the loan. So we are only exposed to 80 percent; the bank is exposed for 20 percent.

The beauty of that program is that it is a repayable program, so it is a business approach to lending money, if you like, to small business. The other thing is that the banks are then doing the administration. We do not have to hire people to do the administration for us because it is done by the local bank. The local bank is the one who knows that client better than we could in the Department of Rural Development. I think this is a very exciting program. We have had over a hundred applications to date from rural Manitoba for it, and we are now in the process of signing agreements with various banks and credit unions across the province so that it will allow them to get into the program.

So these are the programs under the REDI umbrella. Again, you will not find programs like this anywhere else in Canada or, for that matter, in North America. This is unique to Manitoba. We simply want to work in partnership with our communities to ensure that we afford the

communities the opportunity to invest in themselves and to grow.

We are not trying to reinvent the wheel. Where possible, we work with the Department of Industry, Trade and Tourism. We have a very co-operative working relationship. Their Finance branch does a lot of the due diligence for us so that we do not have to duplicate the administrative process in our department as well. There is a lot of work that goes back and forth between the Department of Industry, Trade and Tourism and our department.

Mr. Deputy Chairperson, if I could, to the Minister of Family Services, say that this is, in a very summarized way, the way that the REDI program works for rural Manitoba.

Mr. Gilleshammer: I thank the minister for that.

Point of Order

Mr. Gaudry: On a point of order, Mr. Deputy Chairperson, the minister mentioned a little while ago that some information he could not get the critics because it was confidential, but I think the Minister of Family Services sits at the same table in cabinet. I think he could get that information, rather than wasting precious time of the critics here in questioning the minister.

Mr. Deputy Chairperson: The honourable member did not have a point of order.

Mr. Gilleshammer: I want to thank the committee for that clarification in expansion of the REDI program. Thank you.

Mr. Deputy Chairperson: Item 1. Administration and Finance (b) Executive Support (2) Other Expenditures \$77,800—pass.

At this time we would ask the minister's staff to leave during consideration of his salary.

1.(a) Minister's Salary \$20,600—pass.

Resolution 13.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,235,900 for Rural Development, Administration and Finance, for the fiscal year ending the 31st day of March, 1994.

DECENTRALIZATION

Mr. Deputy Chairperson (Marcel Laurendeau): We will now move on to the department of Decentralization, page 145. There is no ministerial

staff on this one, so the staff can just take their seats.

Hon. Leonard Derkach (Minister responsible for Decentralization): Mr. Deputy Chairperson, I do have staff here.

Mr. Deputy Chairperson: Mr. Minister, please bring them up and introduce them.

Mr. Derkach: Again I am joined at the table by the deputy minister, Mr. Winston Hodgins, and the co-ordinator for the Decentralization unit, Mr. Syd Reimer.

* (2130)

Mr. Deputy Chairperson: Would the honourable minister have an opening statement?

Mr. Derkach: Yes, I do, Mr. Deputy Chairperson. I am pleased to have the opportunity to make these introductory comments on Decentralization during the 1993-94 Estimates process.

I would, first of all, like to remind the honourable members in the Legislature that the purpose of decentralization was indeed, and still is, as it was in January 1989 when Premier Filmon said, the government of Manitoba announces this progressive initiative. The mandate was, and still is, to examine government departments and Crown corporations in detail to find options for the decentralization of government services. The purpose of the initiative is to both strengthen rural communities and to make the services that government provides more accessible to all of Manitoba.

The underlying principle was, and remains, that it had to be economically feasible as well as enhancing the delivery of a specific program. Very often in the past, people living outside of Winnipeg have suggested that they felt isolated from the decision-making process. To them the provincial government and its services have seemed far away and not readily accessible for people who live outside of Winnipeg. A commitment was made to the Union of Manitoba Municipalities at their annual convention in 1989 to move 500 provincial government and 100 Crown corporation positions out of Winnipeg. The official announcement—

Mr. Deputy Chairperson: Order, please. Could I ask the honourable member to read his information into the record after the minister has finished, please?

Mr. Derkach: Thank you very much, Mr. Deputy Chairperson. As I was saying, a commitment was made to the Union of Manitoba Municipalities at their annual convention in 1989 to move 500 provincial government and 100 Crown corporation positions out of Winnipeg. The official announcement was made in March of 1990 that a total of 690 positions would be relocated.

To date, I am pleased to indicate that we have decentralized a total of 631 positions, with another 150 positions planned to be moved in the near future. This would surpass our original commitment by something like 100 jobs. In total, close to \$15 million per annum in salaries is now being flowed to rural Manitoba thanks to this initiative.

As many of my colleagues in the House know, transplanting the many jobs is not an easy task. Many civil servants were not pleased with the initiative. The government has tried very successfully, I might say, in accommodating these individuals. Options for redeployment and retirement incentives were offered to those who were not interested in moving. Many exercised their options to find employment elsewhere, but I must tell this committee not once have I heard a negative comment from the people who have moved. These people are now enjoying the attributes of rural communities. The high quality of life, the lower living costs, as well as greater sense of community involvement—it has been a positive experience for all of them.

Mr. Deputy Chairperson, I have heard in the House all the arguments put forward by both parties as to the negative effects of decentralization. I can honestly say that in my travels across rural Manitoba it is apparent that the opposition's concerns are not reflective of rural Manitoba as a whole. As a matter of fact, communities are now asking what they can do to assist government in relocating other departments to their communities.

As minister responsible, many questions have been directed to me by members of the Assembly as well as the public. I can tell this committee that, under decentralization, jobs were not moved from one rural community to another. In some instances this may have occurred, but only due to departmental reorganization, budgetary adjustments, and not to decentralization. I will continue to fulfill our government's commitment to

locate jobs in those areas that have not yet received their decentralized positions. Again, I must stress that the original principles of decentralization must apply to all moves and they must be feasible and enhance delivery.

Efficiency of the department, of any department, in delivering services to rural Manitoba under decentralization have not been compromised. One example is that of the Department of Education and Training. Here, I might say, that we had a certain number of staff working in Winnipeg when we decided to relocate the department to Winkler. The Correspondence Branch did move to Winkler, and there was a lot of discussion about the fact that when we moved this branch to Winkler that all services would almost cease, that rural Manitobans would not have access to services and turnaround times would be a problem and that the success rate of the students who were taking correspondence programs would suffer.

Mr. Deputy Chairperson, I would like to tell this committee that we have experienced the opposite with that decentralization move. As a matter of fact, we are seeing that the turnaround time has been reduced dramatically. We are seeing that staff are less in number than they were in Winnipeg and have had responsibility added to their workload, and indeed, I have had letters personally from users of the service who have indicated that they are extremely pleased with the services that are being provided from the community of Winkler.

Additionally I might say, and the Minister of Education and Training (Mrs. Vodrey) is here, but if you compare the 77 percent failure or incompleteness rate that we had with that branch before and compare it to the completion and success rate today, you would see a very dramatic difference.

I guess the conclusion is that we can deliver services from outside of the city as effectively as we can right here in the city, and just because this is the centre of government does not mean that all services have to be delivered here.

In closing, Mr. Deputy Chairperson, I would like to address decentralization as an important initiative in our overall government strategy. We have had to make some very difficult and sometimes painful decisions as a government over the last few years. However, I would like to say that we are committed to streamline our departments

and make government efficient. The staffing adjustments that departments have had to realize this year have affected all of Manitoba. Rural Manitoba has not been excluded from it. This is more visible, as a matter of fact, in rural Manitoba.

Decentralization, I feel, has suffered the effects of some of these decisions in our rural part of our province, but we must indicate that had we not had decentralization as an initiative there would have been a greater impact as a result of the budgetary decisions that have had to be taken. So at this point I would like to indicate that we will continue to live up to our commitments as much as we can, given the fiscal restraints that we have to work within, and it is not an initiative that has been closed and is dead. It is an initiative that is ongoing. As a matter of fact, we have some communities that are coming very close to receiving some decentralization jobs in the next little while.

We will work with other departments in government because in order to be able to be successful we have to work with the various departments to identify the positions, and then we have to work with the communities that are going to receive these positions and have facilities for them, and it is largely to the work of someone like our co-ordinator, Mr. Syd Reimer that we have had the success that we have enjoyed.

So, Mr. Deputy Chairperson, at this time I would be pleased to accept some questions from the opposition members on the decentralization initiative.

Mr. Deputy Chairperson: We thank the minister for his opening statement. Would the critic for the official opposition party, the honourable member for the Interlake have an opening statement?

Mr. Cliff Evans (Interlake): Thank you, not so much an opening statement as well as questions in the statement, so perhaps the minister can get back to me with some of the answers.

Yes, decentralization is important, extremely important, and I would like to see more of it, as the minister has indicated. However, I would also like to see more of it to areas that in fact have need for decentralized jobs and in areas where jobs through attrition have been lost in areas and communities and the opportunity to decentralize some of those jobs is potentially there.

(Mr. Jack Reimer, Acting Deputy Chairperson, in the Chair)

I think the minister should really be looking at, when he is looking at decentralization—and I would, in fact, like to sit down with the minister and his department and go over decentralization since its inception and deal with the jobs that have been moved to rural Manitoba and exactly—I hope the minister understands what I am saying—so I can be more aware, too, of just where all these decentralized jobs have gone to, what departments, and if he can provide me with some information on that I would appreciate it. The fact is that also if they are so committed to decentralization, the budget dropped \$1.5 million in decentralization, and if we are so committed to that, well, then why—[interjection] The minister indicated that decentralization is important. Now if the budget has dropped, why is it at a standstill then? Why are we not moving with it?

* (2140)

The Acting Deputy Chairperson (Mr. Reimer): I thank the member for his opening statement. Does the member for the second opposition have an opening statement?

Mr. Nell Gaudry (St. Boniface): Yes, Mr. Acting Deputy Chairperson, I think it will be in the form of questions because of the fact that we did support decentralization in the past.

I think it is the process when it first started, and I think we understand that when you start a new process of doing something, there is always glitches you come across, and I think we accept that.

We look at the fact that he is mentioning there is going to be another 150 jobs moved to the rural areas, and he has reduced the budget by \$1.5 million. Are these 150 new jobs he is going to decentralize, are they part of this budget of '93-94, or the 150, is that going to be over a period of two years, three years?

Those are the questions I have at this stage. Then I am prepared to pass this, because of the fact that we supported decentralization, and I think we still do support it.

The Acting Deputy Chairperson (Mr. Reimer): I thank the member for his opening statements.

Mr. Derkach: Mr. Acting Deputy Chairperson, I do not know if I can cover the broad spectrum of questions the members asked in one fell swoop, but I will ask members to perhaps restate their questions as we go along.

One of the concerns the member for the Interlake (Mr. Cliff Evans) raised was, he said he would like to sometime go through each of the areas that received decentralization, what department went there and perhaps the number of people who were decentralized to that area. Of course, there is no better opportunity than right now to do that because we do have staff here who can assist us with this.

We have, as I said, over 600 positions that have been decentralized, and if I could just go through them. For example, in Altona, Mr. Acting Deputy Chairperson, the Department of Rural Development's business development bond office has been relocated to Altona, as well as the housing office has been set up in Altona. We have a total of 15 staff who have now been decentralized to Altona.

In Arborg, we have the MPIC claims centre has been located in Arborg with a total of four people who have been given to that area. In Ashern, we have Highways and Transportation. That is their Construction and Maintenance program. We have two staff who have been located there.

In Beausejour, again from the Department of Highways, we have the construction and maintenance program which has located three people; Hydro with two people; Labour, the fire prevention office with six people; MPIC claims centre with five people; Natural Resources with one person, and Rural Development with two people. In total, 19 people have been relocated to Beausejour.

In Bèrens River, we have Hydro with one person. In Birtle, Manitoba, we have Hydro with one person.

We have had a fairly active decentralization program in Brandon. We have Agriculture with MACC with 23 people; Consumer and Corporate Affairs, the Co-op Development program with one person—we have had another program from Consumer and Corporate Affairs, I am not sure which one it is, but another person there—Culture Heritage, the Lotteries division with five people; Public Libraries with 21 people; Education with student aid, with six people; New Careers with 7.5 staff years; Environment, the Operations unit, with three people; Justice has moved various departments, nine people; Hydro with seven; Manitoba Telephone System with three; Rural Development with four, for a total of 101. Oh, pardon me. I am sorry, a total of 90.5 staff years.

Carberry, we have had Family Services move out to Carberry with a program which would involve 8.5 staff years. Carman, our Agriculture department, Soils and Crops, with 31.5 SYs that have gone to Carman.

An Honourable Member: How many?

Mr. Derkach: Staff years, 31.5 SYs, yes.

Churchill, Hydro, with one person to date.

Dauphin, Education, again, with Native Education with four people; the Environment department with one person; Health department with one person; Labour with one person, for a total of seven to Dauphin.

An Honourable Member: Seven?

Mr. Derkach: That is right.

Deloraine, again, my department, Rural Development, our Development office there with four people, Mr. Acting Deputy Chairperson. Dominion City, we have moved Agriculture out to Dominion City with three people. Dugald, Agriculture, one person. Elie, Hydro, one person.

Flin Flon, Energy and Mines with one person; Manitoba Health Services Commission with eight people, for a total of nine to Flin Flon.

Garden Hill, we have moved one from Hydro. Gillam, 20 from Hydro. Gimli, Agriculture with one person; Housing with five; Hydro with two; Labour with one; and Natural Resources with one, for a total of 10 in Gimli.

Mr. Acting Deputy Chairperson, Gods Lake, Hydro, one person. Hamiota, we have Hydro with one person. Killarney, again, Family Services with 13.5 staff years to Killarney. Lac du Bonnet, Hydro with one person. Leaf Rapids, Hydro, one person. Lynn Lake, Hydro with one person. MacGregor, Hydro, one person. McCreary, Hydro with one person. Melita, Agriculture from the MACC area, one person; Natural Resources with four people.

Minnedosa, we have Agriculture with the Crown Lands branch with 15 people; Health with one person; Natural Resources with four.

Morden, we have had Agriculture move out there with one person; Health with 13 persons; Labour with one person; and Manitoba Telephone System with six.

Morris, we have had Agriculture with two people; Culture, Heritage with 22 people; Natural

Resources, the water management area with four; and Hydro with one.

Neepawa, Natural Resources, the Lands branch with 25 people.

Niverville, Hydro, one person; Natural Resources, three people; and other departments have moved three other people out there.

Pine River, we have had one person from Hydro.

The community of Portage, we have Agriculture with the Manitoba Crop Insurance Corporation with eight; Education in aviation training with seven and a half; Government Services with land acquisition of 34; Health—I am not sure what program it is—but there are two people there; Highways, Planning and Design, with seven people; Hydro with one; Labour with various people from various parts of their area with three; MTS with six; and Rural Development with two, for a total of 70 people in Portage.

Reston, we have Hydro with one person. Rivers, we have Education with pupil transportation with three persons.

Roblin, Agriculture with one person; Education with one person in Workforce 2000; Housing with seven; and Natural Resources with two, for a total of 11.

In Russell, we have had Education with 11; Energy and Mines with two. Ste. Anne, Labour, the fire protection area with four. St. Jean, Environment, two. St. Martin, Hydro, one.

Selkirk, Agriculture, Soil Conservation with one; Government Services with four; Highways with four; Rural Development with one; Hydro with three; and MTS with seven, for a total of 20 to Selkirk.

Seven Sisters, we have had Hydro with one.

Shoal Lake, Agriculture, Soil Conservation with one; MACC with two; and North American Waterfowl with three; then the wood lot program with one; and Hydro with one.

In Snow Lake, we have moved one with Hydro. Somerset, one with Hydro.

* (2150)

Steinbach, we have had Agriculture with one; Environment with two; the Clean Environment Commission with three; Natural Resources with 12; Justice with one; and MTS with four, for a total of 23.

Stonewall, Agriculture, the Animal Industry branch with one.

Swan River, Natural Resources with two; fish biologist, one; CEDF with one; and Hydro with one, for a total of five.

Toulon, Agriculture with two, Labour with one.

The Pas, Energy and Mines, one; Environment, two; Highways and Transportation, two; Rural Development, one; Northern Affairs with two; Hydro with one; MTS with one, for a total of 10.

Thompson, Culture, Heritage with one; Highways and Transportation, two; Northern Affairs, two; CEDF, 12; and another program from Northern Affairs with four; Hydro, 31; MTS, one, for a total in Thompson of 53.

Treherne, we have Hydro with one.

(Mr. Deputy Chairperson in the Chair)

In Virden, we have Natural Resources with six; Energy and Mines with four; and Agriculture with one, for a total of 11 in Virden.

In Vita, we have Hydro with one. In Wawanessa, we have the Distance Education and Technology branch with two.

In Winkler, we have Education with 19; Environment with three; MTS with four, for a total of 26. This is a total of 631 positions.

So I hope this sort of outlines where we have moved people. Indeed, there are still other communities that are on the list which we are trying to accommodate to the best of our ability.

Mr. Gaudry: That 150 you were saying you were going to decentralize, is it over a period of a year, two years or three years?

Mr. Derkach: Mr. Deputy Chairperson, there was also a question—I will answer that question, as well, but the member for St. Boniface asked about the budget.

What we have found with Decentralization was that we did not have to expend the amount of money that was allocated under Decentralization because, indeed, we were coming in with lower rates for rent than we had anticipated, and under the budgetary restraint program, because we did not have to move as many people out to an office, it meant that we could save on office space. So by and large we have saved a bundle of money, if I might use that term, under the decentralization initiative, so we felt that this year, we could safely

adjust our budget and still live up to our commitments.

The 150 commitments that we speak about we are going to try to accommodate in this fiscal year as best possible, but I must tell the member we have to also keep in mind the fact that some communities have space available, and it is not difficult to move into space that is already there, but where you have to go through the process of tendering for space and then waiting for that space to become available, and then redeploying staff, it takes a while longer.

So whether we can accommodate all 150 this year is certainly unknown at this time, but I can tell you our co-ordinator and our staff are working very diligently to try and move as many and as quickly as we possibly can.

Mr. Deputy Chairperson: Item 1. Decentralization \$500,000, Total Appropriations—pass.

Resolution 34.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$500,000 for Decentralization for the fiscal year ending the 31st day of March, 1994.

I thank the minister.

CULTURE, HERITAGE AND CITIZENSHIP

Mr. Deputy Chairperson (Marcel Laurendeau): We will now move into the Department of Culture, Heritage and Citizenship on page 27.

Does the honourable minister have an opening statement?

Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Citizenship): Mr. Deputy Chairperson, it is my pleasure to introduce the Estimates for Manitoba Culture, Heritage and Citizenship.

Through its programs, my department contributes to a sense of pride and well-being in Manitobans, supports self-sufficiency, attempts to empower individuals and communities, enhances access to the benefits of participation in society and promotes racial harmony.

The impact of this department's program areas is not only on our quality of life and to our economy through provision of jobs and incomes to Manitobans, but also on the long-term health of hundreds of thousands of Manitobans who participate in the innumerable activities which make Manitoba a place well worth living in.

The province's support for the arts has remained strong in the face of serious strain on our fiscal resources. While federal and civic funding have been sharply reduced, we have tried to maintain reasonable levels of support. We recognize the value of the arts in enhancing our quality of life and its economic impact on the community in the form of employment, expenditures, taxes, and tourism. We have worked over the past year to bring both government and private funders together to understand our mutual constraints and to plan to streamline our processes, stressing the need for organizations to work together to share resources.

Over the past year the demand for library service has been increasing. At 11 percent of the operating budget, our support to Winnipeg Public is very adequate compared to other major cities in the nation. With regard to services outside of Winnipeg, I have received and circulated the Public Libraries Advisory Board report to a number of my colleagues. Manitoba's library system faces many challenges, and it is my hope that we will be able to develop long-term responses to deal with them. It would appear that selecting and financing the right automation answer for the future is our key challenge to a stronger system.

Last year two new regional libraries were established: North Norfolk MacGregor Regional and Valley Regional for the Town and R.M. of Morris.

The focus of our thrust in Historic Resources has been to develop a movement within communities and community groups across Manitoba capable of taking the lead in promoting and preserving heritage sites and resources. Since 1988-89 a total of 25 municipal heritage committees have been formed and have been invaluable in terms of their commitment and level of responsibility. Seventy-four provincial heritage sites have been designated, up from five. Ninety-three municipal sites have been designated, up from 11, with 11 in the 1992-93 fiscal year alone in communities such as Arborg, Cromer, Deloraine, Lynn Lake and Stonewall.

The 14-member Heritage Grants Advisory Council, nominated by provincial, regional and local heritage organizations, will help government allocate lottery revenue earmarked for heritage protection. To date, it has recommended the allocation of just over \$335,000 in heritage grants

to 65 community organizations. It will be completing another round of reviews shortly.

Having unveiled Manitoba's policy for recreation opportunities, my department has been working with local governments to bring a clear focus to the personal, health, social and economic benefits of recreation.

A partnership with the Red Cross in a new northern water-safety program has the potential to reduce significantly the high incidence of loss of life from drowning in northern Manitoba.

A partnership with my department, the Department of Education and northern communities yielded the first graduates from our Northern Recreation Director Pilot Project in the fall of 1992. While further study may be required to bear this out in more concrete terms, the facts are, for example, that in one community with a director for the full term the incidence of crime dropped by as much as 27 percent. This program appears to be very successful in providing communities with the means to involve more residents in activities which contribute to community peace, pride and health.

* (2200)

Manitoba is proud of its diverse multicultural heritage, as we have indicated in the creation of both our multicultural policy and our multicultural legislation. The economic impact of multiculturalism and its ability to strengthen our community have been widely recognized across Canada. Multiculturalism is a positive characteristic of Manitoba, and my department will continue to work with the ethnocultural communities to develop its full potential.

The Citizenship Division was created to improve services aimed at the immigration and settlement needs of new Canadians. We are placing a high priority on working with the federal government to develop an immigration agreement.

We have also been developing pilot projects in conjunction with other government departments. As an example, we have been working with the Youth Justice Committee and ethnocultural communities to address services to immigrants charged with family violence related offences and their needs.

Immigrant community resource persons will be trained to interpret for probation officers, deliver group educational sessions, and make prevention

strategy recommendations on family violence in their respective communities. Citizenship has also been working in partnership with Manitoba Highways to translate driver testing materials into more than 20 languages improving access to immigrants.

We have placed a priority on the credentials recognition program, which helps immigrants who have professional or technical training in other countries to have their education and work experience assessed and evaluated on a more equitable basis. This is in recognition of the fact that immigrants contribute immensely to the province's social and economic fabric. Our goal is to make the evaluation and transition process a more accessible and effective one for immigrants.

In my department's effort to meet government guidelines for budget reductions and more effective service procurement, we have begun contracting out production work previously supplied by the Queen's Printer. As a result, Queen's Printer ceased all in-house production services on March 31 of this year. Potential savings to government as a result of this decision to contract with private-sector suppliers is expected to exceed \$1 million in the 1993-94 fiscal year.

Of the 39 positions affected by this move since February, we have placed 29 people, including one term position, into other government offices. Six staff accepted the severance packages offered, and only four persons remain on the redeployment list. The department rigorously provided skills evaluation, retraining and other support services to make the transitions as smooth as possible for the involved individuals.

The projected \$1 million figure is based on several factors, such as the elimination of equipment replacement costs and savings ranging from 15 percent to 50 percent on services contracted out. The decision to contract out the work previously provided by the Queen's Printer was not easily arrived at, but this government will continue to review ways in which it can operate more efficiently. It will continue to make the decisions necessary, dealing compassionately with its staff when exploring how to implement those decisions. On this score, Mr. Deputy Chairperson, Manitobans as taxpayers expect no less.

This is only a brief overview of some of the elements of the Estimates before you. Culture,

Heritage and Citizenship is very proud of its many successes in working with Manitobans to address issues of importance to us and to our future.

Thank you, Mr. Deputy Chairperson.

Mr. Deputy Chairperson: We thank the minister for those comments. Does the official opposition critic, the honourable member for Wolseley (Ms. Friesen), have any opening comments?

Ms. Jean Friesen (Wolseley): Mr. Deputy Chair, just a few comments to begin with. I think in earlier Estimates, we have looked at some of the assumptions the minister has about this department, and I think in earlier years we have established that the minister does not consider this to be a policy department and that in other years, she has also essentially argued that culture is the same thing as leisure and that the two are interchangeable.

We have also looked at whether this is, in fact, a research department or not. It seems that where other groups do research, this particular department is interested in co-operating or learning from it, but that in itself, it does not in the cultural area undertake much long-term planning with the community or, indeed, in the department itself insofar as culture and the arts are concerned.

We have seen some initiatives over the years from this department. There have been one or two sections of the DeFehr Report which have been implemented, particularly the changes to the departmental organization.

There has been, I think, much disappointment in the arts community about the slowness with which the government is acting on the DeFehr recommendations. I think particularly the initiation of an arts act is something which has been talked about for a long time, and yet, again, there has not been an arts act or even any indication of it in the legislative process of this year, so that in looking at the Estimates for next year, I would like to be able to discuss with the minister whether she is considering such an act and what kind of assumptions or process she is going to develop around that.

There are other sections of the DeFehr Report which I think people would be interested in having more public information on, particularly the recommendations dealing with arts education. There are some areas in recreation which the minister spoke of in her opening statement which I

think are very commendable. We have spoken on these before, the northern recreation directors.

I think the minister might be interested in knowing or reading the Hansard for, I think it is May 13, of the federal House of Commons in Aboriginal Affairs Committee, which speaks very highly of the Manitoba initiative and of the recreational research and, indeed, the reduction in juvenile crime rates the minister herself mentioned. That has all been put on the record at the federal level and, indeed, a great deal of surprise and I think welcoming of those initiatives.

In other areas, we have seen initiatives in legislation such as the white spruce legislation, and this year, we see the coat of arms legislation. I do have some questions for the minister on where this fits with the visual identity program and what the cost of the implementation is going to be of that coat of arms legislation and where it fits in the Estimates of this particular department.

We also have a bill presently before us which I think does have an impact on the heritage area and I would be interested in hearing from the minister on that. That is Bill 52, which allows donations to museums. I am wondering particularly why the minister has not used the provisions of the—I have forgotten the exact name of it—heritage act for that and what the relationship is between The Heritage Manitoba Act and the current provisions of Bill 52 insofar as they relate to museums.

There have been some upheavals in the Culture and Heritage area of the department which we would be interested in discussing, I think particularly the dislocation as the community side in the Heritage Federation and the granting programs and that. I think there are some questions remaining in the community about the expenditure of funds from that and whether, in fact, there has been a carry-over to this year and how those funds have been distributed from last year to this year, which the minister might want to put on the record.

The Arts Council, an arm's-length agency, unlike the new Heritage Federation distribution agency, also experienced considerable turmoil; first from a particular series of articles in the press, and second of all, from the abrupt dismissal of its long-serving executive director.

My concerns in that area, as the minister knows, have been for her understanding, knowledge, and concern for the due process in the dismissal of that

particular executive director, being careful to maintain the arm's-length distance, but also as a minister to be very concerned about the due process in that particular dismissal. So I would be interested in exploring that further.

In libraries, I think we are feeling tremendous pressure, both in the city of Winnipeg and outside. Brandon, particularly, has had some difficulties in the past year in the funding of its libraries. I think there is growing concern in the community that the report of the Public Libraries Board be circulated in the public.

As I understand it, the minister has informally had this report now for two years. She may formally have had it for less than that, and she says in her opening statements that she has distributed it to her cabinet colleagues. I think there is growing concern that this should be available in the public and that the public discussions on that libraries report should begin.

I note in the funding area of the department a continued shift away from the small innovative organizations to the larger organizations. I would be interested in the minister's justifications and thoughts on that. I noticed there has been a shift in the cultural industries funding, although part of it has been maintained. There has been a shift in the support for publishing and for the encouragement of distribution in the publishing area particularly. I am interested in the justifications for that and why that particular area was singled out.

* (2210)

In looking at staff salaries, there seems to be some peculiarities in this department. I do not mean peculiarities in the sense of anything fishy, but I certainly see some salaries which are going up, and some salaries, particularly at the across-the-board technical, professional and managerial level, which are going down.

We see, for example, in Heritage, or at the archives or the Arts Branch, that those levels of salaries are being decreased slightly, and we see in other areas, in Information—when we get to the particular areas, I will discuss it with the minister, and, of course, the deputy minister's salary has increased, as well.

I am interested in discussing with the minister some of the changes in the numbers across the board in Information Services, again, to try and get on the record what indeed are the right numbers,

because there is certainly a great deal of discrepancy from one year to the next in what is actually written on the sheet.

Finally, I would be interested, if the minister wanted to reply, on the overall approach of this department to the three or four principles involved in the funding and enhancement of Manitoba's culture and its cultural industries. We can look at it from the perspective of production of the producers, from the perspective of the consumers, of the audiences. We can look at it also from the perspective of distribution and from the broader context in expansion of knowledge of Manitoba.

I know that across the board in Canada, audiences have been decreasing in the last two years for arts and cultural activities. It may be a factor of the recession. It may be a factor of a decline in arts education, and I am interested in what the minister's understanding is of what is happening in Manitoba in those areas and how she sees those areas of production, consumption and distribution in cultural activities in Manitoba.

The minister spent some time looking at the Queen's Printer privatization in Manitoba, and we have had discussions in Question Period over that. I am glad to hear that many of those people have been found alternate employment within the civil service, but I note that there are still several people without employment.

I believe this was done very quickly with very little consultation with people who had been long-serving members of this department. I was concerned and still am concerned, as the minister knows, by the provision through Workforce 2000 of training grants to the people who, in effect, took the jobs from these people. So it is that kind of government policy which particularly concerns me.

Mr. Deputy Chairperson: We thank the honourable member for Wolseley for those comments. Does the critic from the second opposition party the honourable member for Crescentwood have an opening statement?

Ms. Avis Gray (Crescentwood): Mr. Deputy Chairperson, because of the lateness of the hour and the fact that we do not have very many hours left in the Estimates process, I would defer my comments until perhaps the end, but obviously our concerns about the department will become obvious as we get into the details line by line.

Mr. Deputy Chairperson: I thank the critic for that.

Under Manitoba practice, debate of the Minister's Salary is traditionally the last item considered for the Estimates of a department. Accordingly, we shall defer the consideration of this item and now proceed with the consideration of the next line.

At this time, we invite the minister's staff to join us at the table, and we ask that the minister introduce her staff present.

Mrs. Mitchelson: Mr. Deputy Chairperson, I would like to introduce my Deputy Minister, Tom Carson; ADM of Culture, Heritage and Recreation programming, Lou-Anne Buhr; and Dave Paton, Executive Director of Administration and Finance.

Mr. Deputy Chairperson, I had the opportunity to listen quite intently to the critic for the official opposition as she talked about the Department of Culture, Heritage and Citizenship. I understand she is the critic that will be dealing with the Culture, Heritage and Recreation's library side of the department. We will have someone else for Multiculturalism and Citizenship, another critic, and the same with the second official opposition. I look forward to discussion on both sides of the department.

We have for the last couple of years, I guess, since the member for Wolseley (Ms. Friesen) has been the critic for the Department of Culture, had many, long hours of discussion on really what role and the mandate and the responsibility of the Department of Culture is and how we serve our respective clients, which, I might say, is very varied. There are many different components to the Department of Culture dealing not only with the arts and recreation and heritage, but we have responsibility for the Archives and for libraries and for information resources, as well as on the other side with Citizenship and Multiculturalism. So we travel the width and the breadth of the province, you might say, dealing with many, many individuals, and have an impact on many people's lives through the programming that is offered in this department.

We have made many advances, many changes over the last five years, which I really believe does provide for more empowerment for Manitobans to determine their individual needs, their community needs. Our department is there to be responsive to what the community determines what they want to

see in the area of arts programming, recreation programming and heritage programming. I believe that there is a sense of pride in the accomplishments that we have derived over the last number of years where there is accessibility in many areas for many Manitobans to enjoy an enhanced quality of life.

When we talk about the programming and the services that are provided in the Department of Culture, we also do have to look in many respects at the programs that are provided and try to assess the economic viability, because there are two components. When governments right across the nation are experiencing very difficult economic times and having to make very difficult decisions on choosing priorities, every department has to pass the test to some degree of how well we are able to balance the needs—and I do say the needs—not necessarily the wants of all Manitobans, but the needs of Manitobans, in respect to a better quality of life and a community desire to really have certain aspects of that quality of life included in the programming that is provided. So we balance the community needs versus what those programmings will do to ensure that there is some economic viability also and sustainability for Manitobans.

Mr. Deputy Chairperson, I believe we have accomplished a lot. The critic for the official opposition did talk about, I guess, access to the arts and to arts programming and indicated, too, that there seems to be a decrease in participation right across the province. I would imagine she would be talking about our whole nation. I think Manitoba stacks up very well in comparison to many other provinces across the country.

* (2220)

If we just look at an article in the Winnipeg Free Press dated July 10, it was just this past weekend—I guess that was Saturday's paper. The headline reads: Refined Winnipeggers flock to cultural offerings. I think that says a lot about Winnipeg and about Manitoba and the pride that we should take in what we have to offer and to contribute. I will quote from that article that says: ". . . Winnipeggers are twice as likely as their counterparts in Toronto or Montreal to turn off the TV in favor of an evening of music or dance."

I think that says something about Winnipeggers, about Manitobans. It says something very positive.

We have always said that we are second to none in our offering of cultural activities to our community, and I would tend to think that Winnipeggers, Manitobans agree.

The survey, which reflects the 1991-92 season, compares five major Canadian centres, each with a large symphony, a theatre, an opera and a ballet company. The figures compiled by the arts lobby group show a total of 336,000 tickets sold for Winnipeg arts events in 1991-92. At the same time, the city's population was 652,000. That means that ticket sales amounted to 51.5 percent of Winnipeg's population. That tops all cities across the country.

Of the five major Canadian centres surveyed, Toronto ranked fourth with ticket sales equal to 24.2 percent of its population. Edmonton, I must commend them for making second spot with 47.2 percent. Third spot went to Vancouver at 26.9 percent. A major difference from 51.5 percent in Winnipeg down to around 25 percent, I would say, in two very major cities across our country, that being Toronto and Vancouver. I think that bodes very well for Manitoba and for what Manitoba has to offer in the area of culture.

I also do want to indicate that our per capita provincial funding to our major institutions is the highest across the nation. I think this is a very important point to make because so very often we are criticized, and I mentioned in my opening remarks that the City of Winnipeg and the federal government have chosen in difficult economic times to single out the arts to some degree and make major reductions in funding.

I think we have attempted to stay the course, because we recognize the value and the contribution that the arts make, not only to the quality of life but also to the economic viability of our province. We have attempted, when we have tried to balance our expenditures throughout government, to ensure that we provided funding that we believed we could afford to provide to ensure that our cultural institutions maintained their community, maintained their audience participation. Also, as I started to say, we are the highest per capita funders across the country at \$3.43 per capita of any city. Edmonton, I think it bears out in the article that was in the Free Press on the weekend, that Edmonton came second. We were at 51.5 percent, they at 47.2 percent, of support and ticket sales for the arts.

I guess that, if you look at the per capita funding and we are No. 1 at \$3.43 per capita, Edmonton comes a very close second in per capita funding for the arts. The others are at approximately half, and we see that ticket sales and participation are about half of what Manitoba's participation is, so I think that it says something about Manitoba and about Manitoba's and our government's commitment to funding and to support for the arts.

I guess that, as a result of us providing that per capita support, we are able to lever more support from Canada Council also, which bodes well and obviously contributes to the enhancement of our cultural life and the cultural life that we have become so terribly proud of as Manitobans.

We have in the past had major discussions also on whether indeed we are a policy department, whether we are a research department. I think the key point that has to be made in looking at what our department provides for Manitobans is the fact that we are there knowing that we will always have to have public support of the arts, but we also do want to look at empowerment of communities, of community organizations and of individuals to determine themselves what direction they should be going and providing a leadership role and a source of funding when we look at what a community wants.

I really believe that if something is definitely community driven—and that is what we are seeing across our new heritage committees that are set up—we see the community is empowering itself and using the resources in the community to ensure that they know what direction they are going, and I think that is where our government, as a provincial department, plays a leadership role in trying to facilitate and providing the support funding for the very worthwhile activities that are ongoing in the province.

I probably have been rambling on a bit, and maybe I should stop at this point in time and ask if there are specific questions that members of the opposition would like answers to.

(Mr. Jack Reimer, Acting Deputy Chairperson, in the Chair)

Ms. Frlesen: Yes. I did not mention the community heritage program when the minister spoke earlier, and I am glad to see that is being continued and that the legislative framework and policy framework that was established under The

Heritages Resources Act—under the NDP in fact—is being put into place.

I wonder if the minister could tell us—she has emphasized the value that Manitobans place upon the arts and the way in which attendance has been maintained—what the amount of increased private support has been in Manitoba.

When the government two years ago cut 20 percent across the board and eliminated funding to a number of groups, one of the arguments it made was that private sponsorship and private funding had to be relied upon by these groups. We had some discussion about the way in which that benefits some groups and not others and to some extent distorts the nature of cultural funding across the province. So I am wondering what information the minister has on the increase in private support and where it has gone.

Mrs. Mitchelson: In 1992 there was an economic impact study done by Dunwoody and that study did indicate that over the five previous years not only was attendance up and earned revenues were up by about 6 percent, but private sector donations were up by 10 percent per year over the previous five years. So that does tell me that there is not only the audience and participation support, but indeed that the community out there through the private sector recognizes and realizes the value of the arts to Manitoba.

Ms. Frlesen: The issue was, where that private funding goes. Could the minister tell us, yes, there has been an increase, but who are they funding?

Mrs. Mitchelson: I think it would be fair to say that it would be the five largest performing arts organizations. That is MTC, PTE, Royal Winnipeg Ballet, the Manitoba Opera and the Winnipeg Symphony.

Ms. Frlesen: Does the minister have any information on the either increase or decrease of private funding to other organizations since all of the large companies, the big five in fact, have received and still receive substantial subventions from the federal government and from the provincial government? The whole argument about private funding is in fact that it does go to those groups which have a better opportunity to raise money themselves and that it certainly goes to the tried and true, to the classic, to the imported, rather than to the innovative and to the Manitoba based. Those are the standard arguments which

are made about private funding everywhere. So I am looking for some information from the minister on how in fact that is affecting Manitoba culture.

* (2230)

Mrs. Mitchelson: Mr. Acting Deputy Chairperson, I am informed that the economic impact study done by Dunwoody did not deal with the smaller arts organizations. It did deal with the larger, the five performing arts organizations that I have just indicated. I am of the understanding that the Manitoba Arts Council would be taking that into consideration. I think that would be a question that will be fairly asked of the Arts Council and possibly they could provide some of that information. We do not have that information.

Ms. Friesen: But the minister's argument when two years she cut those organizations and made those 20 percent reductions across the board in many areas of cultural grants was that private funding was the way to go. I would assume that the minister herself would have ensured that there was some follow-up there to see that in fact that policy was feasible and that there had in fact been private support for the kinds of organizations which had suffered the reductions from the government.

Mrs. Mitchelson: Mr. Acting Deputy Chairperson, I guess maybe we are talking apples and oranges at this point in time. I guess you are talking about the community arts that had reductions in their funding lines through the department over the last couple of years, not the smaller performing arts organizations that would be funded by the Manitoba Arts Council. Okay. I was misunderstanding then the line of questioning.

All I can say is that our community arts organizations are thriving and are healthy, that they are doing very well. There is no increase in deficit. As far as my being able to determine where the funding is coming from that is keeping them healthy and vibrant and viable, I cannot give that specific information, but I do know that they do not have larger deficits or deficits to any great degree throughout the community, so they are managing.

I have very much respect and very much confidence in the community arts organizations throughout our province and the people and the volunteers who are involved. Everyone recognizes and realizes that there are difficult economic times and most of us are having to attempt to do more with less. I believe that our arts community

throughout the province, our local community arts organizations, are doing well and they are rising to that challenge. Obviously, they are able to find the funding from somewhere to continue the kinds of programming that their communities have come to expect.

One of the things that we did do was change the way that community arts organizations applied for their funding. It used to be on a project-by-project basis and we had many complaints that many organizations were having to apply 10 or 15 times in a year for a very small grant. There were times when I was sending out a letter with a cheque attached for \$10. It costs much more within the bureaucracy to process a cheque for \$10 than actually benefited the arts community.

What we have done is gone to block funding, in fact, so we look at the evaluation of last year's projects or, when we started the program evaluated the previous year, gave them a block funding grant and then do an assessment at the end of the year. If they do not live up to the expectations that the community has set or the goals that the organization has set, we might have to look at a change in their funding. If they are still managing to do the things that they set out to do, I think it is less cumbersome, less burdensome.

It takes an awful lot of time for a community volunteer or the sole support person, I guess, for an organization to have to spend all their time applying and filling out applications for funding when that time could be better spent ensuring that the programming they have put into place is dealing in a positive way with the community that they represent.

Ms. Friesen: Mr. Acting Deputy Chairperson, we have very little time today, so the message from the minister that in fact arts organizations across Manitoba are healthy and happy, I think, will be good news and fresh news to quite a few of them.

I think we might want to look at how they have met the reduction in funding and whether they have been able to have access to private funds and whether this reduction has been met by repetition of performances, by reduction of expectations, by reduction of one performance, by taking away the smaller experimental groups such as was contemplated with the Warehouse, for example.

I wanted to ask the minister about two specific things dealing with the legislative process that I

mentioned in my introduction. One is the provisions in Bill 52 for museums. I wonder if the minister could give us some background on that and where that fits into her department, since she does have responsibility for the heritage act which provided, had similar—has in fact, because it is still in existence, similar provisions, although I would see some differences. I wondered if the minister could comment on that.

For example, one of the things the minister might want to consider is why museums were included and why archives were not included in Bill 52.

Mrs. Mitchelson: Mr. Acting Deputy Chairperson, I guess this bill was formulated at the request of the Museum of Man and Nature coming forward to government indicating, because they are in the middle of a major fundraising capital campaign in the community at the present time, they were wondering whether in fact there might be some consideration given to a piece of legislation that would allow Manitobans to contribute in a major way to a capital foundation and get the tax benefit accrued to them. I think we all recognize and realize that there is a lot of old family money in Manitoba, and we would like to see that stay in Manitoba and do some good things here.

So as a result of that request we started negotiation. Of course, we consulted with the Department of Finance and ultimately with the federal government, because it had to be a process of negotiation with the federal government. All they would agree to at this point in time was universities, hospitals and museums. They were not prepared at this point in time to broaden that in any way, so we were able to accomplish that much and that is what the legislation is about. It does allow for tax deductions for larger donated amounts.

Ms. Friesen: But there is already on the books an act called the heritage act, not The Heritage Resources Act, but the heritage act, which does make provision for exactly that, for people to be able to donate real property and money to the Crown for a tax benefit. To my knowledge, it has been very rarely used, but it has been there since the 1960s, and I am wondering legally why the government felt that it had to put museums into this other act.

Also, could the minister tell me which department of the federal government she was negotiating with who chose to exclude archives?

* (2240)

Mrs. Mitchelson: Mr. Acting Deputy Chairperson, I am informed that The Heritage Manitoba Act would keep you under the normal taxable guidelines where you could only receive a receipt for 20 percent of your taxable income, whereas this one lifts that limit so that you can receive a receipt for 100 percent of that donation.

Ms. Friesen: Could the minister tell me why archives were excluded from this. Which department of the federal government chose to exclude that? Is it the Finance department? They are in flux at the moment, but since usually museums and archives are included in this because documents, literary inheritance, those kinds of things which need to be evaluated are often included in similar kinds of bills and are in other provinces, I just wondered why the exclusion here.

Mrs. Mitchelson: Mr. Acting Deputy Chairperson, I am informed that the federal tax officials had to approve the categories and Manitoba Finance was restricted into how broad the categories could be, so I cannot answer that question. I would imagine that it would have to be asked of the Minister of Finance (Mr. Manness) because it would have been his department that did the negotiations with the federal government.

Ms. Friesen: The second thing I was going to ask about was the new Manitoba symbol, shield—

An Honourable Member: Coat of arms.

Ms. Friesen: Coat of arms, that is what I am looking for, the new coat of arms. This is the department which has the responsibility for visible symbols and has a budget for that. Could the minister tell us what the budget implications are of the adoption of the new Manitoba coat of arms?

Mrs. Mitchelson: Mr. Acting Deputy Chairperson, we have heard several comments from members of the opposition as this piece of legislation was introduced and has been debated during second reading.

I guess I take some exception to some of the comments that have been made and the lack of understanding of members of the opposition of what exactly an augmented coat of arms is. It is something that is bestowed upon a province by the Queen, the first time ever it has been done by her representative which would be the Governor-General of Canada. It has always in the past been

done by the Queen herself when she has visited a certain province.

We were ninth out of 10 provinces across the country to have an augmented coat of arms bestowed upon us and I would imagine there were other governments in power, and I tried to do a little research. I do not think I got an answer from my department on whether Governor-General Schreyer was ever the Governor-General of the country when the Queen bestowed an augmented coat of arms, and I did not ever hear any major outcry from those who represent the Queen about her prerogative I guess.

As I said, there are eight other provinces that do have an augmented coat of arms and it is something that is done by the chief herald in Ottawa, the design and the drawing and takes into consideration from the beginning of time up until the present all the different waves of immigration and it has a lot of history behind it.

I do not know if the member for Wolseley was at the ceremony last fall—

An Honourable Member: Kevin wants a free vote.

Mrs. Mitchelson: The member for Inkster (Mr. Lamoureux) may want a free vote and I would hope that he would come to his senses anyway when he has to make that decision and vote.

I want to make it very clear that there is going to be no additional cost. This is something that does not have to be used. We have put it in legislation, I guess, to protect the patent which I think occurs on a regular basis when this happens to a province but we still can use the old coat of arms. We do not have to get new stationery, new letterhead and we do not have to use that. It is something that has happened across the country to every other province and I guess it was Manitoba's turn.

I think when we travel to other provinces, I have had comments from people who have indicated that they have seen the augmented coat of arms displayed in very prominent places in other provinces and there is no requirement by the government at all to spend any money tearing anything down or, in fact, using that augmented coat of arms, except when they deem advisable for a ceremonial occasion if they should so choose.

* (2250)

Mr. Reg Alcock (Osborne): Except for the one in the rotunda—ugly.

Mrs. Mitchelson: Mr. Acting Deputy Chairperson, I guess I take some offence to the member for Osborne. I do not want to get him mixed up with the member for Wolseley (Ms. Friesen), because she did not make those comments—but the member for Osborne who has as little respect for artists in the province of Manitoba as he does in his comments. I will tell you that as a result of the expert art work that was done by a Manitoba artist with bronze used from Manitoba and the granite from Manitoba, as a matter of fact, Ottawa is going to be coming to Manitoba.

We are asking our Manitoba artists to do other work on other coats of arms across the country, because there are municipalities that have coats of arms. Because they really respect the caliber of our Manitoba artists, they are going to be using possibly and providing job opportunities for Manitoba artists. I take some offence to the crude way that the member for Osborne has portrayed Manitoba artists.

(Mr. Deputy Chairperson in the Chair)

Ms. Friesen: Mr. Deputy Chairperson, my questions were directed at cost and usage. The minister is essentially saying it does not have to be used but in fact the legislation proposes that it replace that 1909 coat of arms.

That 1909 coat of arms forms part of the flag. Is it the intention of the minister to eventually, over the short term or the long term, change the flag?

Mrs. Mitchelson: Mr. Deputy Chairperson, all it does is augment the coat of arms. There will be no change of anything, including the provincial flag, unless of course a New Democratic administration or a Liberal administration, if ever they become an administration in the Province of Manitoba, chooses to do so.

Ms. Friesen: Under the policy angle of this particular department, I want to change to look at the salaries that I mentioned in my introduction.

What I had suggested in my introductory remarks was that the management and technical salaries in some areas of the department have decreased and in some areas have increased. I wonder, could the minister give us the rationale for that?

It seemed to me that for example, and I am not looking at it entirely—I believe in the Arts Branch, in

the heritage branch, in the Archives, that managerial and technical salaries have decreased. Is that the case?

Mrs. Mitchelson: Mr. Deputy Chairperson, it is my understanding that the only reason you would see a decrease in salaries as such is if there was one individual replaced by another individual through a vacancy, whereby that person would start at a lower level.

Ms. Friesen: Mr. Deputy Chairperson, I would be surprised if there were that many changes. For example, if we start—I am in the yellow Estimates book on page 35. Managerial has gone from 58 to 57 and Professional/Technical from 265 to 264, although there are the same number of people employed. Again, when you look at Public Library Services, you have gone from 49 to 40 in the Managerial and 455 to 443 in Technical, and you are still looking at the same number of people.

Go over to Historic Resources, and you see the same thing. You go to Recreation, you see the same thing. You go to Regional Services, however, and you see an increase. You go to Information Services, and you see an increase. The pattern that I see there is that Provincial Archives, for example, Managerial has gone from 68 to 66 and Professional/Technical from 947 to 928, again, with the same number of staff. So there is a pattern there at the professional and technical levels of the department. Could the minister explain what has happened?

Mrs. Mitchelson: Mr. Deputy Chairperson, I am informed that every staff member was treated the same. In the instance of Regional Services that was just mentioned, what happened was, we had the director of Regional Services was away for a year on educational leave, and we had different people from Regional Services rotating into her position on an acting basis. They would have been the regional directors who were not as highly paid as she was.

She came back from her year's sabbatical, so therefore, her salary was higher than those who had been acting in her position. So that will account for the increase. Every staff member in the department was treated the same with a 3 percent reduction. In some instances, people were at the top of their salary scale so you would realize and see a 3.8 percent reduction. If they were still at

the stage where they were getting increments, that might not necessarily be reflected.

Ms. Friesen: Certainly, the largest increase is in Regional Services, but we do of course have increases in the deputy minister's salary and increases in Communication Services at the same level. What are the reasons for that?

Mrs. Mitchelson: I can answer one, while staff is looking for the other, and that is on the deputy minister's salary. Because the deputy minister is not at the top of his salary scale, if he had received his merit increment and the regular settlement, he would have realized a 5.4 percent increase because of his merit increment. But as a result of the 3 percent decrease in his salary for the 10 days unpaid leave, what we see is a 1.2 percent increase rather than a 5.4 percent increase.

I think that is the same throughout the department. There was another specific, and I cannot remember.

Ms. Friesen: Information Resources—I am on Communication Services on page 47 of my yellow book.

Mrs. Mitchelson: I am informed that there is no special agreement of any sort. What this might be is a vacancy that had not been a full year in the previous year, it might have been a reclassification, it might have been anything that fell within MGEU standards agreements. There was nothing special.

Ms. Friesen: Again, as a policy line, could I look at the discrepancies that seem to be there in the listing of Information Resources?

I just wanted to look at page 45 of this year's book, which suggests that the expenditures for '92-93 in Information Resources, which is the government's communication group. It says that in '92-93—and I know that is last year, '92-93—Estimates of Expenditure were \$8,955,800. When we look at last year's Estimates book on page 45, the estimate for that year was 6.3, so is that the difference between estimates and expenditure, or is there some other explanation?

I notice in this year's book you are using the term Estimates of Expenditures, where I think maybe it means actuals. There is a different way of formatting it.

Mrs. Mitchelson: Mr. Deputy Chairperson, I am informed that the difference is the reconciliation of

accommodation, and that is space which is charged back from Government Services for accommodation of the department.

Mr. Deputy Chairperson, it is shown in the main Estimates of Expenditure for the province on page 26 under Reconciliation Statement, Allocation of funds from: Government Services \$2,722,500.

Ms. Frlesen: So do we then assume that the Estimates of Expenditure on page 45 of the '93-94 book, 8.5, should in fact include another 2 million?

Mrs. Mitchelson: Mr. Deputy Chairperson, I have it straight now.

This was a new policy decision of government this year to charge back to the departments the actual cost of accommodation. I think that is a fair way of doing things so we actually do know what the costs of government and government departments are.

* (2300)

So in last year's Estimates book, the amount of \$6,981,000 did not include accommodation costs. If last year's book had included accommodation costs, instead of \$6,981,000, it would have read \$8,955,000, so that is the cost of accommodation. This year's Estimates reflect a reduction in the expenditures for Information Resources accordingly.

Ms. Frlesen: Can we go back one further year, since the minister thinks this is a new policy. The Adjusted Vote in the '92-93 Estimates—the Adjusted Vote for '91-92 was 6.8. When we go to the year before, the '91-92 Estimates, and we look at the Estimates for the year ending '92, that '91-92, it is 5.5. So again there is a \$1-million discrepancy at a time when the minister says that policy was not in existence. So what is happening there?

Mrs. Mitchelson: Mr. Deputy Chairperson, that was as a result of the consolidated of all of the communications functions within one department of government, and that was back two years ago.

Now, you indicated that there was only \$5.5 million in the budget; that would have been before the consolidation of Communications positions. As a result of that consolidation, there was over a two-year period some \$2 million in savings to the taxpayers of Manitoba as a result of that consolidation.

There were major reductions in Communications staff years throughout government so that would

have accounted for the increase, because some of those positions, when the number was only \$5 million-something, were allocated to other departments and paid for through other departmental expenditures.

Ms. Frlesen: Mr. Deputy Chairperson, in the context again of policy, when does the minister intend to distribute the Public Libraries Board review?

Mrs. Mitchelson: I have had the report for a considerable length of time now, and it is presently in departments throughout government trying to get a sense of where we need to be going. I think it is going to take a lot of thought and effort.

Yes, we believe that there needs to be automation and better ability for communities to access information through libraries, but there is also the question too of distance education and our government's focus on how we move in an efficient way into providing distance education for Manitobans in remote communities. I think we have to think very carefully and very seriously about tying those kinds of initiatives together so that we get a place within rural Manitoba communities that we can access libraries, whether it be in the public library system or whether it be through possibly a school library if there is not the ability to have a public library. I think it is important that we think very carefully before we put any kind of an enhanced process in place, that we look at all of the factors that need to determine what needs to happen in our rural Manitoba communities.

We are going through that process internally right now. The report will be released publicly when we come to grips with how we believe we are going to be able to move forward. There will be expenditure of money required, absolutely no question. We are going to have to look very carefully through the budgetary processes into the future to see what can be accommodated and how we marry possibly different functions from different departments together so that we can have the best resource available to the majority of communities in rural Manitoba.

It is not at a point where it will be released publicly yet, but we will be looking towards that, that into the future, once each department has had the opportunity to provide some input into the best way of enhancing service and technology throughout our rural Manitoba communities.

Ms. Frlesen: Could the minister just track for me the allocation of the Heritage Federation monies? There was \$700,000 approximately left when the minister changed the—abandoned or at least dissolved the council and created another one. Where did that \$700,000 go, and how much of it has been expended under the new council and in what proportions in the sense of, did the new council expend that \$700,000 plus this year's grant? What is the accounting system that has gone on there?

Mrs. Mitchelson: Mr. Deputy Chairperson, when the decision was made in the budgetary process last year to change the method of delivering heritage grants throughout the community from the Heritage Federation to a new council, the Heritage Federation had already made the allocations for last fiscal year. Their total allocations were around \$700,000 that they had provided for grant approvals. We honoured all of the commitments through last fiscal year that the Heritage Federation had made.

What happened was the resources were flowed through my department to every heritage organization that had been approved last year through the Heritage Federation. The new grants council only took over in this fiscal year. The grants from last year were as a result of what the Heritage Federation had committed, and because community organizations had been notified, we felt that we should honour all of the commitments that the Heritage Federation had made.

Ms. Frlesen: There are two other things I would like to follow up with. One is the reserve fund that the Heritage Federation had built up and what the fate of that was, where that sits at the moment. The second thing is: What is the allocation for this year for heritage grants?

* (2310)

Mrs. Mitchelson: As a matter of fact, the Heritage Federation took the province to court indicating that they felt that the surplus money that was in reserve was their money. The court ruled, in fact, that it was not their money, but that it was government's money. Subsequent to that, the Heritage Federation has appealed that decision.

I must say that there is probably a substantial amount of money that is going to legal costs, and that is money that the heritage community will never see as a result of the legal arguments. But

that is where it stands right now. It is at the appeal process.

Ms. Frlesen: So at the moment the money still remains in the Heritage Federation's bank account?

Mrs. Mitchelson: Yes.

Ms. Frlesen: And how much money has been allocated for heritage grants in this fiscal year?

Mrs. Mitchelson: Mr. Deputy Chairperson, \$600,000 for grants and \$71,000 for administration, so a total of \$671,000.

Ms. Gray: I have just a couple of general questions. The minister in her earlier comments talked about the economic viability of culture and looking at the needs of Manitobans versus the wants of Manitobans. I would like her to pursue, if she would, a little bit more about how she sees culture relating to economic viability, and if she sees Culture, as perhaps of all the departments, not related to economic viability. If she can maybe just comment or expand on her thoughts on that.

Mrs. Mitchelson: I think that, when we always have to weigh as a government when we are using taxpayers' dollars to provide funding or support to any segment of the community, we have to look at the benefits. In some areas of culture there is great economic viability.

We look at our cultural industries, and for the number of dollars that we spend in cultural industries we generate and lever dollars, whether it be from the National Film Board or from Telefilm—\$6 for every dollar that we spend here in Manitoba.

It provides economic opportunity and jobs for Manitobans. It allows companies in Manitoba to utilize the film industry that we have here to shoot commercials, so they do not have to take or use or hire people in Alberta or Toronto to shoot commercials.

So it is Manitoba businesses benefiting; it is Manitoba artists that are benefiting from the ability to create jobs. We are also leveraging \$6 for every dollar that we as a province put into our cultural industries on the film side of things. I think that is very important, and I think that it does create economic activity for every film that is shot in a small rural Manitoba community. We have people staying in the hotels, eating in the restaurants and contributing to some activity in those communities,

so I think it is very positive. We have seen that we have the ability here in Manitoba to create some first-class films.

It is unfortunate that we had a City Council not too long ago that gave up a million dollars of economic activity and a boost to Manitoba's economy. I know that some people say, oh, well, it is not all that much; a million dollars does not go very far. Well, a million dollars goes a long way to provide some of the support and could be at least a drop in the bucket to the some \$16 million deficit that the City of Winnipeg is going to find themselves in this year. If they found a million here and a million there and they had as a result of that \$1 million coming into the province of Manitoba or the city of Winnipeg, if they could find a couple of other initiatives like that, they might see a major benefit to the City of Winnipeg and not experience the kind of deficit that they might see in this year's budget.

I believe that jobs are created in the arts in Manitoba. We just saw a very positive instance where, as a result of the ballet talking about cancelling the Ballet in the Park, we had the artists pull together, look at building a stage and performing for Manitobans, so that they could keep that venue alive and well and provide the opportunity for many Manitobans to enjoy and experience the ballet as they have been accustomed to over the last 20-some years.

I think that it creates a positive image for the city of Winnipeg, for the province of Manitoba, when we can talk about what we have to offer and what we contribute. Obviously, Manitobans, Winnipeggers feel that our arts and our arts venues are of great value, and they still are participating audience-wise and dollar-wise in our arts activities. I really do feel that we have to look at the economic viability, although there always will have to be government support. I think there are many benefits to having a very vibrant arts community.

Ms. Gray: Could the minister tell us what criteria her department uses to evaluate how dollars are used for culture? She speaks of economic viability, and I am assuming that is maybe not exclusively, but in some ways it is one criterion that can be used. Can she tell us what other criteria are used to evaluate the use of dollars for culture? I would think it would be difficult to evaluate how well our dollars are being used with culture, because it tends to be a very nebulous thing and it can be long term?

Mrs. Mitchelson: I guess there are all kinds of things that go into the evaluation, the criteria and the guidelines for different programs. We have different programs that address different needs out in the community, but some of the things that are looked at, of course, are arts development, community development.

We look at a balanced budget. We want to ensure that there is community support, and I think that is one of the major criteria. The Arts Council is mainly responsible for funding the major arts institutions, organizations.

My department has the responsibility for community development throughout rural Manitoba of the arts.

Ultimately, there has to be community support, because if there is not going to be community support and community participation, I do not think it is our role to be telling a community what they should have and what kinds of activities or performances or venues they should put on in their communities. We have to look at arts development, we have to look at the community development, audience participation and, of course, a balanced budget. We want to ensure that they are able to do some community fundraising, some private fundraising of some sort.

* (2320)

I have always said and I say many times that government cannot do it alone. I think when there is community support to make something happen and it is community driven, that is where we play a role in providing that support.

Ms. Gray: There was a discussion earlier this evening about the augmented coat of arms. Could the minister tell us who the artist was who did the granite, if I can say, sculpture that is in the Legislative Building, which I have no problem with in terms of the use of granite, et cetera.

Mrs. Mitchelson: Just off the top of my head, I cannot recall. I will get that information. I could provide it tomorrow morning.

Ms. Gray: Who actually designed the coat of arms?

Mrs. Mitchelson: It was the artist that did the rendering as a result of the chief herald at Rideau Hall, who looked at the history and the heritage and talked about the settlers and the terrain and all of

those things that have to fit into an augmented coat of arms.

Ms. Gray: I know we are jumping from topic to topic and I know the minister has probably indicated this in news conferences before but perhaps she could briefly reiterate for the committee this evening the reason behind the change from the Heritage Federation in terms of, it is an organization being allowed to make decisions on approving grants for heritage projects and the new grants council that she has established.

Mrs. Mitchelson: It goes back a few years now as we were doing an assessment and an evaluation of the Heritage Federation and the increase in administrative costs that had been happening. We were up to, I think we were spending \$177,000 on administrative costs to administer a program that we felt was somewhat excessive.

You know, as a result of the new structure, we will be spending somewhere around—we anticipated it will be around \$75,000. I think it will come in at about \$71,000, just over \$71,000 on administration. That means there is \$100,000 that could go to community projects, all things being equal, more than was available when the Heritage Federation was distributing grants.

Ms. Gray: Mr. Deputy Chairperson, the minister indicated that last year the Heritage Federation group had approved about \$700,000 worth of grants; this year the new grants council has approved some \$600,000. The minister refers to \$100,000 savings being made on administrative costs. Could she tell us where that extra \$200,000 is, and will that be used for grants? I get \$200,000 when I add \$100,000 savings from administration and the difference between \$600,000 and \$700,000 from last year to this year.

Mrs. Mitchelson: Mr. Deputy Chairperson, we have to go back to the history of the Manitoba Heritage Federation when they were set up, and it was before our time as government, to distribute grants to the community.

When they were set up, they received a certain allocation from the government of the day, and I think it was around—I cannot remember back that far, but I do know that they had a certain grant allocation, and because they did not spend all of the money that had been allocated to them in the first year, they developed a surplus. In the second year, they did not spend all of the money that had

been allocated by the government of the day to them, so they developed a larger surplus. They kept generating a larger and a larger surplus, and they were not providing the full amount of grant that was allocated to them back out to the community, so they developed a large pot and a large surplus.

When we did the Lotteries needs assessment, we determined that really that money should be going out to the community that had been allocated to them, and we encouraged them to start to spend some of that surplus. So although they were able to allocate, they were only given a grant in the budgetary year of \$712,000.00. That had been their grant for several years. They allocated \$700,000 using some of their surplus, and they also spent \$177,000 on administration to administer those grants, so they were using some of the surplus.

What is happening right now with that surplus, I think, it is going to legal fees to pay the lawyers to fight the government rather than going to the community that rightly deserves that money. What we have committed as a government is to allocate that money for heritage opportunities throughout the province, should we ever get access to it, and I have no way of determining what the appeal process will tell us.

Ms. Gray: Could the minister tell us, though, even looking at surpluses over the years, the \$100,000 that her department, with this new structure, is purportedly saving on administrative costs, that \$100,000, will it be made available for groups for grants this year?

Mrs. Mitchelson: Mr. Deputy Chairperson, all of the umbrella groups in the granting organizations within my department this year received a fairly substantial reduction in their allocations. The Multicultural Grants Advisory Council, the Community Services Council, Community Places Program was eliminated. All of the lottery programs received substantial decreases, and the Heritage Council could not be treated in isolation of every other area of my department. Unfortunately, those were part of the difficult choices. If it was the Heritage Federation or whether it be the Heritage Grants Council, there would have been a reduction in this year's budgetary process as a result of overall government reductions.

Ms. Gray: Mr. Deputy Chairperson, the \$100,000 of savings, is that reflected anywhere in the budget

of this department? Was it spent? Is it saved? Has it gone back to—on paper—Treasury, or am I not understanding?

Mrs. Mitchelson: Last year the Heritage Federation committed \$700,000 in grants to the community, and out of the surplus they spent \$177,000. So really the commitment, if you add it, yes, in addition to the \$700,000. This year we have allocated \$600,000 in grants rather than \$700,000. That is a \$100,000 reduction. Okay? Which is somewhat similar across the board to all of the umbrella organizations, and we have \$71,000 on top of the \$600,000. So our total is \$671,000 as opposed to \$877,000 that the Heritage Federation was spending, only \$700,000 on grants, \$177,000 on administration.

Ms. Gray: Mr. Deputy Chairperson, just out of curiosity, how much is this court challenge including the appeal costing the government?

Mrs. Mitchelson: Mr. Deputy Chairperson, we do not know. We do not have the exact costs of that. We have not finished the appeal process, but I want it clearly stated on the record that it was not government that took the Heritage Federation to court. It was the Heritage Federation that took us to court, and I suppose government is always susceptible to that kind of court challenge, and we would have to pay whatever the legal cost would be to defend ourselves through the Department of Justice.

Ms. Gray: The minister mentioned the Community Places Program, and I think somewhere in the budget it talked about \$2 million which I understand were commitments from last year. Just to clarify if that is the case, and it was a policy decision by this government that the entire \$2 million of commitments for last year should be honoured. I am asking that question because there have been other examples of programs that were cut and commitments were honoured.

Mrs. Mitchelson: Mr. Deputy Chairperson, yes, when you have a community organization that has applied for a capital grant and government has given the indication that they will provide that grant, I do not think it would bode very well for government to, in the middle of the process, say we are not going to finish, you know, finish out that. What happens is the cash flow is not necessarily in the same year. You might approve a grant one year, and because the Community Places Program

is a program whereby organizations have to submit their receipts of expenditures before they get paid any money, there sometimes are several progress payments that happen. As they submit bills, they receive reimbursement, and traditionally there has been a carry-over of, well, since the program was reduced from \$10 million several years ago down to \$4 million, and the traditional carry-over into the following year would be at the \$2 million which has been allocated in the budget for those projects that received approval in last year's budgetary process.

* (2330)

Ms. Gray: Mr. Deputy Chairperson, the minister also spoke of the library review and talked about the importance of it and related it to Distance Education. I am wondering if she could give us any type of time frame as to when she would like to see some recommendations or an implementation plan come out of that report. Does she have a time frame for that that she has shared with her cabinet colleagues?

Mrs. Mitchelson: Mr. Deputy Chairperson, I would have loved to have seen that time frame last year in completion and have all of our rural communities served with a library system of some sort. We did, I believe, look at a policy, and I think the policy is still in place in the Department of Education.

I know my colleague the member for Roblin-Russell (Mr. Derkach), when he was Minister of Education, we had considerable dialogue about the construction of new schools in rural Manitoba, rural and remote Manitoba. There was a policy put in place with any new construction that there should be an outside access to the library within the school so that members of the community could access the school library and better utilize the services and the resources available. Not necessarily is it feasible to have two structures or two facilities in every community with a library collection that is usable. So we have tried in many ways to look at ways of better utilizing the tax dollars available to provide the maximum amount of service to a number of communities.

I think that when the Public Libraries Advisory Board was set into motion, and I might say it was defunct for 10 years, it was a requirement of legislation, but under the former administration there was not even a Public Libraries Advisory Board appointed. So we did appoint one shortly

after we started our mandate. They did a fairly extensive process, and I do know that the recommendations will probably, or I know they do involve, if it was to be fully implemented, a fair amount of major expenditure.

I do not think that any government would be responsible if we went into expending a lot of money given that we have made a commitment to Distance Education, given we have made a commitment through rural Manitoba to a revitalization of our rural communities and given we do place a priority on libraries and resources and having updated technology available so there is easier access by communities and by people out in rural Manitoba so they can stay in their own communities, be educated in their own communities, avail themselves of resources or services whether they be government services, avail themselves of information that can more readily enable them to stay and live in their own communities and keep rural Manitoba vital and alive. I think it is important that we take a look at some sort of an integrated system that is going to benefit most Manitobans and most communities and serve many purposes.

So there is not an easy answer. I would love to be able to give you a time frame which might indicate that things will be up and running six months from now or 12 months from now. I cannot give you that guarantee. I think it is important that we work together, we break down the barriers within government departments and try to find a way to use the resources that are available to best serve Manitobans and ultimately best serve the taxpayers that we were elected to represent.

Ms. Gray: Mr. Deputy Chairperson, I thank the minister for her comments, and I am sorry that we did not have an opportunity to have a fuller discussion of the issues in Culture and Heritage, but with the shortness of time, I know that my colleagues want to speak of the Citizenship area, and I will give them an opportunity. Thank you.

Ms. Becky Barrett (Wellington): Mr. Deputy Chair, I do have a couple of fairly general questions in the area of Citizenship and then in Multiculturalism.

In the area of Citizenship, I would just like to preface my comments with a statement. I am going to ask basically one general question in Citizenship. It does not bear any resemblance to

the importance or lack of that I am only asking one general question, because we just do not have the time. I have been very well briefed in many of these issues by the staff for which I am greatly appreciative.

My general question in the area of Citizenship is that in virtually every area the salary levels are either the same or in many cases have increased, while the other expenditures or in the case of Immigration Policy and Planning, which has grants, the grants have in many ways either been reduced or maintained at the same level.

I am wondering if the minister can share with me the policy decision that kept many of their salaries at the same level or increased while decreasing the grant supports and the other expenditures.

Mrs. Mitchelson: Mr. Deputy Chairperson, the reason for any increase in the salary would be the regular answers that I gave earlier on cultural resources side except that there were several reclassifications within this division. That was because when Citizenship was brought into the Department of Culture and became the Department of Culture, Heritage and Citizenship, we got immigrant settlement services from the Department of Family Services and we got Adult ESL from the Department of Education. Those all had to be amalgamated into our department with a new structure obviously along with our new role and mandate for Citizenship.

So there would have been reclassifications that were done through the Civil Service Commission to accommodate that restructuring.

Ms. Barrett: I have a couple of questions, maybe only one, as far as dealing with the Multiculturalism Secretariat. I am leaving my comments on this whole area to another venue where I still have— [interjection] Oh, no, no, I have another area, I still can have unlimited time in Bill 28.

* (2340)

A question under Expected Results on the Multiculturalism Secretariat, the last line says: Consultation and advice to Government departments as required.

As required by whom? Is this a reactive consultation process as government departments ask for it? Or does the secretariat proactively talk to other departments?

Mrs. Mitchelson: Mr. Deputy Chairperson, and I am just looking in my book here for the multitude of accomplishments that have taken place since we established the Multiculturalism Secretariat. The original purpose for setting up a secretariat within government I think came from the task force report on multiculturalism.

It was a recommendation that was done by Neil McDonald before we became government. There was a study that was ongoing and the results of that study did recommend that—at the time we came to government there was only, I guess, one position within government that dealt with multiculturalism and that was a multiculturalism co-ordinator that had responsibility to me, as the Minister of Culture, Heritage and Recreation at the time.

The report, and through consultation with the community and also with MIC meetings that I held initially at that time, there was concern that internal to government there were not enough resources in place to deal with the many and varied issues regarding multiculturalism.

The recommendation came that a secretariat be set up within government so that we could deal with all government departments and ensure that programming that was being put into place was sensitive to our multicultural society.

Therefore we set up and opened the secretariat. As a result of that, there has been extensive consultation within government. We have an internal working group chaired by the secretariat that meets on a regular basis, I believe on a monthly basis, with representatives of many departments of government that deal with many issues.

As a result of some of the discussions and the interdepartmental good working relationship, we have several initiatives underway, and some have been with the Department of Labour. One where—it is an Employments Standards initiative where community members are trained and become a volunteer community liaison, where they are trained in information on the rights and responsibilities of employees and employers and those kinds of relationships.

I know that I have been out to visit with the Filipino community and seen the Filipino representative do an excellent job of working with her community to ensure that members of the

Filipino community do understand the rights and responsibilities of both the employee and the employer so that they can adapt in a more positive way to the working world here in Manitoba.

Also, through this process, there are brochures that are translated into the heritage language for that community. The communities to date that have had a positive impact through this initiative are the Filipino, as I indicated, the Vietnamese community, the aboriginal community and the Polish community. I understand that the next community that is on the list is the Laotian community.

So that has been a very positive experience, and all of those that have been trained have had the opportunity to meet with—individually they are extremely excited that they have a positive contribution to make to their communities, and they are working with great determination to ensure that members of their respective communities do understand what their rights are, what their responsibilities are and what the employee/ employer relationship can and should be.

Other things that the secretariat has done is work within government, you know, when we had the Multicultural Education Policy announced by the Minister of Education back—it was Multicultural Week in 1992. The Multicultural Secretariat was involved in ensuring that the draft was reflective of what the community was saying needed to happen. We have worked very closely.

Of course, although the Multiculturalism Secretariat falls under my responsibility as minister of Multiculturalism, I have the Citizenship branch within my department. There has been a very good working relationship between the secretariat and the Citizenship Division, and, as a result of that, we have been able to develop a respectful workplace initiative within the Citizenship branch, which has been shared in my department and is going to be shared right throughout the civil service.

We have been able to see very positive responses from the staff in the Department of Culture, and I think it is a module that can be shared and used. As a matter of fact, the Civil Service Commission is extremely excited about the prospect of being able to use what we have seen as a very positive thing within our department—come to recognize and understand that we are different. We do come from different backgrounds,

and yet we have something very positive to contribute to the work environment and to the community environment and, obviously, to the government through this initiative.

I have talked about the Citizenship Division, and you know of all of the positive things that are going on there. We do have an antiracism co-ordinator and an antiracism outreach officer also that have worked directly within government. I guess the antiracism co-ordinator was the person that has worked very closely throughout the department in establishing the respectful workplace policy that we have been able to work with. The antiracism outreach officer, of course, works with the community to ensure that the programs that are being put in place and that the communities are working on are sensitive to the issue of ensuring racial harmony and combatting racism.

The secretariat has worked not only internally to government, and I think we talked about a couple of the initiatives that have been very positive, but also have worked with the community at large to listen to the concerns and to ensure that the communities do have access to government, do know what government programs are available. I want to tell you that there is a great appreciation among many communities out there that the secretariat has provided a very valuable service in ensuring that our programs are sensitive.

* (2350)

I think that we have—[interjection] I am sensing a little bit of disruption, and I would defer to the critic for the official opposition to maybe ask a specific question so I could give a specific answer.

(Mr. Jack Penner, Acting Deputy Chairperson, in the Chair)

Ms. Barrett: Mr. Acting Deputy Chair, I thought I had asked a specific question. Obviously, I did not make it clear enough, but in the interests of time, since we have just a few minutes left, I will at this point defer to the critic for the second opposition party.

Mr. Kevin Lamoureux (Inkster): Mr. Acting Deputy Chairperson, unfortunately, with only, well, less than 20 minutes left before the 240 hours wind down, it limits us in terms of the number of questions that we could be asking in what I believe is a department that is very important in the sense that it has such an impact on so many different individuals.

What the government has been doing in dealing with the whole issue of multiculturalism has been somewhat disappointing. The member for Wellington (Ms. Barrett) had opportunity and has spoken at length about what has been going on with the Manitoba Intercultural Council. I do not even believe she has finished debate yet on that particular bill.

I too am looking forward to putting a few words on the record with respect to the Manitoba Intercultural bill. There are no doubt a number of different issues. You know, when you quickly glance through the Main Estimates dealing with, in particular, the Immigrant Credentials, the Citizenship Support Services settlement, Adult Language Training, all of these issues are very important issues that I believe that the government does not necessarily have its priorities in order.

I would look at one of them, for example, ESL. The minister, at least I believe, knows full well the importance of English as a Second Language, but when it comes to the settlement and the Adult Language Training program in fact we do see somewhat of a cut. In other areas, we do see some increases. I think the minister does have a number of misplaced priorities in dealing with issues affecting multiculturalism.

I guess I am somewhat concerned about if I leave too much of a general statement that the minister will consume the rest of the 15 minutes and I might not get another opportunity to ask a question, but generally speaking you have Immigrant Credentials, a very serious issue. The minister talked about establishing a data bank and ESL, English as a Second Language.

I would ask the minister specifically on those two areas what it is that she has done and, again, if she could be as brief as possible on it.

I listened very closely in terms of the minister's response to the Multiculturalism Secretariat and would ask the minister if in fact the department would have been able to do what it talked about doing even had the Multiculturalism Secretariat not existed. The only thing I heard that occurs that could not have occurred prior was the monthly meeting that occurs and I do not see too much that has really come out of that.

Mrs. Mitchelson: I guess I did not give quite a full enough answer just a few moments ago, because I think I should have stated then much more clearly

some of the things that the Multiculturalism Secretariat has done.

Indeed, one of the first jobs that they undertook, and I may have neglected to mention that there was just so much, and I probably could have gone on and taken up the rest of the time in the Estimates process talking about what the secretariat has done. The first things they did was bring together the Department of Culture and the Multicultural Grants Council and facilitate a process whereby, because the community had asked for it, the multicultural community, the ethnocultural communities did not want to be, if you can call it, ghettoized into receiving their arts grant support from the Multicultural Grants Council.

They wanted to ensure that those venues of real artistic merit within many of our communities—and I know the member for Inkster has visited many of the functions in communities where we see professional, semiprofessional art being performed—and they did not want their only sources of revenue to be from multicultural grants, because they wanted to be included in the mainstream arts and be able to access funding through the mainstream arts programs that were available. The secretariat played a major role in facilitating that process, and we were able to restructure our Arts Branch and fund multicultural arts that were more professional out of the Arts Branch, rather than having them only be able to go to the Multicultural Grants Council for funding. So that was one of the things that they facilitated.

(Mr. Deputy Chairperson in the Chair)

I talked about the Employment Standards Branch initiative, and that would not have happened without the Multicultural Secretariat liaising with the Department of Labour. That would not have happened. It was a joint partnership between the secretariat and the Department of Labour, but it was the secretariat that drove the process to ensure that that kind of thing happened, because it was something that the community wanted and it was a program that we were able to put in place within government to try to facilitate that.

As I indicated, we had to ensure that the multicultural education policy reflected what the community was telling us they wanted to see when it came to the multicultural legislation, our multicultural act that we brought in. There are a lot

of things that the community told us. One of them was the importance of heritage language and that as a result of that initiative being expressed through the Multiculturalism Secretariat and brought to government and those kind of meetings facilitated with the Premier (Mr. Filmon) and myself as minister and different communities, we were able to determine that that was something that, yes, we as a government wanted to place as a high priority, and it was a high priority of the community

All of those things. I will not go on because I know there are more. I just wanted to clarify that it was not only the meetings but it is when different departments sit down around the table and have the opportunity to dialogue and when the secretariat hears from the community their specific need and we can partner with the department to make something new happen to benefit the community, I think that that is very positive.

On the issue of ESL, Adult ESL, Mr. Deputy Chairperson, I take some offence from the Liberal critic indicating that we have misplaced priorities, because Adult ESL was the one grant line within my department that did not receive a reduction. That is because this government places a high priority on ensuring that people have the opportunity to learn the English language and easier adapt to a new life in their new home community. So I take great exception to saying that maintaining the grant funding for ESL is a misplaced priority. I believe that is an extremely high priority, and there was no reduction in this year's budget for Adult ESL.

I know that I have met both opposition critics at events and activities within the community where we have graduates from the Adult ESL program. The ones that especially hold a soft spot in my heart I think are the women who are at home with their families and are completely isolated from our Manitoba community, because usually when we have a new immigrant family coming over, it is the man that works in the family, and the wife is at home raising the children and is somewhat isolated.

* (0000)

I cannot believe the sense of pride that these women feel when they accomplish and graduate from an ESL program, and it gives them a better understanding. They can stand up in front of their class and make a short speech. I guess it just

really warms my heart to think that we can provide that kind of service. I think that it is a very valuable service. So I tend to disagree with the Liberal critic when he says that we have misplaced priorities, because Adult ESL has to be our No. 1 priority in the Citizenship Division.

Now second to that, and I hate to even say that ESL is No. 1 over Immigrant Credentials, because we really have placed a focus on credentialization and trying to accommodate and ensure that people that come to Manitoba with skills are able to work utilizing those skills here in our province.

There are lots of barriers that have to be overcome, and there are professional organizations out there that are not as receptive as others might be. We seem to be having some very positive success in certain areas like in the engineering profession, in the accounting profession. We are having some positive results as a direct result of the work that we have done on the credentials side of things. We have certain organizations that work very closely with us.

We have assisted 139 clients over the last year in accreditation and through an assessment and accreditation process, and we are presently involved in a co-operative project with Red River Community College and the University of Manitoba to establish a data base that can be accessed with the co-operation of professional associations. So we are moving ahead. It is not that easy, but I believe that we have made major progress and that we are moving in the right direction.

Mr. Deputy Chairperson: (b)(1) Salaries.

Ms. Barrett: I have one brief question. I hesitate to say it, but it goes back to the coat of arms. Did the provincial government request the augmented coat of arms or was the augmented coat of arms—did it come from the government or the Queen or through the Governor-General? Who initiated the whole process?

Mrs. Mitchelson: I cannot answer that question specifically. I have to indicate to you that I am the minister responsible for the coat of arms and the emblems, the tartan—

An Honourable Member: The tree and all the rest of it.

Mrs. Mitchelson: Yes, that includes the tree.

I cannot remember exactly the name of the act at this late, late time. I do know that the whole

process was dealt with through Executive Council, and because the legislation falls under my jurisdiction, it would be my responsibility to make the amendment to the act. It was not an initiation of mine. All I can say is that I cannot give you that information. I had to make the amendment to the act to facilitate the augmented coat of arms, but it was not my initiative.

Ms. Barrett: A brief request. Could the minister undertake to find out the information as to where the request came from, whether it was from a cabinet colleague of yours or if it came from the Herald or the Queen's representative?

Mrs. Mitchelson: Mr. Deputy Chairperson, I can undertake to attempt to get that information.

Mr. Deputy Chairperson: 1.(b)(1) Salaries \$319,600—pass; (2) Other Expenditures \$74,000—pass.

1.(c) Financial and Administrative Services (1) Salaries \$732,700—pass; (2) Other Expenditures \$111,700—pass.

(d) Human Resource Service (1) Salaries \$245,900—pass; (2) Other Expenditures \$23,800—pass.

(e) Manitoba Film Classification Board (1) Salaries \$90,700—pass; (2) Other Expenditures \$215,000—pass.

2. Culture, Heritage and Recreation Programs: Provides for services to organizations throughout Manitoba in support of the development of cultural and recreational opportunities, the establishment of library services and the preservation of significant aspects of Manitoba's heritage. Provides for research and analysis in support of policy development.

2.(a) Executive Administration (1) Salaries \$233,600—pass; (2) Other Expenditures \$62,600—pass.

(b) Arts Branch (1) Salaries \$444,100—pass; (2) Other Expenditures \$124,600—pass.

(c) Public Library Services (1) Salaries \$646,700—pass; (2) Other Expenditures \$484,200—pass.

(d) Historic Resources (1) Salaries \$1,010,000—pass; (2) Other Expenditures \$309,000—pass.

(e) Recreation (1) Salaries \$269,300—pass; (2) Other Expenditures \$161,700—pass.

(f) Regional Services (1) Salaries \$964,200—pass; (2) Other Expenditures \$330,400—pass.

Resolution 14.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,040,400 for Culture, Heritage and Citizenship, Culture, Heritage and Recreation Programs, for the fiscal year ending the 31st day of March, 1994.

3. Information Resources: Delivers information services to the public and government which reflect Manitoba's ongoing and changing knowledge and communication needs.

(a) Communication Services (1) Salaries \$878,000—pass; (2) Other Expenditures \$139,200—pass.

(b) Advertising Services (1) Salaries \$1,010,100—pass; (2) Other Expenditures \$270,800—pass; (3) Public Sector Advertising \$2,384,100—pass; (4) Less: Recoverable from Other Appropriations \$(2,733,500)—pass.

(c) Information Services (1) Salaries \$561,900—pass; (2) Other Expenditures \$174,700—pass.

(d) Queen's Printer (1) Salaries \$202,500—pass; (2) Other Expenditures \$721,700—pass; (3) Less: Recoverable from Other Appropriations \$(260,300)—pass.

(e) Translation Services (1) Salaries \$898,300—pass; (2) Other Expenditures \$429,000—pass.

(f) Provincial Archives (1) Salaries \$1,338,600—pass; (2) Other Expenditures \$1,258,000—pass; (3) Less: Recoverable from Other Appropriations \$(28,800)—pass.

(g) Legislative Library (1) Salaries \$695,800—pass; (2) Other Expenditures \$654,000—pass.

* (0010)

Resolution 14.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$8,594,100 for Culture, Heritage and Citizenship, Information Resources, for the fiscal year ending the 31st day of March, 1994—pass.

* * *

Mr. Deputy Chaiirperson: Order, please. I am interrupting the proceedings of this section of the Committee of Supply because the total time allowed for Estimates consideration has now expired. Our Rule 64.1(1) provides in part that not more than 240 hours shall be allowed for the consideration in the Committee of the Whole of the Ways and Means and Supply resolutions respecting all types of Estimates and of relevant Supply bills.

Our Rule 64.1(3) provides that where the time limit has expired the Chairperson shall forthwith put all remaining questions necessary to the disposal of the matters and such questions should not be subject to debate, amendment or adjournment.

* * *

Mr. Deputy Chaiirperson: Resolution 14.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,786,400 for Culture, Heritage and Citizenship, Citizenship, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 14.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$357,800 for Culture, Heritage and Citizenship, Multiculturalism, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 14.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$35,041,600 for Culture, Heritage and Citizenship, Lotteries Funded Programs, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 14.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,834,000 for Culture, Heritage and Citizenship, Administration and Finance, for the fiscal year ending the 31st day of March, 1994—pass.

This concludes the Department of Culture, Heritage and Citizenship.

INDUSTRY, TRADE AND TOURISM

Mr. Deputy Chaiirperson (Marcel Laurendeau): We will now move on to the Department of Industry, Trade and Tourism.

Resolution 10.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$14,551,000 for Industry, Trade and Tourism, Strategic Initiatives, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 10.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,766,600 for Industry, Trade and Tourism, Economic Development, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 10.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$661,000 for Industry, Trade and Tourism, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 10.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,124,300 for Industry, Trade and Tourism, Administration and Finance, for the fiscal year ending the 31st day of March, 1994—pass.

Point of Order

Mr. Jerry Storie (Flin Flon): Mr. Deputy Chairperson, you are going through these resolutions very quickly, and it is difficult to hear what these resolutions actually are, but I want it known that had the Estimates time not expired, I would have been asking questions about these very important sections of the department.

Mr. Deputy Chairperson: Order, please. The honourable member did not have a point of order.

Point of Order

Mr. Jack Penner (Emerson): Mr. Deputy Chairperson, I appreciate greatly what the member for Flin Flon (Mr. Storie) has just said. But let me remind the honourable member for Flin Flon that there was adequate time, had they chosen to not rag the puck on a number of the other departments, and had they not chosen to waste a huge amount of time. Then I would suggest to the honourable member for Flin Flon that they next time consider the proper allocations of time for these committees.

Mr. Deputy Chairperson: Order, please. The honourable member does not have a point of order.

Mr. Deputy Chairperson: Shall the resolution pass? Pass.

COMMUNITY SUPPORT PROGRAMS

Mr. Deputy Chairperson (Marcel Laurendeau): Resolution 33.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,925,600 for Community Support Programs for the fiscal year ending the 31st day of March, 1994—pass.

LEGISLATIVE ASSEMBLY

Mr. Deputy Chairperson (Marcel Laurendeau): Resolution S: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,440,300 for the Legislative Assembly for the fiscal year ending the 31st day of March, 1994—pass.

Resolution S: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,310,500 for the Legislative Assembly for the fiscal year ending the 31st day of March, 1994—pass.

Resolution S: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,580,000 for the Legislative Assembly for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 1.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,551,400 for the Legislative Assembly for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 1.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,792,800 for the Legislative Assembly for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 1.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$798,500 for the Legislative Assembly for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 1.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$386,200 for the Legislative Assembly for the fiscal year ending the 31st day of March, 1994—pass.

CANADA-MANITOBA ENABLING VOTE

Mr. Deputy Chairperson (Marcel Laurendeau): Resolution 26.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,514,200 for Canada-Manitoba Enabling Vote for the fiscal year ending the 31st day of March, 1994—pass.

ALLOWANCE FOR LOSSES AND EXPENDITURES INCURRED BY CROWN CORPORATIONS AND OTHER PROVINCIAL ENTITIES

Mr. Deputy Chairperson (Marcel Laurendeau): Resolution 35.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$620,000 for Allowances for Losses and Expenditures Incurred by Crown Corporations and Other Provincial Entities for the fiscal year ending the 31st day of March, 1994—pass.

ALLOWANCE FOR SALARY ACCRUALS

Mr. Deputy Chairperson (Marcel Laurendeau): Resolution 37.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,600,000 for the Allowance for Salary Accruals for the fiscal year ending the 31st day of March, 1994—pass.

EMERGENCY EXPENDITURES

Mr. Deputy Chairperson (Marcel Laurendeau): Resolution 18.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,000,000 for Emergency Expenditures for the fiscal year ending the 31st day of March, 1994—pass.

The hour being 12:17 a.m. and Estimates complete, committee rise.

JUSTICE

* (2000)

Madam Chairperson (Louise Dacquay): Order, please. Will the Committee of Supply please come to order. This section of the Committee of Supply is dealing with the Estimates for the Department of Justice. We are on item 2.(a) page 105.

Would the minister's staff please enter the Chamber?

Ms. Becky Barrett (Wellington): I believe, Madam Chair, that the minister and I had agreed before the break that I would ask questions in mainly one area, because there are several other Estimates that need to be dealt with this evening, and that was in the area of Maintenance Enforcement. So I assume that I can go ahead and ask a couple of questions in this area even though we are not necessarily on the line in the Estimates process.

I would question first, under which line, if we were going line by line, would Maintenance Enforcement come. Would it be Court Services?

Hon. James McCrae (Minister of Justice and Attorney General): Court Services, line 5.(a).

Ms. Barrett: That is the line I had. Two basic questions, and maybe I will just make the general comment and state the questions.

We have talked in the House, and there has been public information about the problems facing Maintenance Enforcement due virtually entirely, as far as I can tell, to the fact that there really are not

I am not laying blame on any particular department or the minister, but there are not really enough resources, human or technical, to deal with the issues and the caseloads that face Maintenance Enforcement.

I know that there are a couple of areas that are being looked at to try and improve the situation, and one is computerization. I would like to ask the minister if he could bring us up to date on what is happening with the possibilities or the plans for computerization.

The second is: Are there any plans underway to deal with staffing in the division, either in the short term while computerization is underway or in the long term?

Mr. McCrae: Partly in response to pressure on this division, because of the nature of the '90s and the fact that more and more of the kinds of services offered by Maintenance Enforcement, our Maintenance Enforcement Program, beginning in February of 1992, embarked upon a review of the Maintenance Enforcement Program, and there was a working committee struck to facilitate the process. This is back over a year ago now.

It was chaired by Irene Young and it included Maintenance Enforcement staff, a number of members of the staff. What their objectives were were to review all the staff duties and office procedures and workloads to determine what changes could be made to reduce or redistribute the workload, to review the policies and procedures of the program with a view to improving public service, to review the additional systems needs of the program, for example, automation of the enforcement elements of the program to maximize the use of automation and reduce the labour intensive clerical functions performed manually, to review and ensure the adequacy of the space requirements of the program, and to review the locator function performed by sheriff's officers on behalf of the Maintenance Enforcement Program.

That was back in February, so it was almost as if we knew the honourable member was going to raise this question today, because really a lot of work has been done since February of 1992. We are presently in the process of training three new staff people in the program to help us keep up with the demand on the program. It is really a very good program when you look at how we were able to manage without the program. We are worlds apart

in the sense of assisting people, mostly women, in having their maintenance awards enforced and assisting them without having to go through a whole lot of trouble themselves to obtain the maintenance awards, monthly payments that are properly owing to them under court orders.

The honourable member would be very well aware of the kinds of people sometimes we have to deal with. I mean, there are many, many people against whom orders are issued who make their payments and even if we did not have a program there might never be a problem, but there are also those who are a little reluctant to live up to their responsibilities and this program is in place to assist. We have really made some vast improvements over the last year in the Maintenance Enforcement Program. It was time after—it had been going about 10 years at that time, so that we certainly understood the shortcomings in the program and so very comprehensive work has been done. The Ombudsman has been involved in overseeing the work that we have been doing, and improvements have been made.

It is not to say, we are not going to continue to have people who have difficulty obtaining their maintenance because unfortunately we are dealing with people who sometimes want to get out of fulfilling their responsibilities, avoid the authorities, avoid the program, and there is that constant challenge. But even so, we, as I said before, pioneered this program in Manitoba, and it is still the program to which other jurisdictions look to assist them in either setting up their own or improving their own.

Ms. Barrett: The minister said that there were three new staff being trained, yet when I look at the Estimates figures for staff, there is a reduction in Court Services.

Mr. McCrae: Well, that is a big branch, a very big branch. We have about 500—

Ms. Barrett: You are right. Are these—

Mr. McCrae: Sorry, Madam Chairperson, I am just inviting the honourable member to look at page 73 of the information provided. However, you look at all these numbers on this page, there are three more people working for Maintenance Enforcement than there were before.

Ms. Barrett: The minister is right. This is the whole thing, and Maintenance Enforcement

obviously is not those complete numbers, although, it probably would not be too many.

These three new staff, are they permanent staff that have been hired by Maintenance Enforcement? If we were to pull that line out of the Estimates, we would see three new staff years, permanent?

* (2010)

Mr. McCrae: Madam Chairperson, the three positions for this program are permanent. People tend to come and go sometimes. You will have someone in a term position perhaps or a staff development type of position. Ultimately, what we have is three permanent positions added to the Maintenance Enforcement Program, so they will be staffed with people.

Ms. Barrett: Madam Chairperson, the other area that I was quite concerned with in this whole dealing with Maintenance Enforcement is the fact that this program still is, as far as I understand, quite driven by hard copy and paper and people having to physically go look at things. It is not yet very computerized compared to what the potentials are. I am wondering if the minister can give me an update on what is happening in the technological area.

Mr. McCrae: We are indeed moving toward greater and greater automation of this branch of the department. It is not unlike, in some ways, the land titles system, which, when I got here five years ago, we began—

An Honourable Member: What a mess.

Mr. McCrae: Well, it was a mess in 1988. It is not anymore.

When we got here, there was a very big job to do in terms of transferring from paper title to automated title. The job still is not done. This is five years later and we are moving along.

The same way with this program. I do not know when it will be totally automated, but certainly we are moving in that direction. With the addition of three new staff, if there is any time apart from serving the public, that time would be used to make that transfer from the paper, the honourable member refers to, to automated record keeping for this program.

Ms. Barrett: Is there a program of computerization or of automation underway in Maintenance Enforcement? Are there monies attached to

adding automated phones, computers and staff training?

Mr. McCrae: With the help of the federal government, yes, that is the direction we are going in. We have I think it is \$50,000 this year that is being used to fund a person to do that work. It is something that is ongoing but it is something that is dedicated to the task of automation.

Ms. Barrett: So that \$50,000 is money that has been given to the Maintenance Enforcement Program by the federal government. Is there any additional money over and above what has normally been spent, not counting the three extra staff years, but any additional money from the budget of Maintenance Enforcement under the Department of Justice that has been tied to computerization technological advances?

Mr. McCrae: In Winnipeg only we have 24 staff, which was 21. When you add to 21 three more people that comes to 24 and that is fairly significant in one single year, to make that kind of an infusion of resource, especially a year like this which, as the honourable member knows, has been extremely difficult from a budgetary point of view. You have to understand where we put our priorities to understand how we were able to get the wherewithal to put three more people to this particular task this particular year.

Ms. Barrett: So the minister is saying that there is no additional Manitoba Justice financial resources attached to tech change than the \$50,000 that is coming from the federal government?

Mr. McCrae: Last year, Madam Chairperson, we were able to put \$20,000 to the capital cost of automation. This year we have staffed up by three more.

Ms. Barrett: Can the minister give me an estimated timetable of when the technical—well, you are never completely up to date—but the proposed technological changes will be completed?

Mr. McCrae: After the experience of the Land Titles Office, I am pleased to be able to tell the honourable member that within a year we hope to have that job complete.

Ms. Barrett: Let us step ahead a year then.

An Honourable Member: Until after the next election?

Ms. Barrett: That is up to you to determine. We will just reverse the positions. Let us look ahead a year and whoever is Minister of Justice, under whatever government it might be, because there could be several changes in the offing—

An Honourable Member: That is highly hypothetical.

Ms. Barrett: It is very hypothetical, but I do not think the Chair will rule me out of order. I hope not in this case. Let us say it is a year from now and in the Estimates process the critic asks the minister about the technological change. The minister says it is completed. We are satisfied that the first step has been completed. What is it going to look like? What kinds of things will be there that are not there now?

Mr. McCrae: Madam Chairperson, it is always dangerous to be hypothetical, but I am assuming the information that we are working with now will be the same information only more easily accessed, more quickly accessed to provide a better, swifter service to the people who require it and who we serve. That is what I expect a year from now.

Ms. Barrett: That is what I am assuming will happen as well.

What I am trying to get at is: What will the changes be in a technical manner that will facilitate, will make that service delivery better? Are you looking at additional computers? Are you looking at additional telephone capabilities? What are you looking at?

* (2020)

Mr. McCrae: After the time has passed and we have completed the technical aspects of our automation program, people who will have been busying themselves as doing clerical functions and feeding information into machines and so on, those functions will no longer have to be carried out because we will have completed that process. Then we will have more people available to devote their time to serving people. In that way, we can reduce the caseloads on individual officers that work for the program, we can improve service even further to our clients. That is the expectation and the hope.

Ms. Barrett: I have another question that is not in this same kind of general category. I am wondering if the minister can give us figures for '92-93 revenues returned to the province from the Maintenance Enforcement Program.

Mr. McCrae: I just happen to have at my fingertips, Madam Chairperson, some figures showing the growth of this program in terms of the number of dollars processed by the program, dollars brought in. It goes right back to 1980, when the program started. In that year, there was \$4.6 million processed through; then I will jump ahead to 1984, \$9.5 million; then jumping ahead to 1988, \$18.7 million, and 1992—we do not seem to have figures that take us right up to today—but for 1992, \$28.7 million.

I am asking Ms. Young for some information about the number of people who have worked for the program. It is amazing the growth in the program and the efficiency of the program when you compare these numbers. I have seen them before.

In 1992, we had 21 employees in this branch here in Winnipeg and we brought in \$28.7 million, while in 1988, when we brought in \$18.7 million, we had 18 people working in there. I know inflation comes into all of this too, but not like this, Madam Chairperson. There has been a real growth in this program and the services provided to people, so you can understand the comfort that this program has indeed brought to a lot of people.

Ms. Barrett: I appreciate those figures but it is not exactly what I was trying to ascertain so I will try and be more specific. According to the annual report for 1990-91, and I may have these figures and do not know about it in the latest annual report, in '90-91 fiscal year the cost of Maintenance Enforcement was \$759,000, while the revenue recovered and returned to the Minister of Finance to offset social assistance programs was more than \$1.2 million. Those are the figures I am looking for for the next year, '91-92. Actually I would like '92-93, if it is possible.

Mr. McCrae: Madam Chairperson, the number that the honourable member is looking for for 1992 is \$1.6 million compared with the \$1.2 million in 1990. It was \$1.2 million returned to the province in 1990. In 1992, \$1.6 million.

Ms. Barrett: I will conclude on this very important area, although I could, as in all the other areas, ask a lot more questions and make some more comments.

I do think that when we look at the needs of the women and children that this division tries to respond to, and responds very efficiently and

effectively by and large with very antiquated systems that need to be updated, and I would hope that in a year from now they have been majorly updated. But it does seem to me that one could make the argument that the Maintenance Enforcement Program with limited resources, human and technical, is a money maker for the Province of Manitoba, because for a cost of well under a million dollars—and I am not sure what the expenses are going to be for this particular program for '93-94 or what they were for '91-92—this program returned to the government almost twice as much money as the cost of the program to deal with.

While I know it is not a completely parallel or in/out kind of process, it does seem to me that the needs of the people who are serviced by Maintenance Enforcement Division and also the problems that the staff, I would suggest, in this division have to deal with, because they are dealing with enormous numbers of phone calls every day and real difficulty in getting information and legislative problems, and they are dealing with people who are at the end of their rope.

They are not dealing with people who are asking for a piece of general information. These are women who have been told by the courts that they have rights to a certain amount of support and for reasons, virtually none of which are their own fault, they are not getting it and they come to Maintenance Enforcement for this assistance. As I said earlier, Maintenance Enforcement does an excellent job with very limited and inadequate resources.

I just think that it is important that the government put in a little bit more, I think, of the resources that the program provides into Maintenance Enforcement so that the women of the province can have the kind of service to which they are entitled and the kind of service that the people who work in this division want to be able to give and are often unable to give because they have a huge caseload in comparison to other provinces. They have virtually no technology in comparison to other provinces.

I think the government should look at increasing the support to this division substantially, because it certainly provides an essential service and it brings in a fair bit of money to the province of Manitoba, much of which that additional revenue should be targeted to supporting Maintenance Enforcement.

With that, Madam Chairperson, I am prepared to pass the rest of the department.

Mr. McCrae: Madam Chairperson, I just do not want to leave the honourable member with the wrong impression. I do not want to come back here a year from now and tell her, you know, I have been able to get from my colleagues another \$100,000 to spend on this because if I have not figured out how I am going to spend it, there is not much point spending it and coming in and raving about how great it was we were able to spend all this money when we really did not know what we were doing.

The honourable member referred to antiquated equipment. We have the up-to-date latest kind of equipment that is available. In 1990-91, we spent \$100,000 on hardware and software and in 1991-92 another \$20,000. So it is a matter of enhancing the system that we have. We do not have an antiquated system. We just need to get all of the attachments working and we will have state of the art. So I just did not want to leave the honourable member with the opinion that we had creaky old stuff that is not doing a good enough job. We have the latest. It just needs to be properly enhanced.

Madam Chairperson: 2.(a) Public Prosecutions (1) Salaries \$5,187,600—pass; (2) Other Expenditures \$1,056,900—pass; (3) Witness Programs \$582,000—pass.

2.(b) Office of the Chief Medical Examiner (1) Salaries \$341,600—pass; (2) Other Expenditures \$848,100—pass.

2.(c) Provincial Policing \$48,373,700—pass.

2.(d) Law Enforcement Administration (1) Salaries \$461,400—pass; (2) Other Expenditures \$138,700—pass; (3) Grants \$210,000—pass.

2.(e) Victim Assistance (1) Salaries \$425,600—pass; (2) Other Expenditures \$684,200—pass; (3) Grants \$639,900—pass.

2.(f) Criminal Injuries Compensation \$2,494,800—pass.

Resolution 4.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$61,444,500 for Justice, Public Prosecutions, for the fiscal year ending the 31st day of March, 1994.

3. Justice (a) Administration and Special Programs (1) Salaries \$111,600—pass; (2) Other Expenditures \$88,500—pass.

3.(b) Civil Legal Services (1) Salaries \$1,594,400—pass; (2) Other Expenditures \$178,000—pass; (3) Less: Recoverable from Other Appropriations (\$1,772,400)—pass.

3.(c) Legislative Counsel (1) Salaries \$1,193,700—pass; (2) Other Expenditures \$454,600—pass.

3.(d) Manitoba Law Reform Commission (1) Salaries \$269,800—pass; (2) Other Expenditures \$148,800—pass.

* (2030)

3.(e) Family Law (1) Salaries \$373,800—pass; (2) Other Expenditures \$86,300—pass.

3.(f) Constitutional Law (1) Salaries \$502,200—pass; (2) Other Expenditures \$122,900—pass.

Resolution 4.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,352,200 for Justice, for the fiscal year ending the 31st day of March, 1994.

4. Corrections (a) Administration (1) Salaries \$630,700—pass; (2) Other Expenditures \$157,600—pass.

4.(b) Adult Corrections (1) Salaries \$24,842,800—pass; (2) Other Expenditures \$5,398,500—pass; (3) External Agencies and Halfway Houses \$445,800—pass; (4) Less: Recoverable from Other Appropriations (\$170,700)—pass.

4.(c) Correctional Youth Centres (1) Salaries \$8,226,000—pass; (2) Other Expenditures \$1,077,700—pass.

4.(d) Community Corrections (1) Salaries \$6,371,500—pass; (2) Other Expenditures \$1,398,400—pass; (3) Program Development \$1,378,000—(pass).

Resolution 4.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$49,756,300 for Justice, Corrections, for the fiscal year ending the 31st day of March, 1994.

5. Courts (a) Court Services (1) Salaries \$2,319,300—pass; (2) Other Expenditures \$970,800—pass.

5.(b) Winnipeg Courts (1) Salaries \$6,594,100—pass; (2) Other Expenditures \$1,495,100—pass.

5.(c) Regional Courts (1) Salaries \$3,469,500—pass; (2) Other Expenditures \$2,027,00—pass.

5.(d) Judicial Services (1) Salaries \$6,823,000—pass; (2) Other Expenditures \$612,900—pass.

Resolution 4.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$24,311,700 for Justice, Courts, for the fiscal year ending the 31st day of March, 1994.

6. Protection of Individual and Property Rights (a) Manitoba Human Rights Commission (1) Salaries \$990,000—pass; (2) Other Expenditures \$378,600—pass.

6.(b) Legal Aid Manitoba (1) Salaries \$4,382,000—pass; (2) Other Expenditures \$8,058,700—pass.

6.(c) Public Trustee (1) Salaries \$2,477,400—pass; (2) Other Expenditures \$864,600—pass.

6.(d) Land Titles Offices (1) Salaries \$5,122,300—pass; (2) Other Expenditures \$1,466,400—pass; (3) Less: Recoverable from Other Appropriations (\$90,000)—pass.

6.(e) Personal Property Registry (1) Salaries \$593,100—pass; (2) Other Expenditures \$529,500—pass.

Resolution 4.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$24,772,600 for Justice, Protection of Individual and Property Rights for the fiscal year ending the 31st day of March, 1994.

At this time, I would request that the minister's staff please leave the Chamber.

Item 1.(a) Minister's Salary \$20,600—pass.

Resolution 4.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,019,900 for Justice, Administration and Finance for the fiscal year ending the 31st day of March, 1994.

This concludes the Estimates for the Department of Justice.

NATURAL RESOURCES

Madam Chairperson (Louise Dacquay): Order, please. Will the Committee of Supply please come to order? This section of the Committee of Supply will be dealing with the Estimates for the Department of Natural Resources.

Does the minister wish to make an opening statement?

Hon. Harry Enns (Minister of Natural Resources): No, Madam Chair, I am not going to abuse the time of the committee by any lengthy opening statement. I appreciate that there are a number of questions that honourable members

have, but allow me to nonetheless indicate, through you, to the committee that the Department of Natural Resources remains one of the most interesting and exciting departments of government to be produced, to be minister of.

I say this with a great deal of sincerity. I have certainly not been oblivious to some of the pressures and strains that have been put on the staff within the Department of Natural Resources, as indeed throughout government service, perhaps more specifically in the Department of Natural Resources because, for us, some of the difficult budgetary questions were made two years ago, as the honourable member for The Pas (Mr. Lathlin) is aware of and the member for Inkster (Mr. Lamoureux).

I am not going to suggest that that has not made it more difficult for the department staff to carry out their mandate, but I am led to believe that as events have unfolded across the province and across this land of ours, there is a realization that it is not a unique situation to Manitoba, some of the budgetary problems that we face, but that they are indeed nonpolitical of nature. They affect New Democratic Party governments in Ontario. They affect Liberal governments in Newfoundland. They affect us all as Canadians.

* (2040)

I want to simply put on the record that I am extremely proud to serve with a group of people that make up the Department of Natural Resources. They have, in my opinion, been able to, in the main, carry out the mandate this department has had over these many years, some 60 years, I might remind honourable members of the committee, that in a number of areas, we have managed to provide innovative programming initiatives that belie the budgetary state of the department.

I remind honourable members that in essence we are operating with some \$15 million to \$20 million less than what the department had some three, four short years ago. That is a significant reduction. It is a reduction that I defend. It was not easy. I would have liked to have had those \$20 million—plus inflation dollars today rather than not have them, but I defend that because I believe in the priorities of this government. I believe in the priorities established for the people of Manitoba as being the principal social programs that we are

responsible for as government, health, education, family services.

Madam Chairperson, the actions of this House, of this Chamber, the actions of the media that reports on our daily activities support that. How many times am I asked as Minister of Natural Resources about why I am not doing a better job in a particular wildlife area or why I am not doing a particular better job in some of my parks?

I get commentary about my parks if it is of a controversial environmental question, but I do not get too many urgings from honourable members opposite about why I do not have an extra \$500,000 to spruce up an aging infrastructure in our parks system. I do not get a great deal of support for the kind of ongoing attention that we have to pay in this province to maintain, to ensure that our defences are up in our Water Resources department for the massive investment that we have in flood protection works. It takes a flood like we have just experienced in the Swan River Valley in the northwest part of the province to remind us all about the kinds of things that my department is involved in.

So, Madam Chairperson, I look forward to the brief discussion of the Estimates that we will have. I simply want to indicate to honourable members that I am looking forward as well to what I am sure will be an extensive examination of our parks management that will take place in the debates and in the public presentations with respect to Bill 31, the new Parkland Act that is in front of this House for consideration.

I am pleased and delighted with the acceptance of our fisheries enhancement fund that we have created by the establishment of Manitoba's first fish stand, which I am satisfied, although it is a tax impost, is being received with a considerable amount of enthusiasm by sports anglers throughout the province, particularly so and I believe will continue to be so if we as government, and I speak not just of myself but of succeeding ministers that will follow me, if we are held accountable and in fact can demonstrate to the sports angler community, actual fisheries enhancement programs in the field. We are attempting to do that, and I know that there have been a number of projects already supported by this fund.

I take considerable pride that my government has supported the initiative taken by the

department to set aside the largest single piece of real estate in the history of this province where no development will take place, no logging will take place, no hydro development will take place, no mining will take place, as a candidate for the Endangered Spaces Program and, hopefully, as a future second national park in the province of Manitoba, an exciting park, Madam Chairperson, that will make a very solid commitment by this province, by this government, to the Endangered Spaces Program.

I remind honourable members that this commitment of land is somewhat larger by several hundreds of thousands of acres than the land recently set aside by the British Columbia government in a similar fashion for similar purposes.

I am pleased and would be pleased to discuss with honourable members of the committee some of the other initiatives that are being considered by the department. Certainly, we hope to continue our efforts in maintaining a tighter vigilance on the illegal taking of game. It is something that is of concern to all Manitobans when that happens. Through some beefed-up efforts and resources in the Natural Resources Officer's department with respect to enforcement, that in fact is being done. A special squad nicknamed by the media as the SWAT team is working and working well and I invite honourable members opposite.

There are so many things in the department that I could comment on, but time simply does not permit, although it is a disservice to this department that we do not allocate the sufficient time to make these comments. The transferring of the land shop, the Crown lands administration to the town of Neepawa has in all worked very well. The branch has moved into Neepawa, into new and very modern facilities, well received in the town of Neepawa, appreciated by the town of Neepawa. While I am sure that there are some inconveniences to some, who were used to coming and getting services from that branch in Winnipeg, I simply remind these same people that for many, who have had the inconvenience of always coming into Winnipeg for all their services, they find that accessing Neepawa in that part of rural Manitoba as being beneficial to their purposes.

We continue to have some pretty exciting developments in a shop that we hear very little of, our Surveys and Mapping shop. It is an exciting

little shop. I would invite members sometime to take the time to look at what is being done there in our remote sensing operations. We have had some excellent co-operation from the federal government. We are privy to being the custodians of some state-of-the-art equipment that is providing some very exciting information that we share with other jurisdictions, with both private and public. We have every opportunity of maintaining that Manitoba continues to be a centre of excellence in that state of the art in evolving new information technology.

Madam Chairperson, I would go on at great length on these issues, but I invite honourable members' examination of this department. I invite honourable members' support for this department. This is a department that touches on the lives and the affairs of all Manitobans. All Manitobans, whether they are actively involved or not, are concerned about what this department does.

You do not have to be a forester or be involved in the forest industry to be extremely concerned about the welfare and the health of our forest lands. I have received many letters in that respect. You do not have to be, you know, an active sportsman or a hunter, for instance, to be concerned about the ongoing welfare of our wildlife species that we have in this land. It is a department that has a very wide brush that covers the lives of most Manitobans, very often in a very positive way.

The 4.5 million to 5 million visitors that come and experience a pleasurable day or two or weekend in our park system often take the time to write me a letter indicating just how much they enjoyed that visit, sometimes pointing out some of the deficiencies in the system which my staff try to correct.

Madam Chair, I will invite my staff to come down and join me, and we will proceed with the departmental Estimates. Thank you.

Madam Chairperson: Does the critic for the official opposition wish to make an opening statement?

* (2050)

Mr. Oscar Lathlin (The Pas): Madam Chair, I agree with the minister that it is regrettable that the time that we finally get in the end to go through the Estimates for Natural Resources is quite limited.

However, I will try my best to cover the areas that I had wanted to cover. I also want to say that this

will be the first time that I am going through the Natural Resources Estimates process, and I look forward to asking questions from the minister. I also wanted to say that I thank the minister and other ministers who were involved in the fires and floods that were happening in northern and rural Manitoba.

In the Northern Affairs Estimates process, I had mentioned this to the Minister of Northern Affairs (Mr. Downey). I wanted to make sure that I do not forget to give the same kind of remarks to the Minister of Natural Resources (Mr. Enns), the Department of Highways and so on. I thank their officials and staff for all the work that they have done for the people at Lynn Lake and Wabowden in the floods around the Swan River valley area.

I wanted to also say, however, that as we go through the Estimates process, the limited time that we have, I will be asking the minister questions that I think would be pertinent to his ministry. Those will be my opening remarks. Thank you.

Madam Chairperson: Does the acting critic for the second official opposition wish to make an opening statement?

Mr. Kevin Lamoureux (Inkster): Yes, Madam Chairperson. Just a few words as the acting critic of sorts. It is the first opportunity where I got to hear the opening remarks from the honourable dean of the Chamber with respect to the department that he has been entrusted to fulfill, no doubt a very important responsibility.

He commented toward the end of his opening remarks in terms of the importance of natural resources and that you do not necessarily have to be a fisherman or a hunter or whatever, an individual living in rural versus urban Manitoba, in order to gain an appreciation and in fact a love for our natural resources. I know in the past number of months I have had the opportunity to go out and visit a number of the natural beauties that are out in rural Manitoba. It is very important that we not neglect those wonderful natural resources that we do in fact have.

The minister made reference to the 4.5—in around 4.5—million people that visit our parks and the substantial piece of legislation that is before this Chamber now. There are a number of problems that are in our parks. All of us hear about them, especially from somewhat loud and overbearing individuals that tend to want to monopolize some of

our parks during the weekends and the role that government has to ensuring that our parks are in fact safe, so families and individuals can enjoy the beauties of our province in a very peaceful manner.

It was somewhat humorous. I understand the department was looking at having a new security check, a bracelet of sorts, that was supposed to be implemented for the July 1 long weekend, but because it was ordered from the States, I understand, they believed that it was for July the 4th, their Independence Day. So we had to go back to the traditional way of checking people that were visiting our parks.

It is things of that nature that I think go a long way, and when I say things of that nature, I am referring to the wristbands in ensuring that in fact we can have a much quicker and better response. Even though we might not necessarily have the same financial resources in terms of being able to provide the same labour or staff years to our parks, maybe there are other things we can do that would make it that much easier and that much more productive or easier in terms of being able to maximize the resources that are in fact somewhat dwindling financial resources. That is very important.

The minister made reference to Bill 41. Bill 41, I believe, the last time I looked at it, in excess of 100 presenters that were wanting to say a few words, no doubt, on that bill. So, no doubt, Madam Chairperson, I trust that the minister has in fact done his homework and consulted prior to bringing in this bill. Not being the critic, I have not had the opportunity. I have just heard like most members inside the Chamber through media and constituents some of the concerns that have been raised on this bill. But I do trust that the minister himself has in fact gone over the bill with all stakeholders prior to the introduction of that particular bill.

In his opening remarks, he also made reference to Endangered Spaces and the Ducks Unlimited project. I have had the opportunity to actually drive by it. I have not been out to the site itself, but a very good friend of mine was involved in the site and was fairly pleased and impressed with the natural surroundings of that particular building and so forth.

It was interesting hearing the one question earlier this spring in terms of the number of ducks that were nesting compared to the previous year and

how it was down. It will be interesting to see how that turns around in time, in hopes, Madam Chairperson, that we do see a dramatic turnaround, and we do see that the minister's role in this particular project is in fact a very successful one.

When he talks about the Endangered Spaces, I can recall, and you will have to forgive me for not necessarily knowing the name of the organization, but there was quite a bit of fanfare about land that was going to be set aside. Manitoba was being played as a major participant of sorts. I am sure that the minister, at least I trust the minister knows in terms of what I am referring to, and then there was some disappointment in terms of what actually transpired and materialized.

So, yes, the idea and the concept of preserving those Endangered Spaces and expanding where we can, I think is a very positive thing, but it has to be dealt with in a relatively short time span because of different industries that want to use resources. We have to ensure that those industries are, in fact, Madam Chairperson, not exploiting the resources that we have, but to coin the phrase that the government likes to use is the whole concept of sustainable development. I do believe that this department does have a role in that.

Other areas that have been issues inside the Chamber, the one of water diversion and the impact that that has and the role that this particular department has on a water management policy or at least the assistance in putting together something that will ensure that we do have a strategy, a long-term strategy for the province of Manitoba dealing with water.

No doubt, Madam Chairperson, I have not necessarily done justices in terms of dealing with this department as our normal critic will, but we will give it the best shot and see what happens. Thank you.

Madam Chairperson: I remind committee, we will defer dealing with 1.(a) until all other resolutions and lines have been passed. At this time, I would request that the minister's staff enter the Chamber.

Mr. Enns: Madam Chairperson, I just take this opportunity to introduce members of the senior staff. To my immediate right, Mr. Umendra Mital, the deputy minister of the department; Mr. Harvey Boyle, assistant deputy minister and long-time member of the department, former director of Regional Services; Mr. Merlin Shoemith, assistant

deputy minister of the department; along with Bill Podolsky, senior financial and administrative officer of the department.

* (2100)

Mr. Lathlin: Madam Chair, I was going to suggest to the committee and to the minister that because of the limited time that we have, we go through this process in the same fashion as we just did with the Justice ministry.

Mr. Enns: I would simply say, I have additional staff. I have my Parks director, my Wildlife director here. I have my Lands director and Forestry director here. If it is the will of the members to, for instance, focus in on some questions on Forestry or on Parks, then the appropriate director would perhaps come and join us down here, but certainly, in the interests of time, as freewheeling as you want it.

Madam Chairperson: Is that the will of the committee? [agreed]

Mr. Lathlin: Madam Chair, as I said, we have limited time, and I am not going to spend too much time on asking long-winded questions, long questions or making speeches. I would request that the minister make responses that are just as pointed and relevant.

I would like to start off from my base, and that is northern Manitoba, particularly around the area of The Pas, then perhaps work out from that northern centre. I would, first of all, like to ask the Minister of Natural Resources to give us an update on the Clearwater Lake Nursery.

I know I have asked him and the Minister of Northern Affairs (Mr. Downey) questions during Question Period, but perhaps he could give us the more current picture of the nursery at Clearwater Lake. Is it gone, all of it gone now? Is there any hope of the nursery ever being revived in The Pas and area? Just what is the picture of the nursery at Clearwater Lake, Madam Chair?

Mr. Enns: Madam Chair, as I have indicated to the honourable member from time to time during questioning in the House, principally because of the very substantial reduction in requirements of seedlings because of the situation at The Pas with the Repap organization, the operation at Clearwater is essentially on hold.

There is no operation being planned for the current year until such time that we have

indications from our clients that seedling requirements will go up. We are fully short some 3 million seedlings requirements in our replanting because of the curtailed activity by Repap.

Mr. Lathlin: Madam Chair, from that answer am I to understand from the minister that perhaps down the road there might be a future or the nursery being put into operation again and that we will have a nursery providing seedlings for northern operations again?

Mr. Enns: Madam Chair, I will tell the honourable member that I cannot accurately predict the future, but we are certainly ensuring that we maintain the assets in shape. We are examining proposals that could consider the disposal of the asset either for ongoing nursery operations or some other activity.

Understandably, unless there are major customers, which includes the department and/or the two principal forestry operations, Abitibi and Repap, their future requirements I suspect would to a large extent indicate whether or not in the not too distant future that operation there could be restarted as a nursery operation.

Mr. Lathlin: My last question on that, Madam Chair, I would simply ask the minister if it makes sense to him that in view of the unemployment rate around The Pas area—in the town of The Pas itself, it is currently around 25 percent, and as we go into the remote areas of The Pas, the outlying areas, the unemployment rate is around 80 and 90 percent. I know I have asked this question of the minister before, but I would ask him again.

Does it make sense to him that we maybe revive the nursery operation in The Pas and provide employment for those people in The Pas area servicing a facility that is there at Repap, Moose Lake Loggers and others who have from time to time, I know, come to the government asking for tree-planting contracts? Does it make sense to him that we revive the nursery operation in The Pas area to provide employment and also the accessibility just by the very nature of the location of the nursery right next door to Repap? It makes sense for us to do that.

Mr. Enns: Madam Chair, a slight correction in the honourable member's statements. I do remind him that the majority of the tree-planting contracts are, in fact, to northerners, but I do not wish to fudge what he was saying. He was speaking specifically about reactivating the nursery and the employment

that it has provided in the past. We will study and continue to study the alternatives, but in the final analysis this is the kind of squeeze the department gets put in.

On the one hand, we are trying to operate as efficiently as possible with available dollars to provide maximum program dollars throughout the department. Unless otherwise directed, and particularly if we have a fairly significant reduction in the number of seedlings required, then a decision of this kind has to be made. I appreciate the honourable member speaking on behalf of his constituency in the community of The Pas. We just as soon we had maintained our major seedling operation in his area, in his constituency, but the simple fact of the matter is that the operation that we have at Hadashville is our main facility, and that, with some additional private sourcing, is providing the current requirements for our seedling crops in Manitoba.

Mr. Lathlin: Madam Chair, I would like to move into another area. I know we have an agreement here to, because of the time left, go all over the map, I guess. So now I would like to talk about the Freshwater Fish Marketing board and the state of the fishing industry in Manitoba and particularly in northern Manitoba, but I am also speaking about Manitoba as it relates to fishing.

* (2110)

Not that long ago there was talk of the Ministry of Natural Resources introducing legislation that would enable people who are involved in the fishing industry to be able to get permits and sell directly to retail outlets, thereby bypassing the Freshwater Fish Marketing board. Could the minister update us on whether he will be coming forth with legislation or what is he going to do?

Mr. Enns: I am appreciative, in the first instance, of the member's co-operation in passing at committee stage the other day, I believe, or did he pass the quota entitlement provisions of the bill? I coincidentally was involved in a national fisheries meeting in St. John's, Newfoundland and was unable to be present in the Chamber when that occurred—under the capable direction, I understand, of my colleague the Minister of Highways (Mr. Driedger) who managed to get the bill through committee.

Allow me to answer the question in this way. There is a concern that we have as government,

that we share in the department, that of the fish caught in Manitoba, only 4 percent or 5 percent at maximum, perhaps less—I see my Fisheries director up there, Mr. O'Connor. He gives me the high sign; he says about 4 percent of the fish that we catch in Manitoba is consumed domestically.

It has been indicated to me from different sources that part of the problem is that the marketing structure is just too rigid or it is too export orientated. Of course, export markets are crucially important to the overall health of the industry. In fact that is why we are experiencing some of the difficulties, because of the added competition that we are getting principally from the Great Lakes renewed fisheries. That is causing some severe difficulties and dislocation in our whitefish fisheries which is a major fishery on Lake Winnipeg.

It was suggested to me that perhaps we should loosen some of the strings, the monopoly of total supply and management control that the Freshwater Fish Marketing Corporation has by allowing the fishermen that added provision. Right now the commercial fisherman can sell you and I fish as consumers, but they are prohibited by the Freshwater Fish, you know monopoly control of marketing, of selling into the retail trade. I had indicated to honourable members, indeed the indication was made and reference was made to it in the throne speech, that I would be bringing forth amendments that would enable the commercial fishermen to do exactly what the member for The Pas (Mr. Lathlin) indicates, that is, to sell directly into the retail outlet.

However, I have had, since making those views known, I would say a large amount of mail from fishermen from throughout the province. I have listened to senior members in my department in the Fisheries Branch. They have advised me and counselled me that on balance although the fishermen in different parts, depending on what part of the province you go to, have their concerns or have their complaints about the agency that legislatively has the mandate to market their fish they nonetheless, on the whole, are not supportive of doing anything that would structurally, in their view, weaken the capability of the Freshwater Fish Marketing Corporation to continue operating as it has in the past.

The short of it, Madam Chair, is that I was persuaded to withdraw that portion of the bill that would have made that amendment or would have

made that change official in legislation. I have done so partly because of two things. Number one, President Dunn of the Freshwater Fish Marketing Corporation assures me that when applications are made by a primary producer or by a commercial fisherman or a group co-op of fishermen, if they wish to make an arrangement where it makes common sense to sell directly to retail trade, they can do so under existing legislation by permit; that is, the corporation can do that.

Furthermore, re-examining and looking a little harder, I knew it but I did not know the extent of it, we have within the Department of Natural Resources vested in the power of the director of Fisheries, the Department of Natural Resources also has the authority to under special permit enable a commercial fisherman to sell directly into a licensed, that is, we would licence it as a department, a retail outlet. Under these circumstances, and we are prepared to use them advisedly—I do not wish to provide any serious weakening of the marketing structure, because I am persuaded by literally several—well, I do not want to exaggerate, but certainly many, it is probably in the hundreds of letters, letters that other commercial fishermen have signed. I know the member for The Pas (Mr. Lathlin) has been copied on many of these letters, that are urging me not to make a fundamental change in the legislation.

So, Madam Chair, I have listened to that advice. I am satisfied that what we have in the legislation that was approved in committee is sufficient in terms of what the commercial fisheries require at this time. I only wish that I could legislate better prices and I could legislate better catches.

I understand and I am concerned about the state and the health of the commercial fisheries in Manitoba. I impart the honourable member with this little bit of information, the occasion to be in St. John's, Newfoundland, you do not come away with a great deal of optimism from a place like that, that in a province like Newfoundland that is so dependent on fisheries for its economic well-being, they are contemplating and have experienced very substantial reductions in their quotas and are currently discussing a possibility of a total closure of their ground-stock fisheries, which would really spell major, major economic difficulties for that already hard-pressed problem.

While there, however, a great deal of the discussion among the other ministers and the federal government representatives hinged along the support programs, income support programs, that are being made available principally to the eastern coast fisheries. These are substantial programs, in the hundreds of millions of dollars. If indeed the recommendation of the committee that has studied the problems of the disappearing cod fish, a total closure, is in fact put in place, then we could be looking at an income support program upwards to the billions of dollars, something beginning to rival the kind of aid that the prairie grain farmer has received in years past to support his difficulties with respect to commodity pricing.

I made the case, and I have made this case in the House. I invite the member's rapport that while I do not believe that the—I certainly had to keep that in mind while I was attending that conference. Fisheries is a major issue on both the western coast and on the eastern coast, but I reminded my colleagues that it does not really matter. I can commiserate with the thousands of fishermen that are facing difficulty in Newfoundland, but I said it is really no different then whether it is 30 fishermen or 50 fishermen or 20 fishermen that are having difficulties in Manitoba.

If there is going to be a national support program of some kind paid for out of the national treasury, then I would like to see a proportionate share of it coming to Manitoba commercial fisherman. My colleagues had to agree with me. If Ottawa decides that they are going to provide the wheat grower with a \$500-million support program, the fact that very little wheat is grown in British Columbia, nonetheless, those 40 or 50 or 100, whatever it is, wheat growers in British Columbia get some of that aid under the income support program as they do in Quebec or Prince Edward Island.

I was pleased that my colleagues accommodated me in that request and that that position presented by myself on behalf of Manitoba commercial fishermen was officially incorporated in the communiqué that was issued at the conclusion of the conference and will be forwarded to the First Ministers' Conference for further consideration this August.

* (21:20)

I am referring specifically to the fact that if we had a little bit of support from our federal colleagues, fairly modest in the scale of the problem that is facing commercial fishing in Canada, say, several hundred thousand dollars that we could add and put onto our Freight Assistance Program, that could keep a number of fishermen on the lakes in the coming year.

Mr. Lathlin: Yes, I commend the minister for having listened to the advice of his officials and staff and for having paid attention to the letters that I know he has received in regard to the proposed legislation that was talked about in the throne speech in regard to the Freshwater Fish Marketing Board.

I know he says that he lobbied his colleagues and so on to come up with some sort of a program come August when First Ministers are meeting. I would very much like to encourage the minister. He says he is concerned about the state of the fishing industry in Manitoba, and I know that he is because once in a while he and I talk about the problems that fishermen are facing in Manitoba, but I would encourage him or recommend or advise him that maybe he should be more aggressive in his lobbying with his federal counterparts, and not only his federal counterparts but his cabinet and colleagues as well, with a view to maybe putting money where his mouth is, as the saying goes.

That is not being negative you know, like I am coining that phrase but to look at the fishing industry in Manitoba in the same light as his cabinet and colleagues look at agriculture and all of these programs that we have pertaining to different industries, so that is in Manitoba. I would also like to again encourage him to maybe put more pressure on his federal counterparts and perhaps persuade them to view fishing as they do in eastern Canada.

I give the minister credit for doing his part, but I would hasten to add that it is fine to talk about these things or things that I want to do, but I suppose it would even be more meaningful if we can start to see some results of the lobbying that he is doing. I thank him for that.

I would like to ask maybe just one question on wild rice development in Manitoba, just by merely asking the minister to update us on the wild rice development in Manitoba. I know when I was last in The Pas and I was meeting with some people

there, they had expressed some concerns to me in regard to their operation in The Pas. I would be interested in hearing from the minister to see what his assessment of that particular industry is in Manitoba.

Mr. Enns: I want to thank the honourable member for his general comments with respect to the fisheries problems, and just before we leave them I want to say to him very directly because I believe he is a person that could be, both as a member of the House here and as a member of the community that he represents, helpful to us. There are some specific programs that involve federal dollars, some of them that are being routed more directly to the aboriginal community. We have some specific programs in our Wildlife Branch that are impacted on this program, and our whole trapping program, and also in the commercial.

I made the point—and I do not have to explain that to the honourable member for The Pas, he is well aware of it—a high percentage of our commercial fishermen are of aboriginal extraction in an area all too often with already abnormally high unemployment rates, as the member just indicated earlier. I am looking for his support, quite frankly, that by whatever means that we can achieve it—and the federal government is in some cases prepared to move some of these dollars into Manitoba to help our people in Manitoba engaged in the activities.

I just want to suggest to him that there has been a good association with the aboriginal community in some of these programs through our department where we have been able to employ a number of people in our fur programs, our trapping programs. I view it in the same way that if the federal government is disposed to be of some help to us for a number of reasons, because they feel a further responsibility to our aboriginal people, because they feel a responsibility to high unemployment areas such as the North, because they want to treat commercial fishermen as fairly as they treat commercial fishermen anywhere else in Canada in support programs. For these and many reasons, I will invite the honourable member's support in trying to bring about whatever success we may have in this area.

With respect to the question on wild rice, I remind the honourable member that the actual administration of the wild rice programs is now housed in the Ministry of Northern Affairs. My

department through our Crown lands director, we are still engaged in providing the leasing arrangements, I believe, for the wild rice business. I am advised that last year was not a good year. I do not know whether it is climate, high water or what specifically the reason was.

We are too early in this year to estimate what kind of a season we will have in the wild rice industry. Technically the wild rice program is now administered by the Department of Northern Affairs, and I am really not in the best position to answer these questions on that issue.

Mr. Lathlin: Madam Chair, recently we have had in Wabowden and Lynn Lake, forest fires. I know in Lynn Lake there was some evacuation of people into Leaf Rapids and Thompson. The question I want to ask the minister this evening, I asked him this question previously in Question Period, but in Question Period you do not get the same opportunity the way we ask questions in Estimates.

So I am going to take that opportunity again tonight to ask him. You see, I travel back and forth to the North and the south. I travel by vehicle out on the highway, and occasionally I use the plane to travel around the North.

So I get to see a lot of things that are happening around the North, and of course I make it my business to ask questions wherever I am, whether it is in my constituency or in another constituency. But the question that I wanted to ask him was: Why is it that it is necessary for us to hire people from the south, ship them all the way up to Lynn Lake and fight forest fires?

Now, I know that he has got firetrac crews in the communities. I visited with those people in Pukatawagan when I was there last. In the spring I was in Pukatawagan and that is where I visited these people fighting a small fire just on the outskirts of the community, for the benefit of the Minister of Highways and Transportation (Mr. Driedger).

But, you know, 10 or 15 years ago I remember the majority if not all of the firefighters were hired locally. Very seldom did you have people recruited from Winnipeg or Carberry to go up north such as Pukatawagan, Lynn Lake or Wabowden to go and fight fires.

The question I have for the minister is: For example, if the people locally are not trained, does it not make sense for the minister to train those

people so that they acquire the technical skills that he was talking about here during Question Period, the technical skills, the supervisory skills, again, with a view to addressing the unemployment problem? That is one question.

* (2130)

The other question is: When the rate of wages was merely five or six dollars a day to fight fires, why was it convenient then to hire strictly locals? Because who would come from Winnipeg, Carberry area, I am sure, to go and fight fires for six dollars a day at that time? That is why local people were hired for the most part.

But now it seems that when those salaries and wages have been substantially enhanced, we now have people from the south coming up north to come and fight forest fires, in my view, under the guise of providing that expertise, supervisory services and so on. But I am of the opinion that because the wages have been enhanced, now all of a sudden we get people from southern Manitoba wanting to go up North because the wages are better, thereby leaving locals to be content with the five or six, seven, eight firetrac crew members that are allotted to each community.

I remember that when there were forest fires in the northern communities, our people would be afraid even to go out on a highway especially if they did not feel like going out to the forest fire at that particular time to go and fight forest fires, because Natural Resources people would come around and say to them, if you do not agree to come and fight the fire, then you will go to jail. So people actually were afraid to walk around in the open whenever there were forest fires in their communities because of this thing that Natural Resources people used to tell them.

Mind you, a lot of them went out to fight forest fires for \$5 or \$6 a day, and like I said, I remember one fire that I was fighting in Cedar Lake. There were 32 people fighting that fire and not one person was from the outside. Mind you, we were only making \$5 or \$6 a day. I would like to ask the minister to explain that situation.

Mr. Enns: Madam Chair, I am reminded of history when the honourable member talks about his friends and neighbours being fearful of walking through their community at fire time for fear that, like the British navy used to impress, used to roam

the pubs and taverns to get their sailors conscripted to run the British navy or something like that.

I will try to explain. Fifteen, 20 years ago we did not have the professional Tac crews. We did not get into this till about eight or nine years ago. We now have on hand, and these really are first front-line professional firefighters, of which 75 to 80 percent of them are aboriginal and are northerners.

We have them in different parts of the province, and we have them stationed. These are our full time; they have full summer employment from May through to end of October, beginning of November. Very specific to the question, we had some 104 men employed in the Lynn Lake fire. Only 15 of them were what you would call southern, from different parts of the province other than northern parts of the province.

We maintain Firetac crews in the North whether we have a fire there or not. They are there and they are being paid because that is like your insurance policy. You buy an insurance policy on your home in the hope that it is not going to burn down, but you still pay the premium every year. Well, we pay the premium of keeping these Firetac crews stationed in the North. If the fire is of the magnitude and the scale that the groups that are stationed in the North cannot handle, then of course we bring in the source from wherever they are, from the Whiteshell, from eastern Manitoba, from southern Manitoba. It is the price that we pay for, I believe, having more efficient, more professional firefighters.

Yes, we are paying them commensurately on a different pay scale, but I reject categorically that we are denying northerners employment from the Firetac crews. The vast majority of them are northerners, but they are certainly open to southerners as well, and I remind the honourable member that, that Pre-Cambrian Shield that comes down all the way down to the U.S. border at the Whiteshell, all of that is prone to forest fires and the communities in the Lac du Bonnet area, in the Whiteshell area, in the Bissett area, they all make the same claim that the honourable member makes on behalf of his people from The Pas and surrounding area.

They would like to have their fair share of employment opportunities being recruited from their region. I am satisfied that, under the capable direction of senior staff, we maintain one of the best

fire departments when you compare it, you know, dollar for dollar across the province. We protect more hectares of forest land with fewer dollars than most other jurisdictions do, and we do a pretty good job at it. Again, this is a subjective kind of a statement to make.

Could we do a better job? Of course we could do a better job if we had some more dollars, but then, you know, I also recognize that in a province like Manitoba we do not attempt to, nor should we, action all fires. There are fires that we do not action for different reasons. We believe that in the main we are doing a reasonably good job.

The overall support for the fire department, despite our budgetary problems, has in fact been increased. Prior to the '88-89 disastrous fires, our kind of main base-line budget that we call our fire department stood at some \$6 million. That was elevated to \$8 million so that we have a better ongoing state of readiness and preparedness in the fighting of forest fires.

* (2140)

I do not know whether my colleague the Minister of Finance (Mr. Manness) is around. He was here a little while ago. He can be pretty mean and pretty tightfisted at different times. Oh, pardon me, Madam Chair, I should strike that from the record. That is liable to haunt me. I can honestly say that having experienced the tremendous fires, the history-making fires of '89, where we ran up a bill of some \$40 million to \$50 million and in total \$68 million in fighting forest fires, that my department has never been denied the necessary funds to fight forest fires if we could make the appropriate case for the method and the manner in which we intended to spend the money.

Mr. Lathlin: Madam Chair, I would like to ask the minister next on the status of co-management agreements. I know at least a year ago, a year and a half ago there was in some areas of Manitoba some controversy in terms of harvesting of big game in some areas, waterfowl in some areas, fishing and so on. Could the minister give us an update as to the progress of his co-management initiatives and how many agreements are there, and are there any more being contemplated? I guess, finally to that question, what is the status of the Waterhen Wood Bison Project?

Mr. Enns: Yes, the department continues to work with various Indian bands in trying to arrange for

co-management agreements. We are successful in some and not so successful in others. We have in place some 13 or 14 agreements, species-specific agreements, in different parts of the province. We have some specific problems relating to specific species like the sturgeon fish on the Winnipeg River, where we had hoped a year and a half ago, two years ago, to have a co-management agreement in place. We had made every effort on the part of the department to have an agreement in place, however I have to report to the honourable member that as of today, I cannot really indicate that that has worked out in the matter in which it should.

There is a serious concern about the ongoing viability, sustainability of that important species of fish on the Winnipeg River, historically important species of fish. The Winnipeg River is one of our major sturgeon fisheries in the province, and we have continued concerns about its continued viability. We will redouble our efforts with the First Nations' people at Fort Alexander in that regard, and hopefully we can come to some agreement in the not-too-distant future.

We have memorandums of understanding currently in places like the Hollow Water Reserve with respect to moose. The member, of course, is well familiar. He played a hand in the development of the ongoing success of The Pas moose management board.

I indicate to the honourable member that an area that is going to take up a considerable amount of time of the department and senior staff is the conclusions of agreements with respect to the Northern Flood communities, that the minister, my colleague of Native Affairs and Northern Affairs (Mr. Downey) has announced that we have several communities now accepting the agreements. Of course, included in these agreements are very significant obligations on the part of the government of Manitoba and this department in particular to enter into very extensive co-management agreements with respect to the natural resources in those areas covered under that agreement.

So, Madam Chair, it is still my belief that there is no other ready alternative to continuing this effort to work out these kinds of co-management agreements. The work is sometimes slow, and we sometimes have setbacks, but in the long run, if we as a department wish to carry out the mandate, that

we feel very strongly that that is to ensure the sustainability of our natural resources, to ensure that our children and our children's children will enjoy wildlife, will enjoy the natural environment as we have it today to be passed on to future generations, then we have to come to terms with how we access them or how we limit access to them in certain instances and certain species.

Although, Madam Chair, you are giving me the evil eye right now, I will report to my Wildlife director that the chair of this committee is concerned about the abundance of black bear at a favourite camping spot of her and her husband somewhere up at Moose Lake. I, as being diligent to the needs of my caucus, am taking this opportunity to officially report it to my entire staff so that the black bear problem will be looked after at Moose Lake on behalf of the Chair. Thank you, Madam Chair.

Mr. Lathlin: Madam Chair, I just have maybe a couple of final questions. In the area of waterfowl management, the North American Waterfowl Management Agreement, I believe it is called, the concern that has been expressed recently by different groups for the bag limit to be placed on certain species of waterfowl. I would like to ask the minister to maybe briefly explain or share with us the trends, if I can say that, in the last three years, and currently what it is like.

Because every once in a while I do read some of these reports that come out, and particularly in the last week or two weeks there has been concern expressed by some groups that the population of some species is going down. I do not know if the minister has actually received any representations from certain groups with regard to the waterfowl population which is apparently having some problems right now.

Mr. Enns: Madam Chair, the setting of bag limits is a fairly complicated process that involves an understanding and trying to work co-operatively with a number of other jurisdictions. These are, of course, migratory birds that pass through a number of jurisdictions and there has been a growing amount of co-operation developed as these migratory birds, whether they are duck or geese, fly from their northern habitat on their way south to their wintering grounds.

Of course, it is always of concern to us that if, indeed, our professional biologists tell us that we have reason to concern ourselves about the

numbers, whether they are declining or whether there should be adjustments in the bag limits during the different hunting seasons, the different jurisdictions, that we work as co-operatively as we can so as to be fair to the people in the different jurisdictions.

So that there is a lot of consultation on the federal level with an organization like the Canadian Wildlife Service which tends to provide the national scope to these discussions, and our own situation as well as with our American counterparts.

I can indicate to him that in the main, there will be no significant changes. I believe we are changing the make-up of the goose bag limit, reducing the Canada by one, I believe—by one or two. [interjection] Pardon? Oh, and that is restricted to the Interlake population.

Then again, we have the kind of regional thing that takes into account the kind of hunting pressure that birds are liable to be under as compared to other parts of the region as well, other parts of the province, so there will be a slight reduction of the Canada goose bag limit in this coming hunting season.

I understand that the duck populations—we are hopeful that with the better moisture conditions both last fall and certainly this year that hopefully our duck populations are beginning to show some signs of recovery. We have been seriously concerned right across the North American continent about the level of duck populations and, of course, into a number of major programs like the North American Waterfowl Management Plan and others, not just in Manitoba, but in Saskatchewan and Alberta as well and other parts of the country, to try to restore the duck levels to, in terms of using a benchmark, I believe, the 1970 population levels.

* (2150)

Generally speaking, the waterfowl bag limits will be roughly the same. There will be some adjustments within species in certain areas of the province but, generally speaking, they will be the same as last year.

Mr. Lathlin: Madam Chair, unfortunately I did have a lot of questions that I was going to ask of the minister, but I know other members were co-operative in making sure that I did get some time in this evening on Natural Resources. I am grateful for that. So with that in mind, I am not going to take too much more time because I know other

members are anxious to go through their Estimates process.

So lastly, I want to thank the minister for sharing that information with us here this evening. I look forward to working with the minister in the future and hopefully in the same co-operative way that he and I seem to be working, at the start anyway.

I will commit myself to support him in the area of lobbying the federal government, but I would also like to remind him to lobby his colleagues maybe just a little bit more and see if some of the programs can be reinstated or at least put back to the level that they were before they were cut in the last budget. Once again, I thank the minister.

Mr. Enns: I express my appreciation. I certainly want to indicate to the member for The Pas (Mr. Lathlin) my willingness to work with him and I want to make very clear to him that he has a standing offer to consult with me or with anyone of my directors and senior staff of the department, for a full briefing on any issues that concern him or his constituency. He should feel very free and welcome to do that.

You know, I could say something about the previous critic of my department, the honourable member for—we always refer to as Carla in the House. I forget her constituency.

An Honourable Member: Radisson.

Mr. Enns: For Radisson, but I am delighted to work with the member for The Pas (Mr. Lathlin) as chief critic of the official opposition in this Chamber and look forward, with his help, to be able to perhaps when we meet next year on this occasion, have some progress, particularly on some of the specific issues that, I know, are important to him, ones that he has brought to my attention here this evening. Thank you, Madam Chair.

Madam Chairperson: 1. Administration and Finance (b) Executive Support (1) Salaries \$257,800—pass; (2) Other Expenditures \$83,400.

Mr. Lamoureux: Yes, Madam Chair, I was just wanting to ask the minister, he was commenting on it in terms of the freshwater marketing board and the legislation that is now before the Chamber.

I know I had opportunity to meet with a commercial outlet or retail outlet and they had asked myself if, in fact, they would be allowed to purchase direct from a commercial fisher. My

question to the minister is: What would be the process if a retailer was wanting to buy it direct?

Mr. Enns: Madam Chair, I would advise that party contact the director of Fisheries of my department.

Mr. Lamoureux: Madam Chair, is that currently done now? Are there retail outlets that do purchase straight out?

Mr. Enns: Madam Chair, as I responded to the member for The Pas (Mr. Lathlin), the Freshwater Fish Marketing Corporation issues a number of special permits; that is, the corporation issues them. But I should indicate to him that they have to date—and that has been part of the problem—not issued any in the city of Winnipeg. They have issued them in other parts, particularly in northern Manitoba, in places like Gimli. For instance, the new hotel facility has an arrangement under special permit that they can purchase fish for retail sale in that facility.

But the Fisheries Branch will be issuing letters of authorization for retailers in Winnipeg to sell fish on behalf of specific commercial fishermen and direct to the final consumers. But I do not want to leave the impression that commercial fishermen can simply go into business with anybody in the retail business. It is by permit. There has to be a particular tie-in with the commercial fishermen involved and the retailer involved.

We require this for our own record keeping. We have responsibilities with respect to total catch. We have problems with respect to maintaining some record keeping of the total harvest of a particular lake, a particular fisheries. We demand load slips and so forth so that the Fisheries data, important for biological reasons, maintain their integrity.

So it is not wide open, if you like. The effort has to be made and arrangement has to be made, a special permit has to be provided to enable that transaction to take place; that is, from the commercial fishermen to a retail outlet.

Mr. Lamoureux: Madam Chairperson, I understand then the City of Winnipeg is now able to venture into that. Is there, in fact, some established criteria that if either a commercial fisherman or an entrepreneur in the city of Winnipeg could call and ask: What do I have to do in order to be able to acquire that permit? Is there a set criteria that has been established?

Mr. Enns: I would ask the honourable member for Inkster to advise any individual that has approached him in this regard to contact directly the director of Fisheries of my department. He would be more than anxious to provide the kind of information that the honourable member requests.

I can indicate to you that, you know, just in the last little while there has been a commercial operator, Olson, from the Gimli area that has opened a substantial retail outlet here in Winnipeg. They are, in this case, both the commercial producer of fish and the retailer. They are retailing their own catch here in Winnipeg. So these kinds of arrangements are possible. Other arrangements would involve specific commercial fishermen with a specific retailer, but for reasons that I mentioned earlier these arrangements have to be specifically entered into.

Mr. Lamoureux: Madam Deputy Speaker, does the marketing board, other than the issuing of a permit, or the minister issuing a permit—do either one of them play any role after a permit has been issued? In particular, for example, are there minimum prices that have to be established or anything of this nature?

* (2200)

Mr. Enns: No, Madam Chairperson. There would, of course, be those kind of requirements with respect to health inspectors, you know, the kind of regulations to be met, requirements to be met that you would expect for a food product—and particularly quite frankly a fish product which is vulnerable to problems if it is not kept under the right circumstances. But when dealing outside of the marketing structure of the marketing board, then it is entirely an open market situation, which is, if an arrangement that is satisfactory to both the retailer and the commercial fisherman arrived at, that is their business.

Mr. Lamoureux: Finally, Madam Chairperson, just again for further clarification, Cantor's Grocery, which is a wonderful grocery store in the north end—there is lots of tradition in the north end in itself—for example, does want to sell fresh market fish and would like to purchase straight from the fishermen and then be able to sell off their shelves. The minister is indicating that this is now possible. All he would have to do is just get in contact and there is no reason that he can see that would prevent him from getting a permit.

Mr. Enns: Well, again, certainly arrangement can be made, but let us understand that if Mr. Cantor wishes to sell fish he would have to make arrangement through permit with a specific commercial fisherman. In other words, he cannot simply open up his doors to any and all commercial fishermen, having them drop off their catch. We need to be able to, for our record keeping, for our arrangements—this is, if you like, to some extent a bit of a—you know, there is concern certainly being made by the corporation that this may jeopardize their overall marketing decision, not unlike some of the concerns that are being expressed about the making available the sale of barley, for instance, on open market and concerns expressed by the Wheat Board which previously had a total monopoly control of the sale of that product in the agricultural sector. So it is a controlled and somewhat limited opening up, if you like, of the marketing of Manitoba fish to Manitobans.

The aim, the objective, that I have as Fisheries minister is that Manitobans consume more Manitoba fish. We do not consume enough. We would help out our own industry if we did that. There is a belief that if there were more innovative and more aggressive marketing of Manitoba fish by the Joe Cantors, if you like, or others, that we could have increased consumption of Manitoba fish in Manitoba.

Now the corporation takes a slightly different attitude. They are saying that their marketing arrangements with their SuperValus and Safeways are jeopardized if we allow independent people to be selling their product, if you like, in competition with theirs.

You know, we have some specific difficulties in specific fisheries. Whitefish, for instance, right now we are having some difficulty; the Freshwater Fish Marketing Corporation is having difficulty in marketing. It is a premium fish. We perhaps are not marketing it as innovatively as we could here in Manitoba and elsewhere. We are hopeful that the next few years will give us some indication as to whether or not we can improve the overall salability in economic opportunities of our own fish here in the province.

Madam Chairperson: Item 1.(b)(2) Other Expenditures \$83,400—pass.

1.(c) Venture Manitoba Tours Ltd. \$300,000—pass.

1.(d) Financial Services (1) Salaries \$995,600—pass; (2) Other Expenditures \$215,700—pass.

1.(e) Human Resource Management (1) Salaries \$872,400—pass; (2) Other Expenditures \$151,300—pass.

1.(f) Systems Co-ordination (1) Salaries \$184,600—pass; (2) Other Expenditures \$31,600—pass.

1.(g) Administrative Services (1) Salaries \$532,900—pass; (2) Other Expenditures \$368,000—pass.

1.(h) Internal Audit (1) Salaries \$161,400—pass; (2) Other Expenditures \$8,500—pass.

Item 2. Regional Operations (a) Headquarters Operations (1) Salaries \$1,583,400—pass; (2) Other Expenditures \$1,459,800—pass; (3) Problem Wildlife Control \$143,200—pass; (4) Less: Recoverable from Other Appropriations (\$260,000)—pass.

2.(b) Northwest Region (1) Salaries \$1,807,200—pass; (2) Other Expenditures \$695,200—pass.

2.(c) Northeast Region (1) Salaries \$1,631,400—pass; (2) Other Expenditures \$816,400—pass.

2.(d) Central Region (1) Salaries \$4,278,100—pass; (2) Other Expenditures \$1,386,700—pass.

2.(e) Eastern Region (1) Salaries \$2,604,800—pass; (2) Other Expenditures \$750,700—pass.

2.(f) Western Region (1) Salaries \$3,975,900—pass; (2) Other Expenditures \$1,234,300—pass.

2.(g) Fire Program Development and Evaluation (1) Salaries \$324,700—pass; (2) Other Expenditures \$196,600—pass; (3) Grant Assistance \$20,000.

2.(h) Fire Pre-Suppression Program (1) Salaries \$1,644,600—pass; (2) Other Expenditures \$3,151,000.

2.(j) Helitac Program (1) Salaries \$329,100—pass; (2) Other Expenditures \$1,812,100—pass.

2.(k) Firetac Program (1) Salaries \$208,500—pass; (2) Other Expenditures \$1,173,800—(pass).

Resolution 12.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$30,967,500 for Natural Resources, Regional Operations, for the fiscal year ending the 31st day of March, 1994.

Item 3. Resource Programs (a) Water Resources.

Mr. Paul Edwards (St. James): Madam Chairperson, let me say at the outset that due to the vagaries of the parliamentary system as it has worked out in this Legislature, we do not have time on a yearly basis to deal in some detail with every department.

The reality is that this year we have very little time to deal with this department. That is a matter of great regret to me, but other departments higher up the ladder, as it were, this year got a much more thorough review. There have been years in my experience where this department has qualified for a higher level of review. So perhaps as long as we every once in a while get the Department of Natural Resources through a thorough review we should be satisfied.

It is not a perfect system. I do not particularly like this system, but I simply put those comments on the record to indicate that it is unfortunate that we are racing through a number of these appropriations with millions and millions and millions of dollars being spent. I am not suggesting that the votes might not have been the same, but I think it is regrettable we did not have time for a more thorough review.

Now, having gotten to the Water Resources area, I wanted to ask the minister to indicate whether or not his department will in fact be involved now in putting together the further information and research that has been requested by the Clean Environment Commission at the time that they decided to stop the hearings into the Assiniboine water diversion project.

* (2210)

Mr. Enns: Madam Chairperson, I am advised that to date we have not yet received from the commission and/or through the department that it reports to—but I believe it would be directly from the commission itself—the details of the request for additional information.

What we have received is what the honourable member is privy to, simply a one-and-a-half-page letter indicating in general terms the nature of the additional information that is being sought by the Clean Environment Commission. We await the specific details of this, and then I would be able to respond more specifically to the honourable member.

I would assume that certainly in terms of those areas that impact directly on our current or past or present management of the Assiniboine River, whether it is through the structures that we have in place such as the management of the Assiniboine River, whether it is through the structures that we have in place such as the management of the reservoir and the dam, any data that we have or further refinement of the data that we have with respect to that information that is normally within the purview of this department, we would be providing that additional information to the commission.

Mr. Edwards: Madam Chairperson, the Department of Natural Resources had representatives, obviously, at the hearings. Is it the minister's information that in fact there will be requests for some further research and information from the Department of Natural Resources? Is that confirmed? Is that something the minister knows is coming and just does not know the extent of that?

Mr. Enns: Again, Madam Chairperson, my understanding, and it is certainly the only information that I have at this moment, is that it is further information that the commission seeks. It is not a question of research from our point of view. It is a question of perhaps clarifying information that we have presented in part to the commission. I am really not in a position, not having seen precisely the details of the request for additional information.

Madam Chairperson, while I am no my feet, allow me to introduce the not so recently, but fairly recently appointed Director of our Water Resources branch, Mr. David Sexton, a long-time employee of the Department of Natural Resources.

Mr. Edwards: Madam Chairperson, I appreciate the minister indicating that he does not have the information available to him to answer in detail what will be requested or may be requested and provided by the department. Have there been any discussions with the commission as to the resumption date of hearings at this time or the possible resumption date of hearings?

Mr. Enns: Madam Chairperson, my deputy minister advises me that he has been in contact with the chair of the commission to ascertain precisely the kind of questions that the honourable member raises as to the nature of the additional information that the commission is requesting and understandably, from our administrative point of

view, some kind of time frame that the commission is expecting this additional information to be provided to the commission.

That, again, awaits the formal request, if I can put it that way, by way of a submission as to what precisely the information is that the commission requires.

My deputy further advises me that it is essentially a clarification of the information already put on the record by various departmental people, principally, our Water Resources people, that the commission is requiring further information on.

Mr. Edwards: Accordingly, am I to take from the minister's answers that in fact, while the request has been made for some time frame, there has been no indication thus far as to what that time frame is from the commission?

Mr. Enns: Madam Chairperson, my staff informs me that we anticipate having the details of this additional information request from the commission some time towards the end of this week, that it is the opinion of the chair of the Clean Environment Commission that hearings will likely resume this fall, but he was no more specific than that.

Mr. Edwards: Does the minister know if it is the intention—has he had discussions with the Clean Environment Commission as to whether or not the hearings would recommence, that is, start again and go back to the locations that they had already been with the new information, essentially starting the hearings over? Or is it their intention to, with the new information, just continue where they left off, as it were?

Mr. Enns: Let me make it very clear that I have not been in touch with the Clean Environment Commission, nor do I have any intention of doing so.

My information is that this information is placed on the public registry. It is made available to all those who are participating in the proceedings. I cannot answer for the commission as to whether they will simply resume where they kind of left off in their scheduling of hearings, which may well be the case. I do not particularly see them to do anything other than that. Again, I would not wish to presume or to answer for the actions of the commission.

Information supplied to me by my senior staff is simply that this added information is made available to the commission, and it then gets placed on what is called the public registry, which

then can be accessed by all who have been following this issue and who wish to make themselves available of this added information.

Mr. Edwards: My concern, Madam Chairperson, is that if in fact new information, clarification, whatever one wants to call it, comes forward and the commission continues where it left off, that some presenters early on in the schedule in some of the locations may be prejudiced by having made their presentations without the benefit of that information, which may well be things that they would want to comment on or would have wanted in front of them when they were presenting.

So there is a question of process there. Whenever you abort a quasi-judicial process like this midway, you have that difficulty of dealing with those who have not had the chance to comment on the new information by virtue of the fact that they have made their presentation already. So that was the basis of my concern.

What I understand the minister to be saying is, and it is accurate, he is not in control of that process, and the Clean Environment Commission presumably will make that determination.

Madam Chairperson, by way of further question, I would like to ask if it is still the position of the Department of Natural Resources that the proposal, as currently set before the commission, is a good one and one that the department is recommending approval of.

Mr. Enns: Madam Chairperson, just on the first part of the honourable member's comments, I believe that the word "abort" is perhaps too strong in terms of describing the commission's actions.

My understanding is, the word that the commission employed, they simply suspended hearings for the opportunity of garnering some further information that they felt was important. How they will use or how they will ensure how that works into the decision-making process on the part of the commission, that, of course, is entirely within the purview of the commission as the honourable member has indicated.

The response to the second part of his question with the position of the Water Resources branch is on record with the commission as placed there by a number of our competent people. It is certainly the continuing view of the branch that the request by the proponents for this particular allocation of water from the Assiniboine is supportable and the

department has so indicated in their presentations before the commission.

* (2220)

Mr. Edwards: Was it the position of the Water Resources branch and the department that there need also be a federal review of this, given the incursions into areas of federal jurisdiction? I believe a lot of that was discussed even in the materials put forward by the department, the impact on fisheries, the impact on the waterways. Being a transboundary waterway, there was even some suggestion of a potential impact on migratory bird patterns. Did the department ever take a position as to whether or not this warranted a federal review of some sort? I understand PFRA was involved, but a federal environmental review under the federal environmental legislation need occur?

Mr. Enns: As my colleague the Minister of Environment (Mr. Cummings) in Manitoba, as indeed the First Minister (Mr. Filmon) and myself have on earlier occasions in this House repeatedly indicated to him, that is a question for the federal government to decide. Their agency that is involved in this instance is the PFRA organization headquartered in Saskatchewan. It is my understanding that they believe this requirement with respect to the federal involvement in the environmental process is questionable but I would not want to make that presumption.

I just want to take this indication to tell the honourable member though that from our perspective what we are talking about is a river that has been under very rigid management control by the Department of Natural Resources, namely by the Water Services branch. We determine constantly the levels of waters that are flowing in that basin ever since the creation of the Lake of the Prairies behind the Shellmouth Dam.

The regime that is within that basin, as the honourable member as a Winnipegger—well, maybe a bit too young a Winnipegger, but if he was of my vintage—knows, fluctuates to overflowing and has overflowed in many years. We have used the Portage diversion 15 times in the last 19 years. Very large amounts of water are diverted right out of the system, the Assiniboine River system. I will seek by nod of the head from my learned water director, I believe that at times we funnel 15, 20, 25—tell me when to stop—25,000 cubic feet per second, per second shoots through the Portage

diversion into Lake Manitoba, never gets anywhere near the city of Winnipeg or Her Worship Mayor Thompson's concern about taking water out of the Assiniboine.

So when you ask experienced Water Resources people as to whether or not 20 cfs can be taken out of the system without any discernible effect on the river, I have to believe them quite frankly. They are the same fellows who turn open the valves and shoot 25,000 cubic feet a second of water out of there for weeks on end, 15 times out of the last 19 years, and we have had many drought years, Madam Chairperson.

When they tell me that there would be less water today in the Assiniboine than there would be had they not intervened, I happen to believe them because they had told a similar government. I have made this speech once before. I was privileged to have joined just the mid-term of that government when after suffering millions and millions of dollars of damage in the city of Winnipeg and a group of engineers said, hey, we can solve that problem for you. It is going to cost you money. You are going to have to let us build a big ditch. People had fun calling it Duff's Ditch for awhile, but this city would be a backwater town today if we had not provided that protection.

The city of Brandon that we hear a great deal about, all that fine lowland where they have a city park and all that, that flooded out just about every three years, if I am not mistaken, that Grand Valley part of the Assiniboine River prior to the construction of Shellmouth Dam.

I still have constituents of mine who thank me in the Elie, St. Eustache, both sides of the Assiniboine River east of Portage, that on a far too regular basis were flooded out because of the flatness of the Assiniboine River, the structure of the Assiniboine River and the flooding problems that caused in some of the most productive, some of the finest agricultural land in the province—no, I will amend that—in the world in that Portage Plains country that on a regular basis was prevented from being farm property because of the flooding difficulties.

Well, Madam Chairperson, these are the same people. In fact, literally they are the same people. Mr. David Sexton was involved in the planning of these structures as a young engineer who today are telling me and advising me that they can with

some confidence accommodate the request of the proponent.

Mr. Edwards: Madam Chairperson, I recall we had some discussion about this in the House earlier. I just wanted to clarify, he has mentioned the Lake of the Prairies and the Shellmouth Dam. There was a report, and I am not sure if it was confirmed or not by the minister in the House, that the lake behind the Shellmouth Dam would not be used to supplement water in the Assiniboine River, to supplement the water that was taken out, was proposed to be taken out, moved south to the Stephenfield reservoir. There was a discussion. There were some newspaper reports.

What was the plan that was put forward by the department in terms of using that water to supplement the Assiniboine River? Do you want me to repeat the question?

Mr. Enns: I do not know whether the honourable member has the Stephenfield reservoir mixed up with the Shellmouth and Lake of the Prairies mixed up, but the Shellmouth reservoir certainly continues to accommodate the water supply throughout the Winnipeg River system. Twelve years ago, just a little bit of history—I happen to be minister. I was minister 20 years ago as well, but 12 years ago, the R.M. of Macdonald and the towns of Sanford, Starbuck and places like that, they had a water problem. They requested from PFRA if would they not help them maintain the flows of the La Salle River.

We, at the department, I think maybe with the co-operation of the PFRA, on a temporary basis pumped water from the Assiniboine into the La Salle River, just immediately east of Portage la Prairie. We did that for two summers. I can recall asking my engineers at that time, well, what would it cost to put in a permanent diversion, because this was costing us about \$90,000 dollars a year, to pump with the temporary pumps?

Well, they told me at the time it would run about \$300,000 to \$400,000. I said, well, let us do it, and we did it. Today, the R.M. of Macdonald has one of the most sophisticated water distribution systems supplying its whole municipality, including the communities like Domain and Sanford, an \$11 million water-treatment plant.

The people who enjoy the La Salle River for recreation purposes—it is not a heavy-duty draw on it except for the R.M. of Macdonald—enjoy

acceptable levels of the Assiniboine. There was no discernible effect. The then-mayor of Winnipeg, the town council of Winnipeg, did not find themselves spending \$80,000 to get concerned about the drastic impacts of that diversion, which by the way is larger than the one that is being requested by the current proposal.

Quite frankly, I suspect—I do not know for sure—but I suspect that the fellows that were operating the Shellmouth reservoir gave it an extra half-an-inch turn at some particular point in May, or June or July, to make sure that those eight or 10 cubic feet per second that were being diverted from the Assiniboine to the La Salle were replaced by that additional water from the Lake of the Prairies reservoir, behind Shellmouth Dam.

* (2230)

We have a report that says that 48 percent of the water that we have stored there is not allocated for any purposes. It is available for allocation, in other words. So when my department says that there will be no discernible effect, they really mean that. They mean that they will offset any amounts. Now, that does not mean that in lower years—we have had lower years, the waters are rising right now—that in lower years that there will not be low water.

What they can also tell with certainty, because we have the records that predate the dam times, when in the '30s, you really had low water in the Assiniboine. We have never reached those kind of low waters in the Assiniboine since the control mechanism, the control of the stream that the Shellmouth affords us.

Mr. Edwards: Do I understand the minister to say that the department would use up to 48 percent of the water in the Lake of the Prairies to ensure that the Assiniboine River was not deleteriously affected by the proposal to divert water south from the Assiniboine River, because that is the impression he is leaving now? Is that what he is saying?

Mr. Enns: I thank the honourable member for allowing me to respond to that. That simply is an indication of the amount of unallocated, if you like, because the question of allocation has come up. It comes up at hearings of the kind that the commission is inquiring about, about the amount of water that in fact has already been allocated.

What kind of a handle do we have on the licences that we have out? What satisfaction do

we have as to whether or not the amounts of water that they are licensed for are being—the conditions of the licence are being adhered to? Some of those are very legitimate questions. We are dedicating a considerable amount of our energies into refining our system of ensuring that we know precisely the kind of water that is being taken out of the river under our current licensing system. We will be beefing up and strengthening that portion of our data collection.

Certainly it would not be the intention of the department, nor do we want to indicate that 48 percent of the reservoir is available for allocation. That is simply a base figure. When you take out the current requirements, the city of Brandon, the hydroelectric plant, the Manitoba Hydro thermal plant requires a substantial amount of water, more than is being requested by these proponents.

They have also indicated that because of a change of technology and new equipment they will not be using that water at the thermal plant in four or five years. In about four or five years that demand for that water will no longer be there, so that frees up more water. There are constant gives and takes to the system. This requirement would require about 5 or 6 percent of that 48 percent allocation, but it certainly can be accommodated.

Mr. Edwards: It is my understanding that the Lake of the Prairies itself, and I do not know the area well, has development around it which is very concerned about the water level on that lake. When the minister says, the 5 or 6 percent that may be required to supplement the Assiniboine River as a result of this project, is he taking that into account? Is that available then to be taken out of there from time to time to supplement the Assiniboine River, even given the development which is on the Lake of the Prairies reservoir itself?

Mr. Enns: Madam Chairperson, allow me firstly to indicate, I believe that my department and the Water Resources personnel involved have done an excellent job in terms of meeting the commitments that they made to the government of the day in saying that they could provide engineering structures that would floodproof the city of Winnipeg, floodproof the flood plains of the Assiniboine, particularly east of Portage and indeed all up the Assiniboine River. They have accomplished it, and the member points out a problem that evolved very shortly after the reservoir was formed.

Certainly my good friend and colleague the Minister of Rural Development (Mr. Derkach), who represents that area, speaks very strongly on behalf of—they view that lake as a prime recreation area, which it has become. It has become one of the most important sports angling fisheries in the province of Manitoba. We stock walleye and other species of fish in that lake. On a fine July weekend our Saskatchewan neighbours came and join us. We have up to 3,000 anglers enjoying a summer of angling on that lake. That is just one of the added benefits.

When my environmentalist friends come at me from all angles just because occasionally I speak favourably of the dam builders of this world, they forget that not only do they supply a dependable water supply, they often supply tremendous recreational opportunities.

The member is quite right, there is pressure and there has been some development. My colleague would be the first one to tell him, not enough. In fact, there is a feeling in the area that there was a stronger commitment made by the government of the day that I was part of that in lieu of the flooding, in lieu of giving up some of the river bottom land, there would be more efforts made by government and others to encourage tourism development and recreational facilities in and around the newly formed Lake of the Prairies.

(Mr. Ben Sveinson, Acting Chairperson, in the Chair)

First and foremost, and we have pretty rigid regulations, it is a flood control facility, and we operate it that way. We draw down that lake whether or not there is public outcry or pressure in the Fioblin-Russell area or not. We draw it down every late fall and early winter to put the dam in readiness to impound the coming spring runoff, which then delays it coming down the Assiniboine River so that we can stagger the crests between the Red and the Assiniboine and prevent the kind of disastrous 1950-type flood scenarios.

What I would like to further add, I am very anxious to proceed with the development of a management committee for the management of the reservoir and its impact on down the river. I have asked for nominations and I have received from all the communities, from the City of Winnipeg, from Portage, from special interest groups like the Manitoba Irrigators Association and from

Shellmouth, from the recreational point of view the users of the Lake of the Prairies. It will be a small six-man, seven-person board that will assist my department in fine-tuning the management of that reservoir.

Mr. Acting Chairperson, I do not second guess my officials. They had a responsibility to ensure that the primary objective of the dam would be fulfilled, that is flood protection. Perhaps with the 22 years of experience, we may find out that we do not have to draw down the lake to the full 12-foot or 14-foot level. Maybe drawing it down to the eight-foot level still affords an acceptable level of flood protection. Maybe expending of some additional resources in fine-tuning our weather information, which is very important as we try to determine what the nature of the runoff will be, although that is not a science, it is a little hard to predict.

I know as a farmer myself, you sometimes look in March or in late February and say, oh, we are going to have a lot of water standing around our low spots in our land, look at all the snow we have. It depends on the melt. It depends on the previous fall as to how much of that actually translates into runoff.

* (2240)

To have better input on the part of all stakeholders in the basin, that includes those who are primarily interested in using the basin for recreational purposes so that there is advance warning time given when water levels are in fact moved upward or downward, to have input into the legitimate needs of potential users, whether it is irrigators or whether it is municipal corporations like Portage la Prairie or Brandon or Manitoba Hydro at the thermal plant, whether it is acknowledging, of course, the ongoing legitimate requests for the City of Winnipeg to ensure that an acceptable flow of water is maintained for their purposes, that committee will be a pretty responsible and effective means of ensuring that these concerns are passed on directly to the senior engineers who have the responsibility of operating the structure.

Mr. Edwards: Mr. Acting Chairperson, it is encouraging to hear the minister say that first and foremost that reservoir is there for water management purposes and to manage the water supply in the Assiniboine basin. That is an important ranking to have because these

competing interests are going to come to bear on a regular basis. I am sure they do now. They will continue to, certainly, if this proposal goes ahead, I believe, a greater extent, so it is important to have that ranking and that priority very clearly articulated for all of the people involved.

I am sure that the Minister for Rural Development (Mr. Derkach) is keenly interested in this. I recall newspaper articles not so long ago up in his neck of the woods making very strong comments about this project as well in terms of the availability of that water to supplement the Assiniboine River. I remember the feeling was generally negative, feeling that it would negatively impact on the recreational uses of that lake. I believe recently there has been some new news of development on the lake, recreational development, a fishing lodge or some camp of some sort. I recall seeing it in the newspaper, in any event, so there is clearly development going on, going to continue.

Mr. Acting Chairperson, getting back to the question I raised about the federal involvement in this, I just want to say to the minister that I believe that increasingly it will become clear that his level of frustration—and he shows it on a regular basis in the House—which is shared by many about the environmental assessment process and the unpredictability of that process and some of the ways that adversaries, people who are opposed to projects, can essentially delay and delay and frustrate the efforts of proponents of perhaps a very worthwhile project.

Those frustrations are understood by me and are real and are also understood by many in the business community, companies that have proposals that require environmental approval, and that in my assessment the environmental review process, while philosophically well grounded in terms of being sure that we understand the environmental impacts before embarking upon construction, suffers from procedural flaws currently and is a bit of mishmash, to put it succinctly. It is an area of shared jurisdiction that causes some problems.

It does not help that the two levels of government do not seem to talk to each other very much. There are lots of overlapping laws and regulations. They conflict and confuse anybody wanting to actually get something done more often than not. That is why I have recommended for a long time that there be national standards, national conferences, that

the provinces and the federal government sit down and get together and work towards a standard approach to these things so that the road map is at least there and so that anybody who is a proponent has some sense and a better sense of what is required before they get approval to go ahead. I think that would be a very productive thing, both for governments and for businesses who want to propose these projects.

So I understand the frustration and I sympathize with it. However, applying that to this project, I think it was a big mistake for the Department of Natural Resources and the Department of Environment to throw up their hands and say, well, if the federal government wants in, they will come in. The federal government will not come in. It is going to cost them money. They have to be asked to come in.

The provincial government has to go to them and say, look, we are doing this project. It obviously impacts on federal areas of jurisdiction. You have two choices. We can get together and do a joint review, as we now have enabling legislation to do, and we can do it once. Or we will do our review, and if the opponents of the project do not like it, they will go to court, they will force you to do your review. They will win. They will force the federal government through the EARP Guidelines and the other laws that are there into the process.

We will do a second review and maybe the result will be different and it will be confusing. It will be delayed another two years. It is craziness. That is why we supported, I supported, moving towards joint review panels. It makes sense. It is a joint area of jurisdiction. We should do one review, not two.

I do not know if the minister wants to respond to that or not. I put that on the record because that is why I asked the question about the federal review. There should be one review done on these. I think it is a massive waste of time and money to allow anybody, any opponent of project to give them that leverage to trigger two review processes. There should be one. It should be joint. I think it was a mistake not to take—you cannot force them—but not to take some role of an advocate in saying to the federal government, join us in a joint review. It will be cheaper, it will be quicker, and we will get a better more credible result.

I leave that with the minister. I think that was a mistake on the Minister of Environment's (Mr. Cummings) part not to take that role. He took it in Conawapa. The Minister of Environment very clearly went and negotiated with the federal government for a joint review panel. In things like this, where it is clear that it affects, impacts federal jurisdiction, I think it is an astute move, on behalf of the taxpayer and the proponent, to give the proponent just one set of hearings.

Anyway those are my comments.

Mr. Enns: I appreciate and share to some extent some of the comments made by the honourable member for St. James.

Just let me put a few things on the record. It has to be borne in mind, despite what the honourable member may want to conjecture otherwise, we are not the proponents of this project. We are not doing this project. If asked we will—as PFRA the federal agency has been asked from Day One to offer and provide and indeed, as is part of their mandate, when a municipality, when a town, when a farmer comes up to PFRA and says, look, I have 200 head of livestock and I need water supply, they will help with recommending whether it is going to be a dugout or a well or whatever.

If it is a local town, if the municipality asks the governments to assist them in finding a water supply, in the provincial scene it will be the Manitoba Water Services Board, in the federal scene it will be PFRA that will assist the community in developing a water source. That is what our departments are there for.

The issue is, as to who is the responsible—in the case that he cites, Conawapa, that was clearly our project and related Crown corporations, the Manitoba Hydro's projects. The proponents asked for a joint federal-provincial one-shop environmental process hearings.

My information is, and PFRA and the federal government will have to answer to it, the way the federal environmental system works is that in this instance PFRA, as the lead agency, makes that decision whether or not the implication of this project has implications that would involve the federal environment process. My information that the federal government, PFRA, believes that they do not, that it is merely a water allocation problem and totally entirely within the jurisdiction of the province of Manitoba. I share the honourable

member's questioning about that. I want to assure the honourable member that I am certainly not going to propose to my government, regardless of what the Clean Environment Commission says, whether they approve it or disapprove it, to rush into licensing the project.

I am certainly going to sit back and be totally satisfied before I advise my Premier (Mr. Filmon), my Minister of Environment (Mr. Cummings), my government to commit themselves to a project, even towards the licensing of the project prior to having these very same questions that the minister puts on the record answered, because if we have learned something from the problems of our sister province with respect to the Rafferty project and the difficulties that that government got themselves into, environmentally speaking, with the federal government is that they proceeded, having believed that they had done their thing provincially, only then to be checked up federally and get involved in court procedures and work stoppages when the project was halfway underway. We have certainly no intention of proceeding down that path.

* (2250)

There will have to be, and there will be, a full and complete acknowledgement of what I am putting on the record by the federal government before anything further proceeds with respect to this project, should there be a favourable response to the proponents by our Clean Environment Commission. I might also say if there is not a favourable response by the Clean Environment Commission, then this project is dead.

The Acting Chairperson (Mr. Sveinson): Item 3. Resource Programs (a) Water Resources (1) Administration (a) Salaries \$462,100—pass; (b) Other Expenditures \$459,900—pass; (c) Grant Assistance \$25,000—pass.

3.(a)(2) Water Licensing and Approvals (a) Salaries \$457,800—pass; (b) Other Expenditures \$31,400—pass.

3.(a)(3) Water Management (a) Salaries \$1,413,400—pass; (b) Other Expenditures \$116,600—pass; (c) Waterway Maintenance \$3,706,500—pass; (d) Less: Recoverable from Other Appropriations (\$55,000)—pass.

Mr. Edwards: We are on 3.(d) Forestry. Is that where we are?

The Acting Chairperson (Mr. Sveinson): 3.(d) Recoverable from Other Expenditures, Water Management. Are you on page 119?

I will go just as fast as I can.

3.(a)(4) Hydrotechnical Services (a) Salaries \$1,159,900—pass; (b) Other Expenditures \$365,400—pass; (c) Canada-Manitoba Agreement for Water Quantity Surveys \$540,000—pass.

3.(b) Parks and Natural Areas (1) Administration (a) Salaries \$510,400—pass; (b) Other Expenditures \$403,300.

Mr. Edwards: Mr. Acting Chairperson, I heard the minister shout out that we are on Parks, so that is what I am gathering we are talking about. Can the minister indicate how many logging permits there currently are issued current in Manitoba's provincial parks?

Mr. Enns: I am advised that we will confirm that for him in a few minutes. My forestry director is just going to come and join us—Parks Director should be coming down I guess. Gordon, why do you not come down and join us for a bit?

We will take that question under advisement at this particular time with a commitment to make that information available. I know, just generally speaking, and allow me to introduce our Director of Parks, Mr. Gordon Prouse, who has just joined us, that we have, as the members are aware, there is certainly some woodcutting activity taking place in the Duck Mountain Provincial Park and there is some taking place at Nopiming with the Abitibi-Price people, as well there is some cutting taking place, I believe, in the Whiteshell. As to the exact number of individual licensees or permits, I would ask the Parks Director to take that question as notice, and we will try to furnish him that information very shortly. In fact, it may be coming up very quickly.

Let me give it to the honourable member this way: 3 percent of the forest land base in the province of Manitoba lies within park boundaries—3 percent. Six percent of the annual allowable cut that our Forestry branch allows to be cut comes from that 3 percent of the land base in parks. That is not a bad way of putting it in terms of putting it into perspective.

Allow me to also put on the record, because this is often not thought about, I would be quite prepared to absolutely abolish all logging and harvesting of any timber out of our provincial park

system, but I would, of course, revert the Duck Mountain Provincial Park back to the original provincial forest reserve that it was, as well as places like Nopiming, because in Manitoba we have a higher than average number of provincial parks when compared to our sister jurisdictions, partly because of the co-operation between forestry and parks.

Forestry reserves were there first, though, and it was an eminently common-sense approach to say, look, when we already had attractive land that was being partially serviced by resource roads that accessed some fine cottaging or lake areas to superimpose a provincial park on it, which is precisely what we did.

Now, 25, 30 years later, we want to move the goal posts, and that is what people who are involved in the forestry industry—and I remind honourable members of the committee it is a significant industry, employing some 10,000 people in the province of Manitoba, yields in excess of \$400 million, very comparable to agriculture. So let us not treat this subject too lightly, but I appreciate that I will soon embark in this whole debate when we get to Bill 41, and my understanding is that there are a number of Manitobans and organizations, in excess of 100. I have the feeling that they are not all there to applaud my visionary approach to new parks land legislation, although I suspect there will be some that will recognize that—

An Honourable Member: There are 171 submissions.

Mr. Enns: One hundred and seventy-one submissions? Okay.

Mr. Edwards: It is very interesting to hear the percentages. I wonder if the minister could undertake to provide the number of permits and their locations, what parks they are located in, not specific locations but what park they are in and the number of hectares that are covered.

* (2300)

Mr. Enns: I will ask the Parks director to make note of that, and I will undertake to have this information available to the honourable member within a reasonable amount of time, certainly in time for our deliberations on Bill 41.

Mr. Edwards: I just wonder also if we could perhaps get a list of the mining licences within provincial parks, if that is available, and their location.

Mr. Enns: Yes, I will ask my colleagues in the Department of Energy and Mines to provide me with similar information.

Mr. Edwards: Mr. Acting Chair, I am going to stop with those questions. I wanted to say just generally that again I wanted to reiterate my great concern over many, many areas here and regret that we are not going to get to them in some detail. I appreciate the staff have had to come down, others who will not be used. We appreciate that. It is not a system that serves our schedules particularly well either, but this is the system we have, so I do appreciate the difficulty in timing for the many staff involved. I appreciate them coming down and their indulgence.

I also want to say that I did not get a chance at the outset, but wanted to say that I appreciate this minister's availability for questions and, more than almost any minister certainly that I am responsible for in terms of critic role, his frankness in the House. I appreciate that. I think it lands him in some trouble sometimes. He sometimes brings a louder, more vociferous response, but I think it is good, and I appreciate the fact that he is very frank and honest in the way he feels. That is an appropriate way to be.

(Madam Chairperson in the Chair)

I certainly do not agree with many of the things that he is doing or will do and that is part of my role, but also I think he understands, and in many ways I am sure predicts that. I, too, look forward to the hearings, all 171 or so presenters. I am sure there will be some in his favour. I look forward to hearing them all. Thank you, Madam Chair.

Mr. Enns: The honourable member has twice now indicated his regret about the system not providing sufficient time to do full justice to this Department of Natural Resources because, as he put it, other departments, higher up in the ladder, get more time. Well, the Department of Natural Resources is right at the top of the ladder and I want him to know that. It is the most important department of this government, Madam Chairperson.

It is the opposition that decides to spend 70 hours on one department, or 65 hours on another department, or 30 hours on another department, and then finds it only has two hours or an hour and a half for the Department of Natural Resources. So that is in the hands of the opposition; it is not in the hands of the government. There are 240 hours

that you could divide up, 10 hours per department, and then you would have had that sufficient time. Right?

Some Honourable Member: Right on, Harry.

Mr. Edwards: I cannot let that statement go unchallenged. I appreciate what the minister is saying. I think he also has to understand that many in the community would feel that those departments that had 60 or 70 hours were underdiscussed. The question then becomes one of how much time should we spend overall for the whole process.

That is a question that all three parties have had some discussion on, and I dare say that I do not believe it is the government's desire, and maybe the Minister of Natural Resources (Mr. Enns) is changing that. I have never heard the government say that they wanted more than 240 hours overall. Perhaps that is what he is saying. Perhaps what he is saying is that if we are going to give these things full discussion, we need far more than that.

What I am saying is that the reality is that some departments each year do not get tested perhaps as much as they should. However, Madam Chair, there have been other years, I am happy to say, where we have had far more time, and I look forward to having far more time next year. This system is not perfect, but I think over the long term, it gets the job done.

Madam Chairperson: 3.(b)(c) Grant Assistance \$131,500—pass.

3.(b)(2) Management and Development (a) Salaries \$527,600—pass; (b) Other Expenditures \$165,100—pass.

3.(b)(3) Program Services (a) Salaries \$188,200—pass; (b) Other Expenditures \$57,000—pass.

3. (b) (4) Park Operations and Maintenance (a) Salaries \$8,562,400—pass; (b) Other Expenditures \$2,771,900—pass.

3.(b)(5) Visitor Services (a) Salaries \$317,100—pass; (b) Other Expenditures \$57,300—pass.

3.(c) Lands (1) Administration (a) Salaries \$184,100—pass; (b) Other Expenditures \$136,500—pass.

3.(c)(2) Crown Lands Administration (a) Salaries \$601,500—pass; (b) Other Expenditures \$132,700—pass.

3.(c)(3) Crown Lands Registry (a) Salaries \$251,100—pass; (b) Other Expenditures \$177,100—pass.

3.(d) Forestry (1) Administration (a) Salaries \$590,000—pass; (b) Other Expenditures \$316,300—pass; (c) Grant Assistance \$23,400—pass.

3.(d)(2) Forest Management (a) Salaries \$679,600—pass; (b) Other Expenditures \$133,500—pass.

3.(d)(3) Silviculture (a) Salaries \$674,700—pass; (b) Other Expenditures \$2,026,700—pass.

3.(d)(4) Forest Protection (a) Salaries \$641,900—pass; (b) Other Expenditures \$714,100—pass.

3.(d)(5) Canada-Manitoba Partnership Agreement in Forestry \$2,714,300—pass.

3.(e) Fisheries (1) Administration (a) Salaries \$202,600—pass; (b) Other Expenditures \$182,200—pass; (c) Grant Assistance zero—pass.

3.(e)(2) Fish Culture (a) Salaries \$571,500—pass; (b) Other Expenditures \$236,000—pass.

(3) Fisheries Habitat Management (a) Salaries \$291,300—pass; (b) Other Expenditures \$69,800—pass.

3.(e)(4) Sport and Commercial Fishing Management (a) Salaries \$408,000—pass (b) Other Expenditures \$80,500—pass.

3.(e)(5) Northern Fishermen's Freight Assistance \$250,000—pass.

3.(e)(6) Fisheries Enhancement Initiative \$200,000—pass.

3.(f) Wildlife (1) Administration (a) Salaries \$244,800—pass; (b) Other Expenditures \$285,700—pass; (c) Grant Assistance \$173,500—pass.

3.(f)(2) Game Management (a) Salaries \$269,500—pass; (b) Other Expenditures \$126,400—pass.

3.(f)(3) Habitat Management (a) Salaries \$509,300—pass; (b) Other Expenditures \$333,500—pass; (c) Canada-Manitoba Soil Conservation Agreement \$516,000—pass.

3.(f)(4) Endangered Species and Nongame Management (a) Salaries \$423,600—pass; (b) Other Expenditures \$75,100—pass.

3.(f)(5) Fur and Commercial Wildlife Management (a) Salaries \$525,100—pass; (b) Other Expenditures \$271,900—pass; (c) Grant Assistance \$89,900—pass.

3.(f)(6) Canada-Manitoba Waterfowl Damage Prevention Agreement \$478,900—pass.

3.(g) Policy Co-ordination (1) Salaries \$743,100—pass; (2) Other Expenditures \$130,700—pass; (3) Grant Assistance \$17,200—pass.

* (2310)

3.(h)(2) Field Surveys (a) Salaries \$564,800—pass; (b) Other Expenditures \$227,100—pass; (c) Less: Recoverable from Other Appropriations (\$301,600)—pass.

3.(h)(3) Remote Sensing (a) Salaries \$379,600—pass; (b) Other Expenditures \$114,200—pass; (c) Less: Recoverable from Other Appropriations (\$23,700)—pass.

3.(h)(4) Distribution Centre (a) Salaries \$319,100—pass; (b) Other Expenditures \$264,100—pass; (c) Less: Recoverable from Other Appropriations (\$165,200)—pass.

3.(h)(5) Data Management (a) Salaries \$607,800—pass; (b) Other Expenditures \$162,100—pass.

3.(j) Sustainable Development Co-ordination Unit \$208,000—pass.

3.(k) Habitat Enhancement Fund \$50,000—pass.

3.(m) Conservation Data Centre \$100,000—pass.

Resolution 12.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$43,211,200 for Natural Resources, Resource Programs, for the fiscal year ending 31st day of March, 1994.

Item 4. Capital Appropriations, Expenditures Related to Capital (a) Equipment and Infrastructure \$400,600—pass; (b) Water Projects \$2,265,400—pass; (c) Park Facilities \$2,777,300—pass.

Resolution 12.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,443,300 for Natural Resources, Expenditures Related to Capital, for the fiscal year ending the 31st of March, 1994.

Item 5. Lotteries Funded Programs (a) Special Conservation and Endangered Species Fund \$450,000—pass.

Resolution 12.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$450,000 for Natural Resources, Lotteries Funded Programs, for the fiscal year ending the 31st of March, 1994.

At this time I would request that the minister's staff please leave the Chamber.

1. Administration and Finance (a) Minister's Salary \$20,600—pass.

Resolution 12.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,183,800 for Natural Resources, Administration and Finance, for the fiscal year ending the 31st day of March, 1994.

This concludes the Estimates for the Department of Natural Resources.

FINANCE

Madam Chairperson (Louise Dacquay): Order, please. This section of the Committee of Supply will now consider the Estimates for the Department of Finance.

Does the honourable minister wish to make an opening statement?

Hon. Clayton Manness (Minister of Finance): No, Madam Chair, I will not, other than to say that this line or this department of government, as will be seen when I table the 1992-93 unaudited fourth quarter, which I plan to do sometime in the next two weeks, will show that this department of government is the fastest growing in percentage terms of any department of government. That is purely as a result of interest costs on the accumulated debt, for the most part accumulated during the period 1981 to 1988.

So, Madam Chair, I look forward to the few minutes that we have available to dialogue on this and many other issues. Those are my opening remarks. Thank you.

Madam Chairperson: Does the critic for the official opposition wish to make an opening statement?

Mr. Leonard Evans (Brandon East): Madam Chairperson, very briefly, because we have less than an hour, I understand, probably 55 minutes or something of that order. That obviously does not give us enough time to do justice to this department.

An Honourable Member: . . . blame it on anybody.

Mr. Leonard Evans: Well, I am not saying whose fault it is. It is just a matter of fact.

It is an important department, but I would note, Madam Chairperson, that in spite of the efforts of the minister and the pronouncements, that we continue to build the debt of Manitoba. We continue to have large deficits. I know this

government has been cutting programs, I know that, but if we were to believe the former member for Rossmore, I think the deficit this year is in the order of \$862 million.

Madam Chairperson, the point is that whatever the deficit is, the fact remains that the total debt of the Province of Manitoba is higher than it has ever been in its history. In fact, the dollars per capita are higher than they have ever been in its history. The total net debt, according to the documents tabled by the minister, that is the 1993 budget, was \$11,923 per person, which is, as I said, higher than ever before in the history of this province. Similarly, we do not see much progress on the net general purpose debt, although it shows a slight decline there. That, again, is an estimate.

* (2320)

So in spite of the pronouncements of the minister, we still have a growing debt. I do not know how the minister judges his success rate, but if he looks at that as a figure for success, I am afraid he has not been very successful.

The fact is, what I find is that—I do not think the minister will disagree with this—the reason he is having deficit problems is because there is no growth in the economy, there is no revenue, insufficient revenues are coming in. There is no growth in the revenues in various categories, and that of course is a reflection of the weak economic situation that we have, and it is a reflection of the fact that Manitoba continues to be in a recession. There may be some signs of coming out now, but we have still languished for too long in this recession, and the revenues have not come in. As a result, the deficits continue and the debt continues to grow.

So, again, we could have a lot more to say about this, but rather than debate, which I know the minister can wax eloquently as well, we would like to ask some specific questions. Rather than going line by line, I imagine the most efficient procedure is just to discuss this under Minister's Salary or this first item and then pass the other items towards the end.

So if I could then, Madam Chairperson, I wonder if the minister could give us some breakdown of the debt of the Province of Manitoba by purpose and by currency. In other words, if the minister—
[interjection]

Point of Order

Mr. Leonard Evans: I am sorry. On a point of order then, did the minister wish to bring his staff in now to answer some of the questions?

Madam Chairperson: Order, please.

Mr. Leonard Evans: I apologize, I am sorry. The representative of the third party is there large as life and obviously he wants to make an opening statement, so we will give him a chance.

* * *

Madam Chairperson: Does the critic for the second opposition party wish to make an opening statement.

Mr. Reg Alcock (Osborne): Madam Chairperson, I realize that I am in camouflage tonight and a little hard to see in this room, but actually I was just going to make a suggestion. There are two things that I think, given the shortness of the time available to us, we are not likely to get through the department on a line-by-line basis and there are some macro questions that are of interest here.

I would like to hear from the minister in some detail about the debt problem and why, with dropping interest rates, we are still seeing the rate of growth. I would be interested in hearing from the minister about the difficulty he is having meeting his own objectives in getting this debt under control and seeing it diminish in real terms.

Whether we need staff for that, maybe the staff could go home. They could certainly go home as far as I am concerned. We do not need to keep them here tonight for the kind of discussion that I would like to have. I do not think there is the time to do justice to a line-by-line review of the Estimates.

An Honourable Member: Take the rest of the day off.

Mr. Manness: Well, Madam Chairperson, that is a fair offer by the member for Osborne (Mr. Alcock) and indeed if that is the general discussion that the member for Brandon East (Mr. Leonard Evans) wants, certainly I will ask the staff to retire for the evening. Let me say though that if the member for Brandon East wants some specific questions put, then I will bring my staff in. So I will let him call the decision in that respect.

Madam Chairperson: What is the will of the committee?

Mr. Leonard Evans: Madam Chairperson, I have some specific questions, although maybe the minister can take them as notice and provide them later in writing or maybe he can even comment on them. Like, just to give you one example, I was wondering if we could get a breakdown of the debt as of say March 31, 1993—I assume that should be ready—by purpose and by currency. That has been provided in the past.

Whether the minister can just take that as notice and provide it later, or maybe he would like to comment on what is happening as well.

Madam Chairperson: What is the will of the committee?

Mr. Manness: Madam Chair, I would suggest we bring staff in and when the member throws his specific questions, it will give them a time and I will get it done. Otherwise, with this time and the pressures we will get done. They are here; they have been waiting a long time and I think would enjoy coming in.

Madam Chairperson: Would the minister's staff please enter the Chamber?

Mr. Manness: Madam Chair, I look forward to the questions on a macro vein that may be put forward by the member for Osborne (Mr. Alcock).

Let me say though, in response to the member for Brandon East (Mr. Leonard Evans), it is very interesting. Tonight I had dinner with our main securities firm in Japan, Nikko [phonetic] Securities. As a matter of fact, their chair—it was the first time he has visited Manitoba—was in attendance tonight at our dinner meeting that Mr. Curtis and myself and members of the Treasury Division had with Nikko [phonetic] Securities.

I want to share something with the member for Brandon East (Mr. Leonard Evans). When I asked him about the Japanese economy, this is what he had to say. He said, our Prime Minister, former Prime Minister is projecting growth of 3 percent in real terms, but we have a problem. We have two problems. One, employment rates, unemployment rates are increasing significantly. He said there are two years of graduates now from university that do not have jobs because of the tremendous change in the form of the new productivity age and how it has manifested in economic growth.

Secondly, we have another problem. The next problem he says we have in Japan is that revenues to government are falling in spite of 3 percent

forecast in economic growth, real growth, in Japan. He says, I do not know what we are going to do about it—Nikko Securities, the Chairman of the Board, wondering what is going to happen to Japan.

So when I look at my problems, which indeed are the problems of a million people, which are real, and I acknowledge how real they are, and I will get into greater depth on it when I answer more fully some of the other questions, I say, it is not unique. It is not in isolation from what is happening not only in Canada, not only in North America, but throughout the industrialized world.

So the member is going to be unsuccessful if he is going to try and lay a guilt trip on me, because I will not fall for it. People much more astute and much more knowledgeable about business cycles and the definition of what we are in right now, not in any way theoretically dealt with in any of the texts that I have studied, I am in good company in some respect because it is being felt throughout the western world.

Mr. Leonard Evans: Madam Chairperson, I do not disagree with the observations in that respect of the Minister of Finance (Mr. Manness). There are some very basic structural changes occurring in the major industrialized countries of the world and, obviously, Manitoba is affected by it.

But it seems to me that the governments and I think the G-7 leaders recognize this, have to grapple, have to tackle the question of this chronic unemployment. It is just not good enough for Canada to continue to have 10 or 11 percent of its workforce out of work. That is a terrific loss. There are men and women, most of whom are trained and willing to work, who cannot find jobs, and we are all the losers there on that account. They are not available to produce the goods and services that we as Canadians would like, and ditto for those Canadians living in Manitoba.

So there is a major problem there and governments have to address it. I am not going to pretend that I have the magical answers, nor I presume does the Minister of Finance. But the fact is that it is a problem, and governments are going to have to address the question of chronic unemployment, and the parallel of course is chronic underutilization of its industrial capacity. I am glad to see that the G-7 leaders have indicated that that is their No. 1 priority. That is, they want to pay

attention to unemployment and somehow or other stimulate their economies to create jobs.

I note also that Japan is prepared to tackle unemployment head on. From the statements that I have read, I do not know the detail of it. Having said that, I appreciate that a province is very limited in its capacity, but if you want to get into the discussion you can get into the discussion.

Mr. Manness: I will wait for the next question. I have a response to his first question.

Mr. Leonard Evans: I was referring to the interjection from the back there, Madam Chairperson.

Just to go back then, getting away from the general theme here or the opening statement, I wanted to ask some specific questions, and I will repeat, because the staff are now here, whether it will be possible to get a breakdown of this debt which has grown, by purpose and by currency, as of March 31, 1993.

I know the minister had made some effort, and there had been some change in respect to the holding of the debt in various currencies. I believe the policy was to maximize Canadian currency and minimize offshore debt. I just wondered if that information is available, and I think we had a similar table presented to us a year or two ago.

Mr. Manness: Madam Chair, I have numbers that are pretty much preliminary at this point in time with respect to March 31, 1993. I am reluctant to use them because we are a little troubled with them. Actually, they show at this point the debt of the province as of March 31, '93 dropping from '92. I can explain a good portion of the way because we did an awful lot of preborrowing in '92, going into the '93 year, but still I am a little troubled with the numbers, and therefore I would request that I not provide the numbers.

The last published number after sinking fund was roughly \$13.2 billion net, direct and guaranteed. That is the Crown's and the general purpose debt. The number, if I were to publish today, would be somewhat significantly lower than that. It is one of the reasons, of course, why the rating agencies are so impressed with our numbers, but we again want to give a final check.

An Honourable Member: But you are not.

Mr. Manness: Well, I want to give a final check to these numbers and have a fuller explanation,

because I cannot believe, when you are running a deficit not of \$862 million, \$560-some million higher, that you can have a total debt that is lower.

* (2330)

Let me say with respect to the breakout roughly, again using the same base of numbers, if indeed the gross debt before sinking fund is somewhere in the area of \$14.8 billion, \$14.6 billion, that is gross before sinking fund. Of that total, roughly \$5.8 billion, \$5.9 billion is American denominated. So roughly around 38 percent, 40 percent, and the rest is all Canadian.

Mr. Leonard Evans: Is that breakdown much different from last year in terms of Canadian versus U.S. dollars versus other dollars?

Mr. Manness: The percentage terms would not be too much different. Certainly the amount of U.S. debt would not be less. If it were, it would be marginally. I am trying right now to move the U.S. denominated debt into Canadian. I cannot do a swap. I would give anything to swap a half a billion dollars. I have been trying basically for a month to swap U.S. exposure into Canadian and without any success at this point in time. I am one who is a little bit troubled with the amount of exposure we have in U.S. currency.

Mr. Leonard Evans: Perhaps the minister could undertake at some point at some future time when the data is firmed up, is available, that he could perhaps send us a memo or a letter just giving us the numbers. We did get one, I recall, two years ago for sure we got an estimate from yourself, from the department. Actually it was from the director of capital finance, Treasury Division to yourself and you gave us a copy. That was in July of '91 so—

Mr. Manness: Madam Chair, all of that detail will be in the unaudited fourth quarterly report.

Mr. Leonard Evans: It will be in the fourth?

Mr. Manness: Yes, a break-out by denomination and also by the general purpose versus Crown.

Mr. Leonard Evans: Just to carry on then, could the minister indicate or provide us with some sort of an update on the sales of Manitoba bonds? I guess you call them the Builder Bonds now.

Mr. Manness: We did \$340 million with \$50 million of that, approximately, rollover. In other words, \$290 million net new, \$50 million coming out of Series II.

Last year, we did \$470 million with \$160 million coming out of Series I, another \$290 million difference. So we are basically, I guess, if we are learning anything from this that basically there is \$275 million to \$300 million of new money every year coming into these saving vehicles. We are most impressed.

Manitobans, obviously, are happy with the vehicle, and everybody I speak to seems to be proud to the extent that they have an opportunity to invest within our province.

Mr. Leonard Evans: Well, I am sure that may be true, but it is also a function of the rate of interest. It depends on what you are offering by way of interest rate and, of course, what the competitive rates are with other types of securities. Just to refresh my memory, what is the rate of interest?

Mr. Manness: It is 6 percent. The markets might suggest that we paid maybe a quarter of a percent over. That was a judgment call. I feel no guilt at having paid 6 percent. I do know that in Alberta, they went out at five and a half, and they bombed. They raised less than we did, I think, in a province that has two and a half times the size population-wise, and probably three times or greater per capita wealth. This was a good issue.

Mr. Leonard Evans: Just to carry on into the area of taxation, I note that in looking at the Estimates of revenue that the payroll tax is still with us, and of course it is referred to in the budget document as well.

On page 5 of your Estimates, Supplementary Information for Legislative Review, I note that the estimate is down slightly. This is the Levy for Health and Education is down slightly from '92-93 where it was \$191.8 million. This year it is estimated to be \$190.8 million.

What I observe, Madam Chairperson, is that this is a very significant amount of revenue and I do not see it disappearing. I want to remind the minister that he, when he was on this side of the House, and I believe his Leader as well, indicated that his government would totally eliminate this levy. I predicted four years ago that this would never happen because it was too important a type of revenue for the government to let go, considering all of our fiscal situation.

So is the minister prepared to say now that the government has abandoned the objective of eliminating the Levy for Health and Education?

Mr. Manness: That was one of our primary planks when we came into government. Within the very limited ability that we have had to maneuver, we have still always tried to address some percentage of that room towards reducing the payroll tax and will continue to do so.

When the member said years ago that we would not eliminate it, wisely so he did not, but I wish he had put conditions to it. I wish he would have said, you will not reduce it if your rate of revenue growth is negative or around zero or 1 or 2 percent, something that he never experienced in all the years he was in government. If he had put those conditions with it, I would say then he was a great soothsayer, he had great insight into the future. But because he did not put conditions with it, I say, I do not give him as much credit as I otherwise might.

Mr. Leonard Evans: So the minister is saying the objective of the government is still to eliminate this tax. Having listened to him, I would observe that at the rate we are going, we will be well into the 21st Century, maybe the 22nd Century, and that tax will still be here.

At any rate, I would just observe that other provinces have this type of tax, it may be called something else, but they indeed have that tax and it has become an important source of revenue. Given the fact that governments are having difficulties in raising sufficient revenues, I for the life of me cannot see this particular tax disappearing from the scene.

I guess there is a table comparing the provinces. I note that Ontario and Quebec and Newfoundland now have a form of employer payroll tax, or Health and Education Levy, whatever you want to call it.

Just on another topic on revenue, Retail Sales Tax. I am just wondering whether that is more or less on target. I believe, I will have to check my figures here, but I believe the Estimates for Retail Sales Tax showed some increase from, I believe, \$581 million to the estimate of \$630.4 million in the 1993 budget document. So I was wondering whether the minister could comment on whether his department, whether the government was on target in receipt of sales tax revenues.

Mr. Manness: Madam Chairperson, maybe the member can nod to me. Is he talking about in-year present '93-94, or is he talking about old-year reconciliation with budget?

I can tell him as far as our first quarter numbers for '93-94, that we are pretty well right on forecast, but not an awful lot different than the Housing numbers that came out today. We had encouraging numbers for May, and then we had some fall off in June. But for the first three months within the fiscal year, we are right on forecast. As far as last year, we are within 1 percent of the forecast.

Mr. Leonard Evans: So we could look forward then to retail sales tax revenues of around \$630 million.

Mr. Manness: Madam Chair, we can if the next nine months hold or grow. Of course, everybody knows what is hanging in the cards. It is whether the U.S. economy takes economic growth, takes hold. I mean the numbers are all over the place, but if the U.S. economy does not take place, and our exports as a trading province within a trading nation, if our exports do not continue to find access into the U.S., then obviously my sales tax numbers are not going to hold. They are all, as some would say, if they are not directly related, they are certainly more than "un-directly" related. There is a pretty strong correlation between all of those factors.

* (2340)

Mr. Leonard Evans: I notice the minister has also lowered his Estimates of Corporation Capital Tax. I am looking at the budget document. You are anticipating \$76 million versus \$80.7 million in last year's budget. I was wondering if you could just give us some explanation for—I mean, I can guess at why it may be lower, but I wondered if the minister would like to comment on why he lowered his estimates of that particular tax revenue.

Mr. Manness: Madam Chair, this in our view is a closer reflection of the status in '92-93. I mean, I am glad the member asked the question on this particular line. I mean, it is the NDP that says, make the corporations pay more. This is the great mythology, and they are going to get caught in their own rhetoric.

The reality is that corporations are slowly dying off, and they will tell you almost to the person that one of the main reasons is in high taxes. This is a fixed charge. It has no reference, no reference whatsoever to profitability, and there is no doubt that the corporate base is experiencing a

shrinkage. Unfortunately, it is being reflected in part by this reduced number.

I would point out that there is also the new payment process. Last year we garnered a little bit more because of the new payment process, and this year we no longer will have it. Everybody is on tee, I think. We got some extra payments last year.

Mr. Leonard Evans: Is the minister then saying what, I guess, we have said for the last couple of years on this side, and that is there has been a shrinkage of our industrial base? We know of specific companies that have left Manitoba and have gone down south; some have gone to Ontario, and for different reasons. One is the recession; another reason is the Free Trade Agreement. So is the minister reflecting that phenomenon that there indeed is an erosion of our industrial corporate base, and therefore that is one of the major explanations for this diminished capital tax revenue?

Mr. Manness: Madam Chair, no. For the greater part of it, this reflects technical changes. I talked about the advance payment that increased the base, in terms of '92-93 and therefore we are working off a higher base. Secondly, there are the refunds. There is going to be a larger number of refunds that we are going to have to approach this year in terms of '92-93. Those are the technical reasons basically for \$4 million. The question he is asking, you note, is he sensed that our industrial base is shrinking. It is certainly changing. It is changing significantly, and there is no doubt it is very hard to measure.

I mean, these are always hard to measure. We have good improvement in some areas. We have reduction in others. We look at the various sectors. We look at the various employment make-up within the sectors and you see significant changes. I mean, the adoption of the newest technology is adding productivity, adding value, but certainly the profitability associated with that is not in keeping with what it has been in the past.

Secondly, when we look at the corporate capital tax, I mean, machinery is being brought in now and systems are being designed now which even though in some cases have a higher per unit cost, not in production but indeed in the base machinery—there are some other processes coming in where even the machinery is lower value, and of course that is what we are taxing. We

are taxing the machinery and indeed the borrowings and the debt, and so it is pretty hard to do a quantification of all those factors, because many of them are working at different directions.

Mr. Alcock: I was just going to ask given the lateness of the time, whether or not the member for Brandon was going to yield the floor at any point.

Mr. Leonard Evans: I appreciate we are limited in time. So I have two or three—well, I have a lot more questions, but I will ask just two or three more and then yield the floor to the member for Osborne.

Just carrying on on the revenue side for a moment. Tobacco tax I see is down in estimated collections from 128.7 to 123.3. This is the estimate. Has there been any serious revision of that based on the fact that the government has now decided to tax raw leaf tobacco?

Mr. Manness: Madam Chairperson, when this number came in from the department when we were budgeting I unilaterally dropped it, very concerned as I looked around and surveyed the landscape in other provinces. At this point in time, with the knowledge of three months we are actually right on, actually a little ahead in the collection as to forecast but, you know, I am mindful of many of the events that are swirling within this area, and we will know in due course whether or not we can hold this number.

Mr. Leonard Evans: I am having difficulty in hearing the minister because of conversations that are going on on the other side. I will try and listen on this, and I cannot hear on this either. So I do not want to ask the—

Madam Chairperson: Order, please. I wonder if I might ask the members to carry on their private conversations in the loge or outside the Chamber. The honourable member for Brandon East has indicated he is experiencing difficulty hearing the minister's responses.

Mr. Leonard Evans: Well, on the matter of tobacco tax, as the minister knows, there has been, the distributors or retailers of the raw leaf tobacco are upset about an imposition of tax on the raw leaf, and I appreciate the minister giving us the analysis comparing the tax on raw leaf tobacco with refined tobacco, indicating that it indeed is lower. Apparently, the group involved, representatives of the raw leaf tobacco distributors believe that the tax is still too high and that it is going to drive them out of business.

I just wondered whether the minister was prepared to meet with this group or whether he has perhaps met with the group to learn of their concerns, because they state categorically, even though the rate seems to be favourable vis-à-vis the refined product, that it is still going to drive them out of business. Therefore, they maintain it would hurt a lot of low-income people who are now using the raw leaf as compared with the refined tobacco. I am a real expert on this; I have never smoked one cigarette in my life. But this is what they tell me.

Mr. Manness: Well, Madam Chairperson, as I was saying earlier on today, I guess I am an expert in smoking. I took up smoking in Grade 8 for half an hour, and gave it up in Grade 8 half an hour later.

So I do not know whether I am any more of an expert or not than the member from Brandon East (Mr. Leonard Evans), but I can indicate that, as probably the only province in Canada that met with any type of lobby from the raw leaf tobacco group, I have given them their hearing. The government has made its judgment, and in my view, when I again look at comparisons, one of the very few provinces in Canada that has allowed a differential.

Because I bought part of their argument. Not that I want to see an industry, fledgling, grow into something else, based on tobacco, I mean I just do not have time for that. But in the sense that some of them had been induced into coming into that industry and on the belief that they were going to profit, I provided for a differential, but it will stay at this level. It will not change, certainly not downward.

In due course the differential may totally be removed, but I will not increase the differential at this point.

Mr. Leonard Evans: Just a couple of questions, and then I will turn it over to the member for Osborne (Mr. Alcock). Could the minister comment on to what degree has provincial sales tax been brought into line with the GST? I know there is an agreement with the federal government and in the last budget there was a large list of items that were now to be taxed provincially.

* (2350)

I understand that it was more or less covering those items covered by the GST. So could the minister comment on to what degree then we have

more or less harmonized—if I can use that term— or co-ordinated tax levies with the GST?

Mr. Manness: Madam Chairperson, I think the budget in the taxation adjustment section certainly spells out probably better than I can specifically those areas that are still exempted. Again, books, children's clothing and footwear items under \$100, prescription drugs, home heating and personal services remain exempt. That is not the case under the GST.

So the goods area that is different as between the GST and our provincial sales tax falls into basically those four or five areas. I mean when we went into this, it was purely because we wanted the federal government to collect our tax at the border.

They insisted that it would be this way or no way. As a matter of fact, there was a Manitoba solution that said, well, would you collect for all provinces to the extent of their existing sales base? Or, no, we would go to the common base, in other words, if Saskatchewan was not taxing a good, well, then we would not tax at the border. We would ask the federal government not to tax on our behalf at the border on that good.

Well, the federal government totally rejected that. Ultimately you have to make decisions. We made the decisions in support of our retailers, in support of trying to maintain our economy, that those of our citizens who felt that they could escape tax by purchasing outside of our borders would ultimately have to make the same contribution to health and to education as those who stayed home and purchased.

Mr. Leonard Evans: Obviously then, this extended provincial sales tax is reflected in the Estimates of sales tax revenue, is that correct?

Mr. Manness: Yes.

Mr. Leonard Evans: This will therefore be one explanation for the increase in the estimated revenue take for '93-94?

Mr. Manness: To quantify that, yes, part year—most of the part mind you, roughly \$40 million.

Mr. Leonard Evans: Just one other area and then I will yield the floor to the member for Osborne (Mr. Alcock), and that is the area of equalization. I notice that the estimated amount is down considerably from the previous year. We are down to \$970 million, as I read it. I wondered if the minister would care to comment on this level of

estimate for equalization payments. I appreciate it can fluctuate for various reasons, but I just wondered if the minister had any words of wisdom about this.

Mr. Manness: Madam Chairperson, we are sailing some smooth waters now. Not that I am happy, particularly with the ocean that we are in, with this whole area of receiving equalization. At least all of the uncertainty and the roughness that we went through starting last November, basically for three months, November, December and January, is over and so the numbers that the federal government have given us, more or less, have been holding firm through February, March, April, May and June. Again, the impact is certainly significantly down. In actual dollars, it reflects the census adjustment, the '91 census and of course the under coverage, and we have been into that methodology ad nauseam and the fact that the nation's wealth, the economic pie to divide is shrinking.

Mr. Leonard Evans: That is fine. I have other questions but I will yield to the member for Osborne.

Mr. Alcock: I thank the member for Brandon East. I have just two areas that I am sort of interested in. One is that interest rates have now fallen to I think their lowest level since 1967, and I am wondering what impact that is having on what the Finance minister describes as the fastest growing section of government. What has been the savings resulting from that drop? Is it possible to effect the payments this year as a result of this?

Mr. Manness: Madam Chairperson, let me say that certainly it has helped but again I tell you we borrowed for the most part 10-year money, and there is a big fright right now. This is why I have great difficulty particularly with NDP governments who are saying to Governor Crow to crank down interest rates. I am sure if he wanted to more seriously, he would. I think he will, but these are 90-day rates. I am sorry, I do not want any more 90-day money. I have got too much 90-day money as it is. The market will dictate what happens to 10-year money, certainly not Governor Crow.

This is what I find so upsetting with the NDP rhetoric. The money managers of the pension funds and the insurance money managers of their portfolios will ultimately decide. But, no, something will decide before them, provincial governments

and governments deciding whether or not they are going to have deficits. As long as the money managers believe that there is not the willpower there to meaningfully address the deficits, the money managers are going to sit there and say, well, the governments are coming our way and we are not going to give pension money out at 6 percent for 10-year money when we know that they darn well will pay 8, 8.5, and if we hit the floor now, ultimately 9 percent.

I do not care who is governing Canada. It could be the member for Brandon East (Mr. Leonard Evans). He could be the Finance minister in an NDP government, heaven forbid, but he is not going to have one bit of influence on the 10-year money—nothing, unless he is prepared to balance the budget. Then the money managers see that there is, my goodness, possibly a surplus of funds, and then interest rates will break.

So I say to the member for Osborne (Mr. Alcock), what is the net impact—I am sorry for getting carried away here in the shortness of time—but I am telling you that we are borrowing now money finally that has broken 8 percent. You know, we are buying U.S. money for six and a half, six and three-eighths. So what do we do? Do we take the unhedged position in U.S. dollars realizing we have exposure risk, or do we come back to Canada?

If we were to come back to Canada at 8 percent, this would be dropping, but then we are adding onto the deficit \$500 million a year, and at 6 percent that is still \$30 million increased right there. Then as your Canadian dollar drops a cent, every time it drops a cent it is another \$12 million or \$18 million, I forget which. You have all of these factors working, and that is why though we do not get the real kick out of interest rates dropping.

Mr. Alcock: Well, then let me move—actually, the minister has, by way of introduction, moved into the area that I am perhaps more interested in. I want to frame this if I can in a way that is as removed from the normal rhetoric in this Chamber as I possibly can, because I am interested in this. Maybe this is the last time that I will get a chance to ask a question of this nature, but the minister just spoke about the importance of the debt and deficit, and that is not a new topic for him. He talked about that when he was in opposition. He has talked about that in every one of the six budgets.

I wonder if he could just explain a little bit the difficulty he has had in realizing his goal. When he became Minister of Finance for this province his objective was to get the debt or the deficit under control and to zero. He has never achieved that, and I am not holding him accountable, I am not blaming him for it, because that has certainly been seen across a variety of other provinces. But I wonder if he could just explain what he has experienced as he has tried to get there.

Mr. Manness: Well, Madam Chair, great frustration. I do not have to indicate anything else for the record, but let me say that when we came to government, we took a most conservative approach on the revenue side. We said, look, traditionally under the worst of circumstances, revenues will grow by 5 percent per year, under the worst of circumstances. For four years we have been down below that, and still though with having come through minority government, but still learning the system so that when we came in with a majority government, right on top.

I mean, the minority government was a good learning experience. As soon as we came in with a majority government, we knew the decisions had to be made, and we made a lot of those decisions. I am here to tell you today, if it had not been for last year, '92-93, we were on the five-year course towards balancing the budget.

* (0000)

Mr. Leonard Evans: Why did you give up revenue in '88?

Mr. Manness: Well, the member can talk about revenue in '88 all he wants—

An Honourable Member: You are doing fine. Keep going.

Mr. Manness: —but the reality is I thought we were on course. I mean because we were working at the margins. We were not slashing programs, but we were definitely working on the margins and we were given an awful lot of credit across Canada in some quarters, certainly not across the opposition benches but in other areas for working on the margin.

We had gone into government and we had stripped out an awful lot in this government. Still someone would say, you have just scratched the surface; that is not true. We have gone a long way to taking out an awful lot of the reduction and overlap and duplication. If there is some there, we

will continue to find it, but the reality is we were on course. But when you fall away \$250 million on the revenue side—and I will report the expenditures for last year, and we were right on—but when you fall away so much on the revenue side, in essence that becomes a structural deficit of starting at \$700 million basically this year. We have got quite a hit.

You know, I do not know how bad the cost is of the Swan River disaster. I do not know how many forest fire problems we are going to have. I, ultimately, do not know what the call will be in Family Services, but right now we are on course, and to have a deficit all-including capital of \$367 million, let me say in fairness to the opposition and in fairness to the political system in Manitoba, you have books that are pretty open.

The accounting systems are as good as you will find anywhere. There is nothing hidden. When I compare our number of \$367 million across the land—I am sure, the member for Osborne (Mr. Alcock) has done this—it is a pretty fair reflection. That is why the rating agencies say, you know, if you are not happy with it maybe you should have taken some revenue options; but in spite of all that, you are there. So when we forecast four years from now being balanced, they believe it.

They believe we can do it, but I am here to tell you that the will power and the discipline that is going to have to be practised over the next three years is acute, because there is no way I can make a case, and I do not care where we are in the land, for revenue growth again of 5 or 8 or 10 percent or double-digit in the course of the next two years. I cannot.

So to answer the member, I am obviously very frustrated on one hand. On the other hand, as I do a comparative, I think that we have made some of the very difficult decisions. Notwithstanding the call, particularly from the NDP, to reinstitute almost all of it on a daily basis, we have done what Manitobans have expected us to do.

Mr. Alcock: Certainly, I have no difficulty agreeing with what the minister said. This is a problem that is common to all provinces, and I think he is right. He has been pretty rigorous in attacking it. What has to happen though? What has to happen with those four years in order to get there? The minister made the point that a lot has been stripped out now. What gets him that final distance?

Mr. Manness: We are not far away—1 percent on \$5.5 billion is \$55 million. If we can hold spending down like I said in the budget down to zero percent, minus one for another year, zero after that for two years, we are there with even the most conservative of revenue numbers.

Now, if the national economy just does not come through, then all bets are off. I say that very—

Mr. Alcock: Well, that is the question. You made the comment about uncontrolled costs, Family Services, the disaster stuff I think is still relatively small, given the total amount of spending, and you made the comment also that you stripped out the duplication. You have made the major programmatic savings that you can achieve and yet you are now talking about holding to minus one and zero. How realistic is that?

Mr. Manness: Well, it is realistic. I mean, we are in during that period. I will be saying to school boards, and saying to municipalities and again with our public sector employees, saying look, we brought a bill in. It has a two-year sunset. I mean, that was done by design. The greatest tragedy of all of this, and I agree wholeheartedly, is employment. People think I am driven by the deficit. I am not, but the reality is it is the only solution I have seen.

I mean, you talk to people around the world. Ontario went out and they blew their brains out. They thought they were going to fix it, and my God, when you are 40 percent of the Canadian economy, if you cannot fix it as a single entity, there is nobody else who is going to.

An Honourable Member: They got no help from Ottawa.

Mr. Manness: Well, they got no help from Ottawa because Ottawa was \$450 billion in deficit, and Ottawa is us. Ottawa is us, so unless you wanted Ottawa to print more money, to basically print more money and let inflation run wild, there is no help coming.

Mr. Alcock: I mean, if anything, the situation in Ottawa is worse, far worse than it is here. But I would like to understand the relatively smaller problem here before I have to deal with that one.

You are holding public sector wage increases to some 3.8 percent below what they would have been this year, and if you follow through with Bill 22 and do it next year, that may achieve your minus-one target. But what happens when they

rebound in the third year? I mean, just coming back up to what is today's level, does that not put tremendous pressure on you in that second year out?

Mr. Manness: Well, Madam Chair, it will put pressure. How tremendous it is, the magnitude of it is hard to say, but it will certainly put pressure on the Minister of Finance of the day. There is no doubt about it. But the government at that time will do what it has to do if it is serious about attaining the goal.

The whole nation is very much being watched in international money markets, I mean, like you would not believe. We can talk about the very impressive economic growth numbers, but beyond that, the level of debt in this nation is being watched parloously by outside forces. Ultimately, we will be measured as to how we bring around these deficits over the course of the next two years.

Mr. Leonard Evans: Just one comment. At a recent national meeting of public accounts committees in Toronto, we had an excellent presentation by Standard and Poors, the new Canadian manager of Standard and Poors. She made it very clear, yes, they look at debts and deficits, but they also look at what the local government is doing regarding economic growth.

We had a lengthy discussion on infrastructure and the responsibility of government to ensure that there be adequate infrastructure put in place so that there could be growth in the private sector or generally in the economy and that it is not just a matter of looking at how much debt you have and how many deficits you have. She made it very, very clear that they want to see what else governments are doing, and they want to get a handle on the nature of the economy, obviously, in that jurisdiction. It is not simply just a matter of maintaining low debts, low deficits. They do not object to that, obviously, but it is more than that. She gave us a case example of a jurisdiction in an American state where they looked very carefully at what they were doing with the infrastructure in that particular state.

We have not got time to go into detail, but I am just saying, it is not a simple matter of just looking at debts and deficits.

* (0010)

Mr. Manness: Well, Madam Chair, I know the time is late, but be very careful. I listen to Standard and

Poors very carefully too, and they probably open up a little bit more to me when behind the scenes, but what they did not say at that conference, when they were supporting the infrastructure change, is that they did not say publicly and I would never attempt to paraphrase, but they were saying, get control of your social costs. I have never heard members from that side ever say that.

Madam Chairperson: Order, please. I am interrupting the proceedings of this section of the Committee of Supply because the total time allowed for Estimates consideration has now expired. Our Rule 64.1(1) provides in part that not more than 240 hours shall be allowed for the consideration in Committee of the Whole of Ways and Means and Supply resolutions respecting all types of Estimates and of relevant Supply bills. Our Rule 64.1(3) provides that where the time limit has expired, the Chairperson shall put forth all remaining questions necessary to dispose of the matter and such questions shall not be subject to debate, amendment or adjournment.

Therefore, I am going to call in sequence the resolutions not yet adopted by this section of the Committee of Supply.

Resolution 7.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,588,600 for Finance, Administration and Finance, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 7.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,691,900 for Finance, Treasury, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 7.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,046,100 for Finance, Comptroller, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 7.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$9,480,900 for Finance, Taxation, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 7.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,498,000 for Finance, Federal-Provincial Relations and Research, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 7.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$236,800 for Finance, Insurance and Risk

Management, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 7.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,945,700 for Finance, Treasury Board Secretariat, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 7.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$188,000,000 for Finance, Tax Credit Payments, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 7.9: RESOLVED that there be granted to Her Majesty a sum not exceeding \$310,000 for Finance, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1994—pass.

RESOLVED that there be granted to Her Majesty a sum not exceeding \$489,000,000 for Finance, Public Debt (Statutory), for the fiscal year ending the 31st day of March, 1994. This is a statutory item and it is for information only.

This concludes the Estimates for the Department of Finance.

GOVERNMENT SERVICES

Madam Chairperson (Louise Dacquay): Resolution 8.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,415,200 for Government Services, Administration, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 8.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$93,714,300 for Government Services, Property Management, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 8.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,066,800 for Government Services, Supply and Services, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 8.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,195,600 for Government Services, Accommodation Development, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 8.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$87,600 for Government Services, Land Value Appraisal Commission, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 8.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$912,400 for Government Services, Disaster Assistance, for the fiscal year ending the 31st day of March, 1994—pass.

Resolution 8.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$11,149,300 for Government Services, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1994—pass.

This concludes the Estimates for the Department of Government Services.

FITNESS AND SPORT

Madam Chairperson (Louise Dacquay): Resolution 28.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$11,262,700 for Fitness and Sport for the fiscal year ending the 31st day of March, 1994—pass.

This concludes the Estimates for the Department of Fitness and Sport.

STATUS OF WOMEN

Madam Chairperson (Louise Dacquay): Resolution 22.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$926,600 for Status of Women for the fiscal year ending the 31st day of March, 1994—pass.

This concludes the Estimates for Status of Women.

This concludes our consideration of the Estimates in this section of Committee of Supply. I would like to thank the ministers and the critics for their co-operation. Committee rise.

Call in the Speaker.

IN SESSION

Madam Deputy Speaker (Louise Dacquay): The hour being past 10 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, July 12, 1993

CONTENTS

ORDERS OF THE DAY

Committee of Supply

Consumer and Corporate Affairs	5397
Rural Development	5397
Decentralization	5413
Culture, Heritage and Citizenship	5418
Industry, Trade and Tourism	5439
Community Support Programs	5440
Legislative Assembly	5440
Canada-Manitoba Enabling Vote	5440
Allowance for Losses and Expenditures Incurred by Crown Corporations and Other Provincial Entities	5440
Allowance for Salary Accruals	5441
Emergency Expenditures	5441
Justice	5441
Natural Resources	5446
Finance	5470
Government Services	5481
Fitness and Sport	5481
Status of Women	5481