

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 13 May, 1985.

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions

READING AND RECEIVING PETITIONS

MR. SPEAKER: The Honourable Member for Concordia.

MR. P. FOX: The petition of the First Presbyterian Church Foundation praying for an Act to amend an Act to incorporate the First Presbyterian Church Foundation.

Also, Mr. Speaker, I beg to present the petition of the Winnipeg Real Estate Board, praying for an Act to amend an Act to incorporate the Winnipeg Real Estate Board.

MR. SPEAKER: Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Business Development.

HON. J. STORIE: Mr. Speaker, I have a statement for the House.

Mr. Speaker, honourable members of the House, it is with great pleasure that I relate to you the signing this morning of a new \$30-million Canada/Manitoba Agreement for Tourism Development.

Mr. Speaker, I have for members of the House circulated a copy of the program brochure outlining the various programs and the concerns of the new Canada/Manitoba Tourism Development Agreement, as well as a copy of the press release which was jointly issued by the Federal and Provincial Governments.

The theme for this agreement, Mr. Speaker, is "Go World Class." "Go World Class" means that as a province we are stepping out of the local and regional tourism market into the international league, with hopes of creating a billion dollar industry in the province by the turn of the century.

The agreement provides \$30 million, cost-shared 50-50 between the Federal and Provincial Governments, for tourism development over the next five years.

The agreement is the result of extensive consultations with the tourism industry. These consultations will continue throughout the five-year life of the agreement and beyond.

The \$30 million will be spent as follows: \$5 million for marketing expansion; \$8 million for resorts and facilities; \$9.5 million for Winnipeg attractions; \$4 million for rural attractions; \$2 million for tourism events; .5

million for industry productivity enhancement; and \$1 million for administration, strategic research and studies, evaluation and public information.

We are extremely pleased with the agreement package.

It provides a clear direction for future growth in Manitoba tourism. It can, I believe, make tourism a billion dollar stimulation to Manitoba's economy.

This agreement sets some fairly ambitious goals:

Renewal and expansion of the attractions and resort facilities in our resort communities;

Development of major new and expanded tourism attractions in Winnipeg and rural destination areas;

Expansion of our existing major tourism events and development of new events;

Substantial increase in marketing directed to highly targeted geographic and specialty travel markets;

Development of programs that will increase the productivity of tourism through better staff and managerial skills, adoption of new technologies and the improvement of operating systems;

And improvement in Manitoba's market position in interprovincial and international markets.

We believe that these ambitions can be achieved - that the private sector, and the community groups involved in tourism, working in co-operation with governments through this agreement, can develop the industry into a billion dollar business.

There are key points in the strategy which target on a geographic and market strength.

It focuses on specific destination areas and specialty markets, and it is designed to focus on our strengths and our commitment. The agreement will encourage and support joint activities by groups or consortia of suppliers who are targeting specific interprovincial and international tourist markets.

The agreement, as I've said, sets some ambitious goals. To achieve these goals we must look to a larger market. There is no question that we have in Manitoba cultural and historic resource strengths that are internationally competitive. We need to think world-class when we develop resources for tourism that are already of world-class stature. Anything less and we're selling ourselves short. We are confident that the strategy devised in this agreement is achievable and that the industry in Manitoba will understand and respond.

We have a plan and with hard work and effort on the part of all the actors involved in the tourism industry, we can succeed. Mr. Speaker, I look forward to working with the private sector, the industry, organizations, individuals and the Federal Government to successfully implement this tremendously important agreement.

Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for River Heights.

MR. W. STEEN: Thank you, Mr. Speaker.

Members on this side of the House welcome this agreement. We've been waiting for months for Tom and

Jerry to get their act together and to sign this agreement, and by that I mean, the Honourable Tom McMillan and our Manitoba Minister.

Manitoba, Mr. Speaker, for the last decade has been in a deficit position in relation to tourism and hopefully with this new agreement and with the favourable dollar exchange between the American and Canadian dollar, that Manitobans will get their fair share of the tourism dollar from outside of the Province of Manitoba.

The tourism industry, Mr. Speaker, is a service industry and I would like to once again remind the Minister that this government's payroll tax is a disincentive for the people in the tourist industry.

Also as I've said, Mr. Speaker, this is a service industry, the tourism industry, and in Manitoba we have the highest taxes on spirits. Therefore, many times our restaurants are penalized because they have to charge so high for alcoholic beverages that go along with dinners.

So I would ask this Minister as he enters into negotiations with his colleagues in government, that at all times he reminds them about the payroll tax acting as a disincentive and the fact that we have the highest taxes on spirits in Canada.

Hopefully, Mr. Speaker, this new concept working along with the private sector, as the Minister has stated, will be a favourable approach for all of Manitoba.

MR. SPEAKER: Notices of Motion . . .

INTRODUCTION OF BILLS

HON. J. BUCKLASCHUK introduced, by leave, Bill No. 43, An Act to amend The Housing and Renewal Corporation Act. (Recommended by Her Honour the Lieutenant-Governor.)

INTRODUCTION OF GUESTS

MR. SPEAKER: Prior to Oral Questions, may I direct the attention of members to the gallery.

We have 28 students of Grade 9 standing from the John Pritchard School under the direction of Mr. Kroeker. The school is in the constituency of the Honourable Member for River East.

On behalf of all of the members, I welcome you here this afternoon.

Also there are 55 students of Grade 5 standing from the Dr. D. Penner Elementary School. They are under the direction of Mrs. Powell and Mrs. Horn, and the school is in the constituency of the Honourable Member for Niakwa.

On behalf of all of the members, I welcome you here this afternoon.

Also prior to Oral Question period, I can advise the members that the problem with the sound system on Friday was due to power fluctuations in the building's power supply.

Electricians are working on the problem and have found it to be associated with the functioning of a new elevator in the building. The elevator has been closed off. There may be some noise, but it will be kept to a minimum and the electricians hope to have the situation rectified shortly.

On Thursday and Friday of last week there was a major breakdown of equipment at the typesetter that

produces Hansard. The equipment was repaired over the weekend and there may be some delay in Hansard over the next few days; although I am told that Thursday and Friday's Hansard have been prepared and have been distributed to all members.

ORAL QUESTIONS

Woodlands Garage - proposed layoffs

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Mr. Speaker.

My question is for the Minister responsible for Manfor. I am wondering if the Minister can indicate whether or not, in addition to the previously announced layoffs of Manfor, whether or not there is a plan afoot to lay off additional people, this time in the Woodlands Garage, commencing June 2nd.

MR. SPEAKER: The Minister of Business Development.

HON. J. STORIE: Yes, Mr. Speaker, I did announce the last time this issue was raised that management at Manfor were reviewing cost reduction efforts that would have implications throughout Manfor's operations.

I can tell the honourable member that the market situation with respect to both lumber and pulp and paper continues to be depressed, that management have been instructed and understands the need to ensure where cost reductions can be put into place, that those kinds of procedures should be considered and undertaken, not of course without consultation with the affected workers involved.

Certainly, Mr. Speaker, there has been no secret made of the fact that those kinds of actions may be necessary; and where they are in the long-term best interests of the people of Manitoba and the company, those decisions will be made.

MR. G. FILMON: Mr. Speaker, I wonder if the Minister could indicate how many will be laid off on June 2nd in this new round of layoffs.

HON. J. STORIE: Mr. Speaker, I do not have the exact number. I do know there will be major layoffs in the Woodlands division. This is not entirely unusual; what is unusual, I believe, is the length of time.

There have been explanations provided and discussions held with Woodlands employees about the potential length of the layoff, under what circumstances there would be extensions to those layoffs. I think with all due respect to the member opposite, they understand the situation a lot better in The Pas than the Honourable Opposition Leader does.

MR. G. FILMON: Mr. Speaker, I don't know why the Minister is being defensive. I am simply asking for information. It's not a question of whether or not we understand the situation; we just simply want the information. It may well be that all of the staff in The Pas are happy with what he is doing.

The question that I have is, I wonder if he could indicate what the total numbers who are to be laid off is presently planned at for the immediate future.

HON. J. STORIE: Mr. Speaker, I believe I indicated in the first instance that I would take as notice the exact number. I did indicate that it would affect all aspects of Manfor's operations at some point in time and that what was left in question was the duration of the layoff.

Manitoba Research Council - relocation of

MR. G. FILMON: Mr. Speaker, my question is for the Minister of Industry, Trade and Technology. I wonder if he could indicate whether or not it is the intention of the government to move the Manitoba Research Council to the new Science and Technology Centre on Ellice Avenue after the expiration of their lease this coming February.

MR. SPEAKER: The Honourable Minister of Culture.

HON. E. KOSTYRA: Thank you, Mr. Speaker.

The Province of Manitoba is willing to look at the possible relocation of part of the Manitoba Research Council's activities from their present premises on Niakwa Place to the National Research Council Science Place Canada if that will help the Federal Government to formalize and finalize its plans with respect to that centre in the City of Winnipeg.

MR. G. FILMON: Mr. Speaker, I wonder if the Minister can indicate whether or not the Provincial Government has been invited or was invited to participate in the implementation team that was being struck for the NRC centre.

HON. E. KOSTYRA: Yes, Mr. Speaker, the province was invited to be part of the implementation team that was established by the Federal Government with respect to the National Research Council, it's due to manufacturing technology in the City of Winnipeg.

We indicated that we would be pleased to participate in the implementation process on that task force if there was a firm commitment from the Federal Government with respect to funding of that centre.

Unfortunately, the Federal Government was not in a position to make any firm commitment with respect to any funding of that centre.

MR. G. FILMON: Mr. Speaker, in view of the fact that there would be the potential to bring forward a good deal of scientific research and development that could lead to future industrial development, private sector participation, the university and so on, does the Minister not believe that it would be a useful thing for the province to participate in, regardless of the commitments for future participation or funding by the Federal Government; in other words, simply to be involved in the process to ensure that Manitoba's interests were being served by the manner in which this was being investigated?

HON. E. KOSTYRA: Yes, I believe this centre would be very important in terms of the manufacturing industry

in Manitoba, indeed all of Western Canada, it would be important for the development of science and technology. That's why we, as did members on that side of the House, worked to see the implementation of that centre by the previous Federal Government, and to have the construction start on that centre after many years of discussion, many years of consultation with the private sector, with the then Federal Government, the then Provincial Government, this present Provincial Government, previous Federal Governments, the National Research Council and other organizations.

That's why also, Mr. Speaker, we were dismayed when the Federal Government cut that centre on November 8th last. Since that time we have been willing to work with the Federal Government to get that centre back in place in the City of Winnipeg.

However, Mr. Speaker, we have to have a firm commitment from the Federal Government with respect to funding of that centre. We cannot enter into arrangements or negotiations if it's expected that the Provincial Government, that this government, that the taxpayers of Manitoba will have to take responsibility for the costs that were previously agreed and the costs that are paid for by the Federal Government in other provinces, it would be unwise I think for this government to accept that responsibility on behalf of the Federal Government.

Until they are prepared to formalize their involvement, we will not be formally part of that until they make that commitment to that centre here in the City of Winnipeg.

MR. G. FILMON: Mr. Speaker, the Minister refers to putting the centre back in place. It doesn't seem to me that anybody ever removed it from Ellice Avenue.

MR. SPEAKER: Question.

MR. G. FILMON: Mr. Speaker, it seems to me as though the building has proceeded to be completed and . . .

SOME HONOURABLE MEMBERS: Oh, oh!

A MEMBER: Why is it in your brochure?

MR. SPEAKER: Question. Order please, order please.

MR. G. FILMON: Mr. Speaker, I know the Minister would like someone to think that it has been removed from there, and that the whole building has disappeared from the face of the earth, but it is there.

MR. SPEAKER: Question.

MR. G. FILMON: But indeed, Mr. Speaker, I think that the crux . . .

MR. SPEAKER: Order please. If the honourable member has a question, would he kindly pose it?

The Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Speaker, what I think is the crux of the point that I want to approach is, does the Minister not believe that it is in Manitoba's interests for the Government of Manitoba to participate in the

implementation phase, regardless of how ultimately the costs will be shared or the costs will be supported for the operation, but because it has the potential to attract industrial development and research? It will be of long-term benefit to Manitoba, and Manitoba should participate in ensuring that Manitoba receives maximum benefits.

MR. SPEAKER: Order please, order please. The belief of a Minister is a matter of opinion. Would the honourable member wish to rephrase his question to seek information?

The Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Speaker, is the Minister unwilling to have participation by the Province of Manitoba on the implementation team that will be put to work on the NRC Centre?

HON. E. KOSTYRA: Mr. Speaker, here, again, we have the Leader of the Opposition apologizing for actions of his friends, the Federal Government in Ottawa. Let's deal with the facts on this one, Mr. Speaker, and since the member keeps on making reference to the fact that the centre was not cut, was not put in limbo by the Federal Government, I refer him to the federal Hansard of January 28th of 1985, and I'll quote from that, Mr. Speaker. This is the parliamentary secretary to the Minister of State for Science and Technology. "Mr. Speaker, the decision to end the ongoing funding of the Institute for Manufacturing Technology in Manitoba is not an easy one for the government to take." They admit that they took the decision to end the funding, Mr. Speaker, not what the member is suggesting. That same day in the federal House - I'll send a copy over for the Member for Sturgeon Creek to read - in that same Hansard, the same day — (Interjection) — Mr. Speaker, in the . . .

MR. SPEAKER: Order please.

HON. E. KOSTYRA: . . . federal House, that same parliamentary secretary to the Federal Minister also indicated in Hansard that he expected the Provincial Government to accept some of the responsibility for the operating costs of that centre which is something else that is now being denied by the Federal Government. He said, "In this regard the Minister has invited the private sector and the Provincial Government to participate in the staffing and the operations of this facility."

Mr. Speaker, so it's very clear that the Federal Government took a decision to cut the funding for that centre. We have indicated that we are prepared, we accept the premise that the Federal Government would like more formal private sector involvement in this centre. We even accept the fact that they would like to lower the operating costs of that centre from the original proposal for \$20 million. We have indicated to the Federal Government that we are prepared to co-operate and work with them. But how do you negotiate, Mr. Speaker? What kind of negotiators are they going to be if they're going to sit down and get into a fuss not having any commitments, any commitments whatsoever. — (Interjection) — Nonsense.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please. Order please.

The Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Speaker, I'm glad to hear the Minister acknowledge that the building is now in the process of being completed. What we're talking about is the operation and that's precisely the question that I want to ask the Minister. Does he not think that it's in Manitoba's interest, regardless of what decision is ultimately arrived at with respect to whether or not the province participates in any way in funding the operation to be involved in the process of implementation, to ensure that Manitoba obtains maximum benefit from the private sector participation, from the university participation, and from whatever other participation accrues to ensure that the operating costs are made?

MR. SPEAKER: Order please.

The Honourable Minister of Culture.

HON. E. KOSTYRA: I have indicated, Mr. Speaker, that the Government of Manitoba would like to see and wants to see that centre come into being in the City of Winnipeg, wants it to meet the initial mandate that those members when they were in government said that should be for that centre. We are prepared — (Interjection) — no, we're not. We are prepared.

The Leader of the Opposition says that we're trying to make a political issue of this, Mr. Speaker. We did not take the decision to remove the funding for that centre that was clearly indicated in the de Cotret statement of November the 8th and in the comments in the House on January 28, 1985; we did not make that decision. We are, however, prepared to work and co-operate with the Federal Government in order to make that centre come into being in the City of Winnipeg. We've indicated that we are prepared to implement activities of the Provincial Government, it can be moved into that centre. We've indicated that we are prepared to work with them on an implementation committee.

We want a simple thing, Mr. Speaker, a very simple thing in any negotiation. Any simple person would understand that if you're going to negotiate something like that you want a commitment from the other party. We have not got that commitment and until we get that commitment, we will not be part of that process, Mr. Speaker.

Tax reform, proposed

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, I have a question for the Deputy Premier.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please. If members wish to hold a private debate, would they do so outside the Chamber? I'm trying to hear the Honourable Member for Turtle Mountain.

MR. B. RANSOM: Thank you, Mr. Speaker.

I have a question for the Deputy Premier. The Minister of Finance has alleged that the Prime Minister and the Leader of the Opposition, through taking advantage of tax loopholes, are not paying their fair share of taxes in this country. My question to the Deputy Premier would be, are there any plans within the Cabinet to have Cabinet Ministers reveal their tax returns so that Manitobans can judge whether they're paying their fair share?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Mr. Speaker, the member on the other side, I think, misses the whole point of tax reform. It's to get the law changed so that the rules of the game are fair for everyone across the country, not just calling for unilateral action. One has to answer one's tax return accurately as the law of the land of the day stands. What we're upset about and what we want changed is the law, because it's an unfair law.

MR. B. RANSOM: Mr. Speaker, Members of this Legislature receive one-third of their indemnity, tax free, does the government have any plan to request Ottawa to remove that privilege?

HON. M. SMITH: Mr. Speaker, what we're looking at is not something that will go at pruning one little tree in exquisite detail. What we're asking for is some kind of conditions that treat the whole forest, that deal with the whole inequity of loopholes for the whole upper third of the income-earning people in Canada at the expense, Mr. Speaker, of the middle and low income people in this country.

School Curriculum - teaching of peace

MR. SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Mr. Speaker, a Saturday headline in the Winnipeg Free Press, indicated that the Minister of Education wants peace taught in Manitoba schools. The article went on to say that schools have a responsibility to provide students with factual knowledge about the consequences of nuclear war and alternatives to conflict. I'd ask the Minister whether teachers and trustees, through their various associations, support the government in this policy view.

MR. SPEAKER: The Honourable Minister of Education.

HON. M. HEMPHILL: Thank you, Mr. Speaker.

First of all, I'd just like to say I'm sure I am not alone in either wanting peace, or wanting to discuss peace, or wanting to explore ways to find peace for the violence in today's world. But in terms of what I said at the conference, what was reported was quite accurate, but it's always difficult to get everything into an article in terms of space and there were a few things that I said that were not reported that answered the member's opposite question, and it will only take me a few minutes to give them to you. — (Interjection) — It was a very good conference.

First of all I said that we were studying and looking at what they were doing in other jurisdictions. I think it's very important that we find out what is going on in other countries, in other provinces, and other jurisdictions, because we can learn a lot from programs that they have in place and how they're handling what is a difficult problem for any classroom and any school, is coping with the effects of the threat and the belief by our young students, that they are going to die, that they are going to be killed with a nuclear bomb and they are not going to live out their lives, to lead full and adult lives. That affects their school work; it affects their relationships; it affects their long-term planning in their careers and their personal lives, Mr. Speaker.

I said that we were studying it and looking at what they were doing; that I had a report coming into my office over the summer and that I would be reviewing it. I also said, because the conference was put on by academics and teachers and doctors and other organizations very active and interested in this issue, that if we were going to look at it seriously, and I thought we should, that we would have to go to the parents; we would have to go to the educational community; we would have to go to the public at large and involve them in this discussion.

MR. C. MANNES: Mr. Speaker, the Minister indicated that she wanted to bring into the classroom the effects of nuclear war. At what grade is it the Minister's intention to bring the horrors and, of course, the full force of nuclear war - those horrors - at what grade is it her intention to bring it into the public school system?

HON. M. HEMPHILL: First of all, I remind the member opposite that I just said I didn't yet have the report. The report is reviewing programs and making some recommendations. So until I see it, I am not able to see what age levels they're teaching, and what they're teaching.

What I did say though to the group, whose topic was "Education, Peace in the Curriculum," is that if there was any consideration given there would have to be several elements and principles taken into consideration before it was introduced, and the first one was age appropriate, Mr. Speaker.

The first thing I said that would have to be given very careful consideration is, that what was taught be taught at an appropriate age. That's very important.

I also said that it would have to, and I repeat, have the involvement and the participation of members of the community, members of the public, members of the educational community, and the public at large.

MR. C. MANNES: Mr. Speaker, maybe the Minister can tell us how far along this process of curriculum development is at this particular time. But in teaching peace and using her words, alternatives to conflict, will national defence of our borders and defence in general, will that be considered wrong, or will that be allowed into the curriculum at all?

HON. M. HEMPHILL: I think the member opposite knows that right now we have a very unbalanced system. We do teach about war. We do teach conflict. We do teach in the history, we teach a lot about wars and

conflict and violence. We're teaching that every day. What we don't have is the alternatives and we don't have the other information that our students need to know to get a better balance.

But I did say something in that speech, Mr. Speaker, I said that we would have to deal with peace and conflict; that it would have to have both sides of the issue; it would be a peace and conflict presentation. We have more of the one and too little of the other, but it could be a balanced view.

MR. C. MANNES: A final supplementary, Mr. Speaker. The Minister also indicated that young people feel highly anxious and helpless about the potential for nuclear destruction. I'm wondering though what she is doing to provide quality education, so those students who feel anxious about their job prospects after graduation will know that they have been provided with the very best learning skills. What is she doing within that major area?

HON. M. HEMPHILL: Mr. Speaker, around 50 to 80 percent of the students in the school have as their greatest fear - their greatest fear - that they are going to be killed with a nuclear bomb. That's their number one fear and it even supersedes the fear that is usually the top fear of young people and that is that their parents are going to be killed. You don't address that major fear and issue by looking at jobs; that's another issue.

We look at quality of education and I've told the member opposite that because it would require me hours to give the list of what we have done to improve the quality of education, I expect we will have to do that in Estimates, because they don't have the tolerance for that kind of information, that degree of information. But when we're dealing with this issue, their fear of dying and being killed and of this earth not existing anymore, that has to be dealt with directly.

Nuclear war films - shown in schools

MR. SPEAKER: The Honourable Member for Elmwood.

MR. R. DOERN: Mr. Speaker, just following on the previous questions, I wonder whether it comes as a surprise to the Minister that some of the young children in our schools are frightened and worried about the dangers of nuclear war when there are such films, frightening and horrific films, being shown to children in that regard.

MR. SPEAKER: Order please. Would the honourable member wish to rephrase his question to seek information and not opinion?

MR. R. DOERN: Mr. Speaker, I guess the point of my question is: is this surprising, in view of the fact that young children are upset and some are losing sleep and some are nervous and agitated about this, when the school divisions themselves are frightening the children by showing them horrific films on nuclear war?

MR. SPEAKER: Order please. That is the same question. The honourable member is asking for an

opinion. Would he wish to rephrase his remarks to ask for information?

The Honourable Member for Elmwood.

MR. R. DOERN: Mr. Speaker, I'll ask the Minister the same question, but I will rephrase it and simply ask her whether she supports and approves a policy of showing young children frightening films on nuclear war.

HON. M. HEMPHILL: Mr. Speaker, the exact purpose of the exercise . . .

MR. SPEAKER: Order please, order please. Order please.

The honourable member is still asking for an opinion. Would he wish to rephrase his question to seek information?

Public Schools Finance Board - priority of funding

MR. SPEAKER: The Honourable Member for Elmwood.

MR. R. DOERN: Mr. Speaker, I'll go to another question then, my point simply being that the government is part of the problem. Mr. Speaker, I wanted to ask the Minister a more specific question concerning the construction of schools in the St. Vital School Division, and in regard to the policy of the Public Schools Finance Board. Given that there is a pressing need in St. Vital due to some expanding communities in the southern part of the area, the school board seems to be preoccupied with a junior high addition to a recently built school, even though there is existing space available.

I wanted to ask the Minister what the priority of the Public Schools Finance Board is in regard to that.

HON. M. HEMPHILL: Mr. Speaker, when I announced the new policy for the building of schools in the Province of Manitoba, I indicated clearly that there were some new priorities. The first priority for funds that are available this year is to upgrade and renovate the older schools that are throughout the Province of Manitoba, that have not had any attention, any upgrading, any money for 20, 30 or 40 years. So the No. 1 priority is upgrading of deficient and older schools throughout the province.

No. 2 priority will be to build schools where there are new enrolments. Where there are increases in the population or new enrolments, clearly that remains a priority and we must follow that.

We also have an additional policy that we hope the school boards will be designing both renovations and new schools, taking into consideration community use. It's very important when we look at all the monies that are going into our schools these days, that they not just be designed for the teachers and the students and the schools, but they be designed so they can be well used by the community. That's another criteria that we brought in.

We're also hoping to upgrade heating and lighting systems that are deficient in the older schools. Apart from our establishing the provincial criteria, it is up to the local school division to decide on their priorities for their space, Mr. Speaker.

MR. R. DOERN: Mr. Speaker, given that guideline of the Minister and given the fact that apparently some several hundreds of thousands of taxpayers' dollars have been used to improve and expand and renovate Glenwood School, and the school board is now going to convert those classrooms into administrative space, are there any provisions that would prevent that action being taken by the school board?

HON. M. HEMPHILL: There is nothing that prevents that action being taken by the school board, Mr. Speaker, providing it has the approval, first, of the Public Schools Finance Board, and then myself. It has to be looked at in the overall request that they're making. It is up to them to decide where to house the children, where to have their administration, and what programs will take place in what schools, and to make their request based on their decisions on the use of the facilities for program and student enrolment.

MR. R. DOERN: Mr. Speaker, a final question. Given that the superintendent of the area has indicated that students in the new area bus to an established school, that the cost is paid for by local taxpayers, but if there is an addition to a new school, then the province would pay. Is that the policy? Is that the kind of program that is in effect in our province?

HON. M. HEMPHILL: Mr. Speaker, I'll take that question as notice to make sure I understand exactly what he's talking about. When you're talking about having 714 schools - 750 schools in the Province of Manitoba and even dozens of schools in the particular division that he's talking about - it's hard to know exactly what he is referring to. In general, the Provincial Government does not pay transportation costs within the city limits, as they do out in the country.

But if he lets me know which school it is he's talking about, I'll make sure I have an accurate answer.

Careerstart Program - criteria re applications

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker.

My question is to the Minister responsible for the Careerstart Program. Could the Minister indicate whether the government, in perusing applicants for Careerstart from businesses and the jobs that they intend to fill under the Careerstart Program, whether the government has a rating system by which they evaluate a job in a certain business higher than a job in another business, and thereby determine which jobs receive priority?

MR. SPEAKER: The Honourable Minister of Employment Services.

HON. L. EVANS: Yes, Mr. Speaker, there are various criteria used by the field staff in analyzing the applications. One of the criteria is quality of job, the idea being that there should be an opportunity for young people to have experience in as highly skilled, highly challenging occupations as possible.

MR. D. ORCHARD: Mr. Speaker, I would appreciate if the Minister could provide myself and members of the House with some of the criteria and particularly those dealing with the quality of job; and as well if the Minister could provide me with the listing of businesses which are most suitable, in other words, the prioritization of business; and in that list, indicate where in that list agriculture fits in terms of this government's priority for Careerstart hiring.

HON. L. EVANS: Mr. Speaker, that type of question is one that's suitable for the Estimates review. Perhaps that could be discussed at that time.

MR. D. ORCHARD: Mr. Speaker, in view of the fact that applications are being made now for Careerstart and a number of those applications are being turned down, I think the answers to those questions are important now, not at some future time when we consider the Minister's Estimates.

My supplementary question to the Minister is that, in view of the fact that he's indicated these criterion are decided on a regional basis, would he care to indicate why it appears that in rural Manitoba where agriculture is the No. 1 industry that jobs under Careerstart applied for by farm businessmen are being turned down because agriculture does not rate as a high priority in the job rating scheme that this government establishes in their rural Manitoba offices?

HON. L. EVANS: Again, Mr. Speaker, the honourable member is making some general observations and asking some general types of questions that again are best discussed in Estimates.

But one has to look at the rates of unemployment around the province, within the regions of the province, and indeed that is one of the factors that is looked at as well as the dispersion of population within our province.

MR. D. ORCHARD: Mr. Speaker, would the Minister assure students in rural Manitoba who have had jobs in line on farms in rural Manitoba and those jobs through Careerstart have been rejected by this government because they don't fit its criteria of importance, would the Minister give the assurance to those students in rural Manitoba and those potential employers in rural Manitoba, that agriculture will not be considered a second-class industry in rural Manitoba where it is the No. 1 employer?

HON. L. EVANS: Mr. Speaker, I wouldn't consider agriculture to be a second-class or a third-class industry. Even though we are spending millions of dollars more on this program than ever before, the fact is that the demand far exceeds the supply of money. The demand exceeds the supply of money. I think it's incumbent upon anybody administering a program to make darn sure that the occupational skills are of the highest nature so that the young people can get worthwhile experience that they can use in subsequent years.

Having said that, monies do go to farms and so on, but we want to make sure, Mr. Speaker, that the money is used in a way that is going to add in a net additional way to those who are working. We don't want to just

hand out money to employers who are going to hire people anyway. We want to create net additional jobs, and having said that, Mr. Speaker, I would dare say, proportionately, there is more money going to the rural parts than there are to the urban parts of this province.

MR. D. ORCHARD: Mr. Speaker, in view of the fact that the Careerstart Program is designed to develop skill enhancement in provincial employees, would the Minister stop discriminating against agriculture in which there are the various business skills ranging from weather forecasting, chemistry, market planning, purchasing agent and a number of various skills in mechanics and other operations? Would he stop his department discriminating in rural Manitoba and turning down farm applications under Careerstart because they don't rate in this government's priority of jobs?

HON. L. EVANS: Mr. Speaker, the honourable member is repeating his question and he doesn't want to listen to the answer. The fact is we are doing our darnedest to distribute these funds to create the greatest potential work experience for our young people in this province. If he'd talk to some of his colleagues in Ottawa and asked them to help us a bit by not cutting back on their funding, we'd be in a little better position to approve more applications. Mr. Speaker, I think we are distributing these funds equitably and fairly and not trying to discriminate against any one sector or any one industry in this province.

Brandon University - Shanghai University contract

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, I have a question for the Minister of Education. It is reported that Brandon University has entered into a teacher training arrangement with a Shanghai University. I'm wondering if the Minister can provide any details to the House about that contract.

MR. SPEAKER: The Honourable Minister of Education.

HON. M. HEMPHILL: I'll take that as notice, Mr. Speaker.

Interest Rate Relief Program - billing and collecting repayable portion

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker.

My question is to the Acting Minister of Agriculture. Could the Acting Minister of Agriculture indicate how quickly I might receive the information I requested some 10 days ago on the pay-back of the Interest Rate Relief loan portions that many farmers in this province received?

MR. SPEAKER: The Honourable Minister of Housing.

HON. J. BUCKLASCHUK: Yes, Mr. Speaker. I'll take that question as notice and bring an answer back to the House as soon as possible.

Manitoba Broiler Hatching Egg Marketing Plan - reduction in broilers

MR. SPEAKER: The Honourable Member for Roblin-Russell.

MR. W. MCKENZIE: Mr. Speaker, I'd like to direct a question to the Acting Minister of Agriculture and ask if he'd be kind enough to get me the information regarding the number of birds that have been killed at a killing plant. The information that I'm getting is reduced from 1,000 to 200. I want to know if the Acting Minister of Agriculture can get me that information.

HON. J. BUCKLASCHUK: Mr. Speaker, I believe the Minister of Agriculture undertook to provide that answer last Friday, and I'm quite confident that he will have that information for you as soon as possible.

COMMITTEE CHANGE

MR. SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Could I have a change in the Public Accounts Committee: Kovnats for Lyon.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Could I have leave?

MR. SPEAKER: Does the honourable member have leave?

MR. H. ENNS: Mr. Speaker, I know that all members of this side with some regret noticed that the Honourable Member for River East is no longer with us on this side, has distanced himself somewhat, and indeed the Member for Wolseley a little further. I know that the Honourable Member for Pembina will regret — (Interjection) — this very much.

MR. SPEAKER: Order please.

The Acting Government House Leader.

HON. L. DESJARDINS: Mr. Speaker, would you kindly call second reading of Bill No. 2, followed by No. 12, please?

ADJOURNED DEBATE ON SECOND READINGS

MR. SPEAKER: On the proposed motion of the Honourable Minister of Health, Bill No. 2, the Honourable Member for Pembina.

MR. D. ORCHARD: Stand, Mr. Speaker.

MR. SPEAKER: Stand.

On the proposed motion of the Honourable Minister of Community Services, Bill No. 12, the Honourable Member for Fort Garry.

MR. C. BIRT: Stand.

MR. SPEAKER: Stand.

The Honourable Government House Leader.

HON. L. DESJARDINS: Mr. Speaker, before I move to go to committee, I understand that there is a willingness to forgo the Private Members' period so if we could agree by leave.

MR. SPEAKER: Is there leave to dispense with Private Members' Hour this day? Leave has been granted.

HON. L. DESJARDINS: I would like to move, Mr. Speaker, seconded by the Honourable Minister of Employment Services, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for River East in the Chair for the Departments of Finance; Crown Investments; and Environment and Workplace Safety and Health; and the Honourable Member for Burrows in the Chair for the Department of Business Development and Tourism.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - BUSINESS DEVELOPMENT AND TOURISM

MR. CHAIRMAN, C. Santos: Committee, please come to order. We are considering Item No. 3.(a)(1) Tourism, Travel Manitoba: Salaries; 3.(a)(2) Other Expenditures; 3.(a)(3) Grant Assistance - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, when we finished last Friday we were discussing the market of the different programs within the tourism area. There is one the Minister mentioned, a debt servicing and grant? What is this group of people - it was something the Minister read off when he read a number of them off.

MR. CHAIRMAN: Mr. Minister.

HON. J. STORIE: Yes, there were four programs or activity areas that I mentioned, along with one called debt servicing and one that was grants.

The allocation of the grants is not changed from '84-85, and those grants are directed towards the industry associations, conventions and visitors' bureaus, etc.

The debt servicing - there has been some increase in debt servicing that relates to loans outstanding on funding provided through the Destination Manitoba Program.

We assume interest charges for the loan portion of the grants, and those funds come to the government through MDC.

MR. F. JOHNSTON: This group does not make any decisions as to who gets the grants?

HON. J. STORIE: No, Mr. Chairperson, no.

MR. F. JOHNSTON: Well, Mr. Chairman, the new program or agreement that was announced today by the Minister, there are a couple of questions I would like to ask on it.

The \$30 million is \$15 million between the two governments. Are all programs split equally?

HON. J. STORIE: Yes, Mr. Chairperson, they are.

MR. F. JOHNSTON: In the case of the Winnipeg Attractions Program and in the case of the Tourism Events Program, Industry Productivity Enhancement Program, and Program Seven, Administration and Strategic Research, I note that in those programs, federal and provincial assistance will be 100 percent eligible for the costs.

Now it's understandable that the federal, if they approve something to be done by the government, it would be 100 percent - 50 percent each - but let's say in the case of the tourism events, you've got 100 percent eligible costs for federal-provincial, and you've got 80 percent for non-profit. What is the breakdown going to be? In other words, how much is going to be left for the non-profit groups or the private sector groups? You've only got \$2 million over five years in that particular program. What is the breakdown? Is the federal-provincial going to use it all? Are the municipalities going to use it all or non-profits? What criteria will be used to make sure all sectors will receive part of those monies?

HON. J. STORIE: I don't think it's possible at this point to break it down and say, 50 percent of that money - the \$2 million - will go to events, for example, in Program Five that are promoted by the Federal and Provincial Governments. Certainly we, as in other program areas, will be looking at proposals that come from a wide variety of groups. Funding will be assigned, I suppose, on the basis of other criteria, whether it's a new, expanded effort in terms of an event; how that particular event is seen fitting in with the general thrusts of the development agreement generally; and finally, I believe the word in the agreement is, common benefit one might see from funding a particular event.

It would be my expectation that a good deal of the funding under this particular program will be going to the non-profit or not-for-profit groups, but certainly there will be private sector projects, particularly those new projects which will be deserving of assistance. I should make it clear that the assistance that is being targeted to the private sector in most of the areas is essentially one-time startup assistance.

It is also true that in the not-for-profit section, our general desire is to see that those groups become self-sufficient after a period of time, recognizing that that's to go. We cannot ad infinitum support not-for-profit groups, that they have to develop strategies whereby their ongoing marketing efforts, or whatever, can be sustained by contributions of that particular group or those benefiting from the activities of that group for that event.

MR. F. JOHNSTON: On that particular program, you have mentioned one-time startup, and then you say,

after startup continuing support will decline. Is there any formula for the declining of the support?

HON. J. STORIE: I don't think there is any formal declining support principle written into the agreement, it will depend, again, on how quickly and how successfully that particular event becomes established and how quickly other sources are found to support the activities of that particular event.

Again I say to the principle, I think both the Federal Minister and myself believe that the principle is self-support. I don't think I would want to categorically say that, well we're only going to fund for two years, if at some point it is viewed as feasible to support it for a further year and make it self-sufficient, I think that good sense would dictate that one look at those on an as-needed basis beyond the first year even.

MR. F. JOHNSTON: Well then, the City of Winnipeg one, the minimum project size is \$1 million, and the total capital costs for new development of \$500,000 for existing expansion, is any of that money committed now such as the changes that have been proposed to the Convention Centre, or any of it in the core area?

HON. J. STORIE: No, Mr. Chairperson, none of the funds have been committed at this point. The Convention Centre obviously would be one of those facilities that may be eligible under the agreement; although, in all fairness, I would certainly like to see - and I believe my comments have been echoed by the mayor - that in the event that there is some major upgradings, some major changes to the Convention Centre, that we might look outside of this program particularly because of the fact that the Federal Government was not initially involved in supporting the Winnipeg Convention Centre and has subsequently contributed tens of millions of dollars to other facilities which effectively compete with the Convention Centre.

But at this point there are no proposals that have been reviewed by the co-management team or by the advisory group which will be reporting to the management team on individual projects.

MR. F. JOHNSTON: Who will the management team from the City of Winnipeg be made up of?

HON. J. STORIE: The term I used is perhaps incorrect. There are co-managers of the program, and those are essentially representatives of the Federal and Provincial Governments. There will be an advisory group established, which will be essentially private sector, and they will be commenting on the criteria and be making, in effect, recommendations in support of various projects.

If the member is aware of some of the people who served as advisory and support groups to the previous agreement, he will know of some of the names that will, in all likelihood, end up fulfilling the same kind of function under this particular agreement.

MR. F. JOHNSTON: Well, I know that the City of Winnipeg has not got any funds in this. But is there going to be nobody from the City of Winnipeg on the management team?

HON. J. STORIE: Mr. Chairperson, two points on that question; No. 1, the program is administered, as the member knows, by the two levels of government. The final decisions will, in effect, be made by that particular governing body.

The advisory capacity, it's certainly possible that on the advisory team there will be representation from citizens of Winnipeg. The personnel for that particular advisory committee has not been established at this point. However, I'm quite certain that individual actors in the tourism industry, who also are actively involved in tourism in Winnipeg, will be on that advisory board.

MR. F. JOHNSTON: On Program Four, where it has Lake Winnipeg beaches, Hecla region, would the government-owned Hecla Hotel be eligible for monies under this program?

HON. J. STORIE: I presume if there was a desire to do a major upgrading that they would also be eligible, providing they fit in with the other criteria that are outlined under Program Four.

MR. F. JOHNSTON: Mr. Chairman, the minimum project size will be \$500,000 and we have \$4 million in this program over five years, which is less than a million a year, who will be the committee deciding the funding on this program?

HON. J. STORIE: Mr. Chairperson, the plans are to have advisory committees established, but again the final decision, if that's the member's question, will be made by the joint managers of the program, the Agreement Management Committee, which is a shared responsibility on the part of the two levels of government.

The member's reference to Program Four, there are other programs which could be utilized in those particular destination areas as well. So the fact that the rural attraction's Program Four has designated \$4 million does not mean that other programs could not be tapped. Other funds from other areas could be utilized to support development in those areas.

MR. F. JOHNSTON: Mr. Chairman, if I'm not mistaken, there was a committee under Destination Manitoba regarding rural attractions and I believe it was Section 6 of the Destination Program, a committee set up that examined all proposals. Is there going to be that type of a committee set up examining proposals on any of these programs?

HON. J. STORIE: Yes, there will be. I think we're going to be following a model established by Destination Manitoba relatively closely. Again, those will be advisory and program review committees. They will be designated for individual programs, and we will certainly be drawing on the strength in those regions or in those areas to ensure that proposals are vetted through a group of people who have some knowledge and commitment to the area and the industry as a whole.

MR. CHAIRMAN: The Member for River Heights.

MR. W. STEEN: Mr. Chairman, to the Minister, as I said earlier, we welcome this new federal-provincial

agreement. My one fear is that, just as the Member for Sturgeon Creek was mentioning, for example, in Program No. Four, Rural Attractions, \$4 million over a five-year period and yet they call for a minimum project size of \$500,000 is that we are with this whole concept only going to be funding a limited number of programs. Obviously, government is going to be after major events, major capital programs and new and initiative ideas that are going to assist the tourism industry in Manitoba in a large way.

I just point out to the Minister that when you have all your eggs in so few baskets that the political involvement may become very very strong. When you are doling large sums of money for a few events or a few capital projects that the hard facts of politics are going to play a major role. You, as the Minister, and your federal counterpart are going to be looking at a number of projects that might be eligible for government assistance and, because it's a winner-take-all type of proposal, that politics is going to be played hard and heavy. This is the one drawback to this is that there are going to be few winners and lots of losers as I can see it.

If the Minister and his government are prepared to try and get major events, and this program appears to be geared towards major events or major projects, I just warn him that the hard facts of politics are likely going to become very evident with this program in the next five years.

HON. J. STORIE: I don't accept the member's premise for a minute that there has to be politics. I think the politics that are going to be played in this program are the politics of developing an industry.

What we're looking to do by this - and the member I think correctly identifies the major thrust of this agreement, and that is that it focuses on some major investment, private sector investment in a number of areas, rather than I would think politicizing the program and making small attractive grants throughout our province which have no major impact on the way that we're perceived as a travel destination.

I suppose it's politically attractive to say, well, let's spread out the small grants in my constituency and your constituency and his constituency, but the goal of this program was to create an impression and create a reality that Manitoba has lots to offer naturally and we need the facilities and the events to go along with that natural beauty and those natural assets.

The fact is that what we'll be looking for throughout the program is the greatest investment of private capital to the minimum investment of public capital. We see that as being the way the program, in ideal terms, should go. So those people who are prepared to make the greatest personal investment or corporate investment will be those who, assuming that their particular project meet the overall criteria of the program, will be the benefactors, but again the whole idea here is to lever the private sector into investing in world class events and attractions, and we're indicating, through this program, that we're prepared to support those.

The member made reference to the \$4 million that is available through Program Four. If you tie that to the amount of funding that is available through Program Two, you come up with \$12 million of support for private

sector incentive programs. The Program Four is, in essence, a way to provide support to the not-for-profit groups and for tourism organizations, as well as municipalities.

MR. W. STEEN: Mr. Chairman, there is no doubt that the program is geared towards Manitoba coming up with major facilities and perhaps of the nature of current Hecla Island-Gull Harbour facility or the Minaki lodge, which is in Ontario, or as the Minister said, Elkhorn Ranch in the western part of the province. I think the total program is on the right track, that in order to obtain tourism and tourists from 250 to 350 miles away from Manitoba that they have to come for a major event and they're not going to come for nickels and dimes. It's like the one that is outside of Minneapolis that advertises heavily in the Winnipeg paper, the one on the river down there where they have the raft rides and so on. This might be something that can occur on some of our rivers in Northern Manitoba, is a project along those lines.

A MEMBER: The water's a little colder.

MR. W. STEEN: Yes, the water is a little colder, but you're supposed to stay in the raft and not be falling out of it, and so on - or tube ride.

Mr. Chairman, it'll be very interesting over the next four or five years to see how this program does attract major events and the emphasis is on major marketing and major capital projects and, as the Minister has said, projects that come with imagination and come with lots of private dollars will be what will be getting the ears of the government officials that will be assisting these programs.

So, hopefully, as far as I am concerned, that as a member who represents a Winnipeg riding, that a major tourist attraction in the near future will spring up in the Winnipeg area, and that this program, jointly operated by the Provincial and Federal Governments, will be playing a major role in seeing such a concept developed in the Winnipeg area. So I look forward to seeing this new endeavour proceed and both Winnipeg and rural Manitoba receiving some new initiatives.

MR. CHAIRMAN: Before I call on the Member for Emerson, the Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman. I note in the Minister's answers, and in the brochure that he passed out today, that he is alluding to the fact that rural Manitoba may well qualify for funding of projects under Program Four and possibly again under Program Two.

Now, in reading the program it would indicate that there are three regions that are focused in the presentation: the Eastern Precambrian region; the Lake Winnipeg Beaches/Hecla region and the Riding Mountain/Duck Mountain region. It goes on further to say, "The proposals will also be received for development or expansion of attractions serving specialty markets in any rural area."

Could the Minister indicate whether there is a preset percentage of the \$4 million in rural attractions and of the \$8 million in Program Two, which will of necessity

by the specific identification of those three regions, be dedicated to projects within those regions?

HON. J. STORIE: No, there is no set amount allocated to any of the regions or any of the specialty market areas. It will depend again on the quality and the kind of proposals that come forward. If they fit the criteria, are deemed to be world class, are prepared to make significant investment, then I think they have to be considered.

MR. D. ORCHARD: Mr. Chairman, when the Minister is referring to world class attractions, there is in my constituency a world class attraction in the presence of the prehistoric museum, if you will, at Morden where the bentonite mines in the Pembina escarpment north and south of the community of Morden, particularly north of Morden towards Miami, have been producing fossils of world class rarity.

A display of those fossils is a very expensive proposition and the museum in Morden has done an incredibly good job with assistance over the past. I am not certain whether there has been assistance in the last three years because I think the program was put in place - at least funding was approved for it I believe prior to 1981 - but I am told that the quality of fossil, the type of prehistoric animal that is found in the bentonite mines is unique in the world, and by the fact that the bentonite mines are very close to the surface and haven't undergone the types of compression that great depths of overburden have exposed similar fossil deposits in Nebraska and other midwestern United States, that these fossils are probably the best that have been found to date.

Could the Minister indicate to me whether that is the kind of world attraction in the form of a museum and display that could be considered with an application under this program for, or indeed program to - and I note in reading the proposal that not-for-profit tourist organizations - I am sure that this would probably fit in, it's not a tourist organization - but certainly it's not for profit. I don't think they make any money at the museum.

Is that the kind of world class tourist attraction that the Minister is hoping to enhance through this program?

HON. J. STORIE: Mr. Chairperson, I have no intention of getting into a debate with the member of what is or isn't a world class event. I would just say off the top of my head without looking at what eventually may happen, that I am not going to be making those decisions. I think for something to be classed a world class attraction has to be attracting not hundreds of people or thousands, but tens of thousands.

I am aware, and I am sure the member is, of many attractions in all parts of rural and Northern Manitoba that are considered by local standards to be valuable assets. I know there are going to be individual attractions making application that are going to be disappointed because some decision has to be made at some point about what really is going to benefit and be a draw for Manitoba in the long term. There are going to be some painful decisions made.

Certainly, from the way the member described it, I suppose it's a project that could be considered in that

light. I don't have enough detail on the specifics of the kind of traffic that is attracted to the area, etc., which would lead me to make any definitive answer on.

I suppose the only suggestion I can make is that anyone in the province, any not-for-profit group that feels that their particular project has merit, review the criteria, establish in their own minds whether they fit the criteria. If they are convinced they do fit the criteria, then they should make an application and it will be considered.

MR. D. ORCHARD: Mr. Chairman, that is the nature of my questioning because these museums, particularly this one, is staffed and represented by a largely volunteer board. I think they only have a couple of paid employees and not even on a full-time basis, I don't believe. Therefore, their resources are quite limited.

Now when you are talking about a project for which the minimum project size will be \$500,000 in capital cost, and for expansion \$250,000, you are talking large projects. You are talking world class attractions. That's why it would be of interest to know what the definition is of a world class attraction, because these groups don't have the spare time and they certainly don't have the spare money to pursue for 3, 4, 5, 6 months, 10 months, 2 years, an application and be told, well, we just need this extra little bit of information; we just need to have this little detail clarified. They have got better things to dedicate their resources to than the pursuit of a grant that they may well never have qualified for.

That's why I am attempting to determine from the Minister what he means by world class and whether a museum fits into the criterion of tourism attractions which are going to be considered for funding under this program.

HON. J. STORIE: Well, again I don't know of the facility that the member is referring to. Perhaps I will have a chance to get down and view it. I would simply say that the general criteria is explained in the back of the brochure that the member received earlier in the House. To the extent that it meets those criteria, I would say proceed.

In a general way I indicated to the member that a world class attraction is Science Place Ontario that has the prospect, at least, of drawing hundreds of thousands of people over the course of a year. I suppose, in general terms, that's what my interpretation of the words "world class" would be.

As I said, the individual attractions such as the one the member is referring to would have to assess on their own the merits of proceeding with the project, which would require a major investment. They would have to determine whether they viewed themselves as a world class or a potentially world class event or attraction, and then they should apply.

MR. D. ORCHARD: Mr. Chairman, they do consider themselves to be a world class attraction, because as I indicated the quality of the fossil remains are superior to any others that have been yet unearthed, and they are very unique types of fossilized remains.

Maybe I could offer to the Minister, either in my accompaniment or, if he doesn't so desire, I can certainly arrange with the Museum Board in Morden to have a

tour of the museum down there so he can determine for himself whether it's world class, because certainly they, and they have been told by various experts in the field, have world class displays down there. Since the Minister is setting his definition in the program as world class attractions, it isn't up to them to convince themselves, it is up to them to convince the Minister and this government that they are world class.

In that regard, if he so desired, he could let me know at his convenience when he's available, and I can certainly arrange to have a tour of that museum, which would be both educational and a very very rewarding afternoon he could spend at the museum in Morden.

HON. J. STORIE: What I had indicated was, I recognized that, in the final analysis, the department and the co-managers would have the ultimate decision of including or excluding the particular attraction the member was referring to from funding, but what I had indicated to him is that they have to make their own determination by virtue of the fact that they have access to the criteria. If they feel they meet the requirements, etc., then they should certainly apply. When a decision is reached, the results will be transmitted to them.

I would also like to take the member up on his offer to tour the facility. I don't think that a brief visit in the company of the honourable member would so sully my reputation that I wouldn't be able to recover.

MR. D. ORCHARD: I'm worried about it though. I'm not worried about you; I'm worried about me.

HON. J. STORIE: I promise to make it brief.

MR. CHAIRMAN: I am at a loss here, because there is a member who is prior in signification. You'd better agree among yourselves who should be first.

MR. A. DRIEDGER: I spent three days with him. I now have the priority over him.

A MEMBER: I was here before you.

MR. A. DRIEDGER: You left.

A MEMBER: Are you going to be very long?

MR. A. DRIEDGER: No.

A MEMBER: All right, carry on.

MR. CHAIRMAN: The Member for Emerson.

MR. A. DRIEDGER: Thank you.

Mr. Chairman, I'd like to just pursue this program that has been touched on, Program 2 and Program 4, and go back to the first page in the brochure where it says: "... sports angling and wilderness adventures ... "It seems as if this program is a very rich type of program. When we look at the minimum of \$500,000 to qualify, how does the Minister view this under the sports angling and wilderness adventure?

For example, fishing lodges, when we're talking of attracting thousands of tourists. I think the first impression probably will be to many people . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please. There is someone who has the floor.

MR. A. DRIEDGER: Thank you, Mr. Chairman. He's always difficult to control.

I'm just wondering how the Minister views this. When we talk of fishing lodges, sports angling, we're talking basically of lodges. With a minimum of \$500,000, we're going to be looking at a very select group of people that will be able to get into this. The perception will be there by many of the operators to maybe improve their facilities, maybe expand on their facilities. When we're looking at that minimum of \$500,000, that to my mind creates concern. I don't know whether it creates any concern to the Minister's mind, but he is more aware of the lodge operators in this area than anybody else. Does he feel that is realistic to put the sports angling in that category?

HON. J. STORIE: I recognize the member's concern. I should say that Program 2 provides for expansion of facilities in the area of \$150,000.00. Five-hundred-thousand dollars, to the member and perhaps to myself, sounds like an exorbitant amount of money. I do know that major expansions in lodges and accompanying cabins and so forth have ranged well beyond \$150,000 in my own area. So if you're talking about developing a new project that is going to include 10 or 15 cabins, you're certainly talking already in the area of \$500,000.00. So while it sounds like a lot of money, in terms of what you can actually put up for \$500,000, it's not that big of a project.

MR. A. DRIEDGER: Is there any possibility - in the Program 4, it indicates "... clustered development." Is there any possibility in your mind, the way you perceive the program, that a number of operators could combine on a joint type of effort in expanding their programs together to make use of it that way?

HON. J. STORIE: I certainly could foresee that happening where three or four people, who were lodge owners or had some experience, got together and decided to create the Falcon Lake Magic Resort, and combine their capital to encompass a number of different operators that that would be possible. Providing that the overall investment was over the minimum required, I think it's possible.

MR. A. DRIEDGER: What I was sort of toying with, Mr. Minister, was four or five lodge operators could work out a joint program for, let's say, if they couldn't qualify under the \$500,000 individually, work out a joint program for certain expansion and maybe for the buying of an aircraft to fly in, whatever the case may be. Is this what we're looking at to some degree? I'm just trying to see if there is any room for an expanded type of program, or whether this is just a very rich program for a very select few.

HON. J. STORIE: Certainly, the aircraft costs, I don't think, would be considered part of the development cost, but what the member is referring to is feasible. We're talking about a co-op venture of some kind.

I want to clear up this for the record. The cluster concept really does not refer so much to individual members getting together on a project or a series of projects. It refers to the idea that like a shopping mall - a shopping mall is a cluster development, where you'll have individual entrepreneurs who band together and create a destination. St. Vital and Eaton Place and Unicity are cluster developments of retail trade entrepreneurs.

What we're looking for in the tourism industry is cluster development where an individual with a fun park, or that's maybe a poor example, an individual with a marina development, condominium, an individual with some other kind of specialty attraction locate in the same area. The purpose of doing that is to ensure that when a person thinks of Manitoba, thinks of a destination, that they have enough activities to interest them and to keep them in Manitoba for a longer period of time.

It's difficult to attract tourists on a world class basis if there are single, albeit significant and spectacular events throughout the province. If there are a number of events, attractions, facilities clustered in an area, you stand a lot better chance of pulling someone in and saying, well, we've got things to do for the rest of the week in this particular area. So that's the kind of idea that we're working on.

The member's particular kind of project, I think, sounds to me like it should be possible and could be eligible for assistance providing that it fits in with the general destination areas that have been discussed, or one of the specialty market areas.

MR. A. DRIEDGER: Thank you. Well, for the Minister's sake, as well as I suppose for all Manitobans, I hope that this Cadillac program is going to be beneficial.

The thing that concerns me a little bit, and I might as well inform the member that I had the occasion to spend a number of days up in his area there and received a fair amount of information regarding tourism in that particular area and the possible lack of some incentives and I want to bring that to the Minister's attention.

These kinds of programs might be fine, but the one thing that many people out in that area come forward with in suggestions is training programs. I think this is something that we probably need desperately and badly, rather than when we talk of this kind of thing I suppose there is room for that and I certainly encourage that as well.

But the present operators that we have, I think there is a crying need to develop present lodges, to provide the kind of service maybe on a little smaller scale, maybe a more affordable scale for many of our tourists, the one thing I think is missing dramatically is the training program for operators, for staff, it's not on this program, I realize that.

HON. J. STORIE: It is in that program - Program Six.

MR. A. DRIEDGER: Program Six?

HON. J. STORIE: Yes. I appreciate the member's comments, and I would say that I think he is tuned in very quickly in his travels to one of the persistent

problems that have plagued the tourism industry in Manitoba and that is the lack of training.

I believe the figures are something like one in five of our personnel who are servicing the tourist industry have any kind of training at all and by world class standards, that's not acceptable. Program Six, which I referred to, does provide that kind of assistance, both to the not-for-profit groups and for private industry and there is no specific maximum referred to so that industry people generally can take advantage of that particular program.

The member is absolutely right when he suggests that we can only do so much in terms of providing facilities; that the facts are if we don't have the right personnel, if our personnel aren't trained, if the personnel aren't pleasant and receptive, that all of our best intentions in terms of capital investment can go for not.

MR. A. DRIEDGER: Well, okay. I have to apologize. I suppose I hadn't checked that out close enough. But aside from that, even with this kind of a program, I can foresee maybe a little more difficulty. I would hope that the Minister can, within his Department of Tourism, start promoting this kind of an idea with the lodge operators because, if we're going to be competitive, and by the Minister's own words on the radio today, he indicated that Manitoba has been lagging in the last while, and then I would encourage him to quit lagging and maybe get some of these programs motivated so that we get a fair share of the action that is out there, across the line specifically, because I know that Saskatchewan is expending much more money for the attraction of tourism at this stage of the game.

Then, of course, the other problem that we have is that this government has not been that receptive to some of our neighbours to the south and has created an atmosphere that has not always been conducive to bringing them here. And, if the Minister, instead of putting his head that way, I want to indicate to him, I was there about three weeks ago and that's a major concern out there. Maybe he should travel out there and do some promoting as the Minister of Tourism, more so. There is a lot of - how should I say it? - PR that has to be done, especially in North Dakota. There are a lot of people who love to come here and there are some raw wounds that I think have to be looked at. So these are immediate things.

What we're looking at is this kind of a major program, you know, it looks inviting enough, but there are things that we could do at the present time and that's why I'm hoping, or suggesting to the Minister that he can maybe work out some kind of a training program or give advice so that they can tie into Program Six under this one, and then instead of telling us things are looking rosy, maybe more monies have to be expended to attract tourism. This is a good chance where you don't have to invest that terribly much money to get a good return. It's Crown money. This is money that comes from outside of a province, and that is always - in my terms at least - the best money that you could have coming in here.

So, with those comments, Mr. Chairman, I just want to, without being unduly critical of the Minister, indicate that he represents an area where tourism is possibly

a very good secondary industry to the one major industry in towns or communities that we have out there, and that this should be expanded constantly at a little faster rate than has been done because the people out there are desperately looking for other sources besides the major one-industry source, and I think that thing that lends itself most capably to that is tourism in this area - many beautiful lakes, many golden opportunities there, and I'm sure he must hear this if he gets out there once in a while, because I sure heard it when I was out there for a few days.

HON. J. STORIE: Thank you. I appreciate the plug for Flin Flon and the Trout Festival. It means that I don't have to make it. Certainly I agree with the member. Tourism is an important industry in that part of the province and other parts of Northern Manitoba, and I think that through the Destination Manitoba Program, a good number of the lodges did receive support and improvements have been made.

I think this agreement follows up on the initial steps taken through Destination Manitoba in that it is recognized as certainly a specialty marketing area. I know that many of the people involved in tourism in that part of the province, will be reviewing the programs under this new development agreement very carefully and in all likelihood taking advantage of it.

I would say, just with reference to the member's comment about a cadillac program, certainly it is major in its scope. I don't think that we can call it cadillac. I think what we're trying to do is to invite those people with considerable sums of capital to get involved in tourism and show that there is a will on the part of the government, on the part of the industry and on the part of the organizations that support tourism, to promote ourselves in a little more aggressive way than we have in the past.

That's not to downplay the impact or the support that is offered by a lot of other small events, attractions, in other parts of Manitoba, but it is to say that if we're going to compete internationally, if we're going to turn around, the - I forget what the term is now - travel deficit, we have to do much more in terms of creating an exciting and world class atmosphere in our resort areas. So we'll be working on that and I appreciate the member's comments about the direction.

In terms of the other issues he raised about the department's activities, in particular in reference to upgrading the standards, both over the last couple of years, the department has been working with industry organizations, groups like the Manitoba Lodge and Outfitters Association to develop and improve the standards. That is going on in an ongoing basis. We're looking at a review of the star rating system to make it more compatible with the rating systems in other jurisdictions. The member says, well, the government or the department should be doing more. I take those comments seriously. It's true that we should be doing more.

I think we have identified now with the major industry groups, those areas where we have to make a concerted effort to improve the standards and improve the quality of service that's offered. What's more interesting, I think is, that not only are we initiating some of those activities but I think pretty well all people involved in the tourism

industry have come to the conclusion that it's time that we collectively did something about those problems. I think that bodes well for the future because obviously it's not my desire, nor the department's desire, to impose the upgrading of standards on people involved in the industry.

But I think by virtue of the fact that we have gone through a difficult period, we did have a tourism program. We have promoting tourism as an important part of the economy, we've come to the conclusion that anything that we can do to improve our attractiveness is in the best interests of not only the industry, individual entrepreneurs in the industry, but the province as a whole. So I think that there is a very healthy co-operative atmosphere in the tourism industry at the present time, and we will certainly be capitalizing on that as we review the regulations and the standards that affect the industry.

MR. A. DRIEDGER: Thank you, Mr. Chairman.

Since the Minister is high on this working together and communication, I'm just wondering whether he is having good dialogue with the Minister of Natural Resources who's intent on designating a good portion of the province's wilderness parks and stuff of that nature, and I want to ask the Minister as well how he feels about the privatizing of provincial parks by the present administration under the Department of Natural Resources? Does he feel that will necessarily have an impact on the tourist business and the attitude of the people towards provincial parks?

HON. J. STORIE: Well, I can only respond in general terms. The Minister of Natural Resources obviously can deal with the issue of contracting of campgrounds, etc., that has gone on for years. I will just say in general terms that there has to be a balance. One cannot dismiss out-of-hand the concern that individuals have with respect to the environment and the protection of world-class — (Interjection) — let me finish, and I'll deal with your comment later. I don't think that you can dismiss out-of-hand the concern that people have, the legitimate concern, for the protection of species and habitat that is of world significance.

I think that we have a large enough province that we can combine the interests of all of the major groups interested in preservation of our resources and those who are interested in consumption of resources. The Minister of Natural Resources and I, I think, have a very good working relationship and our departments are going to be working in a concerted way over the next couple of months to make sure that we can mutually benefit from the attractions that our natural resources offer us, and I don't expect there will be any major problems. I think there is room to accommodate the need and the desire for people to take advantage of our natural heritage, and at the same time there is every opportunity for us to preserve those aspects of our natural resources which are unique and important.

MR. CHAIRMAN: The Member for Minnedosa.

MR. D. BLAKE: Thank you, Mr. Chairman.

I just want to make one or two comments on the new program. But before that there has been much

comment, I'm sure, before I got in about Friendly Manitoba and the money being spent to attract our tourist visitors, especially American tourists, to the province and it seems that all of these efforts can be shattered.

I just finished reading the article in the Winnipeg Sun from Monday about the Americans who come up here - 54 of them - to a dog show and arrived - with the tow-truck operators who were towing their cars away. Those people are going to go home with a terribly bad taste in their mouth as many many Americans did after the flag-burning episode. I just want to say that our efforts are being thwarted in so many ways that it seems to be counter-productive. Even the staff in our areas where hospitality is supposed to be foremost and I know there have been training sessions and conferences, but something has to be instilled in those people who are serving the tourist visitor. That takes very very little time and effort, and that's something that we don't seem to inherently have up here. I don't know why, and I kind of agree with the way we promote Friendly Manitoba, and I'm not too sure if it's any more friendly than anywhere else, but the money being spent to attract those people here is just going to be absolutely thwarted and lost unless we can instill that feeling of appreciation for the tourist dollar that we seem to be so desperately after, and so many more of them probably could be obtained with very little expense, with just a little common sense and courtesy.

It is just so evident to me when I leave here and go across the line to the south to see the different attitude in the people who provide that service to tourists. But Mr. Chairman, I hope I didn't miss the point in the new program; if I did, maybe I can get it out of Hansard because I have been in and out.

I'm wondering what's available for the small operator, the guy who wants to spend \$15,000 or \$20,000, \$25,000, to upgrade his facility. One particular case, in my particular area, there's no doubt that Riding Mountain National Park is a world-class attraction, but there's an awful lot of spinoff comes from visitors to that park. They want to extend their visit and expand their areas another 20 or 30 miles so they hit the sandy lake, the smaller lakes and the smaller recreation communities that are abundant throughout that area. There seems to be nothing in any program that would assist someone in those areas from expanding their smaller operations. They're not the type that can go into .5 million or a .75 million expansion. What programs are in place to help those people upgrade their facilities and provide a service, and a very valuable service, to the tourist at small expense?

HON. J. STORIE: Mr. Chairperson, the member has raised a couple of very good questions and I would like a short recess to ponder them.

MR. CHAIRMAN: There will be a short recess.

RECESS

MR. CHAIRMAN: Committee reconvenes.
Mr. Minister.

HON. J. STORIE: Thank you, Mr. Chairperson.

The two problems that the member left me with, I have considered. The first question was with respect to the damage - I guess the word you might use - that can be done to the tourist generally by careless and thoughtless actions on the part of people generally. I don't know what specific things the government, the Department of Business Development and Tourism, can do to prevent those things. The member I think has raised the concern that I have raised in my meetings with industry and interested individuals throughout the province. There is no question that most Manitobans, those employed in the service industry, particularly, have a role to play in promoting Manitoba - that the tow truck operator, the gas service attendant, the waitress, the waiter and the person in the small grocery store can have a positive impact on the attitude that is left with visitors to the province. We have left the challenge, in part, we believe, with the industries themselves, with the tourism associations.

We believe it certainly is in all of our collective best interest to promote a tourist consideration program, so that we can promote the idea that we're all ambassadors for the Province of Manitoba as individuals, and that anything we can do or do to make a visitor's stay more pleasant and more enjoyable is something that's worth doing. We have what we call an awareness campaign with TIAM, which is the Tourism Industry Association of Manitoba. It's an A/V promotional piece and also a speakers' bureau which supports the concept of promoting tourism on an individual basis.

Those kinds of things, I think, have to be part of our heritage or our culture as a tourist province. It's something that needs to become second nature to individuals, to smile and promote the idea of Friendly Manitoba and helpfulness towards our visitors.

With respect to the question about the publicity, negative or otherwise, that surrounded past events, we are still working in a very co-operative and satisfactory way with the governments of North Dakota and South Dakota and Saskatchewan in promoting something that is called the Heartland North America series. A survey that was done by the department some time ago indicates there is no lingering ill feelings on the part of North Dakotans with respect to Manitoba, that we are still viewed extremely positively.

Certainly I was involved in the Minneapolis blitz which took place in the latter part of April. We were in Minneapolis. A number of industry people were in Minneapolis, a number of private entrepreneurs, lodge and outfitters were in Minneapolis and they, I think at least in conversations with me, seemed to indicate that they had a very positive response, a particularly positive response. So I am not overly concerned with that particular problem.

I think the inflammatory kinds of statements that were being made were politically motivated, and didn't reflect or don't reflect necessarily the attitude of the average midwestern northern states of America.

MR. D. BLAKE: I think, Mr. Chairman, that's probably just the difference. The Americans, when we are down there visiting them, are very very careful in what they say to us; they say nice things that leave us coming away with a nice warm feeling such as they've done

with the Minister but that might not always be the case. I'm saying that's the attitude that we have to develop here.

The Minister hasn't answered what assistance is going to be available for the small operator who only wants to spend a few thousand dollars on his operation.

But before he gets to that, Mr. Chairman, if the Minister, I think, can dialogue with his colleagues to some degree, there was a perfect example last year during the hunting season which is a pretty good boon to the tourist industry in a lot of areas. The American hunter, a lot of them are ordinary Manitobans such as ourselves that come up here and plan their holidays in advance and they got here last fall and found that they could only hunt in the morning; and with our fishing limits now, they're reduced in some of our lakes to three fish. If you're going to travel 1,200, 1,500 miles to catch three or four fish, it's really not too encouraging.

I know they can use barbless hooks and throw back and whatnot, but their restocking programs and that down there, they can probably catch more fish down in Minnesota and North Dakota now than they can catch when they come up here because we've restricted them so severely. But there were thousands of — (Interjection) — no, it's on the Garrison Lake Diversion for the edification of Mr. Scott. Lake Sakakawea has probably got more pickerel in it now than we have up here, but I know he wouldn't be in favour of anything like that.

There were dozens upon dozens of cancellations, Mr. Chairman, when the American hunters found out that they could only hunt in the mornings. I know several guides and camp operators or outfitters that just had a terrible time in trying to fill in the days. They took them out hunting in the morning, and they had to do a lot of fast talking to fill in the afternoon to keep those fellows a little bit happy for the four days or whatever they spent 1,000 bucks for.

So I think if the Minister would dialogue a little better with his colleagues and say, look, we're trying to promote one industry and you're killing it on us by some decisions that are maybe ill-thought-out or ill-conceived.

HON. J. STORIE: If I can deal with the last question first, I am aware of the fact that there was some displacement and some animosity created because of the lateness of notice. I can assure you that the Minister of Natural Resources has that particular problem in hand, I believe.

When you go a bit further and address the question of, how do you avoid that? Or what do you do when the people in the field in Natural Resources are saying that this particular species or that particular species is in danger, when they recommend limiting the bag limit or the catch or the moose or the bear or whatever, what do you do? Do you ignore it and say, well we can't disappoint our tourist friends? Or do you take a longer term view and say, well, can we really jeopardize this resource?

Again it's a question of balance. I believe there is some rationale to establishing bag limits and etc., for the harvest of game. I don't think we can avoid that. The issue you're raising, quite rightly, is at what point is that decision made and how are people affected

informed. I know that it did create some problems, and I know that the Minister of Natural Resources will be reviewing it.

MR. D. BLAKE: If the birds aren't there, you're not going to deplete the species, but they can still hunt them. I did a lot of hunting last fall, but there were no ducks, but it was still fun going out. So you can still give them the benefit of going out to the great, wonderful outdoors with all the fresh air and abundance of lakes and fields and streams that we offer. If the birds aren't there, they aren't going to get them, but they have the benefit and the enjoyment of going out at least with a gun in their hands and trying their luck.

HON. J. STORIE: I presume you could carry that philosophy to its logical conclusion and say, well the people that were hunting the wood buffalo were just going out to see if they could get the last few remaining ones. It creates — (Interjection) — no, I'm simply saying to the member, it creates that kind of problem.

I recognize his point of view. What I'm saying is that I'm no expert and, to my knowledge, neither is the current Minister of Natural Resources an expert on wildlife biology. What he does, I assume although I shouldn't presume to speak from him, is take the best advice he can get from his department. If they're indicating that there is some concern about jeopardizing the well-being, the perpetuation, whatever, of a species, that they make their recommendations and they're reviewed. I'll leave that at a problem of co-ordinating the final decision with the people who are affected.

The question you raised about what's in it for the little guy, I think two things. One, we have just come off a program called Destination Manitoba which, to my way of thinking, supported the little guy. I delivered grant payments from Destination Manitoba to at least half-a-dozen lodges in my area. — (Interjection) — I am aware of the fact that hundreds of support payments were made to the little guy out there involved in tourism. I think that Destination Manitoba had an important role to play in stabilizing our industry and improving it, improving the quality of the accommodations, etc.

But it doesn't address, to my way of thinking and to the thinking of the Federal Government, the larger question of what do we do to reverse the travel deficit that we have? It doesn't do anything to address the question of what major international kinds of attractions and events are going to be here to turn around our travel deficit situation?

It was the view, and I believe correctly so, of both levels of government that in order to be successful in terms of tourism traffic, we had to create destination points, we had to cluster our development and we had to create world class facilities. We believe that the timing is right, that there are a good number of private investors out there who see tourism as a tremendously lucrative field, who are going to come forward and invest many millions of dollars in our destination areas, building on what we see as our tourism strength. I think that that's the correct direction to go.

So, if that happens, if we have that vision and we go for it, if we get the kind of support we believe we are going to get from the private industry, from the tourism groups, we are going to create an atmosphere

whereby the smaller tourism operator is bound to succeed.

I think that if you had an opportunity to travel to Disney World or Disneyland or Science Place Canada, or any of the larger tourism attractions in the world, you will find hundreds of small entrepreneurs who have benefited by way of spinoff from those main attractions. If we can get tens of thousands or hundreds of thousands of people coming to an area, there is no question in my mind that the smaller entrepreneur is going to have many many opportunities to benefit indirectly from this particular investment.

I should correct the impression that the member left that no one in his constituency got any support. In fact, the Gateway Motel received some support, and the Vivian Motor Hotel, and these are all a matter of record. So . . .

MR. D. BLAKE: Vivian Motor Hotel is in Neepawa, but . . .

HON. J. STORIE: Vivian's not in your constituency.

MR. D. BLAKE: . . . Elkhorn Ranch did pretty well in Clear Lake.

HON. J. STORIE: Yes.

MR. D. BLAKE: . . . and the other lodges.

HON. J. STORIE: So, you know, I think that Destination Manitoba spread the support out across the province pretty evenly.

In terms of the small guy as well, the department assists in a very real way through consulting advice, feasibility assistance, all kinds of things - small people who are looking at establishing or expanding their tourism facilities. So there are opportunities for the small guy to get assistance.

MR. D. BLAKE: I wonder if the Minister could tell me; has there been anything done to encourage or to promote in any way the "bed and breakfast" concept that is so popular in Europe.

HON. J. STORIE: Yes, I can tell the member that there are discussions under way with the Manitoba Farm Vacations Association to promote the idea of "bed and breakfast" accommodations. I think it's an idea whose time has come as people look for something interesting as an alternative to the standard fare at hotels and motels. It's something that has certainly been successful in other parts of the country and in particularly Europe.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. A. ADAM: Thank you.

Yukon has a very large tourist industry. I guess tourism and mining was the two major industries in Yukon. The mining has now gone down the drain pretty well because of weak markets. The tourism is still a very large industry in Yukon. The theme there is, of course, the Klondike Gold Rush. Everything seems to blend around the '98 Gold Rush.

I was in the Yukon last year and I was able to observe some of the situations there. There are busloads and

busloads of people coming in. As one busload leaves, another one comes in, and they all stop in at the hotels as they spend their money there. I made some inquiries because I know that we are trying to develop our tourist industry here in Manitoba. I found that a lot of them were passing through the Yukon going up to Alaska; there was a quite a number going there. Some of them got on board ship at Seattle, or somewhere up the west coast of the United States, got off at Skagway, got on buses and then went up the Alaska Highway to Alaska, stopping off at Whitehorse in the Yukon.

I found out that a lot of the hotels are owned by Americans, American people, and they own the travel agencies in the States. They are able to keep their hotels filled constantly with having the travel agencies in the States owning the bus companies, probably, and the hotels, and owning the whole system. It's vertical integration.

We have the same problem with the use of the Port of Churchill where it should be a world class tourist attraction.

Mr. Chairman, you see what's happening the heavy tourist trade going to the Yukon is because it's integrated by the Americans themselves. Now there are a lot of spinoffs.

As I say, the same problem we have with the Port of Churchill, we're trying to develop more use for the grain shipment out of the Port of Churchill, but the facilities there are not owned by the grain trade. So they want to send their grain to their facilities whether it be at the head of the Lakes or Vancouver. So I am giving you the example of grain, as the tourists are used to go to Yukon. I know the members opposite want to make light of this, but that is really what is happening.

I am wondering whether or not there are ways of developing that here, and whether there is that kind of tourism in Manitoba, such as there is in the Yukon, because I know that's what has been happening there. The tourist attractions are owned by Americans and they bring the Americans there to see that. That's what's happening.

HON. J. STORIE: The member's point is well taken. I can only say that, one, the department I think would support and has supported the efforts of Churchill and individuals in Churchill in developing world class attractions. Churchill is one of the destination areas, or specialty market areas in the province that already has, I think, a world class reputation and there are great numbers of tourists, particularly from outside of the country who perhaps more so than citizens of Manitoba, visit Churchill. The possibility of extending the attractions from the Churchill area is something that we have explored from time to time with the Government of the Northwest Territories, and I would hope that through the new agreement that every advantage will be taken on behalf of individuals who recognize the attractiveness of the Churchill area to establish those drawing cards that will improve our tourist attraction, the number of tourists that have come to Manitoba.

MR. CHAIRMAN: 3.(a)(1) - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Mr. Chairman.

I have a couple of questions. Just regarding Churchill, I would agree with the Minister that it has been going on for years; Via Rail has tours; there are American agents bringing tourists to Churchill and it is a world class now, and I guess the member didn't realize what has been happening.

Mr. Chairman, I know this doesn't come under your jurisdiction, but roadside parks, has the Minister had any discussion with the Minister of Highways regarding roadside parks? When you travel from here to Fargo or Grand Forks, you see some exceptionally good rest areas for the traveller who is moving with his automobile, and has there been any discussion or any thought with the government between the Minister of Tourism and the Minister of Highways to expand those particular parks?

HON. J. STORIE: Mr. Chairperson, there is a review of the current facilities, wayside parks, campground facilities under way between the two departments. I can only say that, certainly from a tourism perspective, the more that you can offer by way of facilities and amenities for the tourist, the better off we will be, recognizing at the same time that the Department of Natural Resources, as all departments, are looking at ways of streamlining their costs and the decisions that are made with respect to the campgrounds and wayside parks is based on the volume of traffic. Certainly those that are well used, that have a high occupancy rate are strategically located, have been maintained and those things have happened because of the interest of the department and the fact that they are on particularly well used, travelled corridors and because they have a high-utilization rate.

MR. F. JOHNSTON: Mr. Chairman, the member mentioned the Minneapolis Week or Days or whatever it was with the department to encourage tourism from Minneapolis. In a report, Minnesota vacation travel survey, dated January, 1985, by Strategic Planning and Development, a summary of conclusions it says, "the incidence of vacation pleasure travel by Minnesotan households - in general, travel rates have declined from 1983. To Canada, has decreased 2.1 percentage points," and it says, "the market share of Minnesota vacation pleasure trips to Canada has declined in 1983 and in 1984. To Manitoba, it has decreased 1.2 percentage points." What does the Minister believe his week did down there? In other words, what increase does he expect or are they forecasting from the Minnesota area, Minneapolis area?

HON. J. STORIE: I don't know that there is any breakdown with respect to specific area. I do know that, and as I indicated in committee, we are anticipating a healthy increase in traffic, particularly overnight traffic to Manitoba. I suppose we won't know what the results of the Minneapolis blitz have been until the tourist season is in effect over. I do know that I have talked to many of the people who attended with the Travel Manitoba staff, and indicated to me that it was the most successful, the most enjoyable, co-operative effort that they had been involved in. Certainly, if the attendance at the Festival Manitoba night that was held

where tourism operators, tour package operators were invited, is any indication, there is a lot of interest in Manitoba. That, particularly - the tour packages - is an area where we feel that there is much to be gained, and while it may not be reflected in the vehicle traffic between the two countries, it may be reflected in the dollars spent and the number of people who actually visit Manitoba.

MR. F. JOHNSTON: In the report, Highway No. 1 Survey, dated February, 1985, Business Development and Tourism, we had a 1.2 increase of travellers, 1.22 percent increase of travellers along Highway No. 1 in 1984 over 1983, and we had a decline of 2.11 percent, nearly 3 percent traffic coming into Manitoba along Highway No. 1 from the west 1984 over '83. Mr. Chairman, those are pretty depressing figures. I used to say to the previous Minister of Tourism, how lucky can you be with His Holiness the Pope coming and Her Majesty the Queen being in Manitoba . . .

A MEMBER: Blue Bombers winning the Grey Cup.

MR. F. JOHNSTON: Yes. I would say that from the East it would be mainly to see the Blue Bombers because there is no football team in the western part of Ontario as there is a football team in Regina.

You know, these figures, with all of the activity that was held in Manitoba in 1984, don't look encouraging. What plans do you have for any advertising in Northwestern Ontario and in Saskatchewan and Alberta?

HON. J. STORIE: Well, first, I agree with the member that it's discouraging when you see those kinds of decreases. If one were going to speculate, you would only have to suggest that the fairly dismal economies of particularly Alberta and B.C. probably contribute to those low statistics. Overall, as I've indicated a number of times, we are anticipating an increase in tourist traffic to the province. We are in the upcoming advertising season going to be targeting marketing effort to Northern Ontario and I mentioned a couple of specific things that will be done in Northern Ontario. As far as Saskatchewan and Alberta, Saskatchewan will receive some attention, Alberta less so. I'd indicated to an earlier question that we are co-operating with North Dakota and South Dakota and Saskatchewan to develop a heartland North America campaign to attract people to the general prairie region, other than the general generic advertising that we do, I can't say that anything specific is being done to improve those statistics from the Alberta prospective.

MR. F. JOHNSTON: Mr. Chairman, there's a little graph that I have carried with me for several years. This graph shows that in 1974, a high point of visitors to Manitoba dropped drastically through to 1978 and the expenditures on tourism from 1974 to 1978 dropped drastically. In 1978, expenditures started to increase through to 1981 and tourism, in 1978 through to 1981 went up continually. In 1982, we dropped just about out of sight. In 1982, we dropped from 3,000,000 total tourists in the province, 3,053,841 to 2,646,466. In 1983, we dropped again to a total of 2,382,000 and we

dropped again in 1984, from 2,382,000 to 2,305,000, not quite as big a drop.

In looking at the Estimates of the Department, it would seem that since 1982, there has been more money being spent and there will be more money spent this year. You're spending more money on tourism and yet, it's going down.

Mr. Chairman, Saskatchewan is picking up tourism just hands over fist; they're moving into Saskatchewan. Our markets that were always ours are heading for Saskatchewan. With your arrangements with Saskatchewan and North Dakota, do you expect to start to have tourism to come up again in this province, because it has dropped drastically since 1981? As a matter of fact, it dropped drastically during the NDP years previous to that.

HON. J. STORIE: Thank you, Mr. Chairman.

First, I would, in terms of the statistics - the review since 1974-75 that the member presented, I think it would be fair to say that those kinds of trends are evident in all provinces. I know, in speaking to the Federal Minister, he indicated that the trend over the last ten years has not been a trend that is specific or unique to Manitoba, that it's a trend that has been experienced by all provinces. I can only indicate that we have increased our expenditures, not as fast certainly as other provinces, and the member referred to Saskatchewan and I think he's aware of the kinds of changes that have occurred in the tourism marketing budget of that province.

We are experiencing increases and successes in terms of the travel to Manitoba. It may take us some time to get back to the halcyon days of 1970's when personal disposal income was at an all-time high; when gasoline was cheap and all the rest of it and certainly, it's a trend that we hope will continue. I should say, as well, that despite the spending that Saskatchewan has done, I don't believe that from speaking to staff, that there's any dramatic turnaround in their situation. We have seen increases in the number of angling licenses and those two provinces, Saskatchewan and Manitoba, compete pretty extensively for the angling market. We have seen a pretty dramatic increase. We have seen a 66 percent increase in the convention business, year over year, that's coming to the province. So I think there's some positive signs.

The member is leaving the question open as to whether we should be providing more funds. I suppose that's a debatable issue. I think that what we have tried to do, and I've said it a number of times, is make our spending more productive, and we've done that by trying to come to grips with who our visitors are; why they come here; and where they come from; and then, targeting our advertising. We've done that as well by promoting the idea that it is not only the government's responsibility; it's not only in the government's interest to pursue the tourist dollar; that there are so many spinoff benefits to the tourist dollar that the co-operative approach, using co-operative advertising or other vehicles is the way to increase our effect on the international market and the interprovincial market. So we're pursuing that with some vigor.

I can only tell the member that I appreciate the value of tourism and to the extent that I can, through meetings

and my own efforts and the efforts of the department, will be promoting in a real way, the Province of Manitoba. All I can say is that I hope the efforts are evident when we're here next year, or in succeeding years, and when we look at the statistics and see whether we've actually made an impact. If we continue to see the increase in tourists flowing into Manitoba, then I will be happy - the larger the increase, the greater my joy.

MR. F. JOHNSTON: Mr. Chairman, I have one last question. Has the Minister had any input as to what is on the road maps produced by the Department of Highways, as far as having some pictures on the road maps that encourage tourists to go to different areas of the province - that is a piece of literature that every person driving a car has in his car and uses. Quite frankly, I must admit, I had my own problems trying to get the road map having more tourist information on it when we were government. I had a rather stubborn sort of Minister of Highways; but quite frankly, it is even if there's an extra fold in it, or something of that nature. People open up the road map and they use it and I know the department had presented it on many occasions. I'd only ask, has the Minister had any success trying to get that road map having more tourist information on it? Secondly, has the Minister had any success getting road maps printed by the Minister of Highways, as we've been out of them for quite some time apparently?

HON. J. STORIE: Mr. Chairman, in terms of the access, I believe the Minister of Highways responded to that question some time ago.

To the member's other question about co-operation, when I was appointed Minister, I met with the communications staff and Travel Manitoba. That was one of my first concerns, that certainly the Department of Highways but not only the Department of Highways, the Department of Natural Resources, the Department of Culture, Recreation and Heritage all have an aspect of tourism to them.

As a matter of fact, the department met today with the Department of Highways to discuss a review of the possibility of improving the quality and the attractiveness and the usefulness of the highways map as a vehicle to promote tourism. It is certainly something that I think is worthwhile. We've had a positive response from this Minister of Highways. I'm sure the previous Minister would have responded positively if he'd had just a few more months.

However, the member's point is well taken. I think it's time that we co-ordinated a lot of our literature that comes out from various departments to facilitate the travel and the investigation, the experiencing of Manitoba.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, I know the Minister discussed the exchange rate the other day, and he indicated that they have a recommended exchange rate. Could the Minister indicate what the recommended exchange rate in terms of relativity to the quoted exchange rate is for American tourists in exchange of American money?

HON. J. STORIE: Mr. Chairperson, the recommendation is go full value or more. That is also the recommendation of the Tourism Industry Association of Manitoba. We believe that there is - I think good business dictates that we offer that kind of value to attract and promote the province as a place that's receptive to visitors.

MR. D. ORCHARD: Mr. Chairman, that's a very noble goal that the Minister of Tourism has but maybe, as his department and he were discussing with the Department of Highway and the Highways Minister today, he might, since tourism is a function of word of mouth in a lot of cases where people are either satisfied or dissatisfied and either recommend or don't recommend a particular destination, the Department of Highways might be negating a lot of the efforts that this Minister has in promoting equal exchange or even higher, he indicates.

Because the Department of Highways in terms of charging for single trip permits to truckers who are travelling across Manitoba have certainly not been following the Minister of Tourism's exchange rate policy. They were as much as 15 cents to 20 cents below the going exchange rate, and a couple of Orders-in-Council had raised it. I don't believe they're today even close to the exchange rate, that is the fair exchange rate. Truckers are very congenial people and, when they're pleased with the treatment they get in an area, they tell people. Likewise I'm sure, they have no hesitation when they get back to Minnesota or when they get back to North Dakota, South Dakota or in other parts of the states, they have less than friendly words for these Highways Department people that offer them maybe \$1.25 exchange at the most - maybe it's down to \$1.20 now - and certainly don't come anywhere close to what the Minister of Tourism is suggesting would be a recommended policy that the tourist industry follow.

He might consider taking that matter up with his Minister of Highways. Instead of making money on the exchange offered to single trip permits purchased by American truckers, they might come close to doing what the Minister says of offering a fair exchange rate.

HON. J. STORIE: I think the member makes a good point, something that if we as a department are going to be promoting fair exchange, then I think it only makes good sense to have that practice followed as closely as possible by other government departments. I will convey that concern to the Department of Highways.

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

3.(b)(1) Canada-Manitoba Tourism Agreement, Salaries, 3.(b)(2) Other Expenditures - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, I'd just like to ask the Minister, first of all, has the program ended - and naturally the new program is taking over. But when did Destination officially end as far as grants were concerned, in March, 1984 or March, 1983?

HON. J. STORIE: March 31st.

MR. F. JOHNSTON: March what?

HON. J. STORIE: March 31, 1985. It was extended for a year. It was originally intended to close at the 31st, 1984.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, under the Canada-Manitoba Tourism Agreement, Destination Manitoba, could the Minister indicate what improvements, what the nature of the development at the Thompson Ski Club was that, for the fiscal year 1983-84, they were given \$133,500 grant? Could the Minister indicate what sort of tourism-related improvements were made at the Thompson Ski Club with that money?

Also could he indicate whether that was the entire funding, or whether that was just funding for fiscal year, 1983-84, and the Thompson Ski Club received funding in addition to the \$133,500.00?

HON. J. STORIE: Mr. Chairperson, I'm not sure whether the member quoted this figure, but the total was 178,000.00. The funds were designated to service the site with Hydro, to expand the chalet and to upgrade and expand downhill services.

MR. D. ORCHARD: in terms of the funding for expanding the downhill services, did that involve investment in lifts or was that simply slope improvement?

HON. J. STORIE: I have to confess to the member that I've never skied Mystery Mountain, so I'm waiting for the information.

A MEMBER: What about Agassiz?

MR. D. ORCHARD: Mr. Chairman, when this is basically tourism-type funding, has the Minister got any information as to how much additional tourism in ski trips, ski tours that the Thompson area was able to attract after this expansion, these funds were spent?

HON. J. STORIE: Mr. Chairperson, the funds were originally allocated in the 1983-84 year. However, my understanding is that Mystery Mountain has been quite successful in attracting events and promoting events that have been well attended. I suppose that the member's underlying concern is one that I share with him, and that was one of my concerns with the Destination Manitoba Program, generally, that we were distributing support in such a broad manner that it was difficult for us to know and, certainly, in my view, difficult to pin down the draw of such attractions beyond the local regional market.

In terms of regional market, certainly the investment in the Mystery Mountain, I think has done a lot to promote that facility. It draws people from outside of Thompson, obviously, but I don't have any firm statistics that would tell me how that impact has spread beyond the regional, if you will, market. I think that's the same kind of statement can be made for many of the smaller investments in community attractions throughout the province.

MR. D. ORCHARD: Well, Mr. Chairman, that would be most useful information for any Minister to have who

is deciding on the allocation of facility-construction money grants under Destination Manitoba, as it was before, under the new program that the Minister has, which are presumably going to - I would think that Thompson would fall under the Rural Attractions and under Program Two as well.

The point I want to make with the Minister is the extreme disappointment I had with the program, Destination Manitoba, as it applied to one applicant in my area. He was also in the ski business at La Riviere. For a person to survive in southern Manitoba since approximately 1980 in the ski business in southern Manitoba, just to survive, he had to be one of the best managers in the world because we didn't have any snow. He has become expert - and I say expert on an international scale in terms of snow making - and he has been able to keep his ski resort going without any natural snow for several winters. This winter was a little better.

But that operator at La Riviere spent probably two to two-and-a-half years of just plain getting the runaround in Destination Manitoba. Everything that he provided was fine, then he had to provide something additional and then he had to provide a little more information; then he had to get this done and that done. It was the constant runaround.

Now if you want to take a tourist attraction - and that's why I posed the question about how many ski trips went from Winnipeg, for instance, to Mystery Mountain, or from any other part of the province to Mystery Mountain - I think outside of some of the communities immediately surrounding Thompson, I think you would find it pretty rare that a school bus from Winnipeg would go up to Thompson to ski, but they come on a regular basis to the ski area at La Riviere, to Holiday Mountain.

Now their proposal involved an expansion of a chair lift, and the reason they wanted to go into a chair lift is because provincial and federal funding had put a chair lift into Agassiz, and I believe there was some state funding to put a chair lift into Frost Fire, which is immediately across the border in North Dakota on the Pembina Valley, and here is the operator at La Riviere basically frozen out from any of the Destination Manitoba programs because - I kid you not - he got the most bizarre runaround I have ever seen anybody get. They had excuses ad infinitum.

He would provide the information that they requested, new information; then they would give him some more runaround. They would question his financial ability. As I say - and he will openly admit that he isn't in the best financial shape because anybody surviving in the ski business in southern Manitoba and just staying open each year had to be one hell of a manager in the last four years in southern Manitoba.

And here we have \$178,000 went into the Mystery Mountain Ski Resort, and he is still struggling against competition at Frost Fire in the United States, which has a chair lift and no better facility than what he has at La Riviere. We even had this government having school tours, paid for by Manitoba taxpayers and the students, go down to Frost Fire instead of to a Manitoba location to ski because of the attraction of a chair lift.

His central focus of his application was not only a motel but later even got into the chair lift - additional rooms for the motel and sort of a mini-convention facility

- but he also was interested in doing an expansion into a chair lift. As a matter of fact, the last time I talked to him, he has a line on a used chair lift from I believe someplace in the United States that will fit his hill. But he got absolutely nowhere in this program.

If you want to talk about a tourism attraction, that's it in south central Manitoba, and that brings tourism and skiers up from North Dakota. They come there on a regular basis. They like coming there; he's got regular customers. But the attraction of the competition of Frost Fire, which has a chair lift, is getting very very extreme.

Now his facility employs, I think it's about 50 people during the wintertime. It's probably the biggest employer in the general area; he has a major payroll. He provides a tourism industry that keeps Manitoba skiers, in part, at home rather than going to Minnesota, to the Sugar Mountains, or Thunder Bay or Banff or Idaho, and yet this man can't get to Square One with this government and this department.

My colleague, the Member for River Heights, earlier on said that with this new program where you have to have a project that is \$250,000 as an expansion, which is what my ski operator would have to propose to you now to qualify for this, with such large investments, it becomes highly political. I would suggest right now that my operator faces the experience that he had, and unless there is a change in government, probably won't even bother to apply because he is going to get the runaround from this government and this department.

It was an incredible runaround that he got. I have never seen more shuffling of paper, more excuses and more runaround than what that individual got in trying to apply for Destination Manitoba. The bottom line came out that he got no assistance from it, and he has embarked on an expansion in another different route which, I might say, his interest rate through the Development Bank, is about, I think it's 15 or 16 percent, which is hardly conducive to a viable and thriving and growing tourist attraction in the southern Manitoba area.

Now that facility is a very complete one. He has chalets; he has day lodges; he has dining rooms, lounges; he has ski rims; he has the whole package. As I say, he probably has more knowledge and expertise in the operation of a ski hill, and his staff have, particularly, in the knowledge and expertise he has acquired in the snow making business, which is a very very tricky business. He is an operator that can really be a tourist attraction for southern Manitoba.

I ask the Minister if he need apply under this new program, or is he going to continue to get the same runaround under this new program that he got under Destination Manitoba?

HON. J. STORIE: A couple of the points the member raised I don't think were germane to the fundamental issue. First of all, the program and the criteria that were established, as the member probably well knows, by the previous government when the program was assigned. No. 2, for the record, the individual who the member is referring to did receive assistance. No. 3, it was not myself, nor to my knowledge any political motivation in the decisions that were taken. The private sector board had concerns about this particular project.

A decision was made, obviously to support in some way this individual, but there were, and the member

has acknowledged some ways in which the particular project did not meet the criteria that were established by which the private sector board review each of the applications. So there were a number of problems, and I have no hesitation in suggesting that was probably the reason why there was so much circular activity with respect to paper. He did receive assistance. I acknowledge that he faces competition as do others from facilities that are publicly supported, both in the United States and other parts of Manitoba, perhaps.

I agree with the member, I don't see the Mystery Mountain one being a tremendous draw away from the individual at Holiday Mountain. However, I don't think it is fair to target criticism at the political level when the decisions were made by a private sector board based on the criteria and the information they had at hand.

I suppose any time an individual doesn't receive what he feels is his fair due, there is room for concern and criticism. I don't know what more needs to be said other than to say that in matters of this kind, as in the past agreement and in the present agreement, every effort is made through the use of private sector advisory groups, through the co-managing provisions to eliminate concerns other than making sure that the investments go to viable operations with a certain degree of potential. I believe that by and large the support that was provided to Destination Manitoba met those two criteria and while there will be, inevitably, I suppose, individuals who are disappointed, that doesn't necessarily reflect poorly on the people involved in the program, the staff and personnel in the two departments, the federal and the provincial departments, or on the private sector board who were advising the co-managers.

MR. CHAIRMAN: Before we run out of time, I would like to recognize the Member for Minnedosa and give him the opportunity.

MR. D. BLAKE: Mr. Chairman, I just wanted a word on out-camps. Where is the difficulty with getting permission to expand out-camps in Manitoba? The operators up North tell me that they can get permission to put out-camps into the Saskatchewan area pretty quick, but they receive nothing but red tape and hassle when they try to expand an out-camp in Manitoba.

HON. J. STORIE: Well, I do know that there are steps that need to be taken to receive permission, to receive a permit to establish an out-camp. The member may be aware that the Department of Natural Resources and the Resource Branch, the Wildlife Branch, - the Fisheries Branch I guess would be more accurate - would do some kind of an assessment of the capability of the resource to handle an out-camp. Then, of course, there are the requirements that the Department of the Environment is concerned with.

So there are a number of hoops I'm sure to go through, all of which is designed: (a) to protect the resource; and (b) to protect the environment.

I'm aware of the fact that there is a desire on the part of those who are prepared to invest money to speed that process up. I'm certainly in favour of that, providing that we're at the same time not jeopardizing either the environment or the resource.

The other complicating factor is again an agreement that was signed by the previous government which has had serious repercussions on the allocation of resources in some parts of Northern Manitoba, and that is the Northern Flood Agreement. Because of certain provisions in that agreement for the allocation of both land and resources, it has created additional blockage - whatever term you want to use - in the allocation of permits in some instances.

MR. D. BLAKE: I have difficulty fathoming that, but the Minister mentioned there are certain hoops that had to be gone through and that's just what I'm getting at. You make these guys jump through so many hoops to try and expand an operation that where there's a proven successful operator who is aware that licences for out-camps have been granted when he has been denied them, and at best, he turns it as a temporary shelter. They're really not good out-camps. They are temporary shelters in his own words, whereas he's a well-known recognized operator that has difficulty putting in one or two more out-camps. I know the restrictions that are placed on the number of out-camps that can go into a certain lake or things of that nature. Apparently there have been some good proposals put forward, and he has had nothing but road blocks thrown in his way, and he can move over to Saskatchewan and get permission to put a camp in there with half the hassle. I think we're losing a good bet, where we've got recognized good operators who want to expand their operation and be able to accommodate that many more tourists.

HON. J. STORIE: Mr. Chairperson, there were about 25 new out-camps approved last year. I acknowledge that it takes some time. I suppose, and I don't think the member is suggesting for a minute that we do this, that you throw it open and say, well, we'll take the consequences 25 years from now. I think that's foolish. I don't think that you can assess the resource capability over night if someone applies for a lake. Obviously, most of the lakes in Manitoba have resources that are allocated either to individuals or to bands or to whomever, and every time you establish an out-camp, there has to be an assessment done of what that individual lake is capable of handling.

At first, the right of first refusal I guess goes to those who have interest in that resource, whether it's other lodge owners or whatever, so it's not a simple process. I've indicated as well that there are some complicating factors that other provinces don't have, namely, the Northern Flood Agreement.

MR. D. BLAKE: I think part of the problem is that the fish biologists are probably a bit like economists, whereas one is deathly afraid of the lake being fished out and there are others who will tell you that by strictly angling that you're not going to fish out a lake. With the number of people that you can run through a given camp, it would be impossible to fish it out. Yet there are others who complain that fish stock would be depleted in a few short years and the camp would be worthless. So you have those two factors I think to juggle as well as the other factors that you run into. When we're trying to expand our tourist industry, I think

it'll be helpful if some of these things could be looked at and handled with a little better dispatch than has been the case in the past, and I'm not criticizing any one government. It was just as bad when we were there as it is now that you're here. Where does he go for some fair treatment? Those are the complaints that are coming in.

HON. J. STORIE: I hope that everyone is being treated fairly. If they're being treated as expeditiously as one would like or not is another matter. There have been no development proposals that have been refused for other than lack of resource or jeopardizing the resource. So that's essentially been the reason, and that's an assessment that can be questioned very easily.

I do know that when I was in Minneapolis I met with the Director of Tourism and we were talking about regulations and the standards in out-camps and in lodge and outfitters' camps, and he indicated that there was a growing problem in northern Minnesota and he felt, in Ontario, where people simply were not going because the resource had been overfished. It's very easy to turn people loose; it's a lot harder to rein them in, and he recommended that we keep a pretty close rein on the allocation of resources and if that means disappointing some people and being cautious, in the long run, that may make more sense than jeopardizing what is acknowledged as tremendous fishing resource.

MR. D. BLAKE: When you get further north though, in some of the fly-in camps, Mr. Chairman, the population that's there, or that has been able to get in there, it would seem very very difficult in my mind that you would ever fly in enough anglers to fish out some of those lakes. They may be killed out with disease or other reasons, flooding and things of that nature, but I doubt if you would ever angle them out.

I'm sure that this particular operator that I'm referring to, has got enough camps now elsewhere; but he was so desperate, he even suggested to me that would it help if he bought an NDP membership. I mean that's getting pretty desperate.

HON. J. STORIE: What did you tell him?

MR. D. BLAKE: I said it wouldn't help him a bit; because they wouldn't be around too long for him to act on it.

HON. J. STORIE: I wished you would have told him that it wouldn't help, because of the honesty and the integrity of the Minister.

MR. CHAIRMAN: The Member for Inkster.

MR. D. SCOTT: Thank you, Mr. Chairman.

I'd like to make a bit of a contribution here and respond to some degree to some of the comments coming from members opposite. If we look at the Tourism Agreement, it seems that the department and the Government of Canada and Government of Manitoba is trying to key on our greatest attractions and our primary attractions, something that we have that is not totally unique, but somewhat unique compared to most of our market areas and that is, a relatively unspoiled environment; we're aiming at sports

angling; wilderness adventures; natural self-education - four of the specialty markets defined in the agreement just announced today.

I guess that's enough of a confirmation from me that the primary tourism attraction that we have, a non-urban attraction, is with an environment that is maintained in a very fine state, and much of it in a pristine state.

It reminds me, I guess to some degree at least, of us having this so-called golden egg, that someone referred to, and that is the relatively unspoiled environment, and yet if we go too strongly on our exploitation of that in the pushing of tourism without doing it carefully enough, we may well kill the goose that laid the so-called golden egg. I'm extremely concerned that there is a balance and I believe, from the Minister's commentary earlier, on a necessary balance between the environment and the exploitation of that environment for the benefit of tourism.

Perhaps we can look at one prime example that we had dealt with just a couple of weeks ago in the House, and that's in regards to the road through Riding Mountain National Park. Certainly, without the park up in the parklands area, there would be next to nothing there attracting as a magnet for tourists. And yet, we had a proposal from the members opposite, to put a road through the most critical part of that park and thank goodness, that the resolution was defeated.

Let's just look at some of the implications that where they wanted to put that ruddy road. For one thing, it would go through a primary of the Birdtail Valley and that area is by far the richest both in habitat and corresponding with the high-quality habitat, you have some of the highest concentrations of elk, moose, deer and their predators anywhere within the park and anywhere, not only in Manitoba, but within North America.

Mr. Chairman, the key to the attractiveness of the whole area is keeping areas that are unspoiled, because if you start to move in and develop within the area, and put that road through as the Member for Minnedosa - I think he seconded the motion, or certainly spoke in favour of the resolution to put a route through - you would, in fact, be going into the most critical habitat in the area for that wildlife, which is the biggest attraction of that part of the park and of the whole park as far as that goes, and you'd be cutting into the population significantly, if not leading to their ultimate demise, which has happened virtually everywhere else in the park.

People may laugh and they say, oh, tourists can't hurt it; but look at the impact that tourism and development has had on the Woodlands caribou, on the east side of Lake Winnipeg. They used to go all the way down into Minnesota. Back in the '40s, they were still in the Whiteshell; right now, the southern most herd is up on Nopiming and that herd is in very serious trouble. North of them, is up in the Atikaki area where we're trying to put in and designate as a wilderness park; one of the key reasons for that is to protect the habitat of the Woodlands caribou.

So here we have a proposal from members opposite to go in the other part of the province, some 200 miles west, and probably the richest island of wilderness anywhere in North America, that is surrounded by intensive agriculture, and I would hazard a guess to

say that probably anywhere in the world, because the park is recognized as not only a national park, but also a world-heritage area, and designated and recognized clearly as that by international organizations.

Then we hear, and what's frustrating for me in some of the attitudes, I guess, of people that want tourism at any expense, is the commentary when we're having a vote by the Leader of Opposition, when he was standing to vote and someone from our side said across the floor of the Chamber, "What about the environment?" to which Mr. Filmon responded, "What's this got to do with the environment?" And that phrase in itself, I think, made me sit up once again and take even a clearer notice and make myself be even more on a vanguard of protecting the environment that we do have.

In Manitoba, we have a really unique resource.

MR. CHAIRMAN: A point of order being raised about relevance.

The Member for Pembina.

MR. D. ORCHARD: The member that's speaking is saying things that aren't relevant.

The Leader of Opposition, is not on - Hansard will not show any comment such as the Member for Inkster has said and if the Member for Inkster wants to put down what he thinks people said on Hansard without them being there, then he's in danger. For instance, the other day, when I sat across from him - and Mr. Chairman, this is a valid point of order, so please be patient.

MR. CHAIRMAN: Would the member, please, go to the point of order.

MR. D. ORCHARD: The Member for Inkster has made an allegation as to remarks made by the Leader of the Opposition. They are not remarks made to Hansard and the Member for Inkster has no business putting alleged remarks on the record. Surely, he has more integrity and more parliamentary knowledge of procedure than to do a sleazy thing like that.

Well, Mr. Chairman, I know that he won't withdraw the remark, but I simply want to say that the Member for Inkster put an alleged remark on the record; Hansard will show th my leader said no such thing.

MR. CHAIRMAN: That is a question of fact. If it's not in the record, then the point is well taken.

MR. D. ORCHARD: Withdraw your allegations.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. D. SCOTT: There is no official record of the House. Hansard is not an official record of the House, and I shall not withdraw.

To continue with my commentary, when we're dealing with a federal-provincial agreement, which is intended to increase tourism in Manitoba . . .

MR. D. ORCHARD: Mr. Chairman . . .

MR. CHAIRMAN: Point of order.

MR. D. ORCHARD: The Member for Inkster has made an allegation of remarks made which Hansard will show were not made. He should withdraw that allegation, Mr. Chairman.

MR. D. SCOTT: I can't withdraw, because . . .

MR. CHAIRMAN: If it is not for the record, the Member for Inkster is . . .

MR. D. ORCHARD: This is on the record.

MR. CHAIRMAN: That's a question of fact.

MR. D. SCOTT: It's not a question of fact. Hansard, my dear friend, and Mr. Chairman, is not an official record of the House. It is a record of the House, but it is not an official record. What the Member for Pembina is raising is an opinion and we have, as the Speaker has ruled many times in the past, it's a difference of opinion of what he heard versus what I heard someone say in the House. We have done it routinely, and it's not a matter even for a point of order, Mr. Chairman.

MR. D. BLAKE: You better call it 5:30 and settle it in the hall, Mr. Chairman.

MR. CHAIRMAN: I will accept the Member for Minnedosa's suggestion?

MR. D. ORCHARD: Are you going to make a ruling at 8:00 p.m.?

MR. D. SCOTT: No, there is no ruling.

MR. CHAIRMAN: The time being 5:30, the committee is recessed until 8:00 p.m. this evening.

SUPPLY - FINANCE

MR. CHAIRMAN, P. EYLER: Committee, come to order. We are considering the Estimates of the Department of Finance, Item 1.(a) the Minister's Salary—pass.

Resolution No. 88: Resolved that there be granted to Her Majesty a sum not exceeding \$761,200 for Finance, Administration and Finance, for the fiscal year ending the 31st day of March, 1986—pass.

SUPPLY - CROWN INVESTMENTS

MR. CHAIRMAN, P. EYLER: The next department for consideration is Crown Investments, Item 1.(b), Crown investments Administration, Crown Corporation Support: Salaries. Does the Minister have an opening statement?

HON. V. SCHROEDER: Yes, Mr. Chairman, just a little background on the department. In 1982, the government determined a need to provide more effective direction to Manitoba's commercial Crown corporations, and established a new department under the authority of The Executive Government Act. Approval of 1985-86 Estimates will mark the fourth year of Manitoba Crown investments.

The expenditures and investment decisions of Manitoba's commercial Crowns have a significant and long-term impact on the economy of the province. Last year, the capital budgets of Manitoba's 19 commercial Crowns totalled over \$425 million. Together, these 19 Crowns employ almost 12,000 people, and generate over \$1.5 billion in revenues per annum.

Commercial Crown corporations in Manitoba are therefore a central element of the government's economic thrusts and strategies. The challenge is to integrate the aggregate investment impacts of the Crown corporations into the central process of economic management leading to the optimum social and financial return on the public investment.

Our government continues to recognize the enormous responsibility which Manitobans have entrusted to us, and we have acted to ensure we're doing everything possible to safeguard and enhance those investments. Therefore, Manitoba Crown Investments was established to address the financial and operational administration of our commercial Crowns to ensure the most effective utilization of public investment. This goal has been pursued through the development of techniques and systems designed to nurture communications between the government and its commercial Crown corporations. The development of these techniques and systems has been and will continue to be the primary responsibility of Manitoba Crown Investments.

The specific objectives of the department are as follows:

1. To assist the Government of Manitoba through the Economic and Resources Investment Committee of Cabinet and the Ministers responsible to exercise more effective direction and control over the Crown corporations sector;

2. To assist the Government of Manitoba through the Economic and Resources Investment Committee in strategic economic and investment decision-making with respect to the Crown corporations sector;

3. To assist the Crown corporations in the improvement of their financial planning and operational performance.

The department is organized into three program areas. The first, Policy Co-ordination and Management Services is primarily responsible for dissemination of government policy to the Crown corporations, the co-ordination of existing corporate policies and the development of new policies in respect to Crown corporations.

The second, Finance and Economics, has the responsibility to ensure that the government is provided with economic and financial analysis on which to base investment decisions pertaining to individual Crown corporations and economic decisions pertaining to the Crown corporation sector.

The third, Corporate Development and Strategic Planning, has the responsibility to ensure that the government is informed of the long-term corporate and financial plans of the individual Crown corporations which form the basis of Crown corporation investment proposals, and the starting point for economic planning at the sector level.

In this fiscal year our Estimates call for the expenditure of \$891,900 with a permanent staffing complement of eight staff years and term employee

complement of one-and-a-third staff years. This compares to last year's approved expenditures of \$650,000 with a permanent staffing complement of eight staff years.

The proposed expenditure increase is entirely due to issues pertaining to Flyer Industries. The increase of one-and-a-third staff years is in support of the department's efforts to address Flyer Industry difficulties.

Departmental expenditures other than those relating to Flyer show a decrease of 5 percent from the previous year.

In the last year, the department has undertaken a number of major initiatives, including the development of an understanding of the responsibilities and accountabilities pertaining to the administration of Crown corporations; the ongoing improvements and the establishment of a framework of administrative policy which is consistent, uniform and effective; the development of stronger and more effective boards of directors; and the development and improvement of financial planning, controlling and reporting in the Crown corporate sector.

Furthermore, the department responds to a host of policy issues on a day-to-day basis. The department is engaged in the continual and ongoing monitoring of the financial performance of the corporations, and regularly provides analyses and comments on the corporations' capital budgets and review presentations. Given the limited resources of the department and the size of impact of the Crown corporate sector, progress to date has been significant and notable.

First and foremost, the department has promoted and facilitated the transfer of information between the Crown corporations and the government. In this manner the government has been able to identify areas of concern and initiate policies accordingly.

Secondly, the department has enabled the government to exercise its responsibilities for financial and economic decision-making with respect to the Crown corporations sector by providing the government with financial information and investment analysis in an informed and timely fashion.

Thirdly, the department has provided critical and substantial managerial assistance to a number of Crown corporations. These are extremely important steps pursuant to the government's intention of providing its commercial Crown corporations with more and effective support and direction.

The goals of the department are entirely consistent with the premise that the government must accept and respect the fiduciary responsibility bestowed upon it by Manitobans to manage the resources of the province in the most effective and efficient manner possible. In this way the activities and expenditures of commercial Crown corporations will contribute to the economic development of the province and the well-being of all Manitobans.

The return to Manitobans on their investment of public funds may take many forms from that of the establishment of desirable social policy to the payment of a financial dividend to the Provincial Treasury.

In the future, the primary function of Manitoba Crown investments will be to continue to ensure that the government has at its disposal information and analysis in the form it requires to be able to adequately

understand and direct the activities of commercial Crown corporations in Manitoba.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, each year we have a statement from the Minister in charge of this department as to what we expect from it and what they expect from it and some assurance, such as he's given us today, that progress is significant and notable, but there really is no evidence of that, that is available to the public. So we really have no general comment to make.

I have a few specific questions of the Minister, and I could start by asking him, No. 1, does this department put out an annual report?

HON. V. SCHROEDER: Not yet. I believe it's on line to be putting them out. I'm not exactly sure when. There is a three-year period during which the departments, which haven't been putting them out, are supposed to be getting them in.

MR. B. RANSOM: Well, that's an indication of part of the difficulty that we have with this department, that there is no annual report. All we have is the assurance from the Minister that you're doing good work, that you're doing work that is significant and notable. I suppose the taxpayers by the end of this year will have spent well over \$2 million on this department and there is no annual report. So we have no way of knowing what this department is doing at all.

Can the Minister tell me, since this is the department that is entitled Crown Investments, how much money the Crown has invested in the corporations for which this department has any responsibility?

HON. V. SCHROEDER: Mr. Chairman, I have a chart here indicating the assets. I believe this is as of the end of 1984-85. Total asset value of \$4,450.8 million, and I should just indicate in terms of measure of the success of this particular department, it is difficult to measure. I would agree with the member. We believe that it has generated considerable useful information to government.

The success of the department, however, I believe can only become apparent over the medium- to long-term as the corporations, some of which have had their share of trouble, are hopefully positively dealt with, and as that sector gives evidence of improved performance generally, and that's not going to, in all instances, happen overnight. There are some serious structural difficulties with several of the Crown corporations. Some of them don't, I think members opposite would agree, don't have as a serious mandate the notion of making an economic return on an immediate basis. There are training elements. There are social elements. There is variety, and I'm thinking of a number of the smaller operations in the North and so on. There are a number of other elements that enter in.

Clearly, we can't tell the members with respect probably to the first example to pop to mind, Flyer, that we have some immediate answer that says this is why the department is successful, and yet, I think if the member were to have discussions with members

of the Board of Directors of Flyer, people in management at Flyer, they would be the first to agree that the work being done by Crown investment personnel at Flyer in keeping a very difficult position or situation from deteriorating even further, they would agree that Crown investments is doing a super job there, although that doesn't show on the books.

MR. B. RANSOM: I asked the Minister how much money the Crown had invested in various of these corporations. I'm not interested in the asset value, but how much is the investment that Crown investments really is managing? We have certain investment in McKenzie Seeds; we have certain investment in Manfor and in Flyer and such, and I'm asking what is the portfolio of investment then that this group of investment managers are looking after?

HON. V. SCHROEDER: There is equity of approximately \$364 million. If you look at debt and equity, you're looking at about \$500 million.

MR. B. RANSOM: The Minister indicated earlier that returned Manitobans may take many forms which we would all agree with that some of these corporations are not expected to make a financial return - it might be highly desirable if they did - but they may have other purposes as well. But is the Minister going to be establishing a system of reporting then either within the corporations or through Crown investments whereby we will identify where the mission of a given corporation is to do something other than earn a profit and that we will then identify, for example, that there might be a subsidy of so many tens of thousands of dollars going to Channel Area Loggers and, in return for that, other people are getting skilled development, that sort of thing. I just would ask the Minister whether there are any plans for that?

HON. V. SCHROEDER: Mr. Chairman, that has not been specifically done. I think it should be as for example we did with ManOil. The statement of mission and goals and so on was put out publicly and it's being worked on with respect to other corporations. I certainly would agree with the member that where there are goals other than economic, it should be spelled out so that one can tell at the end of a given period of time whether the particular purpose of the corporation is being met, be it the agriculture credit corporation or one of the Northern organizations.

MR. B. RANSOM: I think most people would be most interested in those corporations which are largely perceived to be operating in a commercial area. I think most people realize that the Manitoba Agricultural Credit Corporation is not in business to make a profit, but is in business to provide a certain type of financing. Whereas companies like McKenzie Seeds, Flyer, Manfor and perhaps others, but those especially, operate in areas where the public would generally consider that they should be making money.

Indeed, the statement of McKenzie Seeds for the year ending October 31, 1984, would indicate indeed that company made a profit and, of course, the company is correct in saying that on their books, they made a

profit. But in terms of the taxpayers' return, they did not make a profit. There was still a loss to the taxpayers of Manitoba to own that company as a consequence of the equity that the taxpayers now have in that company and I think for 1984 it was identified that the borrowing cost of our investment in McKenzie Seeds was \$677,000 and that in 1985 it's going to be probably double that because of the increased equity that the government has put in.

Now, I can look at McKenzie Seeds' statement and I can see what the company did, and it happens, of course, with this one because there is a footnote that we can get some idea of what it costs the taxpayers to own it. But I would like to know whether the Minister would give consideration to having in an annual report of the Crown Investments, a listing of all the equity that the government has in various Crown corporations and identify them, whether the target is to have an economically viable corporation, and if so, whether it is paying a return on the investment, or whether we are still losing money as a consequence of the investment and for those where there is some other objective than trying to make a profit, that it will be identified as such, and it would be identified that there was a certain cost, whatever it might be, associated with achieving that goal.

It seems to me that that's the only way that you can begin to assess whether or not a Crown corporation is achieving the purpose that the government and, presumably, the people would want that corporation to achieve, and that's the only way that an evaluation can be made as to whether or not the Crown corporation should be disposed of, or even to judge what kind of difficulty it's in, in terms of achieving the public objective.

HON. V. SCHROEDER: Mr. Chairman, a fair amount of that information we are scheduled to be providing for next year, with the departmental supplementary information to be provided ahead of the Estimates for the coming year. Certainly on the economic side, it would be easier to provide the information than on the social side.

I wouldn't want to say that we would be able to provide that in every instance because there will be arguments as to proportions and so on, not only in the public arena but also within any government, that certainly we have not yet attempted to come to any agreement as to proportions, or at what stage we are looking at something that is overall useful even if it's not shown as making a profit or a return on investment in the ordinary sense.

MR. CHAIRMAN: The Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Chairman. Since we do now have several Crown corporations which have been treated to this way of trying to reduce their operating costs; namely, to convert debt and borrowings into equity position and then, of course, transfer the burden of that onto the general ratepayer and thereby allow the corporation to show a better balance sheet at the end of the year, I would ask the Minister if he could inform us where Flyer Industries is going to get the additional funds to cover the some \$30 million which they will have lost now in the last two years of operating.

HON. V. SCHROEDER: Options are still under consideration. There is no specific decision been made at this stage as to where the money is going to be coming from.

MR. R. BANMAN: Well, I think then if that decision is pending, I would follow the line of suggestion that my colleague, the Member for Turtle Mountain, made and that is, that if this is going to become a practice that we are going to go ahead and convert dead equity, or debt into equity, there should be something either on the corporation statement at the end of the year indicating that the province has had an investment of X number of dollars and, at prevailing interest rates, it would have shown a loss of whatever the amount is because I think a lot of people are concerned and are becoming more concerned about the amounts of money that are being put into Flyer, into Manfor and into McKenzie Seeds without really a proper accounting taking place.

We all know that when we are looking at losses like Flyer now, where we are now exceeding the payroll cost, Mr. Chairman, we are losing more money than we are paying out in payroll, then it is not anymore a justification to provide \$5,000 per job or something. It then becomes something which we really have to look at because, in essence, we are now producing and subsidizing a product which is moving outside the province. If we are going to pay full cost, we might as well use that \$30 million that we lost in the last years on road construction because the province then would have some benefit for that later.

So I say to the Minister, it is going to be interesting to see where the months' funds are going to come from to look after this \$30 million deficit at Flyer. Of course, during the Flyer Estimates, we will be asking questions to understand what the five year projection for that particular bus company is so that we can make the determination on whether or not the future holds any ray of hope for this company surviving.

But I suggest to the Minister that if we are going to be moving debt into equity, and we are now already in a negative position with regard to losses versus the amount we pay out for jobs, it's a pretty serious matter and I think requires immediate attention by everybody concerned to try and turn that into a more positive thing for people in Manitoba.

HON. V. SCHROEDER: I think that certainly the member has a point when he refers to losses that are very very large at a given time, and something has to be done to stem the losses as a reference to Flyer. There is certainly a great deal of not only concern but activity on the part of government to try to solve that problem.

He's absolutely right. It doesn't make a great deal of sense to fully subsidize jobs for people creating products that are basically leaving the province. If we are going to get into doing something like that, we could make something that is in the end going to wind up benefiting us. So what we have to do is fix it up.

MR. R. BANMAN: Since some excess of \$30 million will be required by Flyer, is it the intention for the government to borrow this money for Flyer?

HON. V. SCHROEDER: As I say, the options are still under review. There is a great deal of discussion going on right now.

MR. B. RANSOM: It would be interesting to know how the Minister intends to raise that \$30 million, what other options there are to cover a loss like that, whether it's borrowing it or whether it's taxing it.

Can the Minister give an indication of what the objectives are for Flyer, for Manfor and for McKenzie Seeds? Are those three corporations being treated as operations that should be economically viable? Is that the bottom line, the target that they are shooting at?

HON. V. SCHROEDER: The aim is very clearly for economic viability. That is something that I believe can be met clearly by McKenzie's, and we would like to do that with respect to Flyer, but it's a more difficult operation. Manfor, again that is the aim at this point, to make it economically viable. We recognize as well that we might have to look at a social policy in that particular area. Obviously, the first goal is to make them economically viable. If that is not 100 percent achievable, then certainly an operation like Manfor one would have to look secondarily at the community which so largely is now dependent on the operation.

MR. B. RANSOM: I'm pleased to hear the Minister say that at least that's the primary objective that they're aiming at, because I have heard some comments from time to time from some New Democratic people, some associated with McKenzie Seeds especially, that the primary objective should have been something other than making a profit. The corporation should have been managed primarily for social goals rather than for economic ones. So I am pleased at least that the Minister is trying to go in that direction. It remains to be seen how much success it will have.

In terms of reporting the costs of the taxpayers' investment, the Minister will be aware that the Public Accounts Committee two years ago approved a request to the Provincial Auditor to make a footnote at the bottom of the annual report for McKenzie Seeds that lists the costs of borrowing that money, the cost to the taxpayers to have their equity investment.

Would the Minister have any objection to having a similar footnote put in the annual reports of the other corporations? I can think primarily of these three, and of course we've got ManOil now in an expanding situation as well, that we'd put similar footnotes in the annual reports of those corporations so that it would be very clear to anyone reading the annual report. It would be very clear in an economic sense what the corporation was doing; what they were paying to the taxpayers on the equity or indeed what the taxpayers were foregoing and what costs they were incurring to have their investment in the corporation.

HON. V. SCHROEDER: I really wouldn't have any objection, but I would caution against reading too too much into it, depending on how you look at it. If you look at McKenzie Seeds, if you look at the historic investment in the operation, you could argue that there is some loss in terms of interest for a particular year. I think if you take it right entirely out of government and look at what the company did in the past year, for instance, there is no way that company would have been in existence at the beginning of the year outside of government with that kind of capitalization.

It was a practical impossibility. It would not have been able to get money from the bank. It would not have been able to make arrangements with its trade creditors. All of those things were at an end. Dun and Bradstreet were saying that the company is virtually bankrupt. They weren't able to get their insurance on their product in Europe and so on.

There's nothing wrong, and in fact I think it's a good idea to let taxpayers know what their costs are. But when a company has recovered on a cash basis to the extent that that company did, I think it's also fair to look at the other side. There is a company that, I'm told, has total assets somewhere in the vicinity of \$4 million - I'm sorry - is it eight?

The assets market value, I'm told are worth about \$4 million on that company. On that basis, had that company been in private hands last year, it would have done very very well. There is nobody that's going to carry a company that size in the private sector with debt of \$10 million or \$11 million and expect it to fly.

In that particular instance, for example, we had the board of directors unanimously saying that, after year-end, here is one that has recovered. It's done practically everything you could expect of a company like this in terms of getting itself out of some difficult situations, and now government has to look at this company as a realistic entity; and to load on some huge debt cost onto this company and expect it to carry on, in the long term, is quite unrealistic.

Now that doesn't mean we can't show what the historic costs are, but sometimes firms fail and in a sense, that firm had failed over the years. It had losses if you look back over periods of time. In 1980, it had a \$1.5 million loss. It had a small profit in 1981 of \$113,000; back in the red, \$994,000 in 1982; 1983 - and again at that time there was a write-down of assets as I believe there probably was in 1980 - not assets - inventory, a significant write-down in both of those years; and 1984, \$135,000, but that's after provision for a significant amount of interest.

MR. R. BANMAN: Mr. Chairman, the Minister brought up a very interesting point. What has happened with McKenzie Seeds and it happens with Flyer and it happens with a lot of companies, because they go through turmoil they're all constantly in trouble. What happens is that every once in a while we, for lack of a better word, flush the system. We send our accountants in as happened in 1980 to do the final adjustment and wrote off, I think the Minister's got the figures there, something like a \$3 million to \$4 million loss at McKenzie Seeds in one year there. It was a huge loss, because the inventory had been building and there wasn't a proper writing-down of inventory.

What happened in '83, the government went through the same thing and wrote down the inventory. So you can almost tell, in a good year, it follows right after an inventory write-down year. What I'm saying to the Minister isn't anything new. I think if you look at the history of Flyer or the history of McKenzie Seeds, that happens every time.

So what we're doing is we're just kidding ourselves. The Minister has a good figure this year, but I suggest to him that in two or three years time there will be problems again. Then we're going to go in and write

all the inventory off, and take the one big loss of the year and then have a couple of years that aren't too bad. If you look at history, that has happened with Flyer, that has happened with Manfor, and that has happened with McKenzie Seeds.

I know a lot of people out there who aren't involved in the day-to-day operation of business don't appreciate how inventory, by just making a few little changes in inventory, you can make a statement look \$1 million better. At a place like Flyer, you can make it look \$10 million better. So what's happening in this particular case - and history repeats itself, it doesn't matter what government is in power - but as long as you have control of these companies, we're going to have the ups and downs and you're going to have a good year after a write-down year. But the fact of the matter is, and the Minister's colleague, the member in charge of Flyer Industries, has now finally after all these years recognized that and is trying to find a buyer for that company.

So I say to members opposite, they are in a unique position, and I'll repeat myself and I've said this a number of times. They are in the rather unique position that we were not afforded the luxury of having. That is that they have an opposition that will, upon the sale of one of these companies, be responsible with regard to any criticism or with regard to any input from our side. Mr. Chairman, we were not afforded that luxury when we were in government when we sold a few businesses. This government has a unique opportunity of going ahead and selling a company like Flyer or putting an innovative investment package together with the private sector, because that is the only way that company will go.

We do not have the funds to do the R and D work. The government isn't ready to commit it. What's happening is we are dying a slow death there right now. But they do have the advantage that we did not have in that the opposition will be responsible in dealing with that, and the opposition would like to see that business privatized and try at that time to provide as many assurances as possible that those jobs would stay in this province.

But I say to the Minister, this is one of these cases where I think he's got to strike while the iron is hot. The ingredients seem to be right. The only thing he's got to do now is probably screw up his courage, along with his colleagues, and try and put that deal together which, Mr. Chairman, I predict will cost the taxpayers a lot. I mean, there is just no way you're going to get a big dollar for that company. But that's the fact of the matter and, as I mentioned earlier, he and his government are in a unique position, that they can move on this deal without having too much yelling and screaming from an opposition.

HON. V. SCHROEDER: A couple of points. On McKenzie Seeds, certainly in terms of the history of it, the member is correct. In terms of what has happened in this past year, I think he should take a good look at the books.

This year we didn't increase inventories. Inventories went down and, despite that fact, the numbers looked good. I quite frankly believe that company is running very very well now. I think it has a strong board of

directors. It has a good management team that's dedicated to working for that company instead of for themselves. I think that the accounting change was long overdue. I think that the accountants who worked there in the past, well-meaning people, did not give the attention, nor did they have the expertise they needed for that kind of an industry.

They accepted for audit purposes the word of the individuals in management at McKenzie Seeds. There were many documents that have still not surfaced in terms of things like letters of comfort. They simply appear not to have existed. If they did ever exist, there is certainly no evidence of them now. A lot of those things have been strengthened. That doesn't mean that over a period of a few years we couldn't slip back into the difficulties that there have been in the past. I think it goes without saying that there has to be a careful watch.

In terms of co-operation with respect to what we do in improving in the public sector. I know it's not quite on exactly what the member was saying, but I wish they would have given us that kind of co-operation with respect to our hiring of a manager at Manfor because, quite frankly, and members currently in the House I don't think any of them were involved in that. But the fact of the matter is, going back on that particular history, we had a receiver manager brought into that operation - what, in 1970 a fine man, no in 1972 or 1973 - I worked with him in the Attorney-General's Department. He had no more background in pulp and paper or in managing of that kind of a corporation than I had - (Interjection) - yes, exactly, and that company operated as a receivership for the rest of their term and for the Lyon government term.

The company was not operating all that well and I think there were a lot of efficiencies missed, and I think that is a criticism and people just weren't paying all that much attention to it. We came along and we looked for someone, not a friend of ours, not an enemy, simply someone who had the expertise in that kind of wood, in pulp and so on, and we had to pay.

I don't particularly like the dollars that we're paying and so on, but we had to pay for the expertise, and we're paying amounts that are similar to what any privately owned organization in that particular geographic location would have to pay for similar expertise, like it or not, and we can have all the fun we want about people's expenses and so on, but that is a fact of life. The only difference is that if it's a public Crown corporation, people's salaries are flogged around and their expenses are flogged around in the Legislature, whereas if it's a private Canadian Corporation, they are not. Those numbers are not public.

Now there are sometimes suggestions from members opposite that they are public. They are not public unless it happens to be an organization that is active in the United States, has to file with the Securities and Exchange Commission, in which case salaries are public. But if you look at our large Canadian Corporations, you will see very often in their annual statements they will say, top eight managers received total remuneration of \$1.8 million or whatever the total is and they don't say how much a specific individual earned or anything else. Those kinds of things are also not particularly helpful to attracting people into the Crown corporation sector.

MR. R. BANMAN: I won't get into the Manfor thing. We'll discuss that during committee, but I would just mention in passing, Mr. Chbairman, I sat here when he wasn't in the House when the two-and-a-half-times-one issue was raised and we were chastised because no management person should make more than two-and-a-half times what the lowest wage earner made and, Mr. Chairman, he has to understand that when a company is within a political field, as our Crown corporations are as well as our wholly owned companies are, that that all becomes public knowledge and becomes fair game. That's one of the very few reasons that the Crown corporations can't make money.

The decision-making process is too cumbersome, and the other thing is that the layoffs at Versatile - I can't blame the Minister totally for the layoffs at Versatile, even though I will tell him that the payroll tax and other things probably is hurting Versatile - but he doesn't have to answer as the Minister of Manfor did today for those layoffs, and then it becomes a political problem rather than a business problem, and that's why they aren't successful.

But to put this in proper perspective, I would ask the Minister to give me one example of the Crown corporations that we have ever owned in this province, who, after figuring in managerial costs and that extra help that MDC has given them, which company in the final analysis with the - oh, I can think of one maybe, one that I sold that was somewhat profitable, but then when we sold it, employed twice as many people within a year as we had when it was government - but there are really no Crown corporations that are competing in the commercial world, or in the private sector, on a competitive basis than have ever showed a profit when everything was washed out. So there should be some lesson in that, whether it be Canadair or DeHavilland. I mean it doesn't matter if the Liberals run it, or the Conservatives run it, or the NDP run it. You can't make money running it, not if you're in competition.

If you have a monopoly like Hydro or Manitoba Telephone System or Autopac, there is no gauge of measuring how well they're doing, or how bad they're doing, other than looking at what other utilities are doing. But they're in the monopoly situation, so we can't very well use those as an example. But where they are competing in the private competitive market, what has happened is that in Manitoba all our experiences have been virtually dismal, and I think that one of the ones, the only one that was doing not too bad was Dormand Industries. I think that's the one I sold and they're employing about twice as many people as when we owned it. The other one, which was marginally successful and was sold because government was giving it contracts, was Cybershare, the Data Processing Company.

But other than that, without some input from government, we've just had a dismal record, and I suggest to the Minister that these three other corporations, those are the last ones left. They're the last ones left and they're going to have to be dealt with because we're going to throw so much good money after bad, that in the final analysis we'll all wonder why we didn't move sooner on trying to, in one form or another, privatize them.

HON. V. SCHROEDER: Mr. Chairman, the member says the one I sold. He seems to forget some other ones. The member also sold Morden Fine Foods.

A MEMBER: Big loser.

HON. V. SCHROEDER: Well, big loser. It never made a lot of money. — (Interjection) — Very often, it was under \$100,000. On the other side of the ledger, there were some hundreds of people employed at Morden Fine Foods and farmers were growing cash crops instead of wheat and so on. You know, I'm not sure that that particular sale was a winner and you can debate these things.

The member mentions Cybershare, but Data Services, and I will give the previous government credit, they decided that they were going to put that operation on a sound footing, I'm not sure who was the Minister responsible. But over the years, that's exactly what has been happened. It has become a very efficient operation which provides services in the public sector and in the private sector and competes very nicely. We had a minus equity of \$4.2 million in 1980 and in every year since then, it has improved. By 1983, it was \$0.4 million and in 1984, it was a positive of \$1.3 million. The member takes the largest portion of our Crown sector and says we can't count those because they don't compete. And it's true. MTS and Hydro and MPIC don't compete and the Liquor Commission. — (Interjection) — Well, you can look at their numbers and compare them to the private sector over the years and the private sector has been losing money in the last few years. Maybe, that's not a fact that's well-known; but I think the members opposite do know that. And compared to the private sector, they've done quite well.

But I think there is a way of comparing and that is, that with Manitoba Hydro and with MTS, basically, we're getting service at cost. And when you compare those services to costs in Ontario, with Ma Bell for telephones, well you pay quite a bit less for telephone service here in Manitoba than you do there.

Or you can go across the border to North Dakota where they don't have the health and education levy, and yet they pay a lot more for telephone service. Or you can go to other private-system entities, and you'll find that they pay a lot more for telephone services. So I don't think that's a bad comparison for the public system.

Now that doesn't answer the question, why is it that some of these Crowns are not working out so well. And I think that there's a good reason for that. Because generally, the Crown doesn't go about purchasing companies that are healthy. We tend to catch the losers. I don't think that the Schreyer government intended ever to take over CFI. It was dumped on them. And it was a loser; if it wouldn't have been a loser, it wouldn't have been dumped on him. And they have to now, and governments afterwards, have to make the best of that situation. The same thing applied with Flyer. If Flyer would have been an MCI doing quite well, it would never have come under public ownership. — (Interjection) — Well, people made that decision. But what I don't think that you can do is say, by extrapolation from those two examples, that therefore, public enterprise cannot work. — (Interjection) — Well, don't say by me.

This government has initiated several Crown corporations - ManOil, which I think will prove to be an operation that will be profitable for taxpayers in

Manitoba. I have no doubt about that. I think it's doing quite nicely. But to compare the lame ducks that are caught by government, and governments try to fix them up, to ordinary private enterprise, is not a completely fair comparison. And of course, this government has turned down a number of requests for government to come in and operate corporations that were losing. We would, quite frankly, be more interested in winners that would expand and create more employment in the province.

MR. CHAIRMAN: Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, this sort of debate could go on for quite some time and it's really not my intention to enter into that in any depth. I'm more interested in the accounting aspects and knowing what investment is being made.

The Minister talks about ManOil and he's confident that it's going to be profitable, perhaps, but at the end of December of 1984, the corporation had already received 1,050,000 of equity financing in respect to its shares. It seems to me that the cost of that 1,050,000 should be identified; that's all. Because I know from the experience with SaskOil that at the end of 1981, when I went through all of their annual reports from their inception up until the end of 1981, SaskOil was then holding \$190 million interest free from the taxpayers of Saskatchewan and from the Saskatchewan Heritage Fund even though their books showed that they had made an accumulated profit up to that time of \$21 million. But if you took the interest into consideration, they had cost the taxpayers up to that point in the range of \$35 million.

Similarly with PetroCanada, they sit holding - I don't know how many billions of dollars now. It seems to me it's in the range of \$7 billion interest free from the people of Canada, and anyone with their capital provided interest free is, of course, going to be in a position where they should be able to show a profit on their books. My concern is that we just identify these items. I'm not saying that McKenzie Seeds, for instance, didn't do a good job last year. When I was asked to comment I said, sure, I think they've gone some distance towards improving the situation, and on their books they show a profit, but to the taxpayers, it's still costing us something to own them. In that case, we've identified it.

Now, the Minister has some options there, of course. If he wanted to, he could write off some of that past debt just as they wrote off past debt on Manfor, I think it was \$51 million written off for Manfor a couple of years ago. There is some dispute about whether it's been adequately accounted for in terms of when it shows up in the deficit, or whether it goes directly into the debt, and I know there is debate on both sides of that issue. But that sort of thing can be done. I'm just making that plea to the Minister to put those pieces of information, perhaps both in the annual reports and then in the annual report of Crown Investments as well.

The Minister indicates that members on this side may have done some disservice by talking about the contract that the chief executive officer at Manfor had. Mr. Chairman, the Minister has to realize that members in the opposition are not there to be a cheering section

for the government. If there is something that the government has done, that the government is not proud of and don't want to see made public, then, in many cases, that's all the more reason why the opposition is going to want the public to see it. I don't think the Minister can say that members on this side of the House are doing a disservice by revealing a contract, the aspects of which at least the Minister himself publicly disagrees with, and especially the Minister in charge of Crown Investments, because, in the mission of Crown Investments, he talked about it today, and he talked about it last year, they were to be setting guidelines for Crown corporations; they were going to get more capable and competent boards of directors in place. I believe that they - I'm correct in saying that the Minister has been responsible for giving some wage guidelines, some negotiating guidelines to Crown corporations.

But yet where was this department when Manfor was negotiating that agreement with the chief executive officer?

HON. V. SCHROEDER: Well, Mr. Chairman, sometimes what we have are guidelines as opposed to rules. Sometimes those guidelines get considerably bent; that happens to be a problem. I can assure members that Crown Investments wasn't involved with respect to the negotiations.

The member makes a point; they have the right to bring up these things. I just say that I related that not so much as a terrible criticism of the opposition; I related that in terms of just letting people opposite know that they are not perfect. The Member for La Verendrye was suggesting that we have a very responsible opposition who wouldn't attack us on any agreement for sale of Flyer. I just want to let him know that, on the other hand, they were doing some other things that we didn't think were so very nice.

The member refers to SaskOil and Petrocan and so on. There is another side to those things that he didn't talk about. I don't know the numbers, but it may well be that at the end of 1980 or '81, SaskOil had \$190 million in loans from the people of Saskatchewan, but that doesn't end the bookkeeping. What does it show on the other side in terms of assets? At that stage, do they have more assets than what they borrowed from the people of Saskatchewan and including interest rates? Because if they do, then the people of Saskatchewan surely are better off than if they had never borrowed the money and didn't have the assets.

Similarly with Petro-Canada, I have seen some numbers, and I just don't have them handy right now, that would indicate that Petro-Canada - and I admit, this goes back a few years before the drop in world oil prices - looked like a pretty good operation in terms of something that had a pretty significant net worth after taking into account those factors mentioned by the member.

In the same line is the Potash Corporation of Saskatchewan, which is the kind of acquisition that I would rather see us get into, something that clearly is profitable, rather than getting into industries that we're just simply bailing out. But that doesn't negate the fact that it would be nice to see exactly what these things are costing us.

But I disagree a bit with the member when he says that it's costing us something right now to own

McKenzie Seeds. Maybe it's a matter of semantics, but we either are running it for '84-85, as we did, or we would have sold it - there are no in betweens - or we could have closed it. There's three, I guess. If we had closed it, we would still be paying interest on all of those dollars. We might get a few million, \$3 million, \$4 million for the assets, and that would be the end of it. We would still have all that other debt and we would be paying interest on it.

We had the other option of carrying on with that operation and bringing up the amount of money reserved for interest; in this case, about \$1 million. I think that that was the best course of action to take. I mean, you can't reverse history. The debt was there at the beginning of the year; the debt was going to be there at the end of the year. The question is: Do you sell, shut down or operate? Which, from the taxpayers' perspective, is the best method of doing the best with what you've got? I don't think there is any doubt that the best approach, given history, and we can't rewrite history, was to continue the operation of McKenzie Seeds. On that basis, we did well, I think.

MR. B. RANSOM: Again, I say, Mr. Chairman, I am not debating whether they made a bad decision or a good decision. It may have been the only decision they could make.

I am saying that there is a cost associated, and in order to fully debate an issue, you have to know what the cost is. If the Minister personally has to borrow money to make an investment, then he will know that that costs him something to own that investment. It's the same for the taxpayers of Manitoba. If we have to borrow money to make an investment, it costs us. For the people of Saskatchewan, when they put \$190 million interest free into SaskOil, it cost them money. They either borrowed it and paid cost or they gave up the opportunity to invest it somewhere else and get a return, so that there was a cost to them.

Sure they have assets. But if they are not generating money, if they are not generating cash flow, you can go broke doing that. The Minister probably recalls hearing people who went through the Thirties in rural Manitoba and talked about people who were land poor; they had assets but they couldn't generate any money with it. There are still people today who have assets out there but can't generate enough money. That's what we are talking about, whether it's SaskOil or whether it's Petro-Canada.

Just to compound that kind of distortion, that I consider to be a distortion, I recall that the next year or two after I had looked at the annual reports of SaskOil, and I saw where SaskOil announced that they had paid a dividend and there was great fanfare about the fact that they had paid for the first time something like \$1.5 million of a dividend to the people of Saskatchewan, I am sure that for the average person reading the press release would think gee whiz, our corporation is paying us some money; we made some money on it. They didn't realize that they had \$190 million in it for which they were getting nothing.

So my purpose is just to try and identify these things so that there can then be a real debate, a meaningful debate about public policy, whether it makes sense to own a McKenzie Seeds or ManOil or any other kind

of investment, because I think you will find at the moment that with something like Manfor, not only were we running up losses of \$24 million one year and \$12 million or \$14 million the next, but the people also still had \$140 million of equity in that corporation after writing off \$50 million because of the manipulations initially in the establishment of the company for the money that was really never there, that was written off. After that, we still have another \$140 million invested in it.

So I hope that the Minister would be amenable to making some of these rather simple accounting changes so that the people are better informed about the investments that they have.

HON. V. SCHROEDER: Well, as I have indicated, I have no difficulty with respect to the way it's reported with McKenzie Seeds. I can't see why we shouldn't be able to do that with others. I would like to add in, possibly, if it was possible - and I am not being facetious, and I know that the answer isn't easy to give - but it would be nice if we could also calculate how much a job is worth in terms of what it brings, and I am talking economically, what that means to the community, what it means to the province.

That is a factor that also has to be taken into account because when you are dealing with a Crown corporation - I think members opposite would agree with that - it is quite different from someone having only one operation and having to make a profit out of that operation. It's possibly more analogous to a department in a department store. Even if your jewellery department is guaranteed to lose money, you may still decide to keep it on because it's a loss leader that brings people into other departments which therefore make more profits than they would have without it and maybe more profits than the losses in the jewellery department. From that perspective, I think you do have to look at the worth of a job. I don't suggest that is easy to do, but I think that has to be kept in perspective when we're just talking about dollars.

MR. B. RANSOM: I have no objection to that. If the Minister thinks that can be quantified, then he should try and do it. The cost of having the money in it is something that is readily identifiable. It is in the books. It is in our books. It's just that you can't identify it, but it is in there as a debt-servicing cost. It's in there as debt that the people have. It's just a question of identifying it, that's all.

MR. CHAIRMAN: 1.(b)(1)—pass; 1.(b)(2)—pass.
1.(a) the Minister's Salary—pass.

Resolution No. 41: Resolved that there be granted to Her Majesty a sum not exceeding \$891,900 for Crown Investments, Crown Investment Administration, for the fiscal year ending the 31st day of March, 1986—pass.

SUPPLY - ENVIRONMENT, WORKPLACE SAFETY AND HEALTH

MR. CHAIRMAN, P. EYLER: The next department for consideration is the Department of Environment, Workplace Safety and Health. Does the Minister have an opening statement?

HON. G. LECUYER: Thank you, Mr. Chairman.

It was my hope, Mr. Chairman, that we would be able to carry on these Estimates in the less formal atmosphere of the committee as we did last year. That is not the case so I guess I, as well as my critic, will have to stand up every time we have one comment to make — (Interjection) — that's true. There is an advantage. As the member underlies, we can take the jacket off, but that could also be done in the other committee.

I am honoured, Mr. Chairman, to present the 1985-86 Estimates of the Department of Environment and Workplace Safety and Health. As you know, the department has the responsibility for ensuring that the quality of the indoor and outdoor environment is conducive to healthy working and enjoyable living conditions. As will become apparent throughout my remarks, this responsibility is taken most seriously by the department. The initiatives planned for the fiscal year, 1985-86, bear out the commitment and dedication with which the department fulfills its role.

Allow me, Mr. Chairman, before I begin my remarks to publicly thank my staff for their support and commitment and hard work in assisting me in working towards our goal of making our province a healthy, clean and safe place to live and work. I do so, Mr. Chairman, by making that a global thanks to all the staff in the department starting with staff in my office to every last one of them working in the various divisions or sections of the department.

Broadly defined, the department's activities are concentrated into two key areas, being environmental management and workplace safety and health. In the area of environmental management, the department will be focusing special effort on a number of important activities. The principal area the department will continue to be engaged in is hazardous and special wastes. As you will recollect, this initiative was commenced by my predecessor, the Honourable Jay Cowan, in November of 1982. Since that time, the department has concluded a number of important activities in this regard, including sponsoring a most beneficial public symposium, based on which the Symposium Steering Committee prepared and widely distributed a report.

Tabling and passage of The Dangerous Goods Handling and Transportation Act, the coming into force of this act will necessitate on a phased basis the licensing of transporters and facilities, the registration of generators and the establishment of a manifest system to track wastes from cradle to grave. It is expected that these requirements will be fully enforced by February, 1986.

The holding of numerous public meetings throughout the province to inform the public on major aspects of the program and to obtain public reaction and feedback.

Further, as part of Stage One of the Clean Environment Commission, the Clean Environment Commission held public hearings from December 5, 1983, to February 2, 1984, in Dauphin, Flin Flon, Winnipeg, Portage la Prairie, Brandon, Morden and Thompson. The report on these hearings was made public on February 7, 1985.

The holding of an extensive information exchange with Manitoba waste generators was another one of these areas of focus which will continue to preoccupy

my department. This information exchange involving contact with more than 700 potential waste generators was carried out to identify the kinds of locations, approximate quantities of generated hazardous wastes and present methods of disposal, as well as to apprise industry of the government's Hazardous and Special Waste Management Program.

The department will shortly be issuing a comprehensive report on these deliberations. This report will discuss current hazardous wastes generated, present landfill sites and existing sewage facilities presently available, hazardous waste management technology, treatment, chemical treatment, incineration and secure landfill sites. Also, it will outline a number of management system options for Manitoba.

Training of inspection staff and environmental officers is proceeding via the Brandon Fire College. This training will be ongoing to ensure that all other personnel involved with administering the act are also trained.

Fiscal year, 1985-86, will see a continuation of these efforts with the following specific elements being addressed: the mounting of a hazardous and special waste public awareness campaign; secondly, as part of the Phase Two of the hazardous and special waste issue, the Clean Environment Commission will be holding public hearings to determine an appropriate recycling, reuse, collection, treatment and disposal system for Manitoba, and the identification of site-selection criteria that should be considered when the matter of siting is addressed. Preliminary work will commence on the selection of potential facility sites.

Regulation development under The Dangerous Goods Handling and Transportation Act will continue respecting the development of the manifest and registration regulations.

As well, continued liaison with the Federal Government to ensure our efforts are co-ordinated vis-a-vis federal Transport of Dangerous Goods Act relative to regulation development, enforcement, training of inspectors and public awareness.

Mr. Chairman, I want to stress that all these planned undertakings will continue to fully involve the public through consultation and public hearings.

Furthermore, related to this area, the department continues to lend technical support and provides for the gathering and temporary storage and disposal of pesticide residues under the Municipal Pesticide Container Disposal Program.

During 1984, there were 150 container collection compounds operated by municipalities with some 170,000 metal pails collected. Of these, 109,000 pails were crushed and recycled. Sixteen crushers were in operation. A total of 73 205-litre drums of pesticide residue were collected by Environmental Management, temporarily stored at Gimli and finally disposed of out-of-province in January of 1985.

Recycling of waste products is an area that is of uppermost interest to the department. During 1984-85, the department along with Environment Canada established the Manitoba Waste Exchange, a non-profit service promoting effective recycling of industrial waste materials which opened on December 11, 1984. The Exchange is affiliated with the Canadian Waste Materials Exchange in Mississauga, Ontario.

The following summarized information is provided of the Canadian Waste Materials Exchange activity in

calendar year, 1984, along with information of this activity since inception.

New waste streams listed in 1984, 307; and since inception, 2,194. The number of inquiries handled in 1984, 2,054; and since inception, 15,560. The number of waste transfers recorded in 1984, 130; since inception, 446. Finally, annual tonnage of wastes transferred in 1984, 6,900 tonnes; and since inception, 217,200 tonnes. The replacement value of the waste transferred in 1984 represents \$700,000 and, since inception, \$6,850,000.00. The Exchange is staffed by a member of the Biomass Energy Institute with technical consultative services provided by the Manitoba Research Council. In addition, the department will be more actively emphasizing recycling in Manitoba during fiscal year, 1985-86.

Activities contemplated during this fiscal year include the development of a comprehensive program for recycling beverage containers, development of recycling program for Manitoba and providing assistance for private recycling endeavours.

I also want to indicate that the Federal Government which had indicated its support for the project, that is the need to regionalize the waste exchange program as part of an effort to recycle more waste, has now after less than four months of participation indicated that it would not continue its share of the funding. This indeed, Mr. Chairman, disturbs me for, on the one hand, they had indicated their willingness to increase their efforts in this direction and were on-spot on December 11, 1984 when it was formally announced. I am disturbed that quietly this is being discontinued, and they will no longer be part of our efforts in this direction.

The pesticide use permit system and the reduction of sulphur dioxide emissions are two additional environmental initiatives that will be actively pursued during 1985-86. The pesticide use permit system will include all pesticide applications by government departments, Crown corporations, municipal corporations or agents acting on their behalf, subject to The Clean Environment Act. Also included are applications for biting fly control by individuals to private property to which the public normally has access.

As a result of extensive public consultation, implementation has taken somewhat longer than initially anticipated. Due to this delay the program will be phased in during 1985. Specifically, permits will not be required in 1985. Additional training and licensing requirements for 1985 will be waived and public notification of planned programs will be waived as well in 1985. In view of these requirements, we'll be asking all pesticide users affected by this regulation to register with the department similar to the requirement of previous years. We will also be requiring the year end report from these users summarizing their activities. These reporting requirements will enable the department to obtain specific and uniform information from all applicants, thereby providing consistency to build a useful data base.

Acid rain, of course, continues to be not only a provincial or a national concern, but is an International concern. Manitoba has in the past and will continue in the future to support efforts to reduce this environmental hazard as much as practically possible.

At the Environment Ministers' meeting in Montreal on February 6, 1985, Manitoba committed to reduce

total SO₂ emissions by 200 kilotons per year by 1994. We are certain that this can be accomplished without reducing the production capacity of our northern smelting industry and, in fact, are committed to this principle. There are several alternatives and Canada has pledged to contribute funding towards abatement projects.

Manitoba will shortly commence discussions with company, labour and community officials which will lead towards a plan for meeting our 1994 SO₂ reduction commitment at no more than 550,000 tonnes per year. It is hoped that the new technology and improved operations will enable us to achieve even greater reductions.

While my remarks to this point have focused on a number of the key initiatives that will receive attention during the 1985-86 fiscal year, I would be remiss if I did not indicate clearly that many routine ongoing environmental activities will continue and, in some cases, be enhanced. Included are public health inspection activities; water, air and terrestrial quality monitoring, enforcement of Clean Environment Commission orders, ensuring that existing water and air standard guidelines are maintained, ensuring that the environmental assessment and review process is applied wherever deemed appropriate and necessary. As well, continuing attention will be given to inspecting, monitoring and enforcing present regulatory provisions relative to gasoline and other hazardous material storage.

Mr. Chairman, moving on to the second key program area of the department, being Workplace, Safety and Health.

Progress continues to be made in improving Manitoba's workplaces to make them safe and healthy for all concerned. For example, the number of Safety and Health Committees has expanded to currently exceed 1,100; Workplace education efforts and capabilities have been expanded; publication on a regular basis of the Worksafe Newsletter to more broadly communicate awareness in the workplace; the integration of the mines inspection function with the Workplace, Safety and Health Division; the devotion of substantial attention to improving awareness of occupational hazards in the agricultural sector.

Mr. Chairman, following passage of Bill 87 during the last Session of the Legislature, the department has made impressive gains in the establishment of Workplace, Safety and Health Committees. At last count, some 1,156 committees were in place and functioning within Manitoba workplaces. A major focus of the department continues to be in the area of education both to respond to the mandatory education provisions contained in Bill 87 and to the belief that educated, committed and informed employers and workers will positively affect the safety and health of workplaces.

To supplement the department's educational efforts, a training program providing for the training of 40 labour representatives to become Safety and Health instructors is being carried out. Following training, these representatives will return to their workplaces and co-ordinate training for Safety and Health Committee members. This project was successfully established with the full support and co-operation of the Manitoba Government Employees Association which funds entrusted within the Manitoba Jobs Fund.

An additional component of this project will entail the establishment and stocking of a number of satellite resource centres to make Workplace Safety and Health information more readily available to a wider segment of the Manitoba working population. Given the emphasis that this government places on the working people of this province, an increase in the staff resources will occur in 1985-86. These increases will focus on the following areas: occupational health, workplace inspection, educational services and clerical support. Specific details respecting the staff increases will be outlined during detailed review of the department's Estimates.

Prior to leaving this area, there are a number of initiatives that I do wish to highlight. During 1985-86, a comprehensive study will be undertaken of occupational health services in the Province of Manitoba. The principal objective of this study is to provide recommendations for improving the capacity of the department to deal effectively with occupational health problems. The study is supported by funding allocated to the department from the Manitoba Jobs Fund, MGEA allocation.

A number of important regulation development committee activities will also continue in 1985-86. Of significance are the following: (1) hearing conservation and noise control regulations which will be adopted shortly; (2) workplace health regulations which will shortly be sent out for first-round consultations; (3) mines regulation currently is being redrafted into its final form following completion of consultations. There are, of course, others which the department is working on.

Having outlined in some detail the planned activities of the major operating units of the department, I now wish to briefly describe the activities of a number of components of the department. The Worker Advisor Office continues to successfully assist claimants in addressing disputed Workers Compensation Board claims. Since inception in September of 1982, this office has established 2,449 files with 1,783 having been resolved.

To provide for better understanding of Workers Compensation Board operations and for worker advisors procedures, a one-year training project has been initiated through the Manitoba Jobs Fund, MGEA allocation. Under this project, seven trainees selected from various labour organizations are undergoing extensive training and hands-on application of Workers Compensation Board and the Worker Advisor Office procedures, with the objective being that on conclusion when these trainees returned to their former workplace they will be well equipped to assist fellow workers in dealing with Workers Compensation Board matters. Two term clerical support staff have also been hired under this project to provide office support services while the training goes on.

The Clean Environment Commission continues to effectively safeguard the Manitoba environment through its activities. Of note, during the past year, are the following public hearings: City of Brandon sewage treatment facilities; Manitoba Sugar here in Winnipeg; Hudson Bay Mining and Smelting Company Limited for liquid effluent in Flin Flon; Manitoba Hydro, Brandon Thermal Generating Station; the Town of Winnipeg Beach, in reference to its sewage lagoon; the City of

Thompson in regard to its Mosquito Control Program; the Stage 1 Hazardous and Special Waste Management Program; the Domtar former wood preserving site in Transcona and others.

In addition to the previously referred to public hearings to be held relatively to hazardous and special wastes, the Clean Environment Commission expects to also address issues such as the following in 1985-86: various pollution control issues; review of the City of Winnipeg sewage sludge beds proposal; review of order covering ammonia emissions from Simplot Chemical Company Ltd. in Brandon; review of order covering sulphur dioxide emissions from Inco Limited in Thompson; review of order covering liquid effluent from HBM and S smelting operation in Flin Flon.

The Manitoba Environmental Council, although small in terms of resource allocation, continues to provide excellent advice to the Minister and yeoman service to all Manitobans. In 1985-86, the council will be preparing and presenting various briefs, will be editing and publishing a research paper on sources of groundwater contamination in Manitoba, and will be conducting various seminars and workshops dealing with environmental topics of interest.

Last, but certainly not least, the management and support service areas of the department there mentioned. In terms of general departmental management, a number of undertakings bear mention in that they positively impact the operation of the department as a whole and aid in improving our services to the public.

The following initiatives are highlighted: (1) departmental staff training and development; (2) departmental progress in the field of computerization and other related current office technology and; and (3), improvements to the department's internal and external communication.

Often unheralded but nevertheless necessary to the success of any department are its support services. Included within this area are the Planning, Research and Evaluation Branch; the Community Relations Branch and the Finance and Administration Branch.

This, Mr. Chairman, brings me to the end of my introductory remarks. Thank you.

MR. CHAIRMAN: The Member for Niakwa.

MR. A. KOVNATS: Thank you, Mr. Chairman.

I would like to also thank the Honourable Minister for all the answers to the questions that I haven't posed yet. I was kind of hoping that there would be a possibility of receiving the Minister's opening remarks, if he could send a copy over to us so that we can proceed on some of the things that were mentioned in his opening remarks.

To the Honourable Minister, it's not my intention at this time or during the Estimates to try and stick the Minister with questions that he's unable to answer, although if I can do so, I will do so. But I think that out of the spirit of co-operation I will be posing questions that I hope will encourage the Honourable Minister to give the answers so that we can inform the people of the Province of Manitoba.

I had made a few notes and some of the things that I was going to bring up in my opening remarks the

Minister has already confirmed in his opening remarks. I'm really, at this point, going to prepare the Minister for some of the questions that will be asked when we get into the meat of the department.

I'm looking at some of the things that the Minister had made remarks on in his previous remarks a year ago when we first investigated his department, and it was concerning environmental management. There will be a lot of discussion on environmental management and I hope the Minister will be in a position to give me the answers, particularly, when we're talking about the terminology that the Minister uses about the Extension and Monitoring Program. I was just wondering, Mr. Minister, whether we are still monitoring or whether we are going to be taking some action. I hope that this year there'll be more action than just monitoring.

The Minister made some remarks concerning the clean-up and the recycling of plastic bottles and glass bottles, I would imagine, and assisting private enterprise into the recycling of these; we will get into that at a later date too.

The Minister also mentioned concerning acid rain and I know that he has had some discussions with the Federal Government, but I would hope that we will be taking some more initiative through the Province of Manitoba, rather than waiting for the Federal Government to take some action. I know that there was some voluntary reduction of chemicals. I think it was through the Inco on the emission of their products that caused acid rain in Northern Manitoba.

The pesticide cans that are recycled through the disposal grounds - I don't have the amounts that are listed, but I know the Minister had said that they were recycled through the disposal grounds and I will be asking some questions as to the control of these pesticide cans in the disposal grounds as to when they're dumped and whether, in fact, they are being observed so that they are not just passing through and not being recycled.

I think I would like to get to the discussion about the emissions. The Minister said that under Occupational Health that there was going to be some additional noise controls, workplace health controls and mine regulations. There was nothing concerning the emissions of odors from some of the plants and we have a mutual problem in our own constituency, or in the Minister's constituency, close by where I live, concerning emission odors, and I would hope that the Honourable Minister would come up with some control on these emission odors that make it kind of uncomfortable, particularly for the people in the Windsor Park area, and there must be others also.

I know that the Minister has taken into consideration, because I had questioned the Minister concerning the Burns Plant at Brandon when the possibility of it closing down and the rendering of dead animals. I would hope that the Minister would be prepared to answer some questions concerning the rendering of dead animals, particularly around Winnipeg and the control that the department has put on these dead animals, because I know at this point it's quite reasonable and cheap for somebody to just go out and dig a hole and bury these animals, but there has to be some health controls. Would the Minister be prepared to investigate the possibility of assisting rendering plants and going out and picking up these dead animals?

The Minister has not made an reference to the quality of the drinking water supply from Shoal Lake. I know that there was some discussion and I think that with the possibility of the development out there, there could be some problems concerning the water quality of our drinking water supply at Shoal Lake. I think that the Honourable Member for Kirkfield Park will probably be asking a few questions of the Minister on that, because it has something to do with the City of Winnipeg, more so than through the whole province.

I would hope that the Honourable Minister would be prepared to give us further detail concerning the radiation of well water in the different areas throughout the province. We were talking about contamination of well water in Lac du Bonnet a year ago. We were talking about the contamination of well water in Portage la Prairie. I think the Minister would have to give us some answers on that also. He didn't mention anything concerning the levels of lead-in-blood and some of the other programs that we were waiting to hear something about concerning the workplace and the health in the workplace.

I think that the accountability of the Workers Compensation was not brought into focus and the Minister will have to answer some questions on the accountability of Workers Compensation when we get to that part.

There is no appeal process for the Workers Compensation, to some degrees, and we certainly can get some assistance in looking at the health records with the people's approval; but it gets down to a point that these health records are kind of unmanageable and I would hope that the Minister would be able to provide us with some assurance that there will be more of an appeal process with the Workers Compensation.

I think the recycling of PCBs is of utmost importance and we know that there's a great amount of them stored here in the province; and I would hope that the Minister would be able to give us some idea as to whether in fact there will be a recycling or a place where these PCBs can be recycled.

I think the Minister is going to have to answer questions as to why payments are up \$31 million on the same number of accidents concerning Workers Compensation. The Minister will have to answer why there's a \$32 million surplus gone and \$14 million more and still rising.

The Minister has made remarks concerning public hearings, re locations of where some of these recycling plants will be. I think the Honourable Minister has to accept some responsibility, more so than just going out to public hearings - although I'm not against public hearings - but I think that he's got to go out and make some more definite commitments, rather than just say that we're going to have public hearings. We can't keep sitting on these problems and I think the Honourable Minister has to take some action, rather than leave it for the next government, which will be a PC Government coming into effect to handle the problems that he's leaving in our hands.

I think that there has to be greater control throughout the province on everything and I think when it comes to contaminants, I think the Minister's department has to be more aware where these contaminated locations are taking place and take action in a quicker manner than what has been in the past; and I don't mean to criticize the Minister for his lack of staff . . .

A MEMBER: They've got lots of staff.

MR. A. KOVNATS: . . . Yes, they have lots of staff, but he mentioned also about workers advisers. There's seven trainees from labour organizations that will return to the workplace and I'm going to have to ask the Minister as to where these people's salaries come into effect.

A MEMBER: It's a Jobs Fund grant.

MR. A. KOVNATS: I realize it's a Jobs Fund grant, but I think the Minister has to be more aware and give us the information directly, rather than just say that it's a good program. I want to know where the monies are coming from; I know that it's coming out of the Jobs Fund grant.

I think at this point I'd be prepared to let the Minister bring his staff down so that we can get down to a line-by-line investigation of his department. I thank the Minister for his offer of sending over his opening remarks so that I will have some working notes to work from.

Thank you.

MR. DEPUTY CHAIRMAN, D. Malinowski: After the reply by the opposition critic, I believe now is the time to call the staff to the Chamber.

The Honourable Minister.

HON. G. LECUYER: Mr. Chairman, while staff are coming in, perhaps we can agree, the environmental critic and myself, that we can proceed perhaps on the same order as last year, beginning with the Administration and Finance of the department, following with the Environmental Management Division and that to be followed in the same order, Mr. Chairman, as they appear in our book. In the last section, if I haven't mentioned or made any reference to it, Mr. Chairman, I do intend, yes, to entertain questions and provide replies on the Workers Compensation Board as the final segment of the Estimates for the Department prior to going back to the Minister's Salary, which is a final item to consider.

Mr. Chairman, if the Member for Niakwa wants to begin with the questions on the first section, which would be, I gather, Administration and Finance, he may wish to proceed to do that. A copy of my remarks will be available for him shortly. I gather somebody is going to bring them up.

MR. DEPUTY CHAIRMAN: The Honourable Member for Niakwa.

MR. A. KOVNATS: To the Honourable Minister, I was hoping that he would give us an organizational chart, which I think that he provided last year. Also, it would assist in asking some pertinent questions in this particular department.

HON. G. LECUYER: Initially, Mr. Chairman, the organizational chart is the same as we provided the member last year, but he will get an update of that.

MR. A. KOVNATS: Okay. We are now under (b) Executive Support: No. (1) Salaries, I would presume.

MR. DEPUTY CHAIRMAN: Administration and Finance, No. (1).

MR. A. KOVNATS: Can the Honourable Minister advise what the salaries of \$242,000, in comparison to \$232,000 from the year before, what staff does that include?

HON. G. LECUYER: Mr. Chairman, in reply to that, the member will notice, or perhaps that is not stated, there is the same number of staff as there were last year. The total staff indicated in that section, which is the Executive Support, consists of eight SYs. The increase in salary funding provides for merit increments and overtime. It's an increase of \$9,500; it's a very small increase of actually 4.1 percent. As I indicated, eight staff, which includes the Deputy Minister; there are two secretaries to the Minister, two secretaries to the Deputy Minister; there is an administrative assistant to the Deputy Minister and an administrative assistant to the Minister. I believe that covers it. There should be eight altogether and I believe I have named eight.

MR. A. KOVNATS: Can the Minister advise, have there been any changes in this executive staff since last year?

MR. CHAIRMAN, P. Eyles: Mr. Minister.

HON. G. LECUYER: Mr. Chairman, there haven't; no changes.

MR. A. KOVNATS: Other Expenditures have increased by \$15,000.00. It doesn't seem to be consistent. Can the Minister justify the increase of Other Expenditures?

HON. G. LECUYER: The primary reason for that, Mr. Chairman, and that explains for, there is a redistribution of funding in that area. There is an increase due to a provision of \$20,000 for departmental staff training and development purposes which was included as part of the Executive Support's Other Expenditures. On the other hand, there was an offset of \$4,900 which was transferred to the salary allotment to offset the increases of salary which I mentioned a while ago of \$9,500.00. So there is in actual fact, an increase of \$15,100 in terms of operating expenditures.

MR. A. KOVNATS: The Honourable Minister just said that there was a \$20,000 expense for staff training. This is the Executive Support; these are the ones who are directing everybody on what to do. Can the Honourable Minister advise why we have to train staff when they are the ones who should be directing the company?

HON. G. LECUYER: Before I answer that, I am sending over a copy of the opening remarks to the member, so that he will have that.

MR. A. KOVNATS: Thank you.

HON. G. LECUYER: I want to indicate to the member that that \$20,000 is an increase in training, not for the Executive Support staff, but for the overall departmental staff. It was put under the Other Expenditures, under

Executive Support, but it is for the whole department's training staff requirements, not for the Minister's staff.

MR. A. KOVNATS: Thank you to the Honourable Minister. It's a little bit confusing when you say that this \$20,000, which comes under Executive support, under Other Expenditures, really doesn't belong in that area. Where does it belong?

HON. G. LECUYER: This was an increase in the development or training of staff. It was put in the Executive Support section for control purposes, but as I indicated earlier, it's for the overall departmental training of staff.

MR. A. KOVNATS: I don't want to prolong it, but I'm just hoping that I'm not going to be confused when we get to Other Expenditures and find out that it doesn't belong to that department, it belongs somewhere else. Pass that item.

MR. CHAIRMAN: Item 1.(b)(1)—pass; 1.(b)(2)—pass. 1.(c)(1) Planning, Research and Evaluation: Salaries - the Member for Niakwa.

MR. A. KOVNATS: A slight decrease this year in salaries. I'm not that interested in the small amount, but this department, Planning, Research and Evaluation, I believe was initiated around April 1st of 1984. We have just completed our first year. What has this department evaluated in the one year it's been in operation?

HON. G. LECUYER: Mr. Chairman, the Planning, Research and Evaluation activity within the Department of the Environment, Workplace Safety and Health, dates back to January 1, 1984. The small decreases counted in was basically done to bring salary estimates into line with the actual expected salary costs and, if the member will notice, there is a fairly substantial reduction in the operating expenditures or other expenditures of that section, which is due to expected reduction in consulting funding in that section primarily.

The activities of the branch, there are varied objectives; the policy to include development of policy options, recommendations and response to senior management requests and identified needs or divisional branch requests. Also, planning to include long-term planning, such as five-year plans, which identify the need for legislation, regulations, program requirements, operational planning to increase specific program planning of a two-year duration.

They're involved in the legislation and regulations to include the co-ordination of all departmental regulation legislation development and review, consistent with the needs identified through planning or operational activities.

They're involved in the program review and evaluation to include evaluation of program effectiveness and justification on a rotational basis throughout the department, and also involved us in a liaison function.

So the activities are varied and as far as 1985-86 planned ongoing functions in the area of planning, expect some development and implementation of a comprehensive, ongoing strategic and operational

planning system and also the provision of planning inputs into the specific issues as required on an ongoing basis. They will be involved in the Dangerous Goods Program in terms of planning inputs. They will be involved in evaluation of operational reviews in the area of environmental management services and environment control services. They will be involved in the regulations development as part of the committee, and they will co-ordinate the development of regulation.

From a policy development standpoint, they will complete the departmental policy manual and other policy developments as required; especially they will be involved as well on the Health Environmental Review Committee and the Federal-Provincial Liaison Committee.

So, I believe that's a fairly comprehensive explanation of the overall expected ongoing operations of the Planning and Research capacity within the department.

MR. A. KOVNATS: Just the meaning of the word "evaluation" as to whether the programs are good or bad, the Minister made no remarks concerning some of the programs that he's got. Does the Minister consider all of his programs to be good where the word "evaluation" comes in, or have we got any ones that are being cut back on?

Now, in addition, before the Minister answers, what has he eliminated in the consulting also?

HON. G. LECUYER: Obviously, the primary role would be of those priority areas of the department, and in my opening remarks I've highlighted these priority areas. The role, primarily, has to do with evaluating primarily to determine where we can improve our operations in these priority areas, not with the view primarily of determining where we're going to cut, or determining - I don't believe we have any of the programs now that are bad in any way. If they were, we'd have cut them already.

But, as I repeat again, it's primarily to assist in determining at what speed we're going in certain areas, taking in consideration our resources and taking in consideration how that may stretch our resources. It's all of these things, with the primary focus being to try and continue to improve the outputs and the effectiveness of the overall department with a focus on the priority areas.

MR. A. KOVNATS: Can the Honourable Minister advise directly what consulting services were eliminated?

HON. G. LECUYER: There are no consulting programs that will be cut off as a result of this that I can pinpoint. We shall carry on those programs. I can name a few, for instance, where there is consultant work that is going on with regard to our landfill sites, there is some going on with regard to the Manitoba-Canada Mercury Agreement, and on acid rain as well. So, in those areas, we will continue to do the work as had been planned. There will not be any programs cut as a result of this.

MR. A. KOVNATS: The only thing that I wanted to bring to the Minister's attention that he did say that the reduction in Other Expenditures was due to consulting, and I just wanted to see where it was cut down.

You can pass this item.

HON. G. LECUYER: As I indicated, none of this was cut down. Some of the lesser priorities that we could have, perhaps, undertaken had we had that funding still remaining in that section and in the overall determination of priorities. These were not retained and as a result this amount was It's basically nothing that has been cut, but areas where we are not planning expansion as we could have perhaps done.

MR. CHAIRMAN: Item 1.(c)(1) - the Member for Lakeside.

MR. H. ENNS: Mr. Chairman, just before we pass this item, it may not be the appropriate spot, but the department that we're currently dealing with often is viewed, particularly by people involved in various industrial activities, as a department that leans on them; it's a department that requires performance to certain standards. I'm concerned whether in the Planning and in the Research to what extent the department reaches out in a preventative way and in a helpful way to industry as they locate, or propose to locate, or as they expand existing businesses, where there have been some environmental difficulties. Does the department reach out in a little more helpful way, rather than simply always coming in after the fact? We, I think, most enterprises acknowledge the fact that in the 1980s, and perhaps we should have much sooner concerned ourselves with the environment, and to what extent, though, can the department be helpful in an advanced way in the planning and evaluation of new businesses, new enterprises taking place in the Province of Manitoba.

Mr. Chairman, just for the Minister's benefit, I cite one particular example that I know that the department has had some difficulty with, or has had to work with, and that is the Ayerst chemical plant in Brandon. It's been received with some appreciation that the plant is considerably expanding its operation this coming year. Some additional 50 or 60 PMU contracts are being let to farmers throughout Manitoba and perhaps some in Saskatchewan as well. Well, that tells me that the plant is going to be expanding its production, which has associated with it, as the department is well aware, some environmental problems.

In circumstances such as this, does the plant, or the plant people, when expansions are being planned, contact the department?

Do you, Mr. Minister, through your department, with its planners and with its evaluators and researchers, do you reach out to see of what assistance you can be to a plant, knowing that there is an environmental problem, and planning and researching how difficulties can be avoided rather than responding to a complaint perhaps a year from now or two years from now because of increased emissions of a particular by-product which is deemed to be damaging to the environment, and then having to impose, very often, conditions that then seem to be in conflict with the plant's capability of responding to?

I cite that as a particular example because I know that the Ayerst plant in Brandon did have a difficulty. I would like to hear, although that's not really what I am asking, we can ask specific questions about that

later on under the Clean Environment Commission and its work, but it seems to me that there is an opportunity for the department, if we are spending \$200,000-plus for planners, that the department could do well in its own PR function of becoming not just the regulatory department that it is, but, indeed, being of substantial assistance in avoiding environmental problems that from time to time are created by various industries.

I would be interested to know the Minister's own views, the directions that he gives his planners to be on the lookout - if you want to put it that way - for new industries that have served notice that they are coming into Manitoba.

Very often, Mr. Chairman, there is a lot of advance notice. It's very often announced well in advance of any actual commencement of an enterprise. Very often, another branch of government actively encourages various forms of industrial activity in our ever search for more jobs to locate here in the Province of Manitoba.

Is it within the grasp of this particular group, Planning and Research, that there is some liaison formed with, for instance, the Minister responsible for bringing in industry into the Province of Manitoba, or are you always fighting a rear guard action?

I may suggest to the Minister that it would be my hope that the department would take the initiative to some extent to set out, not in a way that has the department viewed as an overly repressive regulatory department but as a helpful department in ensuring that management decisions aren't made that are then costly to rectify or, indeed, that a realistic assessment of what is required under our law is in the hands of those persons that are seeking to expand or to introduce new industries into the Province of Manitoba.

HON. G. LECUYER: The first part of the answer that I want to give is that this does occur through the department, but not as part of the Planning Branch, which has a bearing primarily and pretty well exclusively within the department's programs and activities.

The whole purpose of the management of the Department of Environment and the Clean Environment Commission that, indeed, as the member has implied in his remarks, its mandate is to protect the environment and, as part of that, it has to apply some reasonable controls in regard to emissions or effluents. These are intended to be, as I said, within reasonable limits, accepting the fact that the economic activities have to go on. They are part of our economic activities in the province. Any of those that go on do have a bearing on the environment; you cannot conduct any such activity without affecting the environment in one respect or another.

So we do not have within the department the capacity to provide that type of economic input, or assess from an economic standpoint, but we do interact with IT&T, which informs us on the one hand of developments which are projected to occur, and we liaise with them in discussing the type of environmental impact that this may have. We have technical staff which then can become involved at a very early stage in the planning of these activities.

Of course, these are varied, and the one that the member refers to in reference to Ayerst, which has to do with the sewage effluents of the Brandon system,

of course, the problem can have greater ramifications, depending upon what the capacity of the sewage in place in a particular situation happens to be but, certainly, staff from the Environmental Assessment Review process would be meeting - not from the Planning Branch - but the Environmental Assessment staff would be meeting with people concerned in any major development in the Province of Manitoba; whether this has to be a new development or a major expansion of an existing industry, we in the Environmental Assessment Branch would take that initiative to meet with them.

As well as that, we have an annual consultation with all of these sectors which the department interacts with, or acts upon, and we invite at these annual consultation meetings a broad sector representing the whole of society. I understand, on the other hand, that there remains certain incidents or certain areas where it is indeed a problem to deal with these developments because in many instances in the past already we've come face to face with conflicts in development between, for instance, a town and a rural development or agricultural operation. The one conflicts with the other because of its odor emissions primarily. You know, I'm sure, of instances of that, and the fact that it may cause contaminants into the streams and rivers.

We have to try and control those as best as we can through the regulation system that we have in place, through the hearings processes that go with the Clean Environment Commission. If the imposition is felt to be an undue burden, what the industry will likely do in such instances, it has the possibility to appeal the orders imposed when such is the case; and we would look at it then from whether the restrictions are of such a stringent nature that they might prevent this industry from carrying on its activity. But you might well understand and appreciate, as being responsible for environment, I have to look at that from the standpoint of how this is going to impact on the overall health of the environment, certainly not as a priority on how this will impact upon their possibilities of carrying on doing business. Although that has to remain a part of our consideration, my primary concern has to do with how much damage that is going to do, if any, to the environment and whether the environment is capable of absorbing that type of additional impact.

So although environmental concerns have to remain a priority, as part of my responsibilities, we are far from being totally devoid of concerns for the other impacts that it may have; so it remains a problem for any environmental department. We have to take into consideration as well whether it's the water body, whether it's the soil or whether it's the air, how much of that is already there, to determine whether it can allow this to occur or this added amount can be emitted, whether it's to one or the other of these bodies.

MR. CHAIRMAN: The Member for Niakwa.

MR. A. KOVNATS: Just one further question. I just noticed that the director's position is vacant on Planning, Research and Evaluation. How long has the position been open and is there any future consideration of another director?

HON. G. LECUYER: The position has been vacant for approximately three months. The individual who had

the position has gone to some other field of interest. During the course of last week, applicants for the position of director were interviewed and the interviews are in the process of being evaluated to determine who best will qualify for the position.

MR. CHAIRMAN: 1.(c)(1)—pass; 1.(c)(2)—pass.

1.(d)(1) Community Relations, Salaries - the Member for Niakwa.

MR. A. KOVNATS: To the Honourable Minister, it's Community Relations. Would he explain what it means by Community Relations. Is it sending people to different areas to discuss environmental problems in those areas?

HON. G. LECUYER: The primary objective of the unit is to foster an increased public and new media awareness and appreciation for environmental and workplace safety and health concerns overall; and as well to improve environmental and workplace safety and health education in Manitoba, to ensure maximum public involvement and participation in departmental programs, to assist in providing good external and internal communications for the department and, as well, they provide a library function for the department because the department's library or resource centre is in use for both the departmental staff and for the general public.

In terms of specific planned activities during the course of 1985-86, there are a number of pamphlets which will be ready and distributed and news releases on an ongoing, whenever-it-occurs basis. The unit plans and co-ordinates the release of general information materials, communicates through all forms of mass media, develops and staff displays at various functions. It co-ordinates the production of audio-visual presentations, as well as the departmental public participation in programs. It organizes emergency communications for the public and news media during environmental accidents, and the member knows of some of those that have occurred recently and the Community Relations Branches is the direct first respondent to the media to co-ordinate the information that is provided in such circumstances.

As I've indicated, it will also continue to provide library services for both the divisions. It will co-ordinate the communications function. I've indicated in my introductory remarks that in the course of the this year, one of the priorities would be the Hazardous and Special Wastes Management Programs so this particular unit would be much involved into the communication of the progress and the developments in that direction. It will, and it is, on an ongoing basis, year after year, involved in co-ordinating the activities during Environmental Week. There are a number of other activities that the unit carries on, on an ongoing basis.

MR. A. KOVNATS: Would this department be the one that would go out if there was, we'll say, a complaint on the burning of peat moss? Would this be the department that would go out and listen to those complaints and have hearings?

HON. G. LECUYER: No, that would be the technical staff and the Environmental Control Services area. On

the other hand, the people in the Community Relations unit could very likely be involved in communicating with the media, developments communicated to them from the technical people involved in the monitoring or who are on the scene when this occurs. If I can refer, for instance, let's say to the Neepawa gasoline spill, as developments occurred, or changes occurred in that area, the staff in the Community Relations unit would have communicated with the media. But, they would not be the one who would go on and resolve a particular problem or monitor an incident, that would be the technical staff.

MR. A. KOVNATS: I would assume that the Minister mentioned the Neepawa spill, that would come under Environmental Management under the next item?

MR. CHAIRMAN: 1.(d)(1)—pass; 1.(d)(2)—pass.
1.(e)(1) Financial and Administrative Services: Salaries - the Member for Niakwa.

MR. A. KOVNATS: Can the Honourable Minister advise what the salaries encompass, as to how many SYs?

HON. G. LECUYER: That represents 16 SMYs in 1985-86 fiscal year, which is an increase of one. On the other hand, a decrease as the member will notice of \$31,700 were salaries. The transfer of excess salary funds to operation allotment because the member will also note that the correspondence - the decrease in salaries is proportionately almost exactly increased in the operational expenditures. These funds had been budgeted in 1984-85 to accommodate potential staff layoffs which were not required for this purpose in 1986. In addition, provision was made for increased overtime and merit increments and the change in salary allocation - the decrease - occurs to reflect more accurately the projected salary costs in 1985-86. The transfer likewise to other expenditures likewise indicates to reflect more accurately expected increased office support costs such as: telephone, copying, stationery, etc., which we anticipate for in 1985-86. So, essentially it is removed from the salary section but added onto the other expenditures section to more accurately reflect anticipated 1985-86 costs.

MR. A. KOVNATS: Just to bring out a little bit further to where it says Financial and Administrative Services. Now, on the Financial part, is the bookkeeping for the whole department under this particular part of it, or where does the financial part come into it. Why is it a separate item?

HON. G. LECUYER: It's described as the Financial and Administrative Services, Mr. Chairman, because, as the member implies in his question, it does both of these activities for the whole of the department.

MR. A. KOVNATS: 1.(e)(1)—pass; 1.(e)(2)—pass.

2. Environmental Management, (a) Environmental Control Services: (1) Salaries - the Member for Niakwa.

MR. A. KOVNATS: Can the Minister bring us up to date as to the situation that happened at Neepawa with the Co-op tanks - the gas leak - whether in fact, there has been compensation paid, or whether there is a final report on that situation?

HON. G. LECUYER: Mr. Chairman, at this point in time, no compensation has been paid, but it is a matter which the town is dealing with directly with the company involved here. In this case it's the Federated Co-op of Neepawa and there are ongoing discussions and negotiations between the two to resolve the compensation, or to compensate the people affected in regard to this particular matter that has been ongoing for a fairly long period of time as the member probably knows. But the question is not resolved at this point in time. In fact, there is still some pumping of some of the leaked fuel, although it has greatly reduced. There is some pumping and regular monitoring of the pumping that is going on. I cannot speculate in terms of how long it's going to take, but as of April 6, 1985, 26,000 litres of gasoline had been pumped out of the recovery wells.

If the member has any other specific questions he would like to ask, I'll certainly endeavour to reply.

MR. A. KOVNATS: The Honourable Minister has advised that it is 26,000 litres that have been pumped out. How many litres were in the original spill?

HON. G. LECUYER: This has been going on and I may have used the improper word myself, and I know the member was referring to spill and so was I. This is an underground leak that has gone on for a long period of a time. It has leaked into the soil and into the sewage system. At the present time, there is very little fuel that collects into the collection wells. We expect we've pretty well recovered all that is to be recovered, but there will be for a period of time, gradually and slowly added-in amounts that will collect in these collection wells, but I guess the only thing I can say is, how much has spilled, we don't know. We can only speculate, but we've collected 26,000 litres and now the process has almost come down to a stop, but not quite, and we'll continue to collect as much as will be gathered in these collection wells. The major problem, I suppose is over, finally, but the question of compensation remains to be dealt with, and as I indicated that is a matter still being addressed between the town and the industry.

MR. CHAIRMAN: Order please. The hour is 5:30, time for the dinner recess. I'm leaving the Chair and will return at 8:00 p.m.