

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 8 June, 1987.

Time — 1:30 p.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . .

INTRODUCTION OF BILLS

MR. D. SCOTT introduced, by leave, Bill No. 55, An Act to amend An Act to incorporate Southwood Golf and Country Club; Loi modifiant la Loi intitulée "An Act to incorporate Southwood Golf and Country Club."

HON. L. EVANS introduced, on behalf of the Minister of Energy and Mines, by leave, Bill No. 56, The Mining Claim Tax Act; Loi de la taxe sur les claims miniers. (Recommended by His Honour the Lieutenant-Governor)

HON. A. MACKLING introduced, by leave, Bill No. 62, An Act to amend The Insurance Act; Loi modifiant la Loi sur les assurances. (Recommended by His Honour the Lieutenant-Governor)

HON. R. PENNER introduced, by leave, Bill No. 63, An Act to repeal Certain Statutes relating to Hospitals, Hospital Districts and Nursing Unit Districts and other matters; Loi abrogeant certaines lois concernant les hôpitaux, les districts hospitaliers, les districts régionaux de soins infirmiers et d'autres questions.

HON. J. PLOHMAN introduced, by leave, Bill No. 64, An Act to amend The Highway Traffic Act (2); Loi modifiant le Code de la route (2).

HON. J. BUCKLASCHUK introduced, by leave, Bill No. 65, The Surface Rights Act; Loi sur les droits de surface. (Recommended by His Honour The Lieutenant-Governor)

HON. J. PLOHMAN introduced, by leave, Bill No. 67, the Off-road Vehicles Act; Loi sur les véhicules à caractère non routier. (Recommended by His Honour the Lieutenant-Governor)

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before moving to Oral Questions, may I direct the attention of honourable members to the gallery, where we have 30 students from Grade 11 from the Fisher Branch Collegiate, under the direction of Mr. Dan Pona. The school is located in the constituency of the Honourable Minister of Agriculture.

On behalf of all the members, we welcome you to the Legislature this afternoon.

ORAL QUESTIONS

King Commission Report - tabling of

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. My question is for the Minister responsible for the Workers Compensation Board.

I understand that the report of the King Commission, the Legislative Review Commission into the Workers Compensation Board, has now been printed. I wonder if the Minister will be tabling it today.

MADAM SPEAKER: The Honourable Minister responsible for the Workers Compensation Board.

HON. H. HARAPIAK: Madam Speaker, I believe I told the House last week that report would not be printed until around the 20th of June. But in order to facilitate the Opposition during the Estimates process, we have made some reports up and we will be tabling them on Thursday.

King Commission Report - no news conference prior to tabling in the Legislature

MR. G. FILMON: Madam Speaker, I wonder if the Minister would give us the assurance that he will not have a public news conference about the report prior to tabling it for the interest of members of the Legislature.

HON. H. HARAPIAK: The usual practice that has been in place for tabling of the reports will be followed.

King Commission Report - removal of all commissioners because of

MR. G. FILMON: Madam Speaker, I wonder if the Minister can indicate, in response to the many critical comments that are contained, as I understand it, in the King Commission Report, critical of the operation of the board, critical of the decisions of the board, the structure of the board and so on, whether he is going to be removing any or all of the commissioners as a result of the King Commission Review.

HON. H. HARAPIAK: Madam Speaker, I'm sure that the Leader of the Opposition is aware that the review committee has been studying the whole Workers Compensation for the last 20 months. In the report, there is a recognition of the work that has been carried out by the present Workers Compensation Board since 1981. They inherited the system; it was not working well. Injured workers were not receiving their compensation. There was no rehabilitation going on.

There was a public outcry of what was going on in the Workers Compensation at that time. It acknowledges that there was a lot of reform carried out by that existing board but, in that report, there is also the recommendation of the review committee that the board be restructured, and that's one of the many recommendations that we'll be looking at when we complete the report.

MR. G. FILMON: Madam Speaker, given the Minister's comments then about restructuring, will he indicate whether that restructuring involves the removal of any or all of the board of directors of the Workers Compensation Board?

HON. H. HARAPIAK: Madam Speaker, as I have mentioned on previous occasions, there are 178 recommendations in the report. I believe that the full report has to be looked at as an entire package. We cannot be taking one recommendation by itself, in solitary, and dealing with it. The entire report will have to be dealt with as an entire package and we are looking at reform. The review committee is going to do part of that reform, but it's not going to be the only part of the reform that will be carried out.

King Commission Report - cost of implementing recommendations

MR. G. FILMON: Madam Speaker, I understand that the Minister has been given an estimate of the cost of the implementation of the 178 recommendations that are contained in the King Report. I wonder if the Minister could indicate what is the estimated cost of implementing those 178 recommendations.

HON. H. HARAPIAK: Madam Speaker, one of the unfortunate parts is that we didn't have enough time for the review committee to do a thorough analysis to see what the costs are, and that is why we can't be acting on these reports immediately. We would like to be tabling the entire report and say, yes, we will act on this one, we will not act on that one, if we had the costs worked out at this time. That's one of the shortcomings of the report, they did not have the cost analysis worked out, so we will be doing an analysis on the cost before we make the recommendations.

MR. G. FILMON: Madam Speaker, is the Minister indicating that he has not been given any estimate of cost of those recommendations?

HON. H. HARAPIAK: Madam Speaker, I believe that I've already told you that I will be tabling the report on Thursday, at which time all the details on that report will be tabled at that time.

Cormack-Dewar Report - tabling of

MR. G. FILMON: Madam Speaker, given that, in part, some of the findings and recommendations of the King Commission Report are based on an internal study that we've discussed, has been a subject of questions in this question period, the Cormack-Dewar Report into

rehabilitation; given that many of the recommendations are based on their review of things, including that Cormack Report, will he now agree to have that report tabled along with the other information on Thursday?

HON. H. HARAPIAK: Madam Speaker, it's interesting that the Leader of the Opposition would know that there are parts of their report that are dealing with the Cormack Report, and I wonder if the Leader of the Opposition already has a copy of the report.

I would like to mention that was an internal review asked for by the Workers Compensation. It is their report, and they will be dealing with it as they see fit.

Mason Report - whose decision not to make public

MR. G. FILMON: Madam Speaker, this Minister, who has said he wanted to be open, completely open, about all aspects of this, and he said that he would be willing to open the files to me in the past, is now saying that we cannot have the Cormack Report on this. I wonder if he could indicate, because last week he indicated that we could not have the study that was done by Professor Mason, the University of Manitoba Research, Inc., who did a study as well.

Was that decision not to make that public, the Mason Review, his decision or the board's decision?

HON. H. HARAPIAK: Madam Speaker, very clearly I told the Leader of the Opposition that I would share my files with him. I didn't say that I would share the Workers Compensation Board files.

Workers Compensation Board - percentage of claims and decisions overturned

MR. G. FILMON: Madam Speaker, I wonder if the Minister could indicate what percentage of claims and rehabilitation decisions that were appealed to the board were overturned by the board on appeal in 1986.

HON. H. HARAPIAK: Madam Speaker, we will be going into our Estimates on Thursday, I believe, and I believe a question of that sort is more appropriate for the Estimates process.

Misericordia Hospital - why doctors paid on a staff-salary basis versus fee-for-service

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Minister of Health.

As of July 1, it appears that the Misericordia Hospital will not have sufficient staff to operate the Emergency Department because of the inadequate funding of the doctors who work within that department. Will the Minister explain why doctors at the Health Sciences Centre and St. Boniface are paid on a fee-for-service basis, whereas those doctors performing emergency

services in our other Winnipeg hospitals are on a staff-salary basis.

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Madam Speaker, in different hospitals, there are some doctors who are on salary with the hospitals. Part of the problem, the situation there is that the increase that was given the doctors for last year hasn't been passed on at this time, hasn't been assessed. This will be done after some information is received from the MMA. This should be done very shortly. I think there is still some concern by some of the members of the medical profession that they would like to see the base increase, and this is something they're taking up with the hospital at this time.

**Misericordia Emergency Dept.
to close July 1 - steps to be
taken to remain open**

MRS. S. CARSTAIRS: Madam Speaker, to the same Minister, the Board of the Misericordia is already speaking about closing the Emergency as of July 1. Can the Minister tell us what steps he will take to ensure that it remains open or to provide alternative services for those people who are now using the Misericordia as their major emergency station?

HON. L. DESJARDINS: Madam Speaker, this is being looked at at this time and discussed with the hospital, between the hospital and the Commission. I don't think that this will happen at all, that the facilities will be closed.

MTS - how did \$0.5 million loss occur

MADAM SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Madam Speaker, I direct a question to the Minister responsible for the Manitoba Telephone System.

By way of explanation to you, Madam Speaker, before you rule me out of order because I suggest that you probably have grounds to rule me out of order inasmuch as the Telephone System is still before a legislative committee and its business is being discussed but, regrettably, like his Minister who preceded him in Telephone's portfolio who was the last to tell the legislative committee about the horrendous losses of some \$27 million of that corporation, this Minister is following in those footsteps by, last Thursday, not telling us anything about the \$0.5 million of new losses run up by that corporation. We have to rely on the work of a diligent press to report that to the public and to us.

MADAM SPEAKER: Does the honourable member have a question?

MR. H. ENNS: Madam Speaker, my question is to the Minister responsible for the Telephone System.

This \$0.5 million of additional losses that the Manitoba Telephone System is apparently short of or lost; does that come about as a result of selling equipment, computer equipment and office equipment, below cost prices in competition with the private sector, or is it an actual inventory loss?

MADAM SPEAKER: The Honourable Minister responsible for MTS.

HON. G. DOER: Thank you, Madam Speaker.

Indeed, at the committee meeting last Thursday, I did state and I quote that we have been dealing with a number of budget issues that are very serious in nature - and in fact I mentioned that three weeks ago, Madam Speaker - and the whole internal budgeting process we were reviewing. Madam Speaker, we're dealing with some very serious internal auditing issues now at the Telephone System. I raised that in my opening remarks with the members of the committee. I'm not exactly sure whether the Member for Lakeside was there at that time. I believe there was only one member of the Opposition there when we started the meeting.

Madam Speaker, in 1980 the Manitoba Telephone System, with approval of a sub-committee of Cabinet from members opposite - in fact I believe the Member for Lakeside was the Minister responsible - got into the computer sales business. Madam Speaker, since that time there has been fundamentally a totally inadequate accounting system in that area. Madam Speaker, we did state that there were a number of areas under review at the Telephone System and indeed we have been having a very major auditing function internally at the Telephone System, and I expect further revelations as we continue to review these various projects.

I was informed that there was some \$600,000 discrepancy some couple of weeks ago which was referred immediately to an internal audit, Madam Speaker. Since that time there's been \$120,000 of that money reconciled. When the internal audit is totally completed so that we have total information that we can place before elected representatives, we will make the complete results of that audit public.

Madam Speaker, I also indicated at the committee meeting two meetings ago, that we were reviewing a number of projects internally and externally to see whether, in fact, the numbers that were given to us were accurate or not in terms of the public of Manitoba. That is a project that I committed to the legislative committee that we would make public and we intend on making it public when we have it both internally reviewed and externally reviewed.

The internal audit, Madam Speaker, is not completed but, when it is, those results will be made public to the legislative committee.

**MTS - RCMP to investigate -
when called in**

MR. H. ENNS: Madam Speaker, I suppose we're getting so blasé to the scale of losses experienced by that corporation that the Minister, when pushed and when asked that question . . .

MADAM SPEAKER: Does the honourable member have a supplementary question?

MR. H. ENNS: . . . didn't divulge the fact that indeed we are talking about \$0.5 million to \$600,000.00. My question to the Minister is: When did he call the RCMP in to investigate, if in fact he has?

HON. G. DOER: Well, Madam Speaker, I met with Mr. Fraser some three weeks ago when he indicated that they were proceeding with an internal audit based on general discrepancies of those numbers. He was not sure exactly of the nature of the discrepancies, and that's why they were proceeding with a line-by-line internal audit. I asked Mr. Fraser to notify the RCMP; the RCMP, to my knowledge, have been notified. I verified that with Mr. Robertson in terms of keeping abreast of the situation.

At this point, Madam Speaker, the internal audit is not completed. When it is completed I believe that the RCMP have asked for a copy of that particular report. Since I was first notified of the numbers - and the numbers go back some years, Madam Speaker. The audit will identify how many years it does go back, and it is because of the diligence being taken by Mr. Fraser, the new controller, that some of these issues are being raised for the first time, Madam Speaker. When that audit is completed, I believe if there are any matters of a potentially criminal nature, the RCMP will want to pursue that and we would want them to as well. That's why we notified them originally of the discrepancy.

Crown corporations - inadequate reporting investigation of

MR. H. ENNS: A final supplementary question, I direct this question to the First Minister.

Madam Speaker, for the second time in relative short order, we have been advised that the RCMP is investigating a Crown corporation. The legislative committee of this Assembly is sitting listening to reporting of the Telephone System as late as last Thursday, and we are not informed that the RCMP is investigating one of our most senior Crown corporations.

Does the First Minister believe that is adequate information, that is adequate reporting to those of us who are charged with the responsibility of public affairs in this Legislative Assembly?

MADAM SPEAKER: Would the honourable member care to rephrase the last part of his question so it does not seek an opinion?

The Honourable Member for Lakeside.

MR. H. ENNS: Madam Speaker, a direct question to the First Minister.

If the RCMP are being called in to investigate the affairs of one of our Crown corporations, is that legitimate information that the House should be apprised of?

MADAM SPEAKER: The Honourable Minister responsible for MTS.

HON. G. DOER: Madam Speaker, I did state at the committee meetings - and again, I can't recall whether

the Member for Lakeside was there - we're dealing with very serious internal auditing issues now at the Telephone System.

Madam Speaker, the RCMP have been notified; they have been notified as a courtesy at the initial stages because the audit, the internal audit, is not yet completed. We were alerting them at the earliest stages, Madam Speaker.

The investigation will begin, based on the results of the complete internal audit. They have been notified; there's been nothing further in terms of investigation until the internal audit is completed. It is a very serious issue, and that's why I said at the committee it was a serious internal auditing issue.

Madam Speaker, since I was first notified of this issue, there has been \$120,000 of the \$600,000 reconciled in terms of the bookkeeping. It is the feeling of the controller that some of these matters may be just bookkeeping matters that have arisen over the last seven years that this operation has been in place in the Telephone System, and we are keeping the police apprised at the earliest possible chance and opportunity. And, contingent upon what else is produced in the final internal audit report, will the House and the appropriate authorities be notified?

RCMP investigation re MTS - when Minister notified

MR. H. ENNS: Madam Speaker, a question to the First Minister.

Was he notified that the RCMP were called in to investigate a possible \$0.5 million discrepancy at the Crown corporation, namely, our Manitoba Telephone System?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, there appears to be some misunderstanding between what the Minister is saying and what the Member for Lakeside appears to think the Minister is saying.

The Minister has indicated that the RCMP have been notified as a courtesy arising from some preliminary impressions they have, as a result of the audit. The Minister has made it very, very clear, however, that until that audit is completed that the RCMP will not be asked to investigate, unless the completion of the audit confirms the possibility of criminality. That is quite a different thing than what the Member for Lakeside is suggesting.

Closure of beds - ongoing negotiations

MADAM SPEAKER: The Honourable Member for River East.

MRS. B. MITCHELSON: Thank you, Madam Speaker. My question is for the Minister of Health.

Given that MHSC has recently approved cutbacks in hospital beds at Brandon General, are negotiations ongoing between MHSC, this Minister, and Winnipeg hospitals, for further bed closures in the province?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Yes.

Closure of beds - when decisions re

MRS. B. MITCHELSON: I wonder if the Minister can indicate when the decision is going to be made and when these hospitals are going to be informed, Madam Speaker, of whether bed closures are to take place and, as a result, those hospitals can set up contingency plans, and inform their staff and let them know what they're going to be working, or how they're going to be working this summer.

HON. L. DESJARDINS: They will be informed in an orderly manner if and when these bed closures are approved. This is being looked at and discussion is taking place between the hospitals and the commission at this time.

Closure of beds - layoffs result of

MRS. B. MITCHELSON: Can the Minister inform the House if there will be staff layoffs as a result of these closures?

HON. L. DESJARDINS: No, Madam Speaker, there won't be.

Manitoba Health Services - discontinued coverage for IUD's

MADAM SPEAKER: The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: Yes, Madam Speaker, my question is to the Minister of Health.

Is the Manitoba Health Services planning to discontinue coverage for women choosing interuterine devices, IUD's, as a method of birth control?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: It no longer will be insured. The doctor inserting the device though, that'll be covered. The reason for that - there are a number of reasons. First of all, it's never been fully approved. There are concerns of side effects and also that it hasn't been working. It has not been used that much in the past, and there's no other province in Canada where this is covered.

MRS. G. HAMMOND: To the same Minister, considering that this is a service that has been supplied, is it the government's policy to make it more difficult for these women who choose IUD's, and mainly because they can't use the normal birth control methods, to practice birth control? Is it their policy to make it more difficult for these women to practice birth control by cutting funding?

HON. L. DESJARDINS: Madam Speaker, obviously my honourable friend had two questions on that paper and didn't listen to the answer at all. I gave the reason why it was done.

MRS. G. HAMMOND: My question is to the Minister responsible for the Status of Women.

Would the Minister responsible for the Status of Women please consult with the Minister of Health and try and get these services back for the few women who need the service and shouldn't be expected to have to pay for it, once the service is needed?

MADAM SPEAKER: The Honourable Minister responsible for the Status of Women.

HON. J. WASYLYCIA-LEIS: Thank you, Madam Speaker.

I'm pleased to inform the member that I've been in consultation with my colleague, the Minister of Health, and I can assure the member and repeat what my colleague, the Minister of Health, has said and that is two things: (1) there is a real concern from the health point of view for women about the IUD; and (2), that it is not totally inaccessible, that doctors are still insured or funded for providing the service.

So I think the Minister of Health has given a full and complete answer, and is a result of consultations with myself and others.

Final offer selection legislation - approval of Labour Management Review Committee

MADAM SPEAKER: The Honourable Member for Brandon West.

MR. J. McCRAE: Madam Speaker, my question is directed to the Minister of Labour who, on Friday, introduced final offer selection legislation in the form of Bill 61 in this Assembly.

Was the legislation approved by the Labour Management Review Committee?

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Madam Speaker, the Labour Management Review Committee had received a request from me to consider final offer selection, along with a number of matters. I wrote to the Labour Management Review Committee with that request something like two years ago, and I'm aware of the fact that some discussions of a sub-committee had occurred in respect to the topic.

However, no report had been received by me confirming progress in respect to that activity. I did meet with the Labour Management Review Committee and did brief them on the contents of the bill that I tabled on Friday, and heard their concerns in respect to the issue generally.

Policy of government re consultation 24 hrs. before introduction of bill

MR. J. McCRAE: Madam Speaker, the Minister says the matter was put before the Labour Management Review Committee two years ago. Why is it the Minister didn't receive any recommendation from the Labour

Management Review Committee? Does the Minister feel that, the evening before the introduction of such legislation, consulting with the committee is adequate?

Madam Speaker, let me rephrase that question. Is it the policy of the government that consultation less than 24 hours before introduction of a bill, is that the policy of the government?

HON. A. MACKLING: Madam Speaker, dealing with the last question and then moving to the first statement by the honourable member, when I met with the Labour Management Review Committee shortly before the introduction of the legislation, I made it clear to them that I didn't intend the meeting with them to be argued by me or anyone else as consultation, but a briefing as to the proposed legislation.

Madam Speaker, as to why the Labour Management Review Committee had not progressed further in respect to that matter, I think that question might be addressed to the chairperson or other members of the committee. But let me assure you, Madam Speaker, and all members of this House, that I value the fact that the Labour Management Review Committee, made up as it is of an equal balance from both sides of management and labour, performs a very useful function in meeting together and discussing, in a reasonably harmonious atmosphere, issues that are of general interest to both management and labour.

I don't, as a Minister of Labour, put specific demands on that body for concrete results in respect to issues that are of importance to society, but the fact that they do meet together and discuss in that relationship I've described is very important to us and they have, from time to time, brought forward specific recommendations for change.

Labour Management Review Committee - legislation receiving approval of

MR. J. McCRAE: What important labour legislation in the last five years has received the approval of the Labour Management Review Committee?

HON. A. MACKLING: Madam Speaker, rather than provide the honourable member with an answer which he might consider too long or too flippantly short, I'll take the member's question as notice.

Legislation - Bernie Christophe writing

MR. J. McCRAE: A final question to the Minister, Madam Speaker.

Is Bernard Christophe writing any further legislation for this government with the specific purpose of disrupting the business climate in this province?

SOME HONOURABLE MEMBERS: Oh, oh!

HON. A. MACKLING: Madam Speaker, I don't know of a legal draftsman by that name.

I know that we do employ people; we meet with people; we are concerned to talk with everyone who is interested in respect to our legislation. I have sent

out a letter, enclosing a copy of the bill, to a large number of people and I expect to be having further discussions with people in respect to this legislation, which I think advances the prospects in this province for a continuous labour relations harmony second to none in Canada.

Government tenders - policy re

MADAM SPEAKER: The Honourable Member for Roblin-Russell.

MR. L. DERKACH: Thank you, Madam Speaker. My question is to the Minister responsible for Northern Affairs.

Given that the Department of Northern Affairs recently awarded a tender for some \$90,000 to complete sewer and water in the community of Sherridon, could the Minister indicate whether it is now government policy to have tender bids received by telephone or, as opposed to the customary way, of sealed public tenders?

MADAM SPEAKER: The Honourable Minister of Northern Affairs.

HON. E. HARPER: I'm not aware of any change of policy, but I'll take that question as notice.

Government tenders - criteria used for phone-in bids

MR. L. DERKACH: While the Minister is taking that question as notice, Madam Speaker, I'm wondering if he could also indicate to the House what criteria was used in establishing who was the successful tenderer in the phone-in bids.

HON. E. HARPER: I'll take that question as notice.

Safe Grad advertising - costs of

MADAM SPEAKER: The Honourable Minister of Municipal Affairs.

HON. J. BUCKLASCHUK: Thank you, Madam Speaker.

Last week, the Member for River Heights raised a number of questions about the Safe Grad advertising on television. I'd like to advise this House that the advertising is as a result of the recommendation by the Safe Grad Coordinating Committee, which has as its members the Winnipeg Police Department, the Royal Canadian Mounted Police, Citizens Against Impaired Driving, Alcoholism Foundation of Manitoba, MPIC, the Department of the Attorney-General, Manitoba Liquor Control Commission, Manitoba Association of School Trustees, Manitoba Teachers' Society and the Department of Education.

The cost of the advertising, the producing agency fees are \$63,517; the media time is \$36,000.00. The costs are relatively low for a multimedia advertising campaign, and they are such that the material that has been produced can be used in future years at a cost of media time.

As indicated, the costs are very minimal when one considers the potential serious injury claims that could arise from accidents happening from young people driving, and the cost of \$99,000, in total, represents something like 4/100ths of 1 percent of MPIC's budget.

Business starts - number of 1986 versus 1985, percentage increase

MADAM SPEAKER: The Honourable Member for Portage la Prairie.

MR. E. CONNERY: Thank you, Madam Speaker.

This afternoon we'll be starting the Estimates of Business Development and Tourism, and I hope that we can have an honest and frank discussion with the Minister. But last week, Madam Speaker, the Minister said that the reason for the high number of bankruptcies that were experienced in Manitoba was because of the high number of business starts. Will the Minister table in the House the number of business starts for 1986 versus 1985 or the percentage of increase?

MADAM SPEAKER: The Honourable Minister of Business Development.

HON. M. HEMPHILL: Yes, Madam Speaker, I'll be glad to provide the information in the House or in the Estimates this afternoon.

MR. E. CONNERY: Well, is it the policy of the Minister to be satisfied with a 3.4 percent increase in the number of business starts with 105 percent increase in bankruptcies? This Minister should know -(Interjection)-

Highway 340 - meeting with residents of Douglas re petition

MADAM SPEAKER: The Honourable Member for Minnedosa.

MR. D. BLAKE: Thank you, Madam Speaker. My question is directed to the Minister of Highways and Transportation regarding the upgrading of Highway 340 through the village of Douglas.

The Minister has received a resolution from the municipality, and a petition signed by the residents of that particular village. I wonder if he could inform the House if he plans on meeting with the residents and, as a result of that petition, with the municipal people out there.

MADAM SPEAKER: The Honourable Minister of Highways and Transportation.

HON. J. PLOHMAN: Madam Speaker, I will be getting a report from the department and, if I feel there are still outstanding issues as the result of that information, then I will ask that a meeting be set up.

Douglas Marsh - nesting ground of rare bird

MR. D. BLAKE: In the resolution from the municipality, Madam Speaker, it mentions the Douglas Marsh as a

distinct breeding ground or nesting grounds of a rare bird. I wonder if he would confer with the Minister of Natural Resources in connection with the proposed route.

HON. J. PLOHMAN: Madam Speaker, I'm pleased to see the concern that the member is voicing for the environment, certainly one that is shared on this side of the House and if, as a result of the report that I get from the department, I feel at that point in time that it requires an additional meeting and discussions with my colleague, the Minister of Natural Resources, that we will undertake that.

MPIC - policy re appointments with appraisers

MR. D. BLAKE: Madam Speaker, I have a question for the Minister responsible for the Manitoba Public Insurance Corporation.

I wonder if he could inform the House the policy in connection with making appointments with an appraiser at the adjusting offices of the corporation.

MADAM SPEAKER: The Honourable Minister responsible for MPIC.

HON. J. BUCKLASCHUK: Yes, Madam Speaker, my understanding is that, where we have dial-a-claim centres and a claim is to be filed, one simply calls the dial-a-claim centre and an appointment is made for an appropriate time for the claimant to have the damage assessed. With respect to rural communities where we have adjusters travelling on a weekly basis, my understanding is that appointments are set up and claimants then meet with the adjuster.

MR. D. BLAKE: I thank the Minister for giving us that policy. I should bring it to his attention though - it's just been brought to my attention - that a father accompanying his daughter to one of the claim centres was told that he had to phone to make an appointment, and he was the only person standing in the claim centre. The clerk had walked away from him before he could get to the pay phone in the centre. I just wondered what the policy was in connection with making appointments.

MADAM SPEAKER: May I remind the honourable member that question period is a time for seeking information, not supplying it.

HON. J. BUCKLASCHUK: Just in response to that, Madam Speaker . . .

MADAM SPEAKER: Order please.
There was no question.

Constituencies - increase in and cost

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Madam Speaker, a question to the Premier.

I would ask him if it is the intention of the government to increase the number of MLA constituencies from 57 to 60 at this Session of the Legislature? If so, could he indicate the cost to the public in the future?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, there is no intention to increase the number of constituencies from 57 to 60.

COMMITTEE CHANGE

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Thank you, Madam Speaker. Committee changes, I move, seconded by the Member for Elmwood, that the composition of Standing Committee on Public Accounts be amended as follows: Ashton for the Hon. A. Mackling.

ORDERS OF THE DAY HOUSE BUSINESS

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Yes, Madam Speaker, on a matter of House Business, I believe there's an inclination on the part of all members today to have Private Members' Hour.

I move, Madam Speaker, seconded by the Minister of Labour, that Madam 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 Burrows in the Chair for the Department of Energy and Mines, and the Manitoba Jobs Fund; and the Honourable Member for Lac du Bonnet in the Chair for the Department of Employment Services, and the Department of Business Development and Tourism.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - EMPLOYMENT SERVICES AND ECONOMIC SECURITY

MR. CHAIRMAN, C. Baker: The committee will come to order, please.

I guess we have the Minister here with us today, so we'll continue with Employment Services. Remember last week, when we finished off, we thought we would be in another department this time.

The Minister would like to answer some questions which were raised last week.

Mr. Minister.

HON. L. EVANS: Thank you, Mr. Chairman.

The main question, I believe we said that we would look into, as raised by the Member for Gladstone, was

with regard to the what she perceived to be a very massive increase in the budget of the Executive Support function of the department. That is the \$23,700 in 1983-84 to \$334,100 in 1987-88.

Indeed, that is a fifteenfold increase which appears to be very exceedingly large, but I can confirm now that is a bit of an anomaly because, in '83-84, the department was created. The department was created in November of '83 so, first of all, we didn't have the complete year, but those positions, Executive Support positions, came about from the creation of the department and the transferring from Community Services and responsibilities from the Department of Labour.

So there were additional staff years provided by Treasury Board on top of some of the positions transferred but, at any rate, the bottom line is you should really look - I suggest you look - at the '84-85 year which is the year which represents the first full year of the budget, and the size of the staff was eight. The number of staff which was agreed to in 1983-84 was eight, but we didn't have a full year. So by the time people got into place and we were organized, we had a full year operating in '84-85 and, at that time, we had eight staff, total expenditures were \$316,600.00.

So you should really compare with that base to today, 1987-88, where we're asking for \$334,100, which is an increase of only 5.5 percent. That is quite a minimal increase considering we're looking at an increase over a four-year span to get a 5.5 percent increase over four years.

I hope that clarifies what I think is a misunderstanding. Sometimes confusion rises easily because what is printed doesn't always reflect the full year, so that's really the problem.

MR. CHAIRMAN: The Member for Gladstone.

MRS. C. OLESON: Thank you.

I'll thank the Minister for that information. You've no other matters to raise from the day before?

HON. L. EVANS: Yes, there was the "Terms of Reference for the Internal Audit." We will be forwarding that to you. I don't have it with me, but we will be forwarding that to you.

MR. CHAIRMAN: Then we will continue with the Estimates, then.

HON. L. EVANS: Anything that we don't have today, we'll certainly forward, whatever, as soon as possible.

MRS. C. OLESON: Is it possible for the Minister to table that audit when it is completed?

HON. L. EVANS: Just as a clarification - did you mean to table the Terms of Reference for the internal auditor?

MRS. C. OLESON: As well, that and plus when the audit is completed.

HON. L. EVANS: Mr. Chairman, I don't think there is a report that is tabled. The internal auditor works on an ongoing basis, checking week by week, month by

month, year by year. It's a financial function within the department so there will be no report as such to table, as opposed to the Provincial Auditor, who does table publicly a report on our department as well as the other departments, highlighting any problems or whatever from year to year.

MR. CHAIRMAN: Thank you, Mr. Minister.

We will begin today with section 3, page 61, in the book.

MRS. C. OLESON: Thank you, Mr. Chairman.

In my opening remarks, I mentioned a staff reduction, a huge staff reduction, in this area and no doubt the Minister will explain it. But there is also a cut in funding in the area. It doesn't reflect the total cut, what you would expect if you cut that number of staff. So we will be asking for some clarification on that.

Now the Minister has put out press releases and often talks in the Legislature about federal cutbacks and, if you take a look at the department and make note of the expenditures as a percentage of the total of budget of each department, it gives you a different picture. The administration of Finance and Economic Security has been rising as a percentage of the department spending and the Employment Services section has been declining from, for instance, 9.7 percent in 1984 to 6.3 percent this year as a total percentage of the budget. This is in an area of job creation which is somewhat surprising, and so I'll be asking the Minister to explain just how he considers it a cutback when it's a 50-50 share or more in most cases of the job creation programs of this department. It's rather then difficult to see how there can be cutbacks.

For instance, the Recoverable from Canada in this department, as a percentage of the total budget, in 1984 were 52 percent of the total budget and in 1987 they were 54 percent. So you wouldn't really, not in my book at least, that's not cutback. Perhaps there'll be an explanation for that coming forth. Maybe the Minister would like to comment on that now.

HON. L. EVANS: First of all, I would comment that the major job creation and job training programs that we have in the department, namely Training for Tomorrow and the Careerstart Programs, are not cost-shared with the Federal Government. Those are purely provincially funded. The only cost-sharing job training - and I might stand to be corrected my somebody here if my memory fails me. The major cost-sharing is this Employment Enhanceability for the welfare recipients. That is cost-shared as we explained before but, other than that, the only exception is the Northern Development Agreement where we have cost-sharing for northern youth jobs. But our two major programs, there is no cost-sharing in that respect.

But what has happened, when I talk about the federal cutbacks, I'm talking about the total spending of the Department of Employment and Immigration in the Province of Manitoba, which includes their own activities; they're under the Canadian Jobs Strategy. The Federal Government has grants that they give out themselves. That's their program which they administer.

Also there is funding from that department for our community colleges under the National Training

Agreement. I don't have all these figures here, but there have been very major - I don't know whether the staff has any - reductions in the spending of the Federal Government in the past two to three years. That's beyond our department, with the only exception being the National Training Agreement whereby Flora MacDonald announced a policy of cutting back on funding of community colleges on direct purchases by 39 percent in a three-year period. That indeed has been going on.

We've tried to salvage a bit of that, as I explained the other day, by setting up this Advisory Council. The Federal Government has agreed that we could set up a council whereby we could hope to get some indirect purchases and that money funnelled back into the colleges, so we're going to try. But the policy is, not only for Manitoba, for all the provinces, that is the nature of the cutback. So that has occurred, and there have been reductions in total spending under the Jobs Strategy. Those are facts, and they're not our facts or figures. We get them, I guess, as a matter of courtesy. It's not really for me to sort of publicize the Government of Canada's spending, but that's what I'm referring to in terms of cutback.

We don't have any cost-sharing of our major job programs, except for that Northern Development Agreement.

MRS. C. OLESON: I understand that the Jobs Strategy is a change in focus from community college training to on-the-job training. Perhaps that's where the Minister can see cuts.

HON. L. EVANS: Yes, the Federal Government's focus - they've said, and I was at the conference when Flora MacDonald was the Minister who made the statement to the Provincial Ministers that they would like to have more private involvement in training.

Fair enough, but we maintain, and some of the other provinces maintained that the private sector in our province - we didn't think that our industry was large enough. We have so many small enterprises that weren't in the position, didn't have the capacity to set up training programs in-house and that we'd be better able to serve them by doing what we had been doing very well through Assiniboine College, Keewatin and Red River Colleges. That is by offering training programs in cooperation with the private sector because, as the member may know, often the industry comes to the college and says, we need a program in welders or we need a program in agriculture machinery or whatever. The colleges are doing their best to respond.

We said, that system works very well. We don't think that, in Manitoba, our industry will take advantage of the indirect purchases, and indeed that has been the case. There has been a drop, a fall off there of these purchases, and there's not the money going into the colleges. Indirectly what is happening, instead of the company setting up training programs on the job, we've had a lot of these instant, private training establishments. They're coming out of the woodwork, so to speak, offering training programs and they've been getting federal grants.

I question very seriously the ability of some of the overnight training establishments to offer the same

quality training as our community colleges have offered, because our community colleges have offered a standard of training second to none.

My views on this matter are indeed shared by most of the other small provinces, the Maritimes, for instance, and so on have the same concerns that I have, so it's certainly a matter of having faith in the community colleges, and the serious concerns that we have that it is being undermined. I think that we haven't seen the last of this yet. There may have to be some major cutbacks in the community colleges within the next year or two because the Federal Government, through Canada Employment, have been one of the major purchasers of all these seats, these places there.

At any rate, there is the hope and the thought by the Federal Government that the private sector would move in. We said and some of the other provinces said we didn't think the private sector would move in, in our province, and indeed they haven't moved in to the degree I think that Mrs. MacDonald thought they would.

MRS. C. OLESON: Can the Minister comment on the cuts of 106 - I haven't got the percentage point - but 106 people from the total department of Employment Services?

HON. L. EVANS: Yes, are we going line by line?

MRS. C. OLESON: No, well I was just going to ask on the entire area.

HON. L. EVANS: I don't mind jumping around.

MRS. C. OLESON: Is that in another - like, it's the entire Department of Employment Services, as I understand from the Supplementary Estimates Book.

HON. L. EVANS: Okay, well we can talk about this now if you like. There has been, in order to offer the STEP program - that's the Student Temporary Employment Program. Within government we have had to have the SY's, the staff year positions available, and they've been available in our department for all departments of government. So one staff year may represent four or five student jobs. So what has happened, we have - because every department has been asked to try to make some expenditure reductions and try to help meet the big deficits that we have - had to make some reductions. So this is the main area.

There has been a reduction therefore in some of the STEP money, also a slight reduction in programs, New Careers North, New Careers South - I'm talking about staff positions now. Also the Stevenson Aviation Training Centre, there's been a reduction, and there has been a reduction in administration.

On the other hand, there's been a bit of increase in some departments. We had to have some increase in the Single Parent Job Access because we're going into that. We've had an increase in our Regional Employment Services. We've had a little increase in the immigration and settlement area and also in Employment Enhancement. That's related to the federal-provincial agreement, the Diversion Fund.

So the bottom line is a decrease of 106 positions this year, but those are mostly the STEP positions.

MRS. C. OLESON: I see, so we can discuss that under the STEP line. I didn't know where that was for sure, so that's why I had to ask it here.

Could the Minister tell us how many manufacturing jobs have been lost in Manitoba between the years '81 and '87, and what would that translate into dollars in wages lost?

HON. L. EVANS: Well, I'd have to get some information on that. I have some reports on manufacturing jobs. It's hard to tie it to an estimate of wages. What everybody's been using recently are the labour force statistics on the manufacturing industry.

And I'm just wondering, some of my staff are here. We have some tables upstairs. I just might add, Mr. Chairman, that - so we can get these figures and discuss them. I would add this, that what has been happening regrettably throughout Canada in almost every province, not every province but most of the provinces including Ontario, there has been a reduction in manufacturing jobs as a percentage of the total labour force. What's happening is a very major structural change. That is - and this is not peculiar to Canada. It's a characteristic that you can observe in Western Europe and the United States as well. That is there is a shift in manufacturing activity to low-wage areas of the world, including Southeast Asia.

So the figures will show that there has been an inclination in various jurisdictions - and I say there are many provinces of Canada where there has been this reduction in manufacturing jobs, so it's not peculiar to Manitoba. There are some provinces that have had a more serious decline in manufacturing jobs as a percentage of the labour force than in this province. I'll have some more figures, we can discuss them further. I don't have any estimates of what this translates into income.

MRS. C. OLESON: The Minister mentioned in his opening statement and he mentioned it this afternoon too, the formation of the Manitoba Training Advisory Council. What will be the size of that council and what will be the cost of running it?

HON. L. EVANS: The exact size has not yet been determined, Mr. Chairman.

MRS. C. OLESON: Now will this council, will it be coordinating programs within this department and other departments of the government to not only look at the effectiveness but also, if there's duplication of programs within the government with job creation programs, because so often there are people who fall through the cracks and don't qualify for any program that's available, but still are in desperate need of some help. I wonder could the Minister comment on just what the function of this Training Advisory Council will be.

HON. L. EVANS: The essential function is to help make up for the shortfall in government purchases of training programs at the community colleges. That's the essential primary, single purpose, as a matter of fact, of that council because, as I was explaining a few minutes ago, the Federal Government has decided to reduce over a three-year period the purchases of spaces

in the community colleges. They have accepted that, in Manitoba, it's difficult for the private sector to take up the slack.

So this council is a vehicle of assisting the private sector take up the slack, that's essentially what it is. Through this council, we are hoping to promote more purchases of spaces at the community colleges from the private sector. The Federal Government has agreed. We've signed an agreement as a matter of fact on this. This council is appropriate and should be set up and should facilitate those indirect purchases.

MRS. C. OLESON: So there is no function within this department to evaluate and to coordinate job training programs to see that none overlap within the government and this department and others?

HON. L. EVANS: Mr. Chairman, we do that on an ongoing basis. We have research personnel and program managers. Senior personnel and policy people are indeed very cognizant of the need to avoid any duplication and so on, but it's an ongoing thing.

As far as the government as a whole is concerned, there is the Planning and Priorities Committee of Cabinet, and it has a secretariat, it has economists and researchers and so on. They have that as a responsibility.

MRS. C. OLESON: Under the Employment Development and Youth Services Programs, Canadian Jobs Strategy, what programs fall in this department that come under that federal program? Canadian Jobs Strategy, just what programs in your department come under this?

HON. L. EVANS: Mr. Chairman, there are no Canadian Jobs Strategy monies funding any of our training programs or our job creation programs. The exception I gave you was the Northern Development Agreement, but that's not the Canadian Jobs Strategy.

As we discussed last week, the Employment Enhancability Program under the National Diversion Fund, which we just signed, that's a separate thing. That's really more related to welfare. It's directly related to welfare recipients and monies can only be used for them, so I wouldn't call that part of the Canadian Jobs Strategy necessarily. (Interjection)- We don't, but sometimes the feds do.

There are many provinces - and maybe the member is referring to this - there are some provinces, particularly the Maritimes, who do have cost-shared programs under the Canadian Jobs - they may have a summer job program, which they cost-share on, etc. We have not done that. Our major programs are totally funded by the province.

MRS. C. OLESON: Under this heading of Employment Development and Youth Services, there's an increase of \$73,000 under Salaries and a decrease of \$115,000 in Program Funding. Would the Minister explain that, please?

HON. L. EVANS: The member is referring to lines 3.(b), (1), (2) and (3), I take it.

Well the salary increase would be the normal incremental increase. It's available in a general salary

increase. It's not really any more staff; there are no more staff. And the reduction, I guess that reflects some of the STEP money we were talking about.

MRS. C. OLESON: The Job Training for Tomorrow Program, what program does that replace or is it an additional program?

HON. L. EVANS: It's a new program. None of these programs are stipulated by statute. Unlike funding of hospitals or school divisions, etc., where by statute the Government of Manitoba has to provide certain funding based on whatever formula, these training programs have to be looked at each year. There's nothing written in law that we have to have Careerstart every year, for example. The government can just say, well, sorry, we're not going to have Careerstart this year and likewise with the major training program.

So this is a new program, Training for Tomorrow. There's a great deal of emphasis put on training where the staff sit down with the employers and it's very, very intense. We haven't gone to this extent in the past in sitting down and ensuring that there be adequate training programs in all industries, in all occupations, no matter how big the company or the enterprise is. The Job Training for Tomorrow is new in that respect.

The previous year, however, we did have a program called Manitoba Jobs in Training Program but there were different elements to it. It didn't have the same emphasis on training. This one, you have to agree to a training analyst to come in and ensure that there is a proper training program established with the terms of reference and so on. You have to agree that the person stays on, is a permanent job, is to carry on after the wage subsidy is completed, after the training is completed, and there are a lot of conditions set forth under this program that are new.

MRS. C. OLESON: What is the funding for the program?

HON. L. EVANS: The program funding is \$10.6 million in '87-88.

MRS. C. OLESON: And how many people have been placed in that program?

HON. L. EVANS: Mr. Chairman, the program began in the fall of '86 and as of now, May of '87, the number of positions approved is 1,906.

MRS. C. OLESON: Nineteen hundred and six?

HON. L. EVANS: Yes. Eventually, with the monies we have available, we should be able to employ about 3,200 people, the estimated total that could be assisted under this program.

MRS. C. OLESON: How do you get into this program? Is it from the unemployed list or from social assistance or what is the criteria for entry into the program?

HON. L. EVANS: It's fairly liberal employment entry conditions. We do have certain affirmative action aspects of the program. For instance, we try to

encourage women particularly in non-traditional or technical occupations. We also have another affirmative action component whereby we encourage employers to hire persons who may be laid off because of technological change, and then we have an incentive for people to hire people 55 years of age and over - we have some additional incentive. We provide an additional four weeks of subsidy if they hire somebody 55 years of age and over.

But otherwise it's up to the employer; we don't hire the people. The employer hires persons, and we pay 50 percent of the hourly wage up to a maximum of \$4 an hour, plus employee benefits, which is up to 10 percent of the wage assistance. That additional allowance is for CPP and UIC payments. But the persons do not have to be on welfare, although we are doing our best to channel welfare recipients to the extent that we can into the program, but it's up to the employer to find the person.

The fact is that you're obtaining somebody who's being given a job. And of course, it's somebody who need training, and it can't be somebody who's - let's say it's a particular mechanic type of job. You can't hire somebody who's a fully fledged mechanic to be trained. It has to be somebody who needs the training in that position.

MRS. C. OLESON: Is there a brochure that you send out? Could I have a copy, if you do have one?

HON. L. EVANS: Yes.

MRS. C. OLESON: Thanks.

The Job Access for Young Adults - it's referred to in the Minister's opening statement of August 1986 as a pilot project. Is it still ongoing?

HON. L. EVANS: You're talking about the - yes, it was successful and one of the components under the Employment Enhanceability Program that we have going with the Federal Government, one component is with youth; and it's a carry-over from what we got started last year.

MRS. C. OLESON: How many young adults are in the program?

HON. L. EVANS: 32 at the present time.

MRS. C. OLESON: What's the criteria for entry into this program, and does it lead and has it led to permanent jobs?

HON. L. EVANS: It seems last year, Mr. Chairman, under this program, roughly 50 percent did find employment that we know of after we finished. It was a ratio of 50 percent, roughly. So I would hope we'd be equal to that now or even better. It depends on a lot of factors, because sometimes you can go through this. It depends on the individual. Not everybody, for whatever reason, even though they are trained and so on, ends up - these are very difficult cases.

MRS. C. OLESON: What is the criteria for entry? I believe I asked that first.

HON. L. EVANS: Mr. Chairman, these are people who are referred to us usually by various social service agencies. There are some conditions, among them are they have to be on Social Allowances - that's welfare - or eligible for Social Allowances. Also, normally we're dealing with young people who have a very limited education. So we are dealing with people in a very disadvantaged situation.

MRS. C. OLESON: The Careerstart Program, what changes were there in the Careerstart Program this year?

HON. L. EVANS: You're talking about the terms of reference for the program?

MRS. C. OLESON: Yes.

HON. L. EVANS: I think that it's generally the same as last year with the one major exception - we're talking about the terms of reference here - would be the creation of the institutional category, which is something we had already in our major program, Training for Tomorrow, and we decided to implement that in the Careerstart Program. What is institutional really are the various non-profit organizations who are usually fairly well-funded, so we made a decision to take the relatively smaller, poorly-funded non-profits and continue them as non-profits.

But if the organization was a nursing home, a municipal government, a university, a hospital, etc., that are well-funded, generally speaking - maybe the organizations may not think they're well-funded, but I mean compared to a day care centre or, say, a mentally-handicapped workshop, they are very well-funded compared to those organizations. Because we wanted the money to go around as far as possible, we said we would expect you to come up with 50-50 cost-sharing. I know there was some concern about the universities, but it's interesting there was quite a major take-up by universities. There wasn't that much fall off. Last year, there was approved 374 positions and this year it was 327 approved so, even though they had to come up with half of the money, there wasn't that much of a fall off.

MRS. C. OLESON: Was there a cut in the number of hours or weeks worked?

HON. L. EVANS: In some instances, we did cut the number of hours or weeks worked. The idea again is to spread it around as much as possible.

MRS. C. OLESON: The Minister said that there were cuts in some of the institutions because they were already well-funded. Did he consider the Western Manitoba Agricultural Museum one of those, because I think they had some cutback in funding in hours and they certainly don't consider themselves well-funded.

HON. L. EVANS: Mr. Chairman, I'd have to check to see whether that was categorized as institutional. I wouldn't think it should be but, even if it weren't, as I said, some organizations didn't get as much money this year or didn't get as many hours or weeks. I'm not sure what the details are for that.

MRS. C. OLESON: One of the problems with this, of course - and I'm sure it's been mentioned to you before and I believe I have mentioned it to you before - is that these organizations, such as the Agricultural Museum and other organizations of that nature, become so dependent on these grants, and it really puts a crimp in their budget when they don't get them or when they're cut back. They rely on them because otherwise they couldn't provide the services that they're providing to the community.

I think the Agricultural Museum, one of its major problems is they can't hire enough tour guides if they don't get enough funding this way, so they can't provide the tours in the summer that they would like to provide.

HON. L. EVANS: First of all, I can advise the member that the Agricultural Museum is considered non-profit, non-institutional.

The problem the member alludes to is quite a serious problem with a lot of non-profit organizations. That is, they've come to depend on these job grants as core funding. They should really have adequate core funding from whatever government source, be it federal, provincial, municipal or whatever. If that is . . .

MRS. C. OLESON: Speak to the Minister of Cultural Affairs about it.

HON. L. EVANS: Yes, that's what should happen. What happens, this includes the mentally handicapped as well, and a lot of non-profit where they come to depend on our job programs for ongoing funding, and they were not meant to be that.

MRS. C. OLESON: Is the Careerstart Program funded under the Jobs Fund?

HON. L. EVANS: Yes.

MRS. C. OLESON: So how is this operated then? We talked about this in the Economic Security section or maybe under Administration, about the Jobs Fund payments.

Does the Jobs Fund Department pay a lump sum to the Department of Employment Services and then the cheques are made out by this department to the individuals? Is that how that's operated?

HON. L. EVANS: Yes, Mr. Chairman.

MRS. C. OLESON: So the Careerstart payments from the Jobs Fund money appear on this line in the Estimates under 3.(b)?

HON. L. EVANS: Yes, Mr. Chairman, while we pay out the monies, the monies don't appear in our vote because the monies had been voted by the Legislature for the Manitoba Jobs Fund. Having been voted by the Legislature - and that's why it's on that line - then internally there's a transfer and we spend the money. They give it to us and we spend it, but it's on their budget because, yes, the Legislature must approve the spending and so it's the Jobs Fund who comes to the Legislature for approval to spend monies here, there and so on. That's why it's on the books in that respect. So we don't have it here.

MRS. C. OLESON: I'll just mention it to the Minister - and I think we've mentioned it before - it is an exercise in futility as an Opposition member to try and trace the Jobs Fund money. So that was an attempt on my part to take something out of the mystery of it.

The Unemployed Help Centre - I think there are two of them, one in Brandon and one in Winnipeg - is their only function now assisting people to get more unemployment insurance money?

HON. L. EVANS: That is the essential function, but they're also set up to provide some employment counselling; and I understand they do provide advice and assistance on job search and just general counselling with employment matters. But I would say that probably their main work is to provide technical advice on unemployment insurance.

I do understand that they've estimated quite a fair amount of money that's been bound for unemployment insurance recipients that they would not have obtained otherwise. I don't know whether we have any estimates here, but the Winnipeg Centre, for instance, in 1986 served over 3,400 individuals and was successful in case appeals to the extent of returning \$290,000 in unemployment insurance payments to individuals. In the previous year, it was also over \$200,000.00.

I just might add, Mr. Chairman, that if those people didn't get it that would be \$290,000 that Manitobans wouldn't see. We wouldn't have obtained it. So to that extent, we've obtained another \$290,000 from this fund.

You should know that, in Manitoba, we pay more into the fund. Workers and businesses pay more into the fund than we draw out of the fund. In other words, Manitoba is a net contributor to unemployment insurance in Canada unlike, say, some of the Atlantic provinces where it's just the reverse, but that's a result of our relatively low unemployment insurance.

But anyway, I'm quite satisfied that the one in Brandon is also - of course, it's on a smaller scale - but they are also, I know, keeping track. Let's see, the figures we have here, they've dealt with 800 people and they were successful in reinstating UI benefits for individuals to a value of over \$103,000.00.

MRS. C. OLESON: On page 39 of the Supplementary Estimates Book that was put out, the objectives of this department are stated, and I quote: "To minimize the level of unemployment, to increase the skill levels of workers in relation to job market demands of Manitoban employers." So I was just wondering how those two statements justify the funding of an agency whose main function is to obtain unemployment insurance.

I mean, you're stating as your objective, "employment," and yet you're setting up an agency to get unemployment insurance, and the Minister qualified when he said we were a net contributor to the unemployment, because you can't have it both ways as we are reminded the odd time.

HON. L. EVANS: Mr. Chairman, these agencies also are supported - well, the one in Winnipeg in particular is supported by other sources, United Way, and ultimately and hopefully the one in Brandon will get additional funding from other sources from the community because it is a community-wide service, but

they do offer assistance to people in finding jobs and so on.

(Mr. Deputy Chairman, D. Scott, in the Chair.)

We think that it's within our mandate of trying to work for Manitobans and it's in the area of unemployment. We're trying to minimize the level of unemployment. We're trying to maximize income available to workers. Anybody in Manitoba who's been in the labour market and regrettably is unemployed, we want to make sure that they get whatever they're entitled to.

I might add, we were talking - maybe while the member is looking up some other - I just wanted to pass on some information regarding manufacturing jobs. The fact is - and this was brought up in the Legislature - that there has been a reduction in manufacturing employment percentage-wise. I think the figure was referred also by the Canadian Manufacturers' Association, suggesting a decrease of 14.1 percent. This is taken from the Statistics Canada Labour Force Survey. While that is correct, the member should know that all but one province in Canada suffered a reduction in manufacturing jobs. The only province that shows an increase between March of '87 and November '81 - I'm going back five or six years because that's what was referred to in the newspaper article on this. I'm taking that as a benchmark, November '81.

The only province that didn't have a negative position was New Brunswick. It had a very minor increase, a percentage increase. But every other province - some are less than Manitoba, some are higher - Ontario is minus 4.4 but you can look at Alberta, it was higher than Manitoba, their decline was 15.3 percent. British Columbia was a decline of 16.7, Newfoundland was a decline of 20. If you take Canada as a whole, there's been a decline. So as I said, that is a characteristic that we see today in this particular industry, that there is a relative decline in the number of people working.

On the other hand, if you look at it, you can look at it in terms of manufacturing as a percentage of total employment, and you'll see some slight decline there too. But that again, from all the figures we have here, is the same pattern as you'll see across the country, that the percentage of people working in the manufacturing component of the industry, if you take all the industries, a total of every kind, shape or form - service industries, agriculture, fishing, mining, etc. - and you add them up for a total, you'll find that manufacturing as a percentage share is declining. And that's been a characteristic for many a year.

As I said, you will see that pattern in I think just taking a quick look at the figures. You see that in every single province in the country that there is manufacturing, as a percentage of the total is smaller. And one of the reasons is the service sector's expanding so rapidly. The jobs are growing there in transportation, finance, personal services and so on.

So while I regret that, the only consolation I have is to say that what's happening here isn't as bad. In some cases it's worse than other cases, but it's not out of line with what's happening in Canada as a whole.

MRS. C. OLESON: In 3.(c), Immigration and Settlement Services, on page 39 of the Supplementary Estimates,

I would quote "(d) To achieve immigration levels in keeping with labour market and humanitarian objectives." What role does this department play in immigration?

HON. L. EVANS: Yes, under the BNA Act, the British North America Act, the Federal Government is to consult the provinces on matters pertaining to immigration. So we do receive correspondence from time to time from the Federal Minister asking for opinions on levels of immigration and other general policy matters. And we from time to time offer the advice as requested. However, the Federal Government doesn't have to listen to us, but we do offer comments. I met with the Honourable Gerry Weiner a couple of months ago, the Minister of Immigration, and we had general discussions regarding refugees and immigration levels and general policies and had very positive discussion. And we do correspond with him and Mr. Bouchard, the Federal Minister of Employment and Immigration.

But the key point is that while the government, I guess, is willing to listen, they're listening to all 10 provinces, so I can't say that our advice is always taken.

MRS. C. OLESON: At least it's asked for anyway.

Does the Minister then suggest or set numbers, suggest numbers, for instance, that he would feel would be Manitoba's share?

HON. L. EVANS: Normally the Federal Government sets down some targets, some levels and we end up commenting on our share of that. It's usually a middle course, usually a moderate course. As a lot of people have been saying now, given the democratic factors in Canada, we may have a shrinking population. People are talking about the need for more immigration and so on but, generally speaking, we tend to react to the major issues of the Federal Government. That's the way it's been for some many a year.

MRS. C. OLESON: Under Regional Employment Services, Southern Employment Services, on page 45 of the Supplementary Estimate Book, one of the activities of this area is to: "Provide regional delivery of the new Community Places programs funded." Does this mean that the department still does all the evaluation of applications and all clerical work involved with the program which replaced Community Assets, even though it is in the Department of Culture Heritage and Recreation?

HON. L. EVANS: Mr. Deputy Chairman, we're involved to the extent that our staff receive applications and work with the applicants in the field, determining that certain information is correct, verifying it and sitting down with the individual if there are any problems in lack of data or whatever. So, that's at the field level, but that information is then passed on to the Department of Culture, Heritage and Recreation where the central administrative function takes place. So we are simply delivering this as a service, because the field staff have had experience in this and in the past have done a good job.

Well, I know it runs the staff off their feet sometimes, to say the least. We're doing this as a service to the

Department of Culture, Heritage and Recreation or we did it this past year. But we don't have the funds for it, the funding is in the other department. We're simply using the existing field staff which I think is an efficient move on the part of the government.

MRS. C. OLESON: So this department, this Minister doesn't make the decisions of who is to get the funding. That's in the Department of Cultural Affairs.

HON. L. EVANS: Ultimately, the final decisions are made by Cabinet. There is a Cabinet committee, as has been explained. I'm a member of the committee but the department per se does not make the decisions. We simply do the receiving of applications in the field, the initial vetting of the applications, as I explained, the normal processing that has to go on. I find that sometimes you don't get enough information on the forms. You have to go back and check with the organizations, etc., etc. But then those applications are forwarded to the Department of Culture, Heritage and Recreation, and the administrative work then is centralized there and is funnelled through that department.

MRS. C. OLESON: So, the administrative costs are still in this department?

HON. L. EVANS: Actually, there are no additional administrative costs to the government because what we're doing is really using our field staff who are in the business of running Careerstart, Training for Tomorrow and some of these other programs. They're taking this on at the moment as an add-on. We're doing it to try to be as efficient as possible, not to add staff to Culture, Heritage and Recreation, to try to do it with our existing complement. I know in some offices it has caused a lot of extra overtime and a lot of hard work, a lot of weekend work, a lot of night work and so on to deliver it because we've got these timetables.

So there are no additional costs. They're just the normal costs that we incur by having those field offices.

MRS. C. OLESON: I didn't really mean additional costs. I just meant that the administration costs are still in this department as opposed to having been transferred to Cultural Affairs.

HON. L. EVANS: Well, essentially - I should explain this; it's a good point - some of the administrative staff that we had in the department on this program were transferred to the Department of Culture, Heritage and Recreation. So those people are not represented here; they're in the other department. So that's gone.

MRS. C. OLESON: Human Resources Opportunity Program, on page 49 of the Supplementary Estimates, it talks about number of persons expected to be served is 2,500 for the Human Resources Opportunity Program, 1,400 for the Human Resources Opportunity Centres and 700 under the Single Parent Job Access Program.

Are most of these people targeted to be helped by this program on social assistance?

HON. L. EVANS: Most of them are on social assistance, not all but most of them.

MRS. C. OLESON: The program is very labour-intensive. Can the Minister explain why?

It's probably something to do with their role in the way they help people, but I would just like an explanation.

HON. L. EVANS: I should say this at the outset that, some years ago, all the work by the clients and all the training was done in, what I would say, the workshop on site, sometimes referred to as sheltered workshop site.

What we did a few years ago is bring in the work experience technique, if you will, whereby we were able to bring on more clients, help more clients in a relatively more efficient way, relatively cheaper way, because we were saying we were going to place people in real jobs out in the community - small business, non-profit organizations and so on - that we would rely on those establishments, those businesses, those non-profit to do the training.

We would continue to do the pre-employment counselling, maybe some initial life skills training and so on, but the actual training would be on the job and we would get help from the employer. Mind you, the employer gets the free labour. So there's a mutually beneficial pattern here.

By doing that, we've been able to increase the number of people we're helping without increasing the capital costs. They tend to be labour-intensive. That is true. But these, if you go back through the years, you'll see the number of people helped has gone up substantially.

The other advantage is - I know the Member for Gladstone will be pleased and interested in that - by taking this approach of work experience, we can provide jobs away from the site. Under the old system, you had to come to Brandon. For instance, if you're talking about the Westbran project, you had to come there. You may have come from Glenboro, but you had to stay and work in Brandon and so on. Under this new approach, we can actually have positions in Minnedosa, Neepawa, Glenboro, Killarney, using Westbran as an example. So that does happen. I don't have the figures on that, but I can tell you that the jobs are spotted in various communities.

The centres have done fairly well and we are using them, as the member knows, to take on this Single Parent Job Access, because we did it on a pilot project in Winnipeg and Brandon a year ago and it worked well. So now we are carrying on with this new money and we're quite hopeful that it is working well.

MRS. C. OLESON: Were there any referrals from municipal welfare rolls?

HON. L. EVANS: Yes, for municipalities and some other in Winnipeg, a lot of social service agencies may refer, but the municipal government certainly, because they're dealing with the unemployed employables.

MRS. C. OLESON: Has the Minister any figures on how many who are served by this program actually leave the welfare rolls, for instance, if that's where they came from and have permanent jobs?

HON. L. EVANS: I can give you an overall estimate for the 1986-87 year.

At the beginning of the year, we had 382 people registered; during the year, we took in 1,089, so the total served was 1,471. Then this breaks down into different - 754, roughly half of them, were trained on the site; then 585 were placed in community-based work experience jobs; and then there were 167 on various special programs. Some of this was for summer programs, what's called the Job Club. It's another type of a training program.

At any rate, to get down to the bottom line, to answer the member's question, 549 of those went into jobs or went on to further training. Like, some go on to Assiniboine College or whatever.

MRS. C. OLESON: The Single Parent Job Access Program, how many people were trained under the pilot project in 1986-87 and what was the cost?

HON. L. EVANS: The Single Parent Job Access pilot project, we had 288 taken in. I'll just give these by way of percentages. It's probably the best way to describe it. I'll just round this off, 39 percent were successful and entered employment, so 39 percent got jobs; 24 percent went on to other training. Then about 9 percent, at the time of this being compiled, were waiting to get into a training program. Then 7.7 percent or about 8 percent are waiting to either get employment or some work experience. So we figure roughly 79 percent or 80 percent have been successful under this program. We can never expect 100 percent success.

In some cases, these people have a lot of additional problems and sometimes there are other things that may occur during the lives of these people, so you could never expect 100 percent. It could be illness, for example, just to use one little example, or some other change in the family situation.

MRS. C. OLESON: The funds for this program, \$3 million I believe the Minister mentioned in his statement, is that money taken out of the social assistance budget or is it in addition to the social assistance budget?

HON. L. EVANS: If the member's talking about this year's budget as opposed to the pilot project, we added monies on the employment side but we expect to save it on the welfare side, on social assistance.

Ultimately, if this program is successful, we expect it really to cost us no money, at least as far as the single parent, at least as far as that part's concerned. Ultimately, if we are successful, we will save money within a couple of years.

MRS. C. OLESON: And these people also who go into this program could come from the municipal rolls as well. There is cooperation between the municipalities and the department on this.

Work Activity Projects, on page 56 of the task force report, there's reference to a collection of information regarding training projects but not reporting it. As an example, one of the questions they'd asked is what was happening to the graduates of these programs and do they maintain their employment and for how long.

The quotation I'm thinking of from that page of the task force report said, and I quote: "It is alarming that a program with a projected 1982-83 budget of \$4.1

million does not endeavour more routinely to answer these questions." Are studies now done as a result of that notation in that report?

HON. L. EVANS: To clarify, Mr. Deputy Chairman, I believe the member is talking about a quotation from the Ryant Task Force on Social Assistance and, when you're talking about work activity projects, that's the old name of the Human Resource Opportunity Centres. They used to be called work activity projects, but they changed their name about three or four years ago.

MRS. C. OLESON: But is there any follow-up?

HON. L. EVANS: Oh, yeah. Well, like the numbers I was just giving you here from '86-87, we said that there were 549 people placed in jobs or went on to further training. There's an array of these. I don't understand that quotation because - I certainly know today - there's an array, there are tons of statistics on this by each centre. We get monthly reports. There's all kinds of information available.

MRS. C. OLESON: I think one of the things they were focusing on is how long does this employment last. Like, if you had statistics that say that so many were employed, but how long were they employed is one of the points they were trying to make.

HON. L. EVANS: There is a real problem here because individuals live in a free society and, while we have records of those going on to jobs, it's dependent no matter how long we could continue to follow up, how many months - we can't say for sure a year from now or so that they're still working, but I think we try to follow up for about three months anyway when they leave the Human Resource Opportunity Centres, for about three months.

Generally, under the Diversion Fund Program that we're talking of, there are monies to do some research on the success of the program. This is something we'd want to monitor very closely.

MRS. C. OLESON: Thank you.

With your computer program, you'd be able to tell quite quickly if they came back on the welfare rolls if they had been on within the last short while anyway. So that will probably help you with that sort of information.

On page 51 of the Supplementary Estimates, there's a reference to labour implications of plant closures and technological change, etc. Can the Minister tell us what plant closures this department has been involved in and what was the involvement?

HON. L. EVANS: The fewer, the better of course, Mr. Deputy Chairman.

The major one we've been involved with was Canada Packers. We have provided some funding for a committee. There was a committee set up jointly by the Federal and Provincial Governments and the company to deal with the displaced workers - those are the people laid off by Canada Packers - so we provided some monies to this committee, as did the Federal Government, as did the company. The three

parties put monies into this investment committee, and we also provided some staff to help get their office organized. So that's one example.

Also we've had some experience working with the Versatile Company. There are others, LGD of Grahamdale and there is another one here where we're involved in some retraining costs. We've been invited to participate in some other companies, but we haven't yet decided whether we should get into those. But there are about seven that I could refer to as of April 30, 1987. The biggest one, as I can recall, is the Canada Packers.

MRS. C. OLESON: What sort of funding was involved with Canada Packers?

HON. L. EVANS: Okay, Mr. Deputy Chairman. The initial grant was \$20,000, which was to help defray the costs incurred by the committee. The committee's function was to set up this office which was to help the workers find other jobs, help them being placed.

MRS. C. OLESON: That committee office would be involved in other plant closures then. You wouldn't set up an office for each one?

HON. L. EVANS: Mr. Deputy Chairman, that office was strictly for Canada Packers because it was financed by the company, Canada Packers, and the Department of Employment and Immigration as well as ourselves, so it was tripartite for that particular problem. Mr. Deputy Chairman, I might point out, it was a large layoff that involved 275 people. Of course once, at a certain point of time, that office will simply close. When the job is done . . .

MRS. C. OLESON: When they get everybody back to work, they'll close.

The Selkirk Training Plant, would the layoffs at the steel mill have any impact at all on this program? Do the people who are trained in this, have they historically got jobs with that mill or is there a connection?

HON. L. EVANS: Mr. Deputy Chairman, I don't believe there is really any connection. Selkirk Training Plant is essentially a woodworking plant.

MRS. C. OLESON: Oh, okay.

HON. L. EVANS: I'm sorry, it's woodworking and metal, but it's mainly small fabrication. There is really no connection.

MRS. C. OLESON: Okay.

How many people were trained at that training plant last year, and how many permanent jobs resulted from the training?

HON. L. EVANS: Last year, '86-87, there were 100 people accepted as trainees. Twenty-six of them went on to employment during the year, eight went on to further employment, and that's it.

These are people who again are disadvantaged through whatever reason, and we often deal with some fairly hard-core unemployed people in these centres.

But basically the plant seems to be well run and it has helped a number of people over the years. This year, it is anticipated that the number of trainees will be slightly higher, 105. We anticipate a good one-third of those to get jobs and another small number to go onto further training.

MRS. C. OLESON: The Minister alluded to it, but is the criteria for this program that you must be on social assistance, or can others also be involved in this training?

HON. L. EVANS: Mr. Deputy Chairman, in this category some of them are on welfare, but also we will accept some on unemployment insurance, if they've been out of work for at least 24 weeks.

MRS. C. OLESON: And the Stevenson Aviation Training, there's a reduction in funding. Does this reflect fewer applicants to the program?

HON. L. EVANS: We looked at this and we felt that it could be operated at a slightly lower level and it was part of the budget cutback exercise that we went into. It's doing a good job, but we felt that it could be scaled down a bit.

MRS. C. OLESON: Is the criteria to this program similar to the Selkirk one, where there are unemployed and social assistance, or is there a different criteria for entry to this program?

HON. L. EVANS: Yes, Mr. Chairman, there is a different criteria. This is in response to a need of communities in Northern Manitoba. There is a need for people who can maintain aircraft in remote communities, in particular. So what we're doing is bringing people, in many cases I guess from Northern Manitoba, not entirely, but people who normally would go out to these remote communities and provide aircraft maintenance in those areas.

But at any rate, even though there's been a reduction, I understand that the centre can maintain existing levels of training but will restrict any expansion or new program developments. So there's been a bit of a scaling back. In setting this program up, we have worked with a number of people including Winnipeg Aerospace Manufacturers and even some out-of-province regional air service companies in Saskatchewan and Ontario. But generally, we think that the size and the nature of the reductions are fairly minimal and we should be able to maintain the existing apprenticeship activity through this centre.

MRS. C. OLESON: I see I had STEP program - it must have been two places in my notes - but I think I'm out of step with the STEP program right here, but anyway we mentioned before that there was a reduction. How many jobs were there in the STEP program last year?

HON. L. EVANS: The number of positions approved last year was 863, and the number this year was 470.

MRS. C. OLESON: It was just a matter of reduction, there wasn't a decrease in demand for the program was there, it was just a matter of trying to cut down.

HON. L. EVANS: Mr. Chairman, every department, because the government has been experiencing considerable deficits for some years, all departments have been trying to scale down, tighten and so on. This is a good program but no one would like to see it scaled down, but this was one area we thought we could, at least for this year.

The other point I would make, however, there are still departments who have their own budgeted positions. There has been some increase on that side to take up a bit of the slack. In other words, STEP provides jobs for all departments; we are the coordinating body. But in addition, there are still some departmental-funded positions for the young people in the summer, and that's been increased a bit to partly take up.

On the positive side of this is that there has been a fairly significant improvement in the unemployment of young people. If you just take the figures that were made available on Friday from Statistics Canada, the percentage unemployed for those under 25 - Statistics Canada uses the years 15 to 24 - most of them would be older teenagers, I suppose, and early 20's, but last year, May 1986, there were 13.6 percent unemployed in this category and this year - these are the actual figures - it was down to 11 percent. So that's for both male and female.

If you look at the women, there's really been a dramatic improvement. Last year, last May there were 12.5 percent unemployed and this May it was down to 8 percent. But I would think that if - and there has been a trend evident for some months now of improving unemployment among the youth, so there is some rationale to say, okay, these programs were designed actually when unemployment was sort of rising and governments were trying to respond to them. I think it's fair to say that, if the situation improves, it is rational to cut back at that time, because you should be prepared if it gets worse to add some money. So if you're ever going to cut, this is the time.

MRS. C. OLESON: What are the wages paid to students in that program?

HON. L. EVANS: The salary scale in 1987-88 varies depending on which level; there are four levels. In terms of the hourly rate, Level 1 is \$4.50 an hour; Level 2 is \$5.13; Level 3 is \$5.75; and Level 4 is \$6.37. Now this will go up for those who are still working after September 1, because there's an adjustment upwards in the minimum wage. So as of September 1, Level 1 will go up 20 cents. In fact, they'll all go up by 20 cents. So it'll read then \$4.70, \$5.33, \$5.95 and \$6.57.

MRS. C. OLESON: What do the levels reflect? The type of job or the education of the student?

HON. L. EVANS: Mr. Chairman, yes, both experience and level of skill.

MRS. C. OLESON: I think that's all I have in that area, Mr. Chairman. I think we could pass that.

MR. CHAIRMAN: Can you pass all of 3. then? Are you done with all of 3.?

MRS. C. OLESON: I think so. I'll think of more questions tomorrow likely.

MR. CHAIRMAN: Okay. Just excuse me. My Clerk has just left - if I can find the resolutions here.

3.(a)(1) to 3.(6)(b), inclusive, were each read and passed.

Resolution No. 57: Resolved that there be granted to Her Majesty a sum not exceeding \$14,956,200 for Employment Services and Economic Security, Employment Services, for the fiscal year ending the 31st day of March, 1988—pass.

We are now dealing with Appropriate No. 4., Manitoba Bureau of Statistics. We'll begin with (a) Salaries - the Member for Gladstone.

MRS. C. OLESON: Thank you, Mr. Chairman.

I don't have many questions in this department, but I did notice that it was being scaled down somewhat. For instance, from 1984-88, it decreased by about 37.1 percent. Are other departments taking over the function of this department, or what is the reason for this?

HON. L. EVANS: No, I don't think you could say other departments are taking over the function, but there were some services offered that we scaled down on, we reduced. It's a judgmental call, but again it's part and parcel of the government trying to be as efficient as possible and trying to scale down the spending as much as we can.

So what the bureau is doing is concentrating as much as possible on the original data development and analysis and, to that extent, it puts out a number of reports and offers a number of services on original statistical work such as the Manitoba Economic Accounts.

The Economic Accounts of Manitoba, we are now providing them and that gives you an overall framework of the economy of the province and other economic statistics that are original. They are not a duplicate of what Statistics Canada is doing. So they essentially cut back on anything that even remotely seemed like a duplication.

MRS. C. OLESON: This department sells information to other departments and other outside agencies. Is there a reduction in sales of information from this department?

HON. L. EVANS: Well, I guess when you have to pay for something, it's always a bit of a deterrent as opposed to getting a report free of charge. I don't know whether we have the quantities on the numbers of reports distributed, but we do have recoveries. We did recover \$68,600 net in 1986-87.

I guess you asked the number of reports and so on. What I've got here is the column of the reports put out to different people and it varies, but I don't know whether I have the questions to compare with last year. We have all kinds of statistics here on different reports on various topics here.

Key monthly indicators and population statistics and Manitoba statistical review are purchased by different people, but I don't know how it compares with last year. I would imagine it would be down a bit because

people do have to pay for it. What we find, particularly among the government departments, is that they begin to share reports and then they photostat.

MRS. C. OLESON: Yes, I was going to say it's proportional to the number of photocopy machines there are in the building.

HON. L. EVANS: Yes, that's not fair, you know. We do all the work and we don't get paid enough.

MRS. C. OLESON: I think we can pass this area.

MR. CHAIRMAN: Appropriation No. 4., Manitoba Bureau of Statistics, Salaries (a)—pass; (b)—pass; (c)—pass.

Resolution No. 58: Resolved that there be granted to Her Majesty, a sum not exceeding \$375,500 for Employment Services and Economic Security, Manitoba Bureau of Statistics, for the fiscal year ending the 31st day of March, 1988—pass.

MRS. C. OLESON: Just a minute, what are you doing? We are talking about the Bureau of Statistics, No. 4.

MR. CHAIRMAN: Yes, No. 4.

MRS. C. OLESON: I didn't want you to pass No. 1. without me passing another comment. That's all I'm worried about.

MR. CHAIRMAN: I'll read Resolution No. 58 again just to make sure Hansard has got it right.

Resolution 58: Resolved that there be granted to Her Majesty a sum not exceeding \$375,500 for Employment Services and Economic Security, Manitoba Bureau of Statistics, for the fiscal year ending the 31st day of March 1988—pass.

Now we go back to 1., Administration and Finance, (a) Minister's Salary - the Member for Gladstone.

MRS. C. OLESON: Thank you, Mr. Chairman.

I believe in my opening remarks, I stated that I was going to give some figures about Canadian comparisons of Social Allowances, and I have a report done by the Alberta Department of Social Services and Community Health, and I think I did neglect to mention that under Economic Security.

However, I have this chart that I'll give the Minister a copy. It does give a good picture of Canada as a whole for social assistance. But it doesn't do us very proud in our rank in the western provinces. For instance, for single parent, one child of seven years, we are the lowest in the western provinces. For two parents, one child of seven years, we are the second-lowest in the western provinces, and it goes on. We're either the lowest or the second-lowest in most categories of social assistance in the western provinces.

So I'll just provide the Minister with a copy of that. As I say, I neglected to do so when we were doing the Economic Security part and I had mentioned in my opening remarks that I was going to do that, so I wanted to keep that promise.

And I asked him about the audit, so I don't need to pay any attention to that note in my notes.

I just wanted to wrap up by making a few comments on the puzzle in my mind of the ever-increasing welfare rolls and all the money we've talked about just now in training programs. We also talked about the unemployment picture in Manitoba, which isn't all that bad. It's not of course acceptable; we never would like to see large numbers of unemployed, we would like to see zero. We'll never get to zero, but we can always try.

But with welfare rolls projected to go up 10.9 percent municipally and 13.1 percent provincially, we wonder what is happening when we're spending all these dollars on training. We're creating programs to help the unemployed, we're creating programs to train them, to provide them with jobs, but somehow the welfare rolls are still continuing to rise. And somewhere it should follow that, if you're doing all these things and you're doing them well, you're doing them right, they should have some effect on the welfare rolls. They should be decreasing, there should be some correlation.

For instance, if the municipal welfare rolls are growing, these employable unemployed are part of the unemployment picture obviously, so it's not very encouraging. We wonder where the government's going wrong, if they're going wrong, in what they're doing if we can't see any effect on employment, a more major effect on unemployment and a major effect on the welfare rolls. Society has the right to expect that people will make a reasonable effort to be self-supporting, and we wonder if the government is encouraging this, encouraging people to be self-supporting, or are we creating an atmosphere of enforced dependency on welfare?

If we managed the system and manage people to the extent of their decision making and give them a limited self-identity and encourage dependency on the system so we wonder, as I say, I wonder again, how we are encouraging people, how this government is encouraging people to take part in the training programs, to take part in the job search programs that this government is providing. Are we encouraging them at all? Is the government able to, through its field services, counsel people?

The Minister says that the major increase in welfare rolls is single parents. Are these people being counselled to go onto the welfare rolls or are they being counselled to try and find some employment, some training? Are they encouraged to even do both, to just be on a partial welfare and trade? Are they being steered to help get day care, for instance, while they do these training programs? Are the field staff trained well enough in counselling to suggest to these people the methods by which they could find employment, the methods in looking for day care? Perhaps some of these people are not aware of what is available if they did find work. So that may be part of the problem. The money that we're spending seems to be getting higher every year on training programs and we seem to be losing ground. We're hoping that we see results fairly soon in the millions of dollars that have been spent on training programs.

Another area that I would like to mention before we wrap this up is the disabled. I get a lot of phone calls in my office from disabled people who are on social assistance. We talked about the CPP benefits, about the Orphan's benefits and so forth, but the people who

are unemployably disabled are having a very difficult time through no fault of their own. They haven't got a choice of whether they can work or not.

I'm not saying that no disabled people can work. That's certainly not what I'm saying, because some of them do hold down jobs and some of them need a little bit of assistance in training and so forth to find an alternate job from what they had when they became disabled, for instance. I'm wondering if the Minister has ever considered changing the way in which we deliver social assistance to the disabled unemployable. They are put in altogether, as far as I see it, the people on social assistance are all treated pretty well the same. Is there some way we could have a category for disabled who didn't need the same kind of services from their field staff as what employable or soon to be employed people need?

For instance, I'm told by people who are in this situation that the field staff - and they perceive it as harassing - harass them for medical reports when there's no earthly way that their medical report would change anything. A person who is blind, there is not about to be any change in their medical situation. It might save field staff time if there was a separate category and they didn't need to make visits as often, say, as they do to check up on employable or soon to be employed people. I just have a feeling that there could be a great deal of benefit to some of the disabled clients by a change in the method of delivery, and I wonder if the Minister has ever thought of this.

As I say, I have a lot of these people phoning me and they complain a great deal to do with the department. Some of it is valid, and of course some of it is a misunderstanding, I think, on the part of both sides. I've had a call from people who have been asked to move because they are in too expensive an apartment, and the person is not able to walk and perceives a very great deal of difficulty in going on an apartment search. I can see where that person would be upset by being, first of all, asked to be moving and then asked to be physically moving their goods and chattels with them. So I thought I would raise that with the Minister in the hope that he's taking a look at it to see if there is some better way of delivering social assistance to the disabled.

I have enjoyed the Estimates process. I think we've covered pretty well most of the department and, as I said at the outset, we may not have covered it all, but there are time constraints. I have pointed out to the Minister the problems with the municipal assistance, and I hope that he has a look at that area of his department and sees if he can be of some assistance to the municipal officials in such a way as the main item that I think came out of all my letters that I got from municipal officials was a lack of communication and a lack of knowledge on their part as exactly how they could serve their people. They're, for the most part, eager to learn about this and to help the people. They don't feel they're doing a good job and I don't think it would cost the department; I'm not asking them to run out and spend a lot of money. All I'm asking is them to find some way to communicate. I think that would be important. I'd like to thank the Minister and staff for providing me with the answers to most of my questions, and I look forward to going through this again next year.

HON. L. EVANS: Mr. Chairman, I thank the member for her remarks. I'll certainly take them under advisement. She takes a very conscientious approach to the department, which I appreciate, and I think she has realized, after spending a couple of years on this, that's it's a very difficult area because it's sometimes a no-win area, especially in the welfare side because you're damned if you do, you're damned if you don't. Some people think you're paying out too much money, being too easy, and other people think you're not paying enough.

I just wanted to say that we hope to put more effort into the employment of single parents. Under the federal-provincial agreement, we can handle 600 this year. What we've seen from the pilot project, it seems to be successful, and I would like to see us put a little more money into that if we can. But we will be reviewing it later this year and discussing this with the Federal Government as to whether we should go a little higher.

I was in Brandon last Friday at the Westbran project and I met some of the young women, and I was very, very impressed. I wish the member had been there. It's very impressive, because some of these women had the course, had gone on to jobs and still had the jobs - some good jobs. But at any rate, we should do more in that area. I agree with the member in that respect.

On using the disabled as a special component, the problem is that welfare is an income program of last resort. We don't like to discriminate. We say, you need so much for food or so much for clothing and so on. On the other hand, there is the special needs category which isn't limited to 150, and we indeed do pay more monies if it is necessary for a special diet. If the doctor says you need a special diet, we will pay more monies for that; we will pay more monies for medical equipment, etc. We feel that the best approach is to have this universal project. Indeed, some provinces do have a different category for the disabled, and they may pay a few extra dollars for the physically disabled perhaps.

We have thought about it, but it's a matter of being equitable to everyone. Thus far, we've stayed to a standard rate of welfare assistance, but keeping in mind that people are people and they have individual needs and we should try to meet those needs as much as possible.

If the member does have any cases of unwarranted hardship or where you think there's something that should be examined, I'd certainly be pleased to look into it because we're not perfect. While I hope the staff are being fairly reasonable and generous in their approach, there are cases where sometimes we do have to review and maybe change where it's warranted.

But as I said, it's a very difficult area. There are some changes that have taken place; there will be indeed more changes and more improvements in the future. I agree with the member that our rates are not the highest by any means in Western Canada, if indeed even among some of the eastern provinces.

The only thing I can say on the other side is that the cost of living is a bit lower here and our wages are usually lower than in the provinces to the west of us. But be that as it may, I would appreciate the support of the member in the future as we try and get a better deal, so thank you very much.

MR. CHAIRMAN: Resolution No. 55: Resolved that there be granted to Her Majesty a sum not exceeding

\$2,789,200 for Employment Services and Economic Security, Administration and Finance, for the fiscal year ending the 31st day of March 1988—pass.

That concludes the Estimates of the Minister, and we will now adjourn and the committee shall rise.

SUPPLY - BUSINESS DEVELOPMENT AND TOURISM

MR. CHAIRMAN, C. Baker: We will now begin the Committee of Business Development and Tourism. Mr. Minister - Mrs. Minister, do you have a statement?

HON. M. HEMPHILL: I'm neither Mr. nor Mrs.

MR. CHAIRMAN: Madam Minister.
The Minister of Tourism.

HON. M. HEMPHILL: I have a very short one, Mr. Chairman, because I recognize that we have not allocated a tremendous amount of time for these Estimates, and I don't want to take up an unnecessary part of that in posturing with a speech, which I'm sure the Member for Portage la Prairie will appreciate. Actually, I thought the first three hours I could talk about—(Interjection)—Mr. Chairman, I do want to touch on just a few highlights though in terms of the business climate in Manitoba, and in terms of the activities of our department.

I think that probably one of the most important things to recognize, that is a clear indication of the stability of the Manitoba economy and the importance of the small business sector in that economy. The increases and improvements in small business starts show in the figures that tell us that we had 10,000 new business registrations in Manitoba during 1986. It was the highest number ever recorded, and it gives us an increase of a 5.5 percent over 1985.

Probably a little more importantly is that Manitoba's net business formation rate has been higher than the Canadian average since 1981. This rate, which is the difference between starts and closures, was 6.5 percent in mid-1985 compared to Canada's average of 4.9 percent. The latest available data for '86 shows us having 44,660 establishments, which gives us a 9 percent increase over 1985. What we're showing there, as we are with many other economic indicators, Mr. Chairman, is that Manitoba is ahead of the nation in many of these statistics.

One of the examples is the net business formation rate. We know how important it is to our provincial economy. We know that most of the jobs that are created, are created in a small business sector, and that my department is working to help in the area of entrepreneurial activity with small business starts, new products and services. Rural and remote and northern areas are receiving priority from my department.

The Venture Capital Program, I think, continues to be an important program. Our new Manufacturing Adaptation Program is one that we hope will begin to address some of the problems that we're all facing in the manufacturing sector.

To date in 1986, 80 projects have received support under our program initiatives, which resulted in 600 jobs being created or saved and \$25 million in new

capital investment. We expect to maintain the same level of activity in the coming year.

We've made a number of changes to the Venture Capital Program that I will describe in detail when we get to that section. Our Regional Development Corporations are, I think, working very effectively in their communities, and we're getting very good response from our Regional Development Centres and the businesses that they are serving.

Between the six operating RDC's, Northern and Remote Community Development, Core Area, we have a lot of focus and attention on rural and northern and remote areas. The Winnipeg, Brandon and Dauphin Business Centres contribute towards fostering the growth and development of small businesses in those communities and actually help to serve in the regions too. The centre has responded to 14,000 inquiries for business information and counselling. We've held 115 different seminars, courses and workshops throughout the province on different topics relating to operating and managing a small business. We have a comprehensive video library on 50 topics, and the Rural Counselling Program is offered in three communities with over 80 participating small business clients. The Masters in Business Administration Program is providing support to 25 Manitoba companies in a variety of consulting assignments. The Manitoba Marketing Network is providing very valuable resource from the private sector to the business community and is an excellent example, I think, of cooperation between the department, the private sector, and those people who need assistance.

Just in terms of a very short summary, Mr. Chairman, I would say that the Manitoba economy is one of the most stable in the country. All of the indicators suggest to us that this is going to continue to be so, and that we expect that the small business component of our economy is going to continue to be one of the vibrant active sectors continuing to provide increases to the economy and increases in jobs to Manitobans.

MR. CHAIRMAN: Thank you, the Minister of Tourism.
The Member for Portage la Prairie.

MR. E. CONNERY: Thank you, Mr. Chairman.

It is my intention to show to the people of Manitoba through the news media that the business climate in Manitoba is in serious deterioration. It is through the private business sector that we must create jobs, jobs that are not a burden on the taxpayers of this province. It is through the private business sector that we will generate the wealth to pay for all of our social programs, programs like health and education that we are proud of and fortunate enough to have. It is the private sector, through job and wealth creation, that will eliminate deficits and pay back the \$9 billion or so that we are currently in debt for.

We have already been through the Estimates of IT and T. It is obvious that the Minister there does not have much of an inkling on how to preserve or to save business, much less lure new industries to this province. There will be no salvation of this province through the short-fused and arrogant but incompetent Minister of Industry Trade and Technology.

So we look to this Minister and the Department of Business Development and Tourism, and what do we

have? We have a charming, pretty and vivacious lady with absolutely no credentials to run her department. To my knowledge, she has never been in business, has never gambled in investing her money, nor has she created a job. Mr. Chairman, the Minister, in one of her magazines, lists her reasons for being capable to be the Minister of Business Development, has said my Cabinet position as Education Minister gave me tremendous experience in running a big system, actually a big business. I managed budgets of up to \$850 million, negotiated dozens of contracts for 3 to 200,000 employees and was responsible for capital construction projects. So when she said to the banquet of the Chamber of Commerce that her ability to be Minister was because she had wrote big cheques of the Department of Education, there was a quiet groan and they were quite upset that this would be the criteria that would allow one to be the Minister of Business Development.

This Minister was a disaster as the Education Minister and had to be removed. We wonder how long it will take for the First Minister to realize that he has made a mistake or a blunder of colossal magnitude. This Minister is great at bafflegabbing and always says things are going great. We will debate the stats that she has.

When I brought up the number of bankruptcies versus the number of new business starts, the Minister does question these statistics. We got ours from the corporation sector and the other ones from the Federal Business Development Bank. We feel that they're reliable people, but I'm still prepared to take a look at figures the Minister has. We'll compare them and we'll see, but we know that the number of business starts has not been comparable to the number of bankruptcies, so the Minister is giving a very glossy, nice picture but the picture isn't true.

It is we, she says, who are negative for criticizing her ministry. Well this Minister will never be able to give guidance to this department, nor will she be able to influence the government to take action to reinstall confidence in the business community in this province.

I have one here, Mr. Chairman, was that Hemphill promises a review of payroll tax. She said the payroll tax was one of the real bugbears that was bothering business and she was going to review it. As I pointed out in a question earlier, Mr. Chairman, the effects of this review was a 50 percent increase in the payroll tax, which she acknowledged was really bothering business.

Also, they were going to take a look at the amount of red tape, which the former Minister ran around this province holding meetings on and, to date, we have seen nothing on red tape. So we get a lot of rhetoric and all we see is more red tape on behalf of the government. Thank you for reminding me that it got worse instead of better, so I enjoy your contributions to the former Minister.

It has been brought out that there are 11,000 less jobs in manufacturing now than what there were in 1981. This shows why we are net importers of goods and services. In my free trade talk, Mr. Chairman, I just barely got into the import-exports, and we find that there are only three provinces in this Dominion of Canada that have a foreign-trade deficit - Nova Scotia, Ontario and Manitoba. It is tragic to see that Manitoba's foreign-trade deficit is increasing rather than improving,

while all the other provinces are improving their foreign trade. So we feel that Manitoba really needs to really reevaluate what it is doing

One of the crucial sectors when we look at it is in the end products inedible, which is the finished manufacturing goods. Manitoba's exports have highly increased but our imports have increased some 50 percent in the last while from '83 to '85. I think, in '86, they maybe had dropped slightly. So we see a tremendous increase in the imports of goods so, therefore, we can see why we had an 11,000 drop in employment in manufacturing, because we're importing the goods. Why are we importing all of these goods when we should be manufacturing them right here in this province? The Minister does have a long way to go to overcome this deficit and to put the people of Manitoba back into business.

This government prides itself on its unemployment record, but let's put the spotlight on that record. We have always been - and all going back to 1970 - nothing worse than third, and the best we've been - maybe for short periods being first - but second has been our best overall for the year, and we've always been somewhere in the area of 2 percent to 2.5 percent lower than the federal unemployment rates.

So when we look at Manitoba and gloat and glee over it, it's been the tradition for Manitoba. Manitoba is a very stable province, people are here. When things got really good in Alberta, they went to Alberta. Now we see that they're going to go to Ontario, because that's where they are.

So we look at these stats and it shows that Manitoba's unemployment position is no better than what it was over the last 15 years. So there's no pride in what we've achieved in there. We do need to take a lot more.

Also, Mr. Chairman, we see the out-migration that is taking place. In 1985, we only had 1,000 people in net migration leaving the province and, in 1986, it tripled to almost - well, 2,827 is the exact figure that we have for '86. So we see again the people of Manitoba looking to better climes. It's not Alberta this year, because Albertans are going to Ontario also, but Manitobans are looking for greener pastures and they're heading out towards Ontario.

The number of unemployed in this province, the government talks with great pride about their numbers, the percentage, but I think we have to take a look at the numbers of unemployed that we have right now. When we look in the Tory times the highest was 31,000; 25,000 was the lowest. But once we hit '82, we got into the 40,000, over 40,000, and have stayed over 40,000 of unemployed people.

So while the percentages might look good, the numbers of unemployed are drastic. And it's business that has to pick up this slack, and I hope this Minister knows that it's through business, not government increasing their numbers, because that's a drain on the economy, that it'll be through business that we will put the country back to work.

There's also an unemployment by sector that I think also shows the picture of what is happening. I think these are statistics the Minister wants to be concerned about. In agriculture in the last year, we had a 12 percent drop in employment, in other primary sectors a 5 percent, in manufacturing 2.8. Where was our gain? In construction, a 33.7 increase. So we see the increases

in construction. What we maintain has been fuelled by borrowed money through Limestone and also we've got to acknowledge that, because of high-interest rates the housing market was very slow, and the housing market took off when interests rates dropped. But this is starting to level off and, when that drops off, then the true economy of Manitoba is going to show. I'm extremely concerned that we're not going to be very happy with the results of our economy when the Limestone and North Portage Core Area boom is gone.

I also had a chart that showed the job creation by province, Mr. Chairman. I don't seem to be able to see it at the moment, but Manitoba between '78 and '84 - part Tory times, part NDP times - the job creation in Manitoba has lagged behind that of Saskatchewan, Alberta, most other provinces. The only ones that were worse than we were were the Maritime provinces, and I think we were 20,000 and, if I remember the figures, Saskatchewan was 55,000 in the private sector. I think that's the key. In the private sector is where we've got to generate the jobs, because it doesn't cost the Treasury of the province money. It adds to the Treasury of the province. So we have to look to the private sector to save this province.

What effect will the second-highest minimum wage in Canada have on some industries, mainly service industries who hire significant numbers of employees who are just entering the work force? More seriously though is the negative effect it will have on job creation.

The minimum wage is now \$4.50 and will have a further increase to \$4.70 on September 1. The most serious aspect to the minimum wage is the phasing out of the lower rate for youth under 18 years. I believe it will make it extremely difficult for them to find work and, when they turn 18, they won't be able to "work experience." In a surplus labour market, people under 18 will have extreme difficulty getting a job because, if there's a surplus of employees around, why would an employer take a young person with no experience and have to pay them the same minimum wage? It makes no common sense, no rationale at all. This province has done a disservice to the young people of this province, to those under 18.

This Minister should be aware that the Minister of Finance is jeopardizing the economic viability of this province. We can record the number of bankruptcies and closings of business, but it is more difficult to add the ones that we lost because of our higher taxation in its many forms.

The lost private investment that we sorely need, the job opportunities that the 40,000-plus unemployed would have been delighted to get - but no, they must remain on UIC or welfare. There are far too many people on welfare who have used up their UIC benefits. They desperately need those lost job opportunities.

Mr. Chairman, in 1981, the Winnipeg welfare roll cited 2,436; in 1986, under the NDP, it was 8,150; and I believe, for the last stats we have, it's slightly down around 7,600 people on unemployment. So we look at the larger number of people on unemployment insurance and then we take a look at these people on welfare. This is not a very good situation to have, but these are the facts and they can't be disputed. They can be checked out.

In 1986, the corporation's capital tax was raised from 0.2 percent to 0.3 percent - a 50 percent increase. In

1987, a surcharge of 0.2 percent was applied to corporations with paid-up capital over 10 million.

The Minister might wonder why I'm quoting these larger firms, but these larger firms have a big spinoff to other small businesses that we live on. Small business will thrive off the spinoff of big corporations. So this Minister needs to be equally concerned that the Minister of IT and T does his job so we bring in the firm so the spinoff jobs are there.

The corporation capital tax on banks has increased from 0.8 percent in 1982 to 3 percent in 1986. The corporation income tax rate on large business increased from 16 percent to 17 percent. The retail sales tax increase of 1 percent to 7 percent makes Manitoba a more expensive place to live and a less attractive province for business to locate because of the higher taxes to employees, especially to the highly trained and skilled employees who are well paid.

The new 2 percent surtax on income is going to shock the work force of Manitoba. It is sure to chase out of Manitoba the very people we so desperately need - the well-educated and well-trained and, therefore, the well-paid. It is this group who will be hardest hit by the 2 percent surtax, and this government proudly tells us that this is the group who is going to be hardest-hit and is very happy to see this happen.

These are the entrepreneurs who create businesses and jobs, but they will not look to Manitoba. How many of our young people who are well-trained and we've paid to educate, who can now earn a good salary, are going to remain in Manitoba and pay these exorbitant taxes?

The new land transfer tax will add a significant cost to business expansion or businesses amalgamating or buying other businesses. They're just going to be twice as cautious because of this new land transfer tax, and again Manitoba will be frowned upon by outside investors.

The Canadian Federation of Independent Business is a non-profit, non-partisan organization which currently represents 76,000 small business owners nation-wide and 3,000 in Manitoba. What do they say about Manitoba?

Well, Mr. Chairman, I think it's important that we quickly go through a few of the quotes that they do make in regard to the business climate in Manitoba, and it is not that complimentary to this government.

HON. M. HEMPHILL: Who are you quoting - who is it?

MR. E. CONNERY: Pardon?

HON. M. HEMPHILL: Who are you quoting again?

MR. E. CONNERY: This is the CFIB, the Canadian Federation of Independent Business, who will criticize any government, criticizes the Conservative Governments in other provinces and Liberal Governments. They take an arm's length view of what the government is doing, and try to represent business to the best of their ability.

They talk about deficit reduction as a main heading. Then they talk about cutting spending on business assistance programs. Really what they're saying is that

it's the climate that's more important than the programs. Programs can be good but they can also be detrimental to other business.

The bottom line is the majority of CFIB members feel that provincial business development programs are expendable with the exception of the Manitoba Venture Capital Program which could be improved by following - they list the other provinces. The money saved by reducing these programs would be better used to reduce business taxes and deficits.

They're concerned about the rising costs of health, education and social programs. They want to see increased privatization and contracting out. They want to see a better exercise of greater public sector wage restraint. They're concerned now the public sector is being the leading force in wages, which has a detrimental effect on the private business.

They want an increased fairness in Manitoba's tax system - and this was the No. 1 concern of Manitoba businesses was the overall tax burden on small business. It says CFIB's 1986 Manitoba survey reveals that business concern over total provincial tax burden remains, for the fifth consecutive year, as their single most serious problem of a provincial nature. Just under 65 percent of all business members identified the total tax burden imposed by the Provincial Government as their greatest concern, and no other single issue even came close to rivaling provincial taxes as most problematic to small business.

The health and education tax, the most disturbing response of all, however - I'm referring to the health and education tax, or we call it payroll - was that almost one out of every three firms in our survey said the Manitoba payroll tax caused them to reduce hiring and 8.6 said it actually had forced them to lay off workers. This is a tragedy, and I think the Minister should think about it.

Workers Compensation premiums, I'm very concerned about them. They are very concerned that there's a deficit that the Minister says is going to have to be paid. New businesses looking at Manitoba, looking at the Workers Comp debt, are going to compare it to other provinces, and I know other provinces have debts also in there, but they're going to take a look at it. Somebody has to pay for it, as the Minister said, and it's going to be business.

Cost of municipal government, one-third of all Manitoba business owners identified the cost of municipal government as a serious problem.

When we get into the tax burden, Mr. Chairman, in May of 1985, 60.4 percent said that the total tax burden was the most critical; in April of 1986, 64.8 said it's increasing. And Workers Comp, 32.6 in May of '85 to 39 percent in April of '86. These two particular items are really causing a major concern within our small business community and I think the Minister has to take a hard look at that.

I hope the Minister realizes that she has to interrelate with the other Ministers, because Business Development is not an island by herself. Every other department has an effect on how the climate of business is going to be there and how businesses are going to function within that climate.

The Minister can criticize what we say as politicians but she should listen carefully to what the industry is saying through the CFIB. As politicians, we can be

suspect that we are biased and prejudiced and I'll accept her feelings along that, but the CFIB is not. They're an arm's length impartial group working for small business and, Mr. Chairman, I hope the Minister takes these concerns to heart.

According to industry spokesmen, we have a shallow industrial base, fragile in the sense it is made up of relatively small firms. The industry is concerned about the slow technology transfer and the amount of old and obsolete equipment that we have.

We know the government has done programs, in effect, to modernize equipment and to assist in technology transfer. There have been insignificant increases in the Estimates of IT and T and Business Development and Tourism, compared to overall spending. So if it is a concern, where is the money to make the programs take place that are going to achieve what business says has to be achieved very shortly?

This government must prioritize its spending now, immediately, or the engine that runs this country, as the super Minister of Crown Investments says, will run out of fuel. An optimistic, aggressive and confident manufacturing industry could displace much of the \$2 billion of finished manufactured goods that we are importing, but this government has killed our industry base.

The Minister of IT and T likes to list a few of the success stories, but I'll read out just a few of some of our tragic losses. Mr. Chairman, there are lots of tragic losses that we unfortunately have to recognize: Acousti-Fibres (phonetic) closure, 36 people; Seagram Distillers up in Gimili where the Minister of Municipal Affairs lives, their bottling moved out of here, it's too expensive, 25 in that batch, but there was a total of 130 - we know the situation with Canada Packers and the humongous loss. We see that now maybe Burns is going to pick up 200 of them, but it's going to be a long ways from making up the horrible losses that we had - General Aluminum, 18; Dominion Stores, 35; Canadian Indemnity, 60 transferred to Toronto - I wonder why they would transfer to Toronto - Skycom Dial Services (phonetic), only 6 people, bankruptcy; Diecast Marwest, 35 people, permanent, no market; Modern Dairies closure, 23 people; Richardson Greenshields, transferred to Toronto, there were 48 people in there; G III Limited (phonetic) - I don't know what it is - but with a total operation discontinued, a total of 80 laid off; Canada Trust, not profitable, 27; Sperry New-Holland, closure, 10; K-Tel - we can go on and on - Canadian Co-op Implements, 228; Marshall Wells closure, moved to Edmonton - I wonder why they would go there - 11 at the last and a total of 67; Rogers Western Ltd., receivership, 50 at the end, a total of 90.

Mr. Chairman, that shows that there are some real problems with this government and with the policy of this government that these companies would go bankrupt or just move out of this province. It's the ones that move that we have to be concerned with.

This government is deathly afraid of free trade, and it rightly should be. This government is run by the unions whose only objective is to preserve their own little dynasty. They are not concerned about the workers and jobs, as we see their actions at Eaton's in Brandon, Springhill at Neepawa and Sooter Photo here in Winnipeg. Never have I heard the unions denounce the payroll tax that has cost thousands of jobs. We have

never heard them denounce the excessive taxation on business that the CFIB says is the No. 1 concern to business. But they have encouraged the excessive and unfair labour legislation, with more to come, and they have encouraged the bankruptcy of the Workers Compensation Board.

One of the concerns expressed during the free trade discussions was that we were not as advanced technology-wise as the Americans. I believe that is true. But it was the unions, and it still is, that fought the technology transfer to industry to preserve the jobs, and the government supported that through legislation.

It is this government, along with the short-sighted union leaders, not the workers but the leaders, that has slowed technology transfer, made our companies less competitive, increased our foreign trade deficit, increased our provincial debt and cost us thousands of jobs - jobs the 40,000 unemployed would dearly love to have.

I wonder if the Minister knows, much less understands, the serious consequences to our business community that deals with the international marketplace, whether they are exporters or competing against imports, the significant importance of the value of the Canadian dollar versus other foreign currencies, especially the American dollar. Does the Minister understand the relevant importance of that dollar value versus foreign currencies, especially the American, where 80 percent of our exports go?

The relative value of the Canadian dollar plays a more significant role in our trade balances than tariffs ever will in the future. We know personally because we've had to close down, as members opposite like to smile about, a small pickle plant when the Canadian dollar dropped significantly against the Dutch currency. We know what happens when currency values dropped and we paid the price. It wasn't a bankruptcy, it was a closure, and we swallowed the bullet.

Manitoba has over \$1 billion in foreign debt. We, in Manitoba, have a government that is unaware of the dire consequences of this foreign debt even though we have been warning them about it.

I wonder if the Minister consulted with the Cabinet to explain to them the effects of the 9.7 percent increase on hydro rates and what it will have on Manitoba business and job creation for the 40,000 unemployed. For some businesses that have a high electricity use, the results could be damaging.

Let's take a look at some of the NDP election promises. In 1981, they promised that, with ManOil and Hydro, we can develop programs to guarantee that no Manitobans lose their homes or farms due to high interest rates, and we can provide interest rate relief and an economic climate to ensure that small business stays in Manitoba. Mr. Chairman, what are the results of those promises?

ManOil has cost the government millions in capital costs and is a millstone around our neck with annual losses and no hope in the near future. Hydro rates, they have risen drastically. What then has happened to the farm and businesses? The highest number of bankruptcies and they continue to get worse every year. We'll still have an opportunity to discuss with the Minister these bankruptcy rates, but our figures show that in 1986 we had a 105 percent increase to 665. Well, the Minister admits there was a 5 percent increase

in new business. Our figures show 3.4 percent so regardless, whether it's 3.4 or 5, the number of bankruptcies. Then there are also dissolutions, which are over 1,000, which weren't bankruptcies. Businesses total just decide the heck with it, it's not worth the thrash, and they just close their doors. So we see some real bad signs when we look at the numbers, and the numbers are there.

The people of Manitoba believed the NDP and their hollow promises and paid for it in personal and financial tragedies, sometimes ending in family breakdown and more tragically, in some instances, in suicides. We know those suicide rates are up dramatically in the farm community, and this is a real tragedy. This was the price they paid for believing Howard Pawley and his NDP cronies.

In the 1986 election, we were promised a \$50 million fund for Loans to Small Business by the selling of government bonds. This was restated in the Budget Speech of 1986. And here it is: "Howard Pawley has announced his intention to introduce Manitoba Small Business bonds upon the reelection of a New Democratic Party government." What does "upon" mean? I guess we'll have to look into the dictionary to see how long "upon" can last. But there's been no sign of a program in place. We've asked the Minister continuously, and one time she said "soon," but this has been coming on for some time.

And it goes on: "To ensure that the funds are applied in a businesslike manner, knowledgeable businesspeople and community leaders from each part of their province will be directly involved in decisions regarding the use of the fund." I don't know of anybody who's been involved in telling the Minister their opinions on how this fund should be done. I don't know of any. If it's in the rural, I sure don't know of any, because I mingle well with the rural people.

And it said: "It is estimated that small businesses in Manitoba employ over 150,000 people and are responsible for half the jobs created." So if this were the case, why isn't this bond now out for the people to make use of it and create those jobs that the 40,000 unemployed want?

Madam Minister, we have not seen this program. Was it just a hollow promise? In the 1987 Budget, we were promised a Small Business Growth Fund. There is no program announced, but the Member for Swan River is telling them there is, and gave them a phone number to apply. All is not right in Denmark.

Also the leader of the NDP, Mr. Pawley, went around saying that he promises one-stop Small Business Information Centres to reduce red tape, and there's quite a long one and I won't read it all, but he was going to use the Regional Development Centres in the outlying areas.

"The Premier noted that Regional Development Centres have been very successful. He said the one-stop centre will be an enhancement and an expansion of the services now provided by existing regional development centres. This will be done by adding additional resources, promotion and computer technology. The Small Business Development Centres will build upon the success of Manitoba small business and of the strong partnership which already exists between small business and government."

Madam Minister, this did not happen and you know that. There has been nothing done with them. Are we

just getting hollow promises from this government or is this government going to come through and fulfill some of the promises they made that got the people of Manitoba to vote for them?

Well, the government gleefully quotes the banks and Conference Board as saying Manitoba's economy is good. These people also now cite Limestone, North Portage and the Core Area Development as the reason for the reasonably good economy in Manitoba. They are saying because of - they're not saying because of the private sector - but because of what we've done. The Conference Board has now downgraded the growth to 2.4 percent for '87 and only 2 percent for '88.-(Interjection)- Okay, it's down.

We believe we have shown unequivocally that our economy is not sound. It has been fueled by borrowed money with tragic consequences to present and future generations. We must take immediate action to reignite the business community of Manitoba or the damage will be irreparable.

Madam Minister, I hope that I have given you some indication that we are not in good shape. I know that you're great at getting up and taking disastrous statistics and turning them around and making things look good, and that's fine in the political arena. I don't blame you for doing that, but in the realities in behind the doors of your office, then I hope that you're listening to the CFIB, that you're listening to the people who really know what makes this province tick. We wish you the best of success because, if we don't, it will be a pretty hollow victory to say we told you so when our businesses are in real bad shape.

MR. CHAIRMAN: Thank you.

Do you want to bring up your staff and introduce them at this time? We've only got about seven minutes left.

HON. M. HEMPHILL: Are we going to start?

MR. CHAIRMAN: Do you want to call it five o'clock, since we've only got . . .

HON. M. HEMPHILL: Just call it five.

MR. CHAIRMAN: Committee will now adjourn until eight o'clock this evening.

SUPPLY - ENERGY AND MINES

MR. CHAIRMAN, C. Santos: Committee of Supply, please come to order.

We have been considering the Budget Estimates of the Department of Energy and Mines. We are now on Item No. 3.(a) up to (e), Mineral Resources, Mineral Resources Administration, up to and including Canada-Manitoba Mineral Development Agreement.

The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Chairman, if I recall, we were discussing the mining industry in a very general way when we last sat in this committee and the Minister was giving us some update on the current general outlook for mining in the province. I was asking him what our situation was with some of our base metals,

predominantly the nickel, of course, and he was indicating that while nickel was holding - but I suppose maybe I would just as soon as him to refresh us in that for a moment and see what outlook communities like Thompson and others have.

What kind of information is he getting from International Nickel about the foreseeable four or five years down the tube?

MR. CHAIRMAN: The Honourable Minister of Energy and Mines.

HON. W. PARASIUK: Thank you, Mr. Chairman.

The information that we've been getting from people who have been involved in nickel forecasting and from International Nickel itself and from Hudson Bay Mining and Smelting, which is developing a mine at Namew Lake which isn't that far from Flin Flon, which is a nickel mine, is that the longer-term forecast for nickel demand in prices will be, like I say moderate, you won't have any booms in the prices which isn't necessarily the best news but, at the same time, the good side to this is that the nickel mine at Thompson is probably the world's lowest cost producer of nickel in the free world in terms of a quality mine.

My staff has just handed me a note saying - and these things vary, but the nickel price today is \$1.97 which is considered to be good. Everyone has been trying to forecast how long the commodities, in a sense mineral slump, would last. There seemed to be signs that the bottom is bottomed out and that there will be long-term demand. Given the development of the open pit mine by INCO, it would appear that they will use the open pit mine, almost like a counter-cyclical device, they will keep a constant work force and, if demand increases, they'll use more of the open pit. If prices got very tough, they'd use more of the open pit, so the open pit will be a type of balancer.

So I would expect that the longer-term future of Thompson would be for stability. I don't expect any surprises down the line two, three or five years down the line.

The situation with Flin Flon is one where I think they're going to have to, over the next five years, I guess it's to 1994, modernize the smelter. Right now, there is a study under way looking, and this is, I think, a tripartite study - federal, provincial and company - you're looking at what's called a pressure-leak system for the zinc smelter. When that study is concluded, and that will be next year - it's a detailed technical study - then Hudson Bay Mining and Smelting would be in a position to plan for that long-term modernization.

There is a federal-provincial agreement that my colleague, the Minister for Energy, has signed with Mr. McMillan, the Federal Minister for Energy, for pollution reduction until 1994, and the Federal Government has committed at least \$20 million under that program for improvements in Northern Manitoba. We see that as a minimum. We certainly, once we finish that study, would be sitting down and negotiating with the Federal Government and with the company to develop a longer-term plan for that modernization to take place.

Furthermore, there is work being done by Hudson Bay Mining and Smelting to explore and develop other properties within a close enough proximity to the

operations at Flin Flon to ensure that Flin Flon would continue into the future. Flin Flon often has found itself in situations where they have five to seven years of ore supply and that's gone back to 1933, I think.

However, we've been told that work is progressing with respect to exploration for further mines, and we would hope that would mean that there should be some stability at Flin Flon; although, frankly, without trying to raise any major concerns, I would expect that Hudson Bay Mining and Smelting, when they do their modernization, may be looking at some rationalization or consolidation of their work force. That could be balanced off by the pickup of workers at the Namew Lake nickel mine, which is being done as a 60-40 venture with Hudson Bay Mining and Smelting and a company called Outokumpu, which is a Finnish state-owned mining company. They have a 40 percent interest. Outokumpu also has an interest in the Trout Lake development.

So I think that we're into a situation where the situation at Lynn Lake, I think has stabilized with the MacLellan mine. We're waiting to see how negotiations work out with respect to the Ruttan mine. I'm hopeful that in the next few weeks some decision might be arrived at there, and it's at that stage, I would think, the next two to three weeks, and the situation at Flin Flon shows promise; but there could be some possible rationalization, consolidation there over the course of the next number of years as they modernize their smelter. The situation at Thompson looks quite good.

The other circumstance is that gold is being pursued in a very aggressive way by a number of companies in Northern Manitoba, including Manitoba Mineral Resources Ltd., and there have been a couple of mines discovered. Work is being done on a few others in terms of proving them out, and I expect that the gold activity will continue in a fairly heightened way over the course of the next year.

MR. H. ENNS: Mr. Chairman, this may be difficult for the Minister to be able to respond to, but perhaps staff can be of some assistance. To give us some idea of where the mining situation is at now as we move into the latter part of the Eighties - I'm talking about the extraction - are we extracting, in rough terms - I'll take a particular industry like nickel, to make it a little easier. I'm aware of production methods, rationalizations, that have taken place to place Inco in a position, as the Minister indicated, to be among one of the low-cost producers in the free world.

New technology has been developed and, of course, Inco has that enviable open mining option that, as the Minister indicated, can obviously work to its advantage to keep a reasonably constant supply of product available even if price would otherwise not commend that.

But I'm speaking roughly in terms of where we were at, for instance, in the mid-Seventies. In the mid-Seventies, as compared to where we're at now in the mid-Eighties, how much are we mining, generally speaking, and along with that same kind of general overview, what has happened to the work force? I would believe it would be considerably less, but again in the same kind of way.

Then the third item on that: what is being returned to the Crown, what is returned to the government, in

terms of taxation or royalties as a result of our mining activity?

I give the Minister all the leeway he needs. I don't want to pick on a year that the plant was struck, but I'm talking roughly the mid-Seventies to roughly what we're doing now. Just to give us some indication, to give committee some indication as to whether or not we are holding our own, generally speaking, in what has been a difficult period of time for the mining industry, generally speaking; whether we are holding our own with respect to employment opportunities, continuing employment in the industry; and, of course, what's important to us, to him, the Minister, what is being returned by way of royalty and taxation to the province as a result of this activity?

I appreciate, Mr. Chairman, that this kind of information is probably available in the Minister of Finance's Budget documents, but what I'm after is simply again a bit of an overview so that committee members have some idea of where we're at with respect to the mining industry in the province today.

HON. W. PARASIUK: I will endeavour to get these graphs copied and we can send them over to the Member for Lakeside, but I'll just give him a general answer based on the information I have here.

We had a significant recession starting right at the end of '81 and going through '82 and '83 in terms of the tremendous drop in demand and price for copper, nickel and zinc.

MR. H. ENNS: What year was that?

HON. W. PARASIUK: The latter part of '81, '82 and '83. It coincided with the very deep recession that hit the world and certainly hit North America.

The nickel-copper-zinc production levels have returned to levels that are actually higher than began with the '81 recession. So you had a drop in the latter part of '81 into '82-'83 with the exception of copper. People were still producing copper but they were getting less money for it.

The production of nickel and zinc went down, but that has been picking up so that we're at a level that is higher than '78-'79-'80 for nickel, but not as high as it was in 1977. If you recall, in 1977, there was a type of rationalization at Thompson, and we are somewhat higher than we were at that level in '78, following that rationalization. I would expect that will pick up a bit with the open pit coming on stream.

With respect to copper, the levels, as you can see just from the red lines here, are very high in comparison to the highest year which was 1980. They're a bit higher than they were in 1980.

And zinc, again, is higher than any year, with the possible exception of '77, in terms of the graph that I have, charting 1977 to 1986.

In terms of employment, there has been a steady effort at productivity improvements, rationalization, more capital investment, and as a consequence, we have fewer people employed in mining.

In 1977, for example, there were 7,135 people employed directly in mining; that went down to 6,341 in 1978 and then it went up to 6,994 in 1980 when the prices were high. It slowly declined to a level of 5,286

in 1986. That's from a high in terms of the time span we have of 7,135 in 1977, yet the output levels are higher.

In terms of exploration expenditures, again, this just gives you a quick indication. You have a tremendous drop in '81 and '82 because of the recession and in terms of constant dollars the levels were still higher in '80 and '81 because you had a very, very high commodity crisis at that time. Copper was over \$1 at that time and as I said if we had dollar prices today many of the mines that had difficulty certainly would be in very good shape. But in terms of constant dollars, we are certainly higher than the '77, '78, '79 levels and we're not quite as high as they were in 1980 and '81 but it has recovered and we're getting a significant amount, but a significant amount of that exploration would be in fact for gold.

In terms of revenue, we've been having significant increases in revenue but part of that is with respect to reassessment with respect to earlier profitable years so this type of graph is difficult because you've got lumped into some of these numbers, the '83-'84 number, an adjustment from prior years - tax returns.

But in terms of our revenue you've had a steady increase in revenue - oh, now I think these are in current dollars, are they? In 1975-'76 you'd have under \$10 million from mining and petroleum; and in 1986 you'd be up to \$25 million from mining and about \$23 million from petroleum. So there's been a steady increase in revenue from taxation.

MR. H. ENNS: I had one third component, Mr. Chairman, and that was the work force. What has happened, say, over the decade, if those figures are available?

HON. W. PARASIUK: I gave you that.

MR. H. ENNS: I'm sorry, I must have missed it.

HON. W. PARASIUK: In 1977, you would have had 7,135 in the work force. It went down to 6,341 the next year. That climbed up again to 6,994 in 1980 and has slowly declined as companies have attempted productivity improvement by changing mining methods and certain mines have closed. We are now down to a level of 5,286 people employed directly in mining.

MR. H. ENNS: Well, Mr. Chairman, I suppose we should be thankful that we are holding our own and back to moving cautiously to recoup from those difficult years of '80-'81. I ask a question just for curiosity. When you hear - in fact, the issue was raised here in another context in the House last week with respect to increased gold mining activity in the southeast portion of the province - in this instance, it was in Ontario.

But has there been, with gold prices being what they have been for the last number of years, is there any serious activity, exploration or otherwise in portions of the province, and I would assume, principally the southeast, other than what we refer to Northern Manitoba?

HON. W. PARASIUK: There's serious activity in the southeast because there were a lot of small gold mines there back in 1920, 1930. People are going over those

properties again, but there are no prospective mines at present. But the activity is still going on in a very serious way there.

I might just take this opportunity to add one other point in terms of my earlier answer. I've attended a number of Mines Ministers' meetings over the last six years, and I think that what's happening in the mining industry has been right across Canada. I don't have firm statistics on this, but it was my recollection at the last one I went to that the per capita decrease in mining activity in Manitoba was less than that in other provinces, so in a sense we were holding our own.

Some provinces produced molybdenum and that's gone down dramatically. Other provinces were producing asbestos and that's gone down dramatically; some others were producing coal and that's gone down dramatically. So on a per capita basis, in terms of relative performance, Manitoba really has performed substantially better than all the other provinces. We've been able to do so without the type of grant programs that a lot of the other provinces have instituted.

Some of the provinces have instituted very rich grant programs to promote mining activity. We've tried to deal with the companies on a case-by-case basis rather than having a general program out there because the circumstances for a metal or mineral are different; they vary from mineral to mineral. Secondly, the circumstances of a bigger mine are different; the circumstances of the infrastructure, other things like that are different. So we've looked at each one on a case-by-case basis and we have provided assistance, as we talked about last time, as certainly nothing near the type of assistance that other provinces have provided. But I think that this approach of looking at things on a case-by-case basis has been more cost effective.

MR. H. ENNS: Mr. Chairman, the Minister anticipates my following question when he makes references to various grant programs available to the mining industry. My question was simply going to be whether or not he is satisfied that we are in Manitoba getting our share, fair share if you would like, of the various federal programs that are available for assistance in the mining industry.

We have the Canada-Manitoba Agreement. I appreciate that proportionately it will not be that which may be the case in British Columbia or other provinces or jurisdictions where mining is carried on in a more substantial scale.

But does the Minister, does the department have concerns with respect to Manitoba's current treatment by the Federal Government in this regard?

HON. W. PARASIUK: Our relationship with the Federal Department of Energy, Mines and Resources and with the Department of Employment Services or whatever - I think it's Employment and Immigration - has been quite good; I think we've had a very cooperative relationship with them.

With respect to the situation at Lynn Lake, we were looking at transition there when the Fox Lake mine went down, when we were looking at activity when there was a recession in '81, '82 and '83. There was good joint activity there to try and keep the work force there.

We've signed the Canada-Manitoba Mineral Development Agreement which I think provides a good infrastructure which allows the mining companies themselves to use this infrastructure data and research to then go further and explore areas that they might have overlooked. We're finding there is a lot of exploration taking place in areas where a lot of mining already is taking place, and that's good because you've already got all the other infrastructure there. But they're developing new technology to go down a bit deeper with respect to their geophysical type of studies and so I really am not in a position - I would say that our relationship has been good.

The one qualifier I would put on that, and again I won't know until we find out what happens over the next year or two, there have been a couple of very major federal involvements with Cominco in B.C. which was an unusual type of restructuring where a fair amount of federal money went into it and then there was a fairly large federal input with respect to the modernization of the Noranda smelter, I believe it is, in Quebec.

When we take a look at what's required from Hudson Bay Mining and Smelting, I would hope that we would get the same type of response from the Federal Government with respect to that major type of modernization which I think is very important to, in a sense, stabilizing mining activity in the northwest of Manitoba. But I can't tell until we get the study done, until we sit down with them and look at the specifics, but to this date the relationship has been good.

MR. H. ENNS: Mr. Chairman, I don't wish to prolong the discussion on this section of the Estimates. I return to one subject before I leave this area that I already raised with the Minister the other day in the Estimates. Well, that's all right, the Minister of Finance has gone; I can raise this issue because it's very difficult for a member of the Opposition, particularly a Conservative member of the Opposition, to call upon any extra expenditures, on behalf of this government, but I do propose to the Minister one relatively minor increase in expenditures in his department, in fact, with a bit of administration sleight of hand, I'm sure that you'll find the money.

What I make reference to, and I'm serious about this, I've recognized and I accepted the serious and challenging new initiative that was introduced by an administration back in 1971 with respect to the development of Leaf Rapids townsite and the whole concept which was radically different and I believe innovative and new to development of mining communities as we had known them in Northern Manitoba, certainly; and I believe the Minister's statements - in Canada, a concept that the community as such be separate and distinct from the mining operation - the Minister indicates that the mining corporation was not that totally separate and distinct, that there were ongoing financial responsibilities and obligations.

Again I don't wish to dwell on the downsizing that is taking place at Leaf Rapids; indeed, Mr. Chairman, the eventuality that we may see even more downsizing take place at Leaf Rapids to the point where the community, a big question mark starts hanging over the future viability of that community.

It seems to me, though, Mr. Chairman, that when we have a situation where a great deal of public effort and public funds were spent to develop a new and different concept of mining community development such as we have at Leaf Rapids, that that whole experience that has now been part of our operation since 1971 ought not to be lost for future administrators and future minds and governments to look at, and to look at in a very hard economical way from both the economics involved, social values involved, and how that whole experiment, how that whole program - I should not call it an experiment, it's been with us since 1971, which makes it some 16-17 years old, and is ongoing - but it's the kind of project that I would encourage the department to farm out to a young mining engineer or economist to do a thesis on and a paper on in a relatively objective way. Put down in writing, put down in a factual way really what were the benefits, what are the disadvantages, what are the pluses, the gains, as well as the negative sides of approaching mining community development from the way it was approached at Leaf Rapids.

It seems to me that we have a responsibility to the taxpayers who funded that program. It would also serve, I think, as an extremely useful data base, and just hard numbers that can guide both the private and public sectors in future developments because there will be more Leaf Rapids, there will be more Lynn Lakes and more Snow Lakes where ore bodies are found, and appropriate economic conditions prevail. People will mine and people will have to be housed in around or near those mines.

Although, Mr. Chairman, I'm aware, and I'm sure the Minister's aware, that there are new concepts developing in that area too, the idea of transporting in people on an agreed-to-rotational basis. It's questionable whether monies will be expended on the kind of infrastructure, buildings, and that all went into the development of Leaf Rapids. But it seems to me for all these reasons that this would be - we have an excellent opportunity of housing that at some point in time in our library that can be called upon by future administrators and indeed made available to private companies that perhaps are encouraged to develop a mine site, and then are faced with the question, now what do we do with respect to our work force?

Do we approach it in a traditional way of building a company town? Do we approach the Government of the Day and the jurisdiction that they're located to talking about repeating a Leaf Rapids situation? Or do we, when thrown all these mixes together, is it more advantageous to work on a rotational basis where through agreement workmen work four weeks or two months and off so many months and there is no real, what we would call, permanent residential community established around the mine site? It is a difficulty because the very nature of mining precludes the longevity or the permanency of these communities.

We've been fortunate in Manitoba that we've had communities such as Flin Flon, and I think that's why we will always be extremely interested about the situation at Thompson that has secured for those communities the kind of long life that they are enjoying and hopefully will enjoy for many years to come.

But it seems to me, Mr. Chairman, that the Minister and the department have an excellent opportunity, not

in any rush or priority basis, but simply to add that kind of information to the overall information that the department has and should have to put it in a position to better advise themselves or future governments as to a course of action that they may feel may be called upon to act on and/or need, as I indicated, as well for the information and benefit of other possible jurisdictions, both public and private.

HON. W. PARASIUKE: I think the Member for Lakeside makes a very reasonable request and, certainly, I know that the northwest community - I think it's the Northwest Community Futures Committee - has requested a study of similar nature, as has the town of Leaf Rapids, and we certainly would be interested in looking at how we could facilitate something like that. It might be wise to wait a little bit of time and see what happens with respect to these negotiations in terms of knowing whether in fact you're taking something that's an ongoing entity, which there is a very good prospect that that will be the case.

The points that the member raises are I think extremely valid. I was involved very much in the development of Leap Rapids, as I indicated last time, when I was a civil servant, and a lot was taken from the mining company's own estimates of what they thought the mining activity would be.

The context at that time was that Thompson was built at too small a level and they had a very difficult time handling expansions. The people at Sherritt Gordon back about 1970 thought that there was a very good likelihood that they would end up with a community that would house 7,000 people as to only 3,500 people.

If you've been to Leaf Rapids, you'll know that it's built on an esker and, in a sense, it's a semi-circle for half the esker. Ditches were in there to drain the other side of the esker which had a bit of muskeg in it. You could have just completed the semi-circle around the town centre. So it was built, in a sense, to accommodate without too much difficulty an expansion of up to 7,000 people. As I indicated, they're drilling on the ore quality and volume was off but if other mines develop there it still has that opportunity of being a regional centre.

I had been asked back in, oh, about 1974-75, by the Alberta Government to go out there and give them advice on two communities that they had. One was Grand Cache, which was a community that was a coal mining community that was in very severe difficulty, and the other was at Fort McMurray. So I spent time at Fort McMurray.

Fort McMurray had a situation where they were anticipating tremendous growth and instead of, in a sense, concentrating their town development around a centre, they were spreading it out almost like satellite communities at the end of spokes. What they were finding is that they were having to build separate fire stations and they were running into incredibly expensive development costs. A lot that up north, in Leaf Rapids, might be in the \$5,000-\$7,000 range, back in 1973-74-75 was running at \$35,000 up north in Fort McMurray. There was a lot of other inflation taking place there at that time as well, but they ran into a great number of problems. So that was an example of different ways in which one might do this.

Then I spent some time talking to the Saskatchewan Government people when they were developing some of the uranium mines at Key Lake and Cluff Lake where they were basically flying people in. They had very, very rich uranium mines - probably the richest uranium mines at that time in the world and they were going to take that particular approach of flying people in and out.

I think that none of this is an either/or situation. A lot depends on what exists as a type of infrastructure in an area already. As this turned out, it was thought at that time that Lynn Lake couldn't handle an expansion by about 3,500 people, so you then look for another site. When you look for an escrow you look for a better site.

Now that you have Leaf Rapids, I think we probably have sufficient infrastructure on the northwest side to basically handle most developments that might take place. Where we'd run into an interesting circumstance is if we had a major development somewhere on the east side of Lake Winnipeg or in the far northeast. We have some Native communities, for example, that are up there but they don't have the same levels of infrastructure.

Secondly, I'm not sure that the reserves themselves would want that development to take place. Those are questions which would have to be raised. There's a good chance we'll be undertaking that study, certainly getting it off the ground within the next year.

I think it's a valid suggestion because I think we did have a very interesting experience. I think we have something to share with the rest of the country and, in fact, we've probably been the spearhead in the country with respect to federal-provincial activity regarding community development funds and trying to develop some system whereby you don't only talk about starting a mining community, but you also look at what you may require to phase a mining community down or actually close it.

There has been a federal-provincial task force. Manitoba chaired the provincial side; Ottawa chaired the Federal Government side. I think we got very good response. The Federal Government didn't respond through the Department of Mines but rather responded with programs through the Minister of Employment and Immigration. At least that was a positive step, so I think we've had some movement.

I think at the last five Mines Ministers' Conferences, I've raised this topic over and over again because when you're in a recession people are talking about close-downs. When you're talking about some recovery from the recession, everyone's hoping for new mines. These things are cycles and you will run into situations where you will have to look at phasing down or closing out.

I think the member's suggestion is a valid one and I would expect that we will be responding to that over the next year.

MR. H. ENNS: Mr. Chairman, one further question.

What is the current status of the Mineral Reserve Fund which is the fund, I believe - I may not be naming it correctly - but the fund that has been set aside for assistance to mining communities that face difficulties of one sort or another?

Several questions related to that, Mr. Chairman: I would appreciate the current actual monetary status

of the fund; the number of dollars in that fund; and what, for instance, is being contributed on an annual basis to that fund as a result of the provisions in The Mines Act? Is it a substantial amount, or some idea, in average, in approximate dollars?

HON. W. PARASIUK: There is something in the order of \$4 million in the Mining Community Reserve Fund. That's been built up over the past with, oh, I think something in the order of 3 percent annual draws from mining revenue and I think that the fund doesn't grow on a yearly basis. We've basically had a limit of about \$4 million. We found that was sufficient to act as a filler in time of need and we used it in Lynn Lake. We drew down from it for the recession activities where we did work with the mining companies and with the Federal Government through 1982 and '83.

But over the last year I do not believe that we have drawn down from that mining reserve fund. We may find ourselves in a situation where we may draw down with respect to a community if we want to try and take it through a transition with respect to an adjustment taking place.

When Lynn Lake went through their downsizing, we made those transitional payments on the tax side, so that the local taxpayer wasn't hit with having to try and provide services when you're going through that type of downsizing. I think that's a valid use for the Mining Community Reserve Fund. We've used some of those funds in the past to provide the CED money for activities in Leaf Rapids, for development planning. I think that CED money certainly was very useful to that community in attracting federal funds, so we think we've used the fund in a way that is innovative and acts as a catalyst.

MR. H. ENNS: Can the Minister tell me what was drawn from that fund in the last 12-month period, in the last fiscal year-end and to whom?

HON. W. PARASIUK: I've been told about \$100,000 was drawn down over the last year. That went to Lynn Lake for purposes of local tax adjustment.

MR. CHAIRMAN: 3.(a)(1) to 3.(e)(2), inclusive, were each read and passed.

Resolution No. 61: Resolved that there be granted to Her Majesty a sum not exceeding \$6,492,800 for Energy and Mines, Mineral Resources, for the fiscal year ending the 31st day of March, 1988—pass.

Item No. 4., Expenditures Related to Capital; 4.(a) Capital Grants - the Honourable Member for Lakeside.

MR. H. ENNS: In 1987, what does the Minister expect to acquire or construct by way of physical assets for \$70,000.00?

HON. W. PARASIUK: Right now the Department of Energy and Mines is presently funding a cost-shared program with the Federal Department of Energy and Mines, to demonstrate the use of ground source heat pumps for the heating and cooling of industrial, commercial and institutional buildings.

This program is under way in its initial phase. Techno-economic and marketing studies specific to Manitoba's economic geophysical and climatic conditions and the

\$50,000 capital fund is to be used for contributions to the cost of actual heat pump installations and equipment for monitoring the performance of these systems. I think we are involved with a couple of private companies in this respect.

I have my mining people here; I don't have my energy people. I'm not sure the names of the specific companies. But what we are doing is the CED money - and it may turn out that next year, if we thought that this made a lot of sense, we might be coming back here with further requests for more capital - but this is the CED money. We're buying some of the equipment and testing it because the early indications are that this is something that should be checked out for Manitoba's climatic situation. People talk about heat pumps a lot, but basically they tend - at least, to date - to have been used much more in a somewhat more temperate climate.

MR. H. ENNS: Mr. Chairman, having spent the first 10 adult years of my life in the employ of a Manitoba pump manufacturing company, I simply indicate to the Minister that if this program expands, he should not overlook the fact that Manitoba does have some very successful pump manufacturers - Monarch Industries being one of them, and that the department surely should be in there, "Buy Manitoba, Buy Canada First" policy, look to what we have in our back yard with respect to heat pumps.

I read your notes in the Supplementary guide where it involved heat pumps. There is a lot of interesting speculation and interest in the question of the use of heat pumps, although again, partly because of reduced pressure on energy pricing generally, that concern has slackened. But I think it's important and worthwhile that the department avail itself of this time to become more familiar with what the benefits are, if any, of that kind of technology.

I have no further questions on this item, Mr. Chairman.

HON. W. PARASIUK: I just want to say that I didn't realize that the member had worked for Monarch, having grown up on a farm where we had a Monarch pump jack that never failed us, and then moving from a house where I had city sewer into a situation where I didn't. I had my own septic field. One of the first things I did was replace the Jacuzzi pump with a Monarch pump; I felt more comfortable with it.

MR. CHAIRMAN: 4.(a) Expenditures Related to Capital, Capital Grants—pass.

Resolution No. 62: Resolved that there be granted to Her Majesty a sum not exceeding \$50,000 for Energy and Mines, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1988—pass.

1.(a) Administration and Finance, Minister's Salary

MR. H. ENNS: I have one question I asked of my colleague that is currently not . . .

HON. W. PARASIUK: Is it something that requires . . .

MR. H. ENNS: No, in the Chamber, but a question arises. This really has more to do with the Minister's

responsibility with Manitoba Hydro, about an appeal mechanism that people seem to have or request when in dispute with Manitoba Hydro with respect to their billing problems.

I appreciate the appeal mechanism that probably is in place, of course first of all with administration staff at Manitoba Hydro, but then also I suppose directly to the Minister's office, as I know I've directed some, and other colleagues have done the same.

There is no formal appeal structure established for that. I'm not even so sure whether or not it's required. There are in other areas where there's regular fees or licences and costs required for various forms of government services, different appeal mechanisms to which a citizen can take an appeal, the fundamental ones of course being the property taxation notices that go out. There are specific dates set aside for Court of Revision. There is the final body, the Manitoba Municipal Appeal Board, which can look into disputes of a municipal nature or a taxation nature in applying to municipalities.

I raise this question largely on behalf of the Member for Emerson who thought it was of some importance to him or to some of his constituents whether or not there is within Manitoba Hydro, or whether it is contemplated or whether the Minister is contemplating any more formal appeal method for the appeal of Hydro billings that occur.

Now I'd like the Minister to take this occasion - I don't know whether or not the amount of requests would legitimize such an action. Perhaps the Minister can indicate to what extent he and his office is troubled with these kinds of matters.

HON. W. PARASIUK: I get a number of calls from people directly or from members on the opposite side or from colleagues on this side. A fair amount of time is spent by my special assistant, who generally works with an assistant to the president and the vice-president of customer services.

But the matter that the member raises is, I think a valid one that we're trying to address in the following way, because I think the point you're raising is very valid. But they don't just relate to rates. Hydro is ubiquitous in this province. So you have old standing claims, or sources of friction, say, on the Winnipeg River. You've got situations up North - and we've got a Northern Flood Agreement, plus an arbitration process, but there's a whole set of other things there, and one of the first things that I did on becoming Minister was going up North with the board where we had a number of meetings with communities.

And you'd have questions about three-phase power or questions about extensions, and sometimes these things vary from region to region - extensions to cottages, extensions to parks, questions about service, can we do anything about ice storms, and what the new Crown reform legislation proposes.

I would ask both the Member for Emerson and the Member for Lakeside to read through it. It requires that the major Crown corporations that are utilities establish a service committee of the board and management that would actually go out and have publicized meetings in the different parts of Manitoba, and you might do it on a rotational basis, just like the

municipal organizations, where you start getting, I think, a pattern of possibly regional comments about services or issues.

I think that would be a good approach to put into place for a couple of years, monitor it, and see whether anything further is required beyond that. I think it's a good move - maybe not the final answer - but a good move in terms of the types of questions that have been raised.

The second thing that I would suggest is that within that Crown reform legislation is another clause clearly indicating that the Ombudsman does have jurisdiction over concerns raised with respect to Crown corporations.

So between these two mechanisms, the service committee with management and the board, and the Ombudsman, plus my staff, trying to keep a monitoring process in place, I'll see what happens over the course of the next year, and the subsequent year, and it may turn out that the service committee process, where you're actually going out and getting feedback from the people, and I would expect that there would be a number of meetings, and these meetings may not take place in the same community year after year, but they might come back every second year - or into regions - that we'd be able to get a good feel by the senior management as to how people are perceiving the local situation.

Because otherwise there is a tendency for this thing to be centred in Winnipeg and, in a sense, what happens in communities in the Interlake, you'll have a regional supervisor and things would go up there and they'll stop there, generally. Then they'll come around through an MLA or someone else.

That's the process that we're trying to put in place. It's called for in the legislation. I think it's worthwhile to give it a good opportunity to work and to monitor it. I'll certainly be in a position to - I would hope even by next year - respond on this to the type of concerns raised by the Member for Lakeside on behalf of the Member for Emerson.

MR. CHAIRMAN: The Member for Emerson.

MR. A. DRIEDGER: Yes, thank you, Mr. Chairman. First of all, I want to apologize for not having been here right when the question was raised.

I don't want to belabour the thing to some degree but I raised it with my colleague, the critic, the Member for Lakeside - I received calls and I think possibly many MLA's received calls at a time when we have been having increases in hydro. There's a substantial jump this year. Many people, they have concerns. You know, the hydro goes up; they have fluctuations in hydro. They don't know - well, the example maybe I should cite is one individual, he says: I don't have confidence in going to Hydro because Hydro is going to cover themselves because, he says, is there some mechanism in place, where I can, for example, take my case and appeal - appeal what's happened with my hydro?

I'm suggesting to the Minister that maybe some kind of appeal system could be structured aside from Hydro where somebody can come, maybe a board of two or three that could maybe adjudicate people that have concerns just as a PR factor, in a sense. Those people

who may be, in many cases there's a legitimate increase in cost for whatever reason, but the people don't have the confidence necessarily if they go to Hydro because Hydro is the one that is actually involved with it.

We could have maybe a third-party type of appeal system, appointed or otherwise. I'm just throwing it out because I'm sure that as our increases in hydro keep on . . .

A MEMBER: They will.

MR. A. DRIEDGER: . . . and we anticipate they will, that there should be, it might be advantageous to everybody, that these people have that opportunity to say: Well, I'm not happy with what's happened. This is what my bill has increased, and my usage seemingly is down and my rates are up and so on, that they could go to a third party, a neutral type of party where they could then present their case. Those individuals on there I would assume - I'm just throwing that out as a thought, but those individuals would, you know, be acquainted with the situation and be able to explain. And it would be more acceptable if they explained than if the supervisor, or superintendent, or district manager goes out and says: Well, listen, everything is fine. The individuals don't always have that confidence in that because they are directly involved.

It was raised with me and I raised it with the Member for Lakeside, asking him to bring it up, and I just wanted you to bring this forward to see - because at the present time there is no area where they can appeal what they think maybe is an unjust rate increase, or whatever the case may be. That is why I just wanted to bring that forward to the Minister and I don't know whether it is feasible to do it but I think it would alleviate a lot of unhappiness. It would instill more confidence in people if they could go to something like that, bring forward their concern and have it dealt with at that level.

HON. W. PARASIUK: Yes, I think that generally rates are established and people's electricity is metered. But people may still have some concerns. Usually the range of concerns that I get are not about rates. I get concerns about the right-of-way, about the way in which people have sat down and gotten easements, about whether in fact someone should be X feet from a severance line, about storms. That's why I concurred with the notion of having these service committees with the senior people and the board members who actually go out and spend time outside of Winnipeg dealing with people.

My approach is to say, let's try this and see how it works over the course of the next year or two; if it's not sufficient, we'll try and make it better. But that's the approach we'll be taking in the next couple of years.

MR. CHAIRMAN: The Member for Lakeside.

MR. H. ENNS: Thank you, Mr. Chairman.

Mr. Chairman, I conclude the discussion on the Minister's Estimates by making a confession to you. I'm glad there aren't too many members present, or indeed press, or too many members of the Fourth Estate here, because really I suppose time is catching up with this Member for Lakeside.

I've been a pussy cat with this Minister, Mr. Chairman. I could have taken stripes off him that would have left him physically damaged for the rest of his life. I could have called him one of the best snake and oil salesmen that this province has ever seen. I haven't asked him how many millions of dollars, or indeed if there's a cent yet in that Manitoba Heritage Fund that he set up a year ago.

Remember that, Mr. Chairman? This was again good pre-election talk prior to the last election, how Manitoba Hydro, with the sales that this Minister was going to induce with our American friends, we were going to establish a Heritage Fund, Energy Foundation Fund, that would alleviate my taxation problems as an individual and those of my constituents; make it easier for our children to go to university, provide more job opportunities, and all this for less tax money. That is what this Minister has done, Mr. Chairman. We tend to let him off the hook far too easy.

The same way, of course, as I said in my speech that I made to him in committee when we dealt with that other great corporation, just prior to the last election, that big oil petroleum company called ManOil that was going to bestow its largesse, its profits on all of us citizens - the shareholders of that company - and make life a little easier in Manitoba.

Well, Mr. Chairman, the truth of the matter is of course that we have to own the only oil company in the world that loses money, but that doesn't surprise me because the socialist hand is at the management level.

A MEMBER: No, no, we're not losing money.

MR. H. ENNS: Well, we are losing money. Check your annual report. ManOil hasn't returned one red cent to the shareholders of Manitoba. And, Mr. Chairman, I'll ask the Minister how much is in the Manitoba Heritage Fund?

Mr. Chairman, just let me acknowledge the political astuteness of gentlemen opposite, they know full well that when they use buzz words like heritage funds, Canadians, Manitobans, we're well aware of it, some jurisdictions - notably the Province of Alberta - did precisely that. And put \$7 billion, \$8 billion, \$10 billion, \$12 billion, \$14 billion of their energy excess profits into that Heritage Fund which now, Mr. Chairman, is being called upon in a very meaningful way to help out that province, that jurisdiction, through some very difficult economic times.

Because of that province's reliance on several major industry sources, namely energy and agriculture, both of them in a doldrums the last five years, they have - thank goodness to the vision and foresight of those in administration in that province - have the funds necessary to help out that province during a difficult period of time.

I ask you, Mr. Chairman, what is available? What is available to Manitoba's taxpayer in the Manitoba Energy Foundation, that this Minister and this administration set up last year, about two months before a provincial election, from which profits were going to flow, from the sales that we are busy making with our friends the Yanks.

Mr. Chairman, not only do we have not any profits flowing into the energy foundation, we have yet to make

the sales. Oh, we've made a sale, I know we've made a sale, and a small one. But, Mr. Chairman, as I've said once before, we are right at this moment spending about \$70 million a month building hydro dams - a month.

Mr. Chairman, I should get some reaction from you out of that. Your normal, placid face as chairman of this committee, the hair should stand up on your head and on your back in shock - \$70 million a month that we are shelling out of our pockets right now to pay for a hydro dam.

We've got one sale for 12 years that we're selling to the Yanks in Minneapolis - not for what it costs us to produce the power, but for what it costs the Americans to replace that power with coal-fired thermal plants. I have no guarantee what the price of coal is going to be five years from now, 10 years from now into that agreement.

This Minister could well be remembered as that Minister, who shall remain nameless out of respect that I have for all Ministers of the Crown, that signed the deal on behalf of Newfoundland, that seized Newfoundland Power, being generated first of all through the hands of Quebec, and then Quebec selling it to New York for a tidy profit. And Newfoundland still sitting with 14, 18, 20 percent unemployment rates, very few alternative job opportunities in that province, and that great resource that Newfoundland has in Labrador, at the Churchill Falls, never really benefiting the people, never really benefiting the people that it was meant to benefit.

So, Mr. Chairman, let me just conclude, by indicating to the Honourable Minister, he should not become complacent because I've taken this gentle attitude towards the Minister during these discussions on his Estimates, because I have not taken him to task to the extent that I should have. Indeed, it's my responsibility to do so as a member of Her Majesty's Loyal Opposition.

I wish the Minister well. I hope that despite the fact that potash is coming out of everybody's ears, and he's about to dig deeper into my pockets and those of my constituents, to have this group of incompetents who lose money on every venture they lay their hands on, whether it's building buses, manufacturing Chinese food or trying to build airplanes - all of which dropped nice, tidy little sums of \$40 million, \$100 million, several thousand dollars. He is now talking boldly about entering into the potash mine, at a time when you have a glut on the market.

We have a neighbouring jurisdiction - Saskatchewan - with idle mines that are ready to jump in the minute that the market conditions improve. He's established a Manitoba Energy or Heritage Fund, Manitoba Energy Foundation Fund, which has, to date, only cost Manitobans money; that is the time we spent in passing the legislation because there isn't a nickel in the fund, and there will not be a nickel in the fund over the next decade. But it looks good on the legislation Order Paper, Mr. Chairman. It looks good for them; it's a useful document that they can use when they're on the hustings going after votes.

"Oh yes, when those profits start to flow from the sales I haven't yet made, but I'm still working on, when they start to flow, then those profits are going to be used to build better schools, build better hospitals." We won't be hearing announcements about closing 49

beds in the Brandon General Hospital. The threat of 115 beds here in the City of Winnipeg and this all happening at a time when the Minister of Finance brings in the biggest tax increases ever experienced by Manitobans in its entire history - some 438 new millions of tax dollars being extracted out of our pockets by this government.

What are we getting for it, Mr. Chairman? The Minister of Highways is not building roads anymore. He's got roads built halfway across the river, but is yet trying to figure out which road he's going to connect it with. The Minister of Health is standing up in the House closing hospital beds; the Minister of Education advises that teachers should be satisfied with no salary increases; the Minister of Natural Resources is privatizing our parks, selling them off to contractors to look after them because he hasn't got staff to look after them any more.

The City of Winnipeg is looking at precious little help from this government, and at a time when farmers are facing the most difficult period in their existence, our farm land taxes, even with the meagre help that is extended in this budget, keep on going up.

Mr. Chairman, this Minister and this department should contribute in a far more significant way to the well-being of all of us in this province. Today we have essentially wind and rabbit traps, smoke and mirrors from him, and from time to time I'll stand up in the House and remind him of it.

HON. W. PARASIUK: I quite enjoy the Member for Lakeside making a very good speech and -(Interjection)- No, in fact, if I would have known that he considered himself a pussy cat, I would have given him some catnip today, but I quite enjoy the difference in debate on this, because the points that the Member for Lakeside raises reflect the difficulty with the Conservative position.

They're backward looking. Everything he said, said that you shouldn't look ahead, you shouldn't plan for the future, you shouldn't have vision, you shouldn't have ideas, you shouldn't try to achieve things; and I enjoy that difference, because the Member for Lakeside knows that if one goes to the people and seeks a mandate, they're going to look to the forward-thinking party and they've done that consistently with the New Democratic Party. They haven't been able to do it with the Conservative Party because they do not believe that they are forward looking.

We are going to have money in the Manitoba Energy Foundation; we can point that out. We can say that we've got the 500 megawatt sale to Northern States Power which has been approved by the National Energy Board; so the Member for Lakeside can't say that we don't have the sale - it's there.

We know we've got other sales. Everyone knows that hydro is one of the tremendous birthrights of this province, and this party and this government has the vision to pursue it to its fulfillment. So the Conservatives, with their position, have to have press releases on a Sunday afternoon saying we're going to have \$300 million in extra services, but we don't have a way to pay for them, and obviously the people of Manitoba don't believe that particular position and that's why they've turned their back on the Conservative Party

now - what is it - four elections out of the last five. It must be quite frustrating.

Don't blame us for having some vision for the future. Sit down and develop one for yourselves.

MR. H. ENNS: How many people buy snake oil?

HON. W. PARASIUK: The interesting thing, I've been involved in the signing of the Northern States Power sale and I'll put that on the record, not like your former Premier who couldn't remember signing the CFI Agreement in Switzerland - that's snake oil - there's a difference. People have responded four out of five elections on that.

In the Estimates, you talked about natural gas and you put a vision forward. I respect your putting that vision forward. What was your colleague right beside you saying? "Don't say that, sit down, don't raise those issues." That's forward looking? That's visionary?

MR. H. ENNS: No, that's conservatism.

HON. W. PARASIUK: That's conservatism, that's right. You know, somewhere along the line there has to be some way in which you have the progressive conservatism coming forward, and I think that's a challenge. I think that's a challenge for your party; it's a challenge for your caucus.

You can't come along and criticize that we don't put enough money into health care when right around us people are looking at what's taking place in Saskatchewan, or B.C., where there are other Conservative Governments, and they see the massive cutbacks that are taking place there. They may not have trust in the vision of this particular Conservative Party in Manitoba because they see what's happening elsewhere.

Secondly, when they look at the Conservative Party, and they look at what are said to be sacred trusts - sacred trusts, by the way, which were put forward for discussion in the public domain in Canada by the CCF, in the first instance, and then the NDP; sacred trusts like pensions; sacred trusts like family allowance; sacred trusts like Medicare - those were put forward by the CCF and NDP. And you have someone like Mulroney coming along and saying we won't touch those, that's a sacred trust. He got in and said, well, everything's negotiable now, folks. And that's the dilemma that the Conservative Party finds itself in.

So if you criticize us for talking about an energy foundation, I'm prepared to debate that anywhere. We are trying . . .

A MEMBER: What's in it?

HON. W. PARASIUK: What's in it? It doesn't take much to point out that the sales are flowing in 1993, that the money flows at that time, that the National Energy Board has confirmed that this is an excellent price, that profits will flow.

Hydro developments require a long lead time, but if we don't do the forward looking, if we don't do the forward thinking, we won't have the Hydro development, we won't have the Energy Foundation. If we don't do the forward thinking with respect to potash, we won't be in a position to respond to the market as it develops.

Would you want us to do nothing over the next two years and become paralyzed? I'm pretty sure that the Member for Roblin-Russell wouldn't want that to take place. I think he'd like to say take it forward and if it becomes economic, do it. But don't sit there paralyzed until you are not in the position to take advantage of the opportunity if it develops. And everything we have been doing has been reinforcing that opportunity becoming closer to reality.

When we look at what other governments have done, the Alberta Government - and I think Lougheed made a very good move back in the '70s. He invested in something called the Alberta Energy Corporation. The Alberta Energy Corporation has a big piece of NOVA; the Alberta Energy Corporation has, indeed, invested in Syncrude.

Risks - trying to develop a longer-term future for the province. The New Democratic Government in Saskatchewan invested in SaskOil. The Conservative Party said that they would dismantle it. They found that they have a very good asset with SaskOil and they are keeping it. We're developing a very good asset with Manitoba Oil and Gas Corporation; we're developing a very good asset with the Manitoba Mineral Resources Corporation.

I believe that over the next year - and I never overstate that aspect - we may find ourselves in a very excellent position with respect to a prospective gold mine. We have a number of other joint activities that are taking place, or joint opportunities that are taking place that we can, indeed, take advantage of and be part of and build this province constructively because we have instruments like the Manitoba Oil and Gas Corporation, or like the Manitoba Mineral Resources Ltd.

And we have plans that we're working on with the private sector for a potash development. We're trying to look at the options with respect to natural gas.

The Member for Lakeside has challenged me over and over, do something. It will be interesting to see, if we do something, whether there is a response.

We are doing the same thing with hydro-electric development and with energy intensive developments, and we'll see what happens over the course of the next year. A number of companies and a number of countries are starting to recognize that Manitoba has a tremendous advantage with respect to low-cost electricity. They never knew about us before. They used to know about Quebec, they used to know about Ontario, and they used to know about B.C. The proof of the pudding is in the eating and that's fair enough, and we'll watch the results.

If we do have developments, if we have some countries that come into Canada and make investments in Manitoba that never made those investments before, then I want to see what response members on the other side are going to give to that.

Are they going to say, oh, you guys are being taken for a ride? Or are you going to respond and say this is quite interesting, we've got countries coming into Manitoba that never did before? And if we see what the results are, if we get the results, will the Member for Emerson then have the integrity to get up here and say I said I wanted results, we've got this country or this company investing. I congratulate this government on that? -(Interjection)- Fine. You say you'll do that; we have it marked down now.

June 8, 1987, the Member for Emerson says if we get those types of developments he'll be one of the first to stand up and congratulate us. That's fine. And if we don't get those types of results, I quite expect the Member for Emerson or the Member for Lakeside to get up and say you haven't done it. That's fair ball. I think that's where we both can have it on both sides. I quite expect that debate over the course of the next year or two or three and I quite expect that debate in the course of the next election and I don't mind those being the terms of reference.

I don't want to spend a lot of time disagreeing with specific points that the Member for Lakeside raised but rather to point out that I think there is a different approach. One of these is forward looking, pay some risks, but realize these tremendous benefits.

We took risks with things like the Jobs Fund when other provinces weren't going to take those types of risks, when other provinces were cutting back, contracting government activity. Their unemployment record level now is 13, 14, 15 percent and you have people like Mulroney scratching their heads wondering why does Manitoba perform so well compared to these other provinces. It ain't an accident; it's good government.

That's because it's forward looking, quite different from the deficit of \$1.2 billion that our neighbouring province of Saskatchewan, when they started off at a far better position than this government did when we took office in '81, and they are not in far better position. They had a tremendous infrastructure that had been developed by people like Tommy Douglas, by people like Allan Blakeney.

Tommy Douglas took over a bankrupt province in '44 and made it quite a solid province. In 1971, Allan Blakeney took office when Saskatchewan was basically destitute. There were signs all over Regina and Saskatoon stores saying "For Sale or For Rent." Maybe that was the Liberals, but let me tell you, they turned that province around and they established a tremendous base. Devine took it over and what happened? What happened there? Collapse.

What happened in '77 when the Conservatives took over here, very quickly going from the top of the range to the bottom of the range? That's the difference in approach. If you say that the best government is least government, not necessarily the least in terms of the amount of activity, but least in the terms of effort, then it becomes a self-fulfilling prophecy and that's why Conservative Governments don't work particularly well in the 20th Century.

So there's the interesting difference: one that's a good difference to put forward to the public; one that's a good difference for them to judge on.

MR. H. ENNS: Mr. Chairman, the Minister has just demonstrated why one cannot trust socialists. He knows very well the rules of the game are, in concluding Estimates, the Opposition dumps on the Minister, he takes it quietly, sits down and passes his Estimates. I mean that's the way it's supposed to be. You can't trust him. I did just that and then the Minister gets up and dumps on me. That's not fair; that's not playing ball.

Mr. Chairman, if the Minister will not give me the last word on his Estimates, I'm going to be forced to move

a motion to reduce his salary to 98 cents and will do that.

But with those remarks, Mr. Chairman, thank you.

MR. CHAIRMAN: 1(a) Minister's Salary—pass.

Resolution No. 59: Resolved that there be granted to Her Majesty a sum not exceeding \$1,220,500 for Energy and Mines, Administration and Finance, for the fiscal year ending the 31st day of March, 1988—pass.

That concludes the budgetary Estimates for the Department of Energy and Mines.

SUPPLY - MANITOBA JOBS FUND

MR. CHAIRMAN, C. Santos: We are now proceeding to Manitoba Jobs Fund with an opening statement by the Honourable Minister responsible for the Manitoba Jobs Fund.

HON. V. SCHROEDER: Thank you, Mr. Chairman.

The Jobs Fund is now going into its fifth year. It has served as an important economic catalyst for the Province of Manitoba. It's been the focus for the government's continued efforts at job creation and economic stabilization.

More recently, with unemployment a less critical problem in Manitoba due to the government's effective initiatives, the Jobs Fund has had the flexibility to proceed with more long-term measures in an effort to place more emphasis on the continued diversification of Manitoba's economy. Together we have succeeded in preserving and creating jobs, expanded and diversified our production, and assisted in social development.

Manitobans currently enjoy one of the nation's lowest unemployment rates, well below the national average. While our labour force has expanded by 1.1 percent in the last year, our employment growth has surpassed that by 1.5 percent. In fact, according to the latest statistics, Manitoba's actual unemployment rate declined by 1.3 percent over the past year. That happens to be the largest decline in unemployment in any province in the country, and that's more than double the decline of .6 percent at the national level.

Our unemployment rate for women and for young people has also declined. Our economy continues to grow at a healthy rate with strong domestic product output, increased investment spending, and increased income.

Manitoba has accomplished all this even though we're considered a have-not province and even though we've received proportionately less than our share of federal business over the past two-and-a-half years.

We've done well with limited resources, as I've noted on previous occasions, by working together as Manitobans, bringing together business, labour, government, academics, community groups. Our record of economic achievement is good, and all economic forecasts expect that level of performance to continue. In this, the Manitoba Jobs Fund will continue to have a role, demonstrating leadership and addressing regional development as it has done at Limestone in support of the successful training programs embodied within this remarkable project.

The Jobs Fund remains dedicated to advancing the government's objective of further economic and

industrial diversifications. Already the Jobs Fund is well-placed to capitalize on new industrial and economic initiatives which will help achieve that objective.

I can point to the successful health industry's development initiative whereby the Jobs Fund, as a system, will continue to assist the efforts of Manitoba industry and business to tap into the rapidly expanding health industry's field. It is an area of economic specialization Manitoba is well-equipped to pursue, capture and promote. It is an important and valuable opportunity for small business in Manitoba, an opportunity that has already demonstrated results. Recent statistics show that the health industry in Manitoba now involves more than 40 firms to the total of more than 800 workers in product sales in excess of \$80 million that will help achieve that objective.

The initiative has been involved in evolution, working in consultation and cooperation with ventures across the province; be it in Winnipeg, Brandon, Morden. More than 18 projects have led to the creation of more than 140 new jobs, the bulk of which are geared to the production of goods for export.

This government is dedicated to bringing greater economic diversification to the Province of Manitoba. Expanding the existing health industry initiative is paramount to that objective. A couple of recent additions, recently a company by the name of CHEM-Fit announced that it was locating its manufacturing in the City of Winnipeg, and they're expecting some 300 jobs within the next several years. In their announcement that they were coming to Winnipeg, they stated their reason for coming was our initiative.

They mentioned, as well, as a number of Manitobans in the health care field are mentioning these days, talking about the centre for disease control which the Federal Government is attempting to locate in Winnipeg. Anyone who takes a look at where we were two or three years ago knows full well that two or three years ago we would not have had a hope of getting an institution such as that into Winnipeg because we didn't have the surrounding infrastructure. We didn't have the surrounding industry and business and so on, which could make that into a viable operation here. The initiative has made that possible.

Just incidentally, Mr. Chairman, I would urge members opposite to join with members of the government, join with the health industry initiative, to join with members of the medical profession and people in the medical manufacturing community to urge their brothers and sisters in Ottawa to ensure that that facility does come to Manitoba.

I note that the Member for Springfield was in Vancouver the other day, saying that there should be a movement to railroad the Federal Government into doing something for Western Canada. I have to say that when it comes to this Chamber, we certainly don't hear any of the members opposite doing anything to railroad their federal brothers and sisters into doing something for Manitoba.

I would urge members opposite to follow the lead of the Member for Springfield in that and do something to ensure that that particular facility, which would create directly in the range of more than 200 high technology jobs here and indirectly significant spinoff into our medical manufacturing industry, make sure that that comes here. Don't sit quiet as puppets, as you did through the whole sugar debate, as an example.

Last October, the government announced a purchase agreement with the Burroughs Corporation, whereby the province would invest in computer equipment relating to medical information processing, storage and retrieval. The purchase involved several factors: the desire of the government to upgrade existing medical information storage and retrieval, provision of an incentive for Burroughs, in the process of rationalizing its world operations, to keep its Winnipeg plant open, and the agreement called for the preservation of at least 270 jobs which has been more than fulfilled by the corporation to date. It looks like we will be getting considerably more than that over the period of the next several years.

I can tell you today that those factors overall have been successfully addressed. In April of this year, Burroughs, which is now called Unisys, announced that its Winnipeg plant has been awarded a new product mandate and will become a major supplier of disk drives for the company. To support that mandate, they're investing \$3.4 million in the Winnipeg facility.

Not only have existing jobs been maintained, but the recent Unisys announcement will mean that staff levels will exceed 300 in years to come. Unisys has indicated that product exports from the Winnipeg plant will exceed \$60 million Canadian over the next several years. The equipment purchase is proceeding, bringing benefits to hospital staff.

Unisys is continuing its work in cooperation with the Province of Manitoba to establish a Canadian health care competency centre for the development of computer software for national and international markets. Manitoba's efforts in support of communications technology development will help bring about an efficient health care information network, significantly lowering future health care delivery costs. This proactive approach by our government is working and the health industry development initiative is integral to that thrust.

Our thrust into technological advancements in support of economic diversification has taken some interesting turns. Recently a technology commercialization grant encouraged Allstate Grain to begin experimentation in aquaculture. Should Allstate deem its experiment in using an idle malting plant's troughs for the raising of arctic char and rainbow trout successful, Manitoba will be well-positioned to enter the valuable fish supply markets. These markets are lucrative, given that fish farming currently accounts for 20 percent of fish consumption worldwide, with that figure expected to rise to more than 50 percent by the end of the century.

Manitoba, historically in the heart of the world's food supplying region, is ready to expand our role in that regard, diversifying away from grains which continue to suffer from low returns spurred on by subsidization policies beyond our control.

The government's commitment to that end - (Interjection)- I hear the Member for Morris mumbling again "things are beyond our control." When they're in office, everything's beyond their control. In our control has been the health industry initiative which has done more than we expected in its first several years and people out there in Manitoba don't expect miracles from us. They know full well that we will do everything possible for them; they know full well that when they

elect Tories, they don't get that. That's why you've lost four out of the last five, and that's why it'll be five out of six next time around.

The Jobs Fund, through the effective mechanism of the development agreement, has been instrumental in ensuring that established Manitoba industries remain profitable and competitive, protecting Manitoba jobs and enhancing Manitoba's economic productivity.

I hear a lot of mumbling back there. The Member for Morris and the Member for Pembina run around this province to meetings with 11 people, expounding on how terrible our budget is. You know why you get 11 people to a meeting discussing the budget? Because there's absolutely no credibility in that whole bunch of you. You stand up in the Legislature and say give us five years of spending in Revenue Estimates and you don't have the guts to stand up and tell us what you would do this year, knowing what you have in terms of revenue taxation and expenditures.

MR. CHAIRMAN: A point of order being raised by the Member for Springfield.

Would the Member for Springfield please state the point of order?

MR. G. ROCH: Yes, Mr. Chairman, a point of order.

The average turnout at those meetings has been about 50 and as high as 80.

MR. CHAIRMAN: Any disagreement of the facts is not a point of order.

HON. V. SCHROEDER: It's pretty obvious that you're getting very, very edgy about those numbers. The number they're not prepared to put out, the number that makes them into the party is the number they will not put out and that is the Budget. They will not say how it is that they'll eliminate the health and education levy, eliminate high taxes for high income Manitobans, increase health care expenditures, increase Highways expenditures, increase Natural Resources expenditures, increase agricultural expenditure and reduce the deficit. Manitobans know full well the nonsense of that - more spending, less taxes and lower deficit. They know full well that there is a party that cannot be believed. There is absolutely no relevance to honesty for the future with that bunch over there.

Because of the Jobs Fund Development Agreement, we've created more than 2,200 quality jobs in Manitoba. That's the fund that the Member for Pembina incidentally was suggesting that he would shut down if he were to have any say in a future government. Many of those 2,200 jobs are in Manitoba's valuable food processing sector. An example of that is Carnation Foods in Carberry where greater diversification of land use will become a reality and where value-added produce is prepared for export lessening our dependency on the uncertain returns of grain production.

The government's objective of economic and industrial diversification is further supported by developing agreements such as that effected with Palliser Furniture, now using a new production technology to produce tens of millions of dollars of high-quality cost-efficient home furnishings for export.

Manitoba's commitment of \$2 million over five years will mean that more than 300 new permanent jobs are being put in place in an industry with a bright future.

Diversification, as seen in Brandon with the Jobs Fund Development Agreement with Canadian Occidental Petroleum, has resulted in increased production of sodium chlorate, using electricity, Manitoba's most valuable renewable resource. The strategy of diversification is manifested at Guertin Bros. Coating and Sealants where new polymer and resins technology has been introduced and more than 70 skilled quality jobs will be created, thanks to the Jobs Fund, which has been able to introduce affirmative action and pay equity provisions into the development agreement process putting Manitoba well ahead of other jurisdictions in the approach to social development issues.

In that respect, the Manitoba Jobs Fund has demonstrated sensitivity and leadership. The Job Training for Tomorrow and Careerstart Programs have successfully provided Manitobans with opportunities to gain valuable on-the-job training, thus enhancing their future job procurement capabilities.

The Jobs Fund offers diversification opportunities in the workplace through initiatives such as women in non-traditional occupations. It offers women the opportunity to gain the skills needed to end the imbalance that exists in certain career areas.

The Member for Pembina keeps mumbling there. He's the only perfect individual in this House, the perfect "what" I won't say right now. But "Mr. 16 Percent" should sit down and quieten down a little bit while other people are talking. He might learn something.-(Interjection)-

Capitalizing on work experience is also the objective of the over-55 component of Job Training for Tomorrow. New training opportunities are offered those who have contributed a great deal to improving the economic condition of the province and who still have much to offer in the way of experience but who have been affected by changing economic and technological conditions. Through these initiatives, the Manitoba's Job Fund has provided support for Manitoba's small businesses, the very soul of the provincial economy.

Through programs, such as Employment Cooperatives and Venture Capital, the government is taking a proactive role in preserving existing Manitoba business enterprises while strengthening their prospects for future viability and growth and from that flows jobs.

For many years now, Manitobans have been widely recognized for the skills which they bring to the workplace. As a result, Manitoba has been able to put into place a stable and diverse light industrial manufacturing infrastructure which has successfully weathered the onslaught of changing and volatile economic conditions elsewhere. This government has been highly supportive of that infrastructure which today faces a new onslaught that is changing the face of competition.

New technologies are making some workers in enterprises redundant and obsolete, a reality the Manitoba Jobs Fund has addressed through its employment adjustment initiative. The program is working cooperatively with labour and management to ease the impact of technological change that has forced layoffs or closures.

Consultative services, retraining referrals and other services are available to workers and employers in order to minimize the negatives that sometimes come with progress. At the same time, the introduction of new technologies provide a tremendous window of opportunity for development and adaptation for Manitobans.

Through initiatives, such as the Workplace Innovation Centre, the Jobs Fund is working to ensure that technological development is not placed above the human interest but given equal importance; thus the negative effects of technological change will be minimized.

In the high-tec field, where Manitoba is already established in terms of enterprises and a skilled work force, new technological processes offer new opportunities for new industrial spinoffs to be established here bringing valuable new jobs. Cognizant of that and aware that the high-tec industry needs little in the way of raw materials to be vibrant to grow, the Manitoba Jobs Fund is working to ensure that the province's high-tec industries attain their potential for growth while remaining abreast of the competition.

The Manufacturing Adaptation Program, introduced last autumn, has already attracted keen interest for Manitoba's industrial sector, anxious to assess their future high technology needs and to gain advice and guidance in the orderly introduction of new technologies into the work environment. Manufacturing adaptation is an initiative that offers small business the chance to gain greater diversification and to become increasingly competitive.

The Technology Commercialization Program, which I mentioned earlier, remains a pillar of the Manitoba Jobs Fund, having already retained and created several hundred skilled jobs. The program has had profound success with 50 out of 54 participating ventures still in business. That represents a failure rate of less than 7.5 percent. As this House is aware, new business ventures typically suffer a 70 to 90 percent failure rate nationally with most failing within their first year - 7.5 percent as against 70 to 90 percent failure rate. I believe that's a tremendous success story. It is providing full support for the development of new technologies and its elements of new business assistance, investment and technology transfer underline the government's commitment to enhancing the province's diverse economic position.

Similar intentions are evident in the government's highly respected Information Technology Program. Not only has Infotech come to the aid of small business by shedding light on the high-tec maze through such initiatives as the small business consulting service but, through its programs of delivering high-tec information to our educators, Infotech is strengthening the foundation on which Manitoba's future, diverse and technologically advanced economy will be built.

As a matter of fact, tomorrow, a group of Scandinavian Journalists, directly involved in high technology journalism, will be touring our Infotech resource centre as well as our industrial technology centre. They have been told of the successes generated by these facilities and are anxious to see first hand the level of excellence in high technology that exists in Manitoba through the cooperation of public and private sectors.

Today, the Manitoba Jobs Fund is a different entity from that introduced by this government more than four years ago. It has proven to be adaptive to changing economic priorities. Today, the Manitoba Jobs Fund is a different entity from that introduced by this government more than four years ago. It has proven to be adaptive to changing economic priorities. It has moved from the crisis of immediate short-term job creation into long-term employment development and today remains an important mechanism in the government's objective of greater and stronger economic diversification.

MR. CHAIRMAN: The Honourable Member for Roblin-Russell will now give his customary reply to the initial statement from the Honourable Minister.

MR. L. DERKACH: Thank you, Mr. Chairman.

I'm glad to be able to rise and reply to that long speech that the Minister responsible for the Jobs Fund gave, but I'm not going to expand on my remarks in the lengthy fashion that the Minister did. As a matter of fact, much of what he said was read in last year's Estimates, Mr. Chairman, and all one had to do was review his opening statement of last year and many of the things that he mentioned here today were also mentioned in last year's comments. So, Mr. Chairman, there isn't very much new in what the Minister says regarding the Jobs Fund.

The Jobs Fund perhaps should be renamed to a "slush fund." For some time, Mr. Chairman, we have been trying to get some information from this Minister with regard to the Jobs Fund and where some monies were spent and who was responsible for allocating Jobs Fund monies. It wasn't until this morning that I received an information package from the - or a misinformation package - Minister for the Jobs Fund when in fact we are going to be debating the Estimates this afternoon.

Finally, Mr. Chairman, the Minister thought he could safely slip this into our hands hours before the Estimates began. I asked the question to that Minister whether or not he thinks this is a fair way of dealing with the Estimate process that he is responsible for.

I wrote a letter to the Minister as well earlier this year asking him for this information. As a matter of fact, it was away back on April 8 that I wrote the initial letter to him, asking from some specific information - or May 2, I should say, I correct that - regarding the Jobs Fund. At that point in time, the Minister suggested that I go to the various departments and ask for the information directly from those departments and he named some of the departments. He said, these administering departments include: Manitoba Business Development and Tourism, Manitoba Employment Services and Economic Security, Manitoba Cooperative Development and Manitoba Housing. We did that, Mr. Chairman. We wrote to those departments asking for the information and nothing came forth.

Finally, in a letter I received today from the Minister, he tells me that now he's changed his mind again. He says that now he has compiled this information as he had indicated in his letter he would and he has consulted with his other Ministers and today he finally saw fit to enclose some information for us. From what he has enclosed, Mr. Chairman, there isn't very much we can glean from it.

The Jobs Fund has been in a state of disarray, not for just one year, but for the last five years. My colleagues over the last number of years through the Estimates debate, have attempted to gain information from this Minister as to what the procedures were and how monies were allocated from the Jobs Fund to the various projects and departments. Yet, there were no answers. If you review the Estimates here, all the Minister did in every one of his Estimates was skated around the question. He never answered one specific question straightforwardly, never gave any indication of what the procedure, what the administrative structure was. Here we are in the fifth year of the Jobs Fund and we have as little information now as we did in the first year.

The Minister talks about the Jobs Fund moving from the short term into the long term; the fact that it is creating jobs for all Manitobans. I ask the Minister where the Jobs Fund and where his government was when it came to assisting the Versatile plant to stay open in this province? What happened with Canada Packers? Where was this government at that point in time? Yet this Minister gloats about the fantastic record that they have had with regard to the Jobs Fund.

Well, Mr. Chairman, I submit to this House that there is no set administrative pattern in the department for the Jobs Fund. When we phoned the Jobs Fund and asked some specific questions, well they weren't sure on how to answer these questions because they didn't know the answers. They said you'll have to go to the Minister. When we went to the Minister, well, they were quite reluctant to give the information. They said, well, you'll have to supply those questions or you'll have to get those questions to us in writing. When we submitted the questions in writing, we received no response.

So through this short Estimates process that we have for this particular department, we will be attempting to get from this Minister some direct answers and I hope that he's prepared to give us some direct answers. In the Auditor's report last year, the Auditor made some suggestions with regard to how this department can shape up and how it can get its house in order, how it can become accountable and it wasn't the first time that this particular area was mentioned. It was mentioned the previous year and we have nothing happening. We are in the Estimates debate, but we don't have Estimate Supplements.

When I spoke to the Minister earlier this year, he told me that the Jobs Fund is changing; it's taking a different form. Well, what is the form of the Jobs Fund? Does anybody know? Nobody knows. I'm not sure whether the government knows what the structure of the Jobs Fund is. It seems to be here, there and everywhere.

So in conclusion to the Minister's reply, Mr. Chairman, I can only say that all we've heard today was certainly more rhetoric and baffleleg than we have heard previously from this particular Minister. When someone made a comment from this side of the House, he retorted into an attack on this Opposition and asked: what would you do, why don't you give us the answers as to how to handle our dilemma? Well, Mr. Chairman, we didn't get this government into that dilemma. They got themselves into that pickle and now they don't know where to turn and how to get themselves out.

Those, Mr. Chairman, are my preliminary remarks to what the Minister has said in his opening remarks, and

I would simply like to ask the Minister if he has his other Ministers available for questioning should there be questions directed to the other Ministers?

MR. CHAIRMAN: At this point in time, the Chair invites the members of the departmental staff to help us with technical details, if needed.

We shall proceed, and I shall call Item No. 1.(a)(1) Manitoba Jobs Fund, Natural Resource Development, Current Operating Expenditures; 1.(a)(2) Expenditures Related to capital.

The Honourable Minister.

HON. V. SCHROEDER: Thank you, Mr. Chairman.

In answer to the question by the member, I believe the Minister of Housing may not be here, and the Minister of Employment Services and Economic Security. I think everybody else is supposed to be here. The Minister of Natural Resources isn't here right now, but I am sure if you wait a bit he ought to be here.

While we're waiting, Mr. Chairman, maybe if I could, just on a couple of points, in terms of that May 2 letter, I would point out to members that the member had written to me on April 8, asked four specific questions. There were two, one dealing with actual budgetary expenditure, which was answered; the other dealing with the budgetary expenditure for another year. I indicated that that would be sent as soon as available, but the actual cash flow on the \$119,341,400 in loan authority was \$43,184,500.00.

The other two questions of the four, I indicated to the member would be answered by the various departments involved. I had assumed, Mr. Chairman, that the member would then contact the Ministers involved. He chose not to do so, he contacted staff in those departments. He was then informed, again, to contact the . . .

MR. CHAIRMAN: A point of order being raised by the Member for Roblin-Russell.

State the point of order, please.

MR. L. DERKACH: Mr. Chairman, I indicated in my opening remarks that I did write a letter to each of the Ministers requesting information from the various departments. He's indicating I did not.

MR. CHAIRMAN: Disagreement, again, as to what happened is not a point of order.

HON. V. SCHROEDER: Following those telephone calls to staff, there was a form letter sent by the Member for Roblin-Russell to each of the Ministers, not asking about their own departments, but asking on overall expenditures by the Jobs Fund.

A MEMBER: In regard to their department.

HON. V. SCHROEDER: No, I'm sorry, it's not with regard to their departments. You read the letter.

It was on that basis that we decided, notwithstanding the request that the individual Ministers answer, but we decided that we may as well have one answer because there was only one question.

And that letter, Mr. Chairman, was dated June 4, 1987 from myself to the member. "You will recall in my

letter of May 2, 1987, I assured you that further information about particular Manitoba Jobs Fund activities would be forthcoming. I also suggest you contact the various administering departments for program specific information. My colleagues and I have since received your form letter of May 25, 1987, requesting the same information as your original request.

"In view of this form letter, I have decided to respond to both letters, in full, on behalf of all my colleagues, administering the various Jobs Fund programs. I am doing so with a view to maximizing efficiency and minimizing the possibility of further confusion." The letter goes on to provide information on a number of programs and indicated that there were several programs which I didn't have the information available but I would provide it as soon as possible. Very clearly we responded as quickly as possible. In fact, there was an Order for Return asked for, I believe, by the Member for Gladstone who received voluminous information on those programs, those very specific programs through an Order for Return.

I suggested to the member and I quote, "I suggested the same procedure would be appropriate in view of the quantity of names and program detail associated with this department's Jobs Fund initiatives. In my letter of May 2, I indicated to you that the actual budgetary expenditure figure for the Manitoba Jobs Fund would not be finalized for a couple of weeks. Actual budgetary cash flow for '86-87 fiscal year to date" - it's not the final number, to date - "is \$66,884,300.00." Again, we attached Appendix F which showed the loan authority and cash flow to clarify that and so all of those things were provided to the member.

The member also raised two other items, Versatile and Canada Packers. I point out to the member that on Versatile we were asking for the assistance of members opposite right from the beginning with respect to the first purchase offer which was turned down because of the U.S. Justice Department.

When Ford-New Holland came into the picture we were involved in the discussions but there was absolutely no evidence presented to us that there was a requirement by the Province of Manitoba to put money out in order to get Ford-New Holland to come to Manitoba. It is a requirement under the Development Agreement Program that staff can assure members of the government, before we put one penny up, that without that money there wouldn't be the development, or without that money the development would be smaller.

As members know, the day after that arrangement was announced, people from Ford-New Holland, not somebody out there in the public, some person who had something against them, people from Ford-New Holland said they were planning on purchasing it anyway, but this money from the Federal Government was nice but they didn't need it. That's what they said. So why would we have put Manitoba taxpayers' money into it. Somehow I don't understand why the Member for Roblin-Russell would want to put money into a purchase when it is not needed in order to fulfill it. That is the exact perfect example of a time when you don't want to put money into something. You want to put money into something where you don't think it will go without the money. That is the criteria, that is one of the criteria we use.

On Canada Packers, Mr. Chairman, we supported Canada Packers' application to DRIE. We told Canada Packers we had approved funding for them back in 1984 subject to DRIE's approval. Canada Packers applied to the Federal Government and Sinclair Stevens turned them down. Afterwards they got 35 percent. They were asking for 17.5 percent in Manitoba. They're operating a plant today in Prince Edward Island where they got 35 percent in 1985 from the Federal Government and here the Member for Roblin-Russell has the gall to say that somehow the Manitoba Government was responsible for Canada Packers. Canada Packers was intending to shut down in the early 1980's when we came into office and we convinced them that they should stay open here and modernize and they shut their Edmonton plant instead at that time, expecting full well to get support from the Federal Government, and the Conservative Federal Government turned them down flat.

For the Member for Roblin-Russell to now stand up here and say that somehow it was the Province of Manitoba that stood in the way is just one more example of a total distortion and misinterpretation of history.

MR. L. DERKACH: I can only say to the Minister responsible for the Jobs Fund that any time he gets into a problem and can't defend his position he takes the attack on the Federal Government.

He talks about Versatile or Canada Packers and those two instances that I mentioned, and those are just examples of this government's mishandling of everything, he fails to recognize that if it hadn't been for the Federal Government - there wasn't an agreement with anyone until the eleventh hour when Ford-New Holland did come in.

Up until that time we didn't hear from this government and we encouraged this government to step in and do something because there was a potential loss of many, many jobs but this government did nothing.

It was the same thing with Canada Packers; this government did nothing. All this Minister can do, who has bungled not only this department but has bungled other departments, is to point at the Federal Government and say, look, it's the Federal Government's responsibility and that is why we have failing businesses in Manitoba. That is their response to everything.

More specifically to the point, Mr. Speaker, the Minister refers to a form letter that I wrote to several Ministers requesting information. In my initial letter that I wrote to this Minister I requested some specific information and he instructed me, as I said before, to write to the other Ministers. The information we wanted from the other Ministers was the same regarding their particular departments.

Again, we see a Minister who is doing some damage control here because he didn't really want the other Ministers or the other departments to answer and they didn't know how, because he finally took it upon himself to write a blanket letter that would cover, he hoped, everything. He returned it to me only today.

Why wasn't this information returned earlier? He says, well, we didn't have an opportunity to return it. It took a month to get this information when that information should be available anywhere. I think it was very foxy

timing on the part of the Minister to present it just today.

However, I'd like to get into the questions, if I might, of this Minister, with regard to the various areas of the Jobs Fund. Before we get too far, first of all, I'd like the Minister to give me a breakdown of the Jobs Fund staff, because that is noted nowhere in this particular information that we have.

HON. V. SCHROEDER: The Jobs Fund Administration is supporting three distinct elements: Administration, Communications and ERIC Administration.

All three of these functions were funded by the Jobs Fund through the department, IT and T, that is, and the budget was managed on a global basis except for the advertising-related non-salary communications advertising expenditures which were managed directly by the IT and T Director of Communications.

With the devolution of the ERIC Jobs Fund Board, the three functions are now split as follows: Jobs Fund Administration is in Treasury Board; Jobs Fund Communications is with IT and T; and ERIC Administration in part to Treasury Board, and in part to the Policy Planning Committee of Cabinet.

Details - let's see there were 5 Treasury Board positions, 3 Policy Planning Committee of Cabinet positions, and 4 Communications positions, for a total of 12.

MR. L. DERKACH: So my question then is: Is the Jobs Fund, as it was known last year or the year before, now being dismantled and shifted into a variety of areas?

HON. V. SCHROEDER: No, but it is clearly a different decision-making structure. There has been, as I indicated, some devolution.

MR. L. DERKACH: So, Mr. Minister, could you tell me then, who is the person who is mainly responsible under the Minister for the Jobs Fund per se? There is no Deputy Minister. Is there a person that one can communicate with regarding information from the Jobs Fund?

HON. V. SCHROEDER: One could contact the Communications Branch of the Jobs Fund whose purpose it is to provide information, but if one had . . . that is, if you want overall information, that is where you would go.

If you want a specific program though, such as, say, Careerstart, you would go to Employment Services and Economic Security. If you want the health industry initiative, you could probably more easily go directly to IT and T and so on.

MR. L. DERKACH: Mr. Chairman, I think what is becoming very evident is that there is no particular pattern in the way things are done with respect to the Jobs Fund. I guess our great difficulty on this side of the House is to try and get some kind of a handle as to whether or not there is any kind of a central agency or nucleus that may in fact have a handle on what's going on in terms of the Jobs Fund.

Can I ask the Minister, who is responsible for the central accounting and the approval authority for the Jobs Fund?

HON. V. SCHROEDER: Yes, that's the Treasury Board.

MR. L. DERKACH: Okay, that means that we as members seeking information then would have to go to Treasury Board or there has to be a staff or somebody responsible in that particular area who could give us some information in terms of the approval authority in terms of where monies are flowing to and that kind of information.

HON. V. SCHROEDER: Treasury Board makes approvals at the beginning of the year for specific apportionments and certainly one could go to Treasury Board staff or one could go to, again, if you have something in IT and T, you can contact me and we will pass that along if you have some specific request. It would then go to the department administering that portion of the Jobs Fund for an answer. It seems to me that that's the most sensible way to approach it.

MR. L. DERKACH: Can the Minister tell me whether it is the Treasury Board that approves all of the Loan Act Authority for the Jobs Fund?

HON. V. SCHROEDER: Mr. Chairman, any loan authority would have to be approved by Treasury Board, but it would also have to go through the individual department involved and through Cabinet. But all would have to approve before there's an actual expenditure of money.

MR. L. DERKACH: So can the Minister identify the steps that would be taken in getting a Loan Act Authority passed through the various departments? Can he just review that for us, so that we would have a clearer understanding of how particular monies are approved under The Loan Act Authority?

HON. V. SCHROEDER: Mr. Chairman, any particular department, if it had a particular program it wanted to bring forward, would bring that close to a year ahead to Treasury Board to examine for the coming year's Estimates.

Occasionally, depending on the nature of the program, it might have to go to the Policy Planning Committee of Cabinet. There has to be some determination as to the overall amounts we have and some kind of an allocation as to what proportion will be spent by the various departments.

They would then come, given overall limits, to Treasury Board to seek approval. Treasury Board would take a cut and would also look at those kinds of programs, and there would be meetings of Cabinet looking at the overall requirements for the coming year. There would be some kind of approval, there would be approval in principle, and the department would still then have to come back when they had specific items to spend money on through Treasury Board and ultimately again for an Order-in-Council from Cabinet.

MR. L. DERKACH: So, as I understand it, a particular department would come to Treasury Board with a proposal, and you said a minute ago that this would have to happen a year ahead of time in order to get it into the Estimates procedures?

Therefore, I ask the question: If that's the procedure that is taken in each and every case, we have a certain sum allocated under The Loan Act Authority, but we have found that over the years the monies have been allocated but not spent. Can the Minister tell us why they are allocating funds since the departments have come to Treasury Board and to Cabinet with their proposals? Cabinet then approves those or rejects them, but then also we find that we have Loan Act Authority in here that has not been spent over the last several years. Can the Minister enlighten us on what's going on in that respect?

HON. V. SCHROEDER: Mr. Chairman, in all instances, authority has to be in place before funds can be spent on specific programs. You might have the Department of Housing come in asking for \$50 million, or whatever it is, loan authority for a particular year.

During that year, they may get the program going and in the first instance there may be \$5 million or whatever actual cash flowed from that loan authority. But there may well be the understanding that the rest of it will flow over a period, not necessarily even of the next year but over a period of several years.

So far we have raised, since the inception of the Jobs Fund - if the member looks at Appendix F - \$260 million, total, in terms of new loan authority. Of that amount, we have, to date, spent total approved commitments of \$185 million to - I'm not exactly sure what date that is, but that would be somewhere in the range of March 31, 1987. Not all of that money would have been expended even by then. So that there would be, in fact, \$164 million expended by March 31; a \$185 million commitment of that \$260 million. The other \$75 million would be in areas where there has neither been a commitment nor an expenditure but there was initially a proposal that came forward that in concept deserved funding. There may have been on occasion the notion of a particular agreement that might have been contemplated and one doesn't know ahead of time. You do have to allocate sufficient funds so that the Legislature has made the approval ahead of time. That being the case, there tends to be a slight over-commitment as there has been in past years. It's not something that's unique to the Jobs Fund when it comes to loan authority.

MR. L. DERKACH: Well, Mr. Chairman, through you to the Minister: Is the Minister saying that there is \$75 million out there that is available for allocation, perhaps projects that could come forth now, or because I think there's \$185 million that has been committed, so there's about \$75 million or \$80 million that is still not committed, but that is out there for someone to apply for, or what's the status of that particular sum of money?

HON. V. SCHROEDER: The money involved, in some instances, it doesn't show on either of the columns because, although it is notionally committed, the Order-in-Council still has not been approved. When it will be approved, that will come from the existing loan authority. In some instances, there were programs set up that we now do not intend to go ahead with. I would give you an example of housing. There is more loan authority than we have an intention for 1987 of proceeding with,

given the current state of the housing market.- (Interjection)- Well, Mr. Chairman, it's not that simple. This is money which we expect to lend out and get back. It's not money that we want to put into something where we're spending more money rather than getting it back. It's part of our economic development package.

We have a five-year package for health care, as an example, and to try to come up with new ways of putting greater expenditures on the province is something that one would hope that if members opposite want to do that, that they get serious and show us an alternative budget that does decrease the deficit, does increase all those kinds of spending they seem to want and decreases taxes. Is that what you're saying you somehow can do without ever getting down to specifics? You say when I raised that issue that it's unfair. I say to you that it's unfair when you raise the issue on the other side, going around trying to convince people that you wouldn't raise taxes, you would increase spending and you would have a lower deficit.

MR. L. DERKACH: Well, Mr. Chairman, it's well-known that this government has been on an ego trip and a self-polishing image kind of trip for sometime. As a matter of fact, I think it was in the constituency of Lac du Bonnet not so long ago that there was a Jobs Fund sign that had to be removed because the Provincial Government was trying to take credit for something that wasn't even there, wasn't theirs. As a matter of fact, it was federal money that was going in there, but for some reason there appeared on the site, a Jobs Fund sign. So these are the kind of projects that this government likes to partake in. Even if they don't make a commitment, they try to take the credit for it anyway.- (Interjection)- Yes, they have a very enthusiastic advertising crew.

When we talk about monies that may not be expended, when we speak about monies that are not being expended because the project may not be necessary anymore or for what other reason, there certainly are funds then that are supposedly carried over to the next year - or that is according to what the Minister of Finance had said. Does this money then continue to stay in the Jobs Fund area, or when Treasury Board meets again, do they then take a look at what's been left over from the year before and decrease the amount of loan authority for the current year by that amount?

HON. V. SCHROEDER: Just to clarify, Mr. Chairman. Where we've allocated cash, budgetary money to the Jobs Fund and it is not used in a specific year, it lapses at the end of that year. What we're talking about strictly is . . .

A MEMBER: You can't bank it, eh?

HON. V. SCHROEDER: No, you can't bank that; it's strictly the loan authority. In terms of the loan authority for the housing, as an example, it would have shown as loan authority for Housing, and we occasionally rescind. I know just a few weeks ago we rescinded some loan authority - I'm trying to remember which program, but it was one of the programs - I believe it was an ERDA Program - where we recognized that that

particular project which we had some hope for two or three years ago and we allocated the money to, wasn't going to take off, so we simply rescinded the loan authority.

We haven't rescinded the particular excess loan authority we're talking about here, but we would have to use it within those particular areas if we were going to use it. What it really does is it means that next year if we have a housing program under the Jobs Fund that requires loan authority, we wouldn't have to come to the Legislature again for further authority, given that we have existing authority, voted by the Legislature, which is unused.

MR. L. DERKACH: Why is it that the government is reluctant in providing to the Legislative Assembly an Estimate Supplement which could include perhaps the amount of unused loan authority from year to year so that then members of the Legislature would have a clear understanding of what kind of loan authority has not been used and what the government then is proposing would be able to be scrutinized in a better fashion?

HON. V. SCHROEDER: Mr. Chairman, if the member was to go to the Budget Speech for this year, you'll find that there are components outlined as being expected for The Loan Act; and if he examines that, he will find that there is zero loan authority required for 1987-88 for Jobs Funds Programs, because we've got enough loan authority. Again, \$260 million total loan authority, of which \$164 million has been expended, \$185 million approved to date, so we have enough for the coming year.

Now it is true that doesn't mean we couldn't change The Loan Act, but The Loan Act will be coming, as I understand it, to the Legislature in a week or two. We don't expect that we will be asking for any loan authority for the Jobs Fund. It will still be the same as it was when the Finance Minister showed you what we were going to do in the Budget.

MR. L. DERKACH: Mr. Minister, perhaps you could clarify for me. You said that the loan authority for this year is at zero, but yet in the footnotes here, in the Estimates, you indicate an addition of \$54 million has been, or is to be included in The Loan Act Authority for the 1987-88 year?

HON. V. SCHROEDER: That is all existing loan authority. That is, of the Jobs Fund expenditures that we anticipate expending in 1987-88, there will be \$54 million in loans and we have existing authority to do that without having to go for greater loan authority.

MR. L. DERKACH: Okay. If we could move into the more specific areas with respect to the Natural Resources Development area, can the Minister explain, first of all, what areas are covered under that particular department - for that line?

HON. V. SCHROEDER: The Minister is, as you can see, absent. As you can see, with the structure, the Minister of Natural Resources is responsible for that area. The member is referring to the \$3.14 million ERDA Forestry Agreement, is that correct?

MR. L. DERKACH: I just want a breakdown. Mr. Minister, I'd just like a breakdown of that particular area.

HON. V. SCHROEDER: Okay. There's \$3,140,000 for the ERDA Forestry Agreement; there's \$3,610,000 Supplementary Sectoral Forestry Activity, which will provide for significant ongoing activities and improving the forest resource and forest management situations. The activities are supportive of the 20-year renewal plan for forestry.

There is \$565,000 for Limestone activities which relate primarily to communications efforts at a reduced level of \$200,000; Continuation of the Northern Working Group at a lower level of \$65,000; and \$300,000 for potential Jobs Fund costs in the Offsets and Purchasing activities which includes updating of the Northern Business Directory.

There's a further (Interjection)- this is under Natural Resource Development - \$9,450,000 for Limestone Employment and Training Activities in the Human Resource Development category. A provision of \$900,000 has been made to cover interest costs relating to the Canamax Joint Venture Investment made in '86-87, as well as for further consulting and economic analysis requirements.

There is a new loan authority of \$300,000 allocated in order to maintain the province's 49 percent equity in the venture, if so required.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNES: Mr. Chairman, for three years now, during these Estimates, we've been waiting for the detail, as the Minister has just provided. The auditor of this province, the Provincial Auditor, has also said that members of the Legislature, all members of this House, do not have the proper information by which to either grant authority or deny it under this appropriation. The Minister has the book with the breakdowns of all the subheads within the appropriations. I would ask him if he would do us the courtesy and give us all the detail associated with the forecast expenditures under the breakouts within the printed Estimates.

HON. V. SCHROEDER: It may well be that it might be just as good to have it read out, and that way members have it. That way it's in Hansard. (Interjection)- You can have copies, certainly. I'm going to put it on the record.

MR. C. MANNES: Mr. Chairman, we will be rising shortly for Private Members' Hour. I've requested the Minister that copies be provided for the members of the House at the eight o'clock sitting of this committee. I would request that the Minister provide same.

HON. V. SCHROEDER: That shouldn't be a problem. I should be able to get you a copy of it. I'm just checking to make sure that my copy was identical to it. I can have the Clerk send a copy over. I'll then read it into the record.

Under Technological Development, in '87-88, this category has been allocated \$3,970,000 in budgetary,

\$1,250,000 in loan. This allocation will be used to provide full-year funding of \$330,000 budgetary and \$1 million loan for the Manufacturing Adaptation Program established during '86-87; to continue support for ongoing specific research and development projects, previously approved through the Strategic Research Program at \$280,000; to provide operation assistance to the high profile information, technology, its InfoTech Program, which is now in its second full year of operation at \$1.96 million; to continue to assist the growth of technology firms through three components of the Technology Commercialization Program, \$1.4 million budgetary and \$250,000 loan. There's a loan component that's been added to the investment component of TCP, the Technology and Commercialization Program, in order to increase the financial flexibility of the CED funding support, provided Manitoba entrepreneurs to finance technological business growth.

Also included in the Jobs Fund Technological Development category, but funded through the MGEA Trust Fund, is the Workplace Innovation Centre. The Workplace Innovation Centre was established in July of '85 to address the human aspects of technological change in the workplace. It has been allocated \$400,000 during '87-88 from its MGEA Trust Fund allocation.

(3) Business Development, the Jobs Fund Business Development category is comprised of the following programs: Agricultural Food Processing Agreements, \$200,000 budgetary, \$5 million loan; Cultural Enterprises Program, \$1.3 million budgetary and \$750,000 loan; Development Agreements, \$2.5 million budgetary and \$10 million loan; Employment Cooperatives Program, \$180,000 budgetary, with \$100,000 from the Jobs Fund and \$80,000 from the MGEA Trust Fund, and \$1.15 million loan; New Small Business Growth Fund, \$80,000 budgetary and \$1.25 million loan; Venture Capital Program, \$1.16 million budgetary and \$2.75 million loan.

A small allocation of \$35,000 has been provided to complete projects approved under the Youth Business Start Program, which was discontinued during 1986-87.

A portion of the '87-88 Agriculture Food Processing Funds are allocated toward interest costs and approved loan disbursement for the Carnation expansion at Carberry.

A total of \$2.05 million in budgetary and loan monies for cultural enterprises provides for the provincial costs of activities under the Federal-Provincial Communications and Cultural Enterprises ERDA sub-agreement. All of the loan monies, which is \$750,000 and about \$300,000 in budgetary funds, will be used for the Film Support Program, Film Manitoba. Other activities supported include infrastructure development such as promotion of film, video and audio production; marketing of Manitoba products in the province as a location for foreign production and support for training and equipment acquisition; publishing industry development and independent booksellers.

Slightly more than three-quarters of the \$2.5 million in budgetary monies allocated for development agreements will be utilized to cover interest and loan forgiveness costs of existing development agreements - Westeel, Guertin Bros. and so on. The remaining budgetary funds and \$10 million loan is available for the negotiation of new development agreements during the new fiscal year.

The Employment Cooperative Program will receive ongoing assistance during '87-88 from both the MGEA Trust Fund and the Jobs Fund. Once the balance of the MGEA Trust Fund allocation is utilized for budgetary expenditures, this program, designed to provide financial assistance for feasibility studies and start up of worker cooperatives, will become a fully funded Jobs Fund initiative.

In '87-88, two complementary Venture Capital Programs will be supported to assist small business. The ongoing Venture Capital Program, delivered by Business Development and Tourism and the new Manitoba Small Business Growth Fund delivered by IT and T. This new initiative will result in the province's 25 percent participation in an equity investment fund to finance the creation and expansion of small- and medium-sized businesses, primarily those needing up to \$250,000 in equity financing.

For Human Resource Development, the Human Resource Development category of \$27.3 million comprises half of the Jobs Fund '87-88 budgetary monies. This category clearly shows the emphasis on training and skill development as a means of achieving long-term economic development. The new \$1 million Aboriginal Self-Government Development Fund will be used for Government of Manitoba initiatives to stimulate the creation and implementation of strategies in concert with the Native community in areas including policy and economic development.

The Jobs Fund will continue to support the popular and successful Career Symposium activity in both Brandon and Winnipeg, \$45,000 to Education and \$15,000 to Business Development and Tourism.

Careerstart is a wage assistance program for students to obtain summer employment with business and community non-profit organizations. During '87-88, Careerstart has been allocated \$5.865 million for cash flow with an authorized commitment level of \$7.12 million.

A small allocation of \$30,000 has been provided for completion of project commitments under the Graduates in Business Program, which was not renewed after its second intake period ended February 28, 1986. The funds will be used for payment of wage assistance grants to participating employers who have created new professional/technical positions for graduates from Manitoba's post-secondary educational institutions.

Job Training for Tomorrow is a new on-the-job training initiative which started its first cycle in October of '86. The basic program provides wage assistance to participating employers who create additional positions for unemployed Manitobans. In addition, there are two special components, Women in Non-traditional or Technical Occupations and Employment Adjustment and Technological Change, which address important labour force concerns. Job Training for Tomorrow operates on a continuous intake basis and has an approved 1987-88 cash-flow authority of \$10.6 million, \$16.6 million in commitments.

Lake Winnipegosis Employment Program, \$120,000, is an ongoing interim employment measure to assist licensed commercial fishermen during the second year of the three-year voluntary closure of the pickerel fishery.

A total of \$9.45 million has been allocated for ongoing Limestone Employment and Training Activities as follows: Aboriginal Partnership Directorate Board Core

funding at \$230,000; Programming Support, \$350,000; and \$8.87 million, \$3 million recoverable from the Federal Government for the Limestone Training and Employment Authority.

MR. CHAIRMAN: The hour is now 5:00 p.m. The Chairperson is interrupting the proceedings of the Committee of Supply for Private Members' Hour.

Committee will return at 8:00 p.m.

Call in the Speaker.

IN SESSION

PRIVATE MEMBERS' BUSINESS

RES. NO. 13 - EQUAL NATIONAL REPRESENTATION

MADAM SPEAKER: Private Members' Business, on the proposed resolution, the Honourable Member for Springfield.

MR. G. ROCH: Madam Speaker, I move, seconded by the Member for Roblin-Russell, that

WHEREAS Canada's population distribution has, through the democratic principle of one person - one vote, concentrated political power in central Canada; and

WHEREAS the provinces of Ontario and Quebec alone, exclusive of the rest of the country, can elect a majority Government; and

WHEREAS Canada's diverse socio-geographic regions do not share an equal voice in Ottawa; and

WHEREAS the existing Canadian Senate does not provide a balance to the power of the House of Commons as the articles of Confederation intended; and

WHEREAS Canada, as a free federal state, needs an effective Upper House to ensure regional representation.

THEREFORE BE IT RESOLVED that this House be authorized to propose to each province and to Parliament, a constitutional amendment making provision for an elected Senate, based upon the principles of effectiveness and equal representation among the provinces.

MOTION presented.

MADAM SPEAKER: The Honourable Member for Springfield.

MR. G. ROCH: Thank you, Madam Speaker.

To start off with it, I'd like to remind members of this Assembly what the origin and purpose of Canada's Senate was. The original reason for having a Senate, Madam Speaker, was to enable the different regions - at that time, they were not as numerous as they are now - but nevertheless it was to enable the different regions to have equal representation.

There was representation by population in the House of Commons, as the United States has representation by population in its House of Representatives. Then there was to be regional representation equally in the Senate, as the United States has in its Senate.

Unfortunately, Madam Speaker, it hasn't worked out that way. One of the flaws - and there are a few flaws. There are many flaws to the existing Senate. One of the flaws is no doubt the fact that it was appointed. When a person is appointed, the trouble becomes that, if any political party is in power for too long, too many of its adherents become part of that particular Upper House and, therefore, it gets overloaded with people who are more responsible to their party, rather than to the regions.

Some say, well, it wouldn't work. Well, Madam Speaker, I don't buy that argument. Many States - and when I say states, I refer to nations, countries - have elected Upper Houses which are referred to as Senates. The United States, for example, has a Senate which is comprised of two per state. To those who say that an elected Senate would not work, I say it's worked for well over 200 years in the United States; it can work here.

As a matter of fact, one of the original reasons for having an elected Senate in the United States was because, of the original 13 colonies, both Rhode Island and, I believe, Delaware refused to join the union unless they had that safeguard. I would suggest, Madam Speaker, that approximately 120 years of Canadian Confederation has proven that they were right in insisting upon that safeguard.

Other States which have such elected Upper Houses are Australia, which is as much a member of the British Commonwealth as we are, as well as West Germany, Switzerland, and there are a few others.

Madam Speaker, the fact remains that, unless such an Upper House is indeed elected, we will not get the effectiveness that we should be getting from the existing appointed Senate. The existing appointed Senate unfortunately has become in many cases, some have said rather derogatorily, an old Liberals' home, and that may be a fact. There are members of other parties in there as well, but the fact remains that it has become an instrument of patronage. It's kind of ironic that, all of a sudden, the Liberals are on the Triple E bandwagon, when they were the very cause of having the Senate become ineffective.

But the fact still remains that, unless you have that incentive to be re-elected, that incentive to be accountable to your constituents, you do not, shall I say, dare use the powers that you do have, and they should be using the powers in many cases.

At one time, they were elected for life or - I'm sorry - appointed for life. Now they are appointed till age 75 which, in my opinion, is almost a lifetime appointment. The fact remains that they dare not rock the boat for fear of, well, maybe not being grateful to the people who put them there in the first place, another good argument for a Triple E Senate.

I think hard on the recent Meech Lake Accord, of which our First Minister was a member of the group that signed it, in the fact that it has given Senate reform a high priority. I find it a little bit ironic that, on one hand though, he says that he would like to see the Senate abolished but, on the other hand, he's willing to consider an elected Senate as a possible reform. In any case, the fact that he has agreed to at least considering the possibility of an elected Senate is a good sign.

Now why do people speak, all of a sudden, about a Triple E Senate, Triple E meaning elected, effective and

equal, and I would say that the first and last E's being the most important of the three. Why?

Well, we have had many instances in our history, Madam Speaker, which cry out, which point out the need for an effective Senate, an elected Senate. We saw in the past, when we had a Liberal Government in power, the Air Canada Overhaul Base removed from Winnipeg, along with about 1,000 existing jobs gone to Montreal. We saw, again under the Liberals, a National Energy Program implemented which took away a lot of the primary reserve wealth of Alberta. To be fair, Madam Speaker, we saw under a Conservative Government the potential of jobs for the CF-18 again going to the east. It's ironic too, Madam Speaker, that the First Minister of this NDP Provincial Government has forgiven the eastern-based government for what has happened in the West, while we in this provincial Progressive Conservative Party are still not pleased with that decision.

But maybe it makes sense, Madam Speaker, given the fact that the Federal NDP at their convention in Montreal passed a resolution, indicating that they are in favour of having special status for Quebec. Madam Speaker, I would suggest that when a party, of course, is socialist and centralist - and all socialist parties believe in a strong central government in order to impose their will - I say then it becomes imperative that we do have an elected Senate to protect the regions. If any area, any province, any region deserves special status, it's the West or the Maritimes. They have been poor cousins of Confederation for far too long now.

Why a need for special status for any province? Is it because, Madam Speaker, when there are two parties on the left of centre, if one is in decline, the other is on the rise? Therefore, you see that they have to somehow obtain the votes of Central Canada in order to form the government. Of course, they do; every party know that.

So, therefore, it is not a question of who is in power, Madam Speaker. It is a question of the system; the system is at fault. We need decentralization, not more centralization. I realize, Madam Speaker, that it goes contrary to your party's beliefs of centralization, but the fact is that decentralization is better for people as a whole than centralization. We have had far too many instances in our history where strong centralized States have proven detrimental to the people as a whole.

Madam Speaker, it is interesting to note that the Provinces of Prince Edward Island and Alberta have both unanimously approved resolutions encouraging the formation of an elected, effective and equal Senate. In Alberta, that included the New Democratic Party MLA's. Yes, they too said they preferred abolishing the Senate but they also said that, in view of the fact that this would not be possible, then possibly the other alternative would be to elect it.

I would suggest, Madam Speaker, that the members of this government do seriously look at this resolution from a non-partisan point of view as have their colleagues in Alberta; that they in fact go on record as voting in favor of voting of a resolution that would send a message to the Federal Government saying that the West - Manitoba included - wants an elected, effective and equal Senate.

Why elected, Madam Speaker? Well, there are many reasons. One of the most obvious ones is to give it

credibility. Once a Senate is elected, they have the incentive to be accountable to your constituents. There is a committee in Canada right now, a non-partisan committee, which has representatives from many different political parties except one to date, but that's a matter of time, I believe.

The fact is that the concept the committee for the Triple E Senate is advocating is that of having the senators run - yes - on party labels if they so choose; but in the case of senatorial elections, that the terms will not be concurrent with the terms of federal M.P.'s and that these particular candidates would be nominated by and answerable to the provincial wings of the party.

In other words, Madam Speaker, when an issue would come up at the federal level, the senators would be answerable to the provincial wings of their parties rather than the federal wings - an interesting concept, a different one, or one which would force the senators to be accountable to the provinces that they represent.

And how would it be effective? Well, Madam Speaker, to be effective, a Senate would have to be elected. That's how it would be effective, because they would have to be accountable. It has tremendous powers as it stands now. It has the possibility, if it wants to, if it so desires, to veto any federal legislation, but this is not being done, Madam Speaker. Why? Well, why rock the boat? They are there until age 75 or longer if they were appointed prior to that rule coming in. Therefore, it only makes sense that they don't use those powers. However, if they were elected and that opportunity arose, well, then they could say, "We will not pass this law because it's not good for our region."

We have heard of the famous "Shakes and Shingles Affair." Why did that happen, Madam Speaker? It wasn't a very good thing for Canada. But there were senatorial elections coming up in the United States. Therefore, the powers that be out there were concerned about those Senate elections, never mind that those were very small states. The fact remains that because there were the senatorial elections coming up, they paid attention to those smaller, lesser populated states more than they had.

The third E is that of being equal, and that's the only fair way for Canada's regions, especially for the West and the Maritimes. It's worked well in other parts of the world. The members opposite laugh at this; at least some of the members opposite laugh. So, obviously, they are not interested in having equality for the West or for the lesser or poorer regions of Canada. I think that's sad.

Madam Speaker, such a motion was introduced in the House of Commons by Dr. Gordon Taylor, M.P., and in part of his summation - and I think he did a superb job in addressing his motion - he said, and I'd like to quote from him, Madam Speaker: "I submit that if the Senate is not reformed, it may well mean that the Canada we love may not for long be the Canada we know and have today." In other words, the salvation of Canada, as we know it, with its varying climates, its varying regions and its many people is tied in, to a large degree, with providing protection for all its regions, which in turn requires the fundamental reform of the Senate.

A new Senate responsible to the people will take a sober second look at legislation to ensure that every

part of Canada has an opportunity to grow and to retain its culture and language. It will also ensure that every region is treated fairly and that people in every part of the country have an equal chance to enjoy the benefits of our nation. Madam Speaker, that summary of what a Triple E Senate can do pretty well says it all.

We have seen for far too long, as happened in World War I, as happened in World War II, as happened in the instances I mentioned earlier where, to use a familiar expression, when push came to shove, the central areas, the eastern provinces - and when I say Eastern, I refer not to the Maritimes, but Ontario and Quebec where they have been favoured. We have become the drawers of water and the hewers of wood, Madam Speaker.

I once saw a map of Canada, Madam Speaker, which pretty well says it all. There was a cow stretched across of it. In the West, Madam Speaker, a cow was being fed by the people of the West; in the East - especially the Golden Triangle, namely Toronto, Ottawa and Montreal, because to a certain degree Northern and rural Quebec, Northern and rural Ontario, I think, sympathize with us. But in any case, the Golden Triangle was milking a certain cow. Madam Speaker, I'll leave it up to the imagination of the members as to what the cow was doing in the Maritimes.

Madam Speaker, I would just like to - I see my time is running out, I'm sorry I had a paper over my light - conclude my opening remarks.

MADAM SPEAKER: The honourable member's time has expired.

MR. G. ROCH: May I have leave for half-a-minute, 30 seconds?

MADAM SPEAKER: There has not been unanimous consent given for leave for the member to continue.

MR. G. ROCH: Madam Speaker, that shows what the members opposite . . .

MADAM SPEAKER: Order please, order please. Order please.

The Honourable Minister of Urban Affairs.

HON. G. DOER: Madam Speaker, I'd like to join the debate on the resolution before us.

First of all, Madam Speaker, I think this is a very important topic and other speakers want to participate in this debate. Madam Speaker, quite frankly, I find this quite remarkable. To have Liberals and Tories speaking on Senate reform and being sincere about it is like expecting buzzards to say grace before meals, Madam Speaker.

Madam Speaker, we have a situation where 63 senators have been appointed by the Liberal Party . . .

MADAM SPEAKER: Order please, order please.

The Honourable Member for Springfield on a point of order.

MR. G. ROCH: Given the fact that the Minister refers to us as buzzards, I'm wondering why we were his first choice to run for a party rather than the NDP.

MADAM SPEAKER: Order please, order please.

The honourable member does not have a point of order.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

The Honourable Member for Urban Affairs.

HON. G. DOER: Madam Speaker, I'm glad to see the members rose for the bait, because I think it's sincere when you have 63 members of the Senate now appointed by the Liberal Party and 31, I believe, appointed by the Progressive Conservatives. Is that Senate reform, what we've had in this country since 1867? Madam Speaker, many of those senators are propped up by little sticks so they won't fall over in their debate on behalf of Canada.

Madam Speaker, we have a situation in this country where the Senate reform has gone from a situation where Michael Pitfield was appointed to the Senate and that great Canadian Keith Davies was appointed to the Senate. We had the former Leader of the Opposition, the federal Opposition say, you had an option to do differently, and what do we get? We got Norman Atkins as an option. We got Jean Bazin in the middle of an investigation, Madam Speaker. That's the kind of sincerity we've had on Senate reform, Madam Speaker.

Now I've been born and raised in Manitoba, like many members of this House or many members of this House are born in the West, and I believe Western Canada has full right to a number of grievances in terms of the regional issues in this country. Madam Speaker, I think all of us in this House have felt the anger towards the decisions that have been made in the Golden Triangle, as the member opposite has expressed - the Toronto, Montreal, Ottawa triangle of this country - which is really Central Canada, because our friends in Atlanta Canada would tell you some of the same problems they encounter in terms of regional issues and regional issues in this country.

Madam Speaker, we believe that the regions must be improved, but we believe that when we saw a situation recently with the CF-18 where it was obvious that a move was made to give this contract to a population-rich Quebec over a situation of merit in Winnipeg and Manitoba, did we see a united voice from the regional representation and the regional reps from other areas of this Western Canada? Where was Grant Devine, Madam Speaker, on that issue? Where was Don Getty on that issue, Madam Speaker? They were nowhere on that major western issue, Madam Speaker, and thank God the people were with us, because the elected so-called effective representatives from the regions and the provinces were just docile and quiet on the most fundamental issue affecting the West in the last number of years.

So, Madam Speaker, we should watch in what the party disciplines will do versus the regional issues that are raised. Madam Speaker, it's very important that we not look at quick-fix solutions in terms of the regional issues and how it affects our Parliament of Canada.

Madam Speaker, there's a second concern I think we should be very careful of. We should not try to

Americanize our parliamentary system by a radical change in the Senate. Madam Speaker, we have a different type of system than the United States. The United States is a system where you have, on the one hand, executive power with the President through the Cabinet; it has, on the other hand, an elected Congress by population; and on the third hand, we have a situation where Senate is elected by state. Further, Madam Speaker, we have the situation with governors.

I think the best example of looking at a parliamentary system in terms of an elected Senate is the situation in Australia. Notwithstanding the fact that members of the Australian Senate are elected on the basis of proportional representation, we've had example after example, Madam Speaker, where the parliamentary system in Australia, if it doesn't have the same party in power in the Senate, is in a disastrous situation and many important bills cannot get through the Upper House. Many important issues, whether it was during the Depression, whether it was 1975 dealing with many of the bills of Supply in the country of Australia - and I think this is very important for the Member for Springfield, because I think it has important analogies for our situation.

Madam Speaker, with an elected Senate, the parties still sit in caucus together in Australia. The Labour Party and the Liberal Party, which is the conservative party of Australia, sit together in caucus, and the caucus and government discipline that exists in the party system of government still exists in the situation in Australia.

Madam Speaker, you look at the situation. The wealth in Australia, the decisions in Australia, the decisions in that country with an elected Senate with the same type of model, six per state, are exactly the same kind of decisions that are made in this country without an elected Senate, Madam Speaker. The wealth in the country and the power in the country in Australia stays in the centre and focused unfortunately - and I'd like to say otherwise - in the City of Melbourne and the City of Sydney and the City of Canberra, the Golden Triangle of Australia. You don't see it in Southern Australia where you have governments with states of a million people, very similar to Manitoba. You don't see it in Western Australia in terms of their power under that parliamentary system. So, Madam Speaker, you have a situation where the power clearly has not flowed to the region but has stayed to the parties and the parties' discipline and those decisions that flow from it. So I think that's a very important comparison to look at.

Madam Speaker, the McDonald Commission recommended an elected Senate. They recommended an elected Senate with the situation where you would have an entrenched First Ministers' Conference and also the existing Parliament. But who would speak for the regions, Madam Speaker? This is a very important issue to raise. Will it be - and look at the situation in Manitoba today. Will it be the Federal Minister, the senior Minister from the Cabinet in Manitoba? Did that help us with CF-18, Madam Speaker? Would it be the elected senator? Say, the Liberals had the majority in the Senate. Would it be the elected regional senator who would speak for Manitoba, or, Madam Speaker, would it be a situation where a New Democratic Premier would be speaking for Manitoba?

Madam Speaker, those are the recommendations coming out of university professors, out of the McDonald

Commission. I suggest to you, Madam Speaker, that rather than place the accountability closer to where it belongs, it would diffuse the accountability between the elected areas of government, because make no mistake about it, if somebody is elected, they're no longer the joke that we have in the Senate today. They have an elected mandate, they have power. They have the power in essence to veto Parliament and could have the power to totally reduce the mandate of the elected Parliament that was elected in an election across this country.

Now, Madam Speaker, I'm pleased to say that there have been improvements with the Meech Lake Agreement, although I certainly thought that from an elected Senate perspective, if I was Mr. Getty, I would have gone home and read that agreement and thought I was a little bit further away from my target than when I started at Meech Lake.

Madam Speaker, I'm pleased to see that this issue will be debated in the Premiers' Conference. Madam Speaker, the major regional issues in this country have been fought by the Premiers from their regions, whether it's cod in Newfoundland, whether it was the constitutional crisis with Allan Blakeney in 1982, or last week our own Premier and indeed the former Premier of this province in terms of the major regional issues that they saw confronting this country.

Madam Speaker, an elected Senate would represent a major quantum change in our parliamentary system of government. I do not think we should be too hasty to get a quick fix to that solution. I do not believe you can take an American solution to a Canadian institution and come up with a long-term solution to our problem.

Madam Speaker, look at a couple of examples of the American political system in terms of who's in charge. Right now, Madam Speaker, in terms of the trade negotiations, the senior negotiator reports directly to the federal Cabinet and provides information to the Premiers on an ongoing basis. Contrast that situation, Madam Speaker, to the negotiator for the American system who reports partially to the presidential arm, partially to an arm of the Congress and partially to another committee of the Senate. I mean it's just a convoluted process, Madam Speaker.

We've all been through the situation with the Garrison Diversion where we didn't know who was speaking for the United States when we were trying to get our issues resolved, whether it was the courts with the court case of the Audubon Society, whether it was the elected Congress with its rep by pop., whether it was the Senate, or the former Minister of the Environment, of course, who was a tremendous problem to our interests in Manitoba with his development-at-all-costs kinds of issues.

Madam Speaker, it was done when two bodies of government, and the Audubon Society in the courts finally won it, Madam Speaker, and that they wouldn't advance the money at two levels of government. It took 15 years, Madam Speaker, a major problem.

I believe that regional powers must be improved in this country. I believe we should reform the Senate and make it more viable. I really worry about putting a layer over our parliamentary system and americanizing our parliamentary system, Madam Speaker.

I think we should be very deliberate and careful about changing the fundamental nature of our parliamentary

system in this country, although I do believe we must enhance the regional balances in a much greater degree than what the West and Atlantic Canada has enjoyed for the first number of years in Confederation.

So, Madam Speaker, I would move, seconded by the Member for Ellice, that the following amendment be made to the resolution before us:

WHEREAS fairness to smaller provinces in the regions is a basic principle of Confederation for this principle is not now being respected; and

WHEREAS any reforming of Canada's political institutions to strengthen these principles must not undermine:

(a) the Federal Government's accountability of the people for its actions;

(b) the Federal Government's ability to act in the national interest in accordance with its democratic mandate;

(c) the ability of the provinces to fulfill their constitutional responsibility as the primary voice of the regions; and

WHEREAS the number of reforms that have been proposed to give effect to these principles, including a House of Provinces, a House of Federation, the abolition or reform of the existing Senate, a constitutionalization of First Ministers' Conferences, stronger obligations on the Federal Government regarding equalization of regional development, and so forth; and

WHEREAS similar institutions to some of those listed here have been tried in other federations where they have met with very mixed success; and

WHEREAS each of these proposals must be examined on their merits to ensure that they are in the best interests of all Manitobans, as well as all Canadians;

THEREFORE BE IT RESOLVED that this House requests that the government examine fully all the options for reform of Canada's political institutions to determine which of such reforms are:

1. consistent with the principles of fairness to the regions;

2. respect the constitutional roles and authority of both the federal and provincial levels of government in Canada; and

BE IT FURTHER RESOLVED that such reforms be placed on the agenda of the First Ministers' Conference provided for in the Meech Lake Accord on the Constitution.

MADAM SPEAKER: May I ask whether the honourable member wanted this inserted or replacing?

The Honourable Minister of Urban Affairs.

HON. G. DOER: After the fourth WHEREAS, Madam Speaker.

MADAM SPEAKER: Order please.

Can everyone please be patient for a moment?

On the proposed amendment by the Honourable Minister, it's my opinion that it is procedurally incorrect and that it does not indicate where it's to be dealt with.

The Honourable Member for Morris.

MR. C. MANNESS: Thank you very much, Madam Speaker.

It's my great pleasure to rise on the resolution, Madam Speaker. I wish that I had been in the Chamber to second it but I just missed that by a few moments.

Madam Speaker, what we have just seen by the Minister opposite in attempting to bring forward an amendment to this resolution, firstly, is the great fear that the NDP have with this issue. Madam Speaker, the NDP are caught on a dead switch, Madam Speaker. They're out of step with the mood of most of the people in Western Canada. They know it. They're caught and they're trapped and they're desperately trying to hold onto something that they gained out of the Meech Lake Accord. Because if you heard some of the areas that the Minister brought forward in his failed amendment, Madam Speaker, you will see that he talked about formalizing First Ministers' Conferences.

So, Madam Speaker, I say to you and for the record that the NDP provincially and indeed, in Western Canada, have great difficulty with this subject. Madam Speaker, there can be no greater pressing political issue in Western Canada today than the review and the reform of the Canadian Senate.

Madam Speaker, we've got major problems in agriculture. We have major problems in the oil and natural gas industry within our region and we have great problems within other natural resource areas too - all of them, in a sense, political. But Madam Speaker, no greater political issue today exists in Western Canada, than Senate reform.

Madam Speaker, let me begin by saying I agree with a couple of remarks by the Member for Concordia who just concluded his remarks. He said he found it passing strange that the Liberals and Conservatives would seem to join on this Triple E issue. Well, Madam Speaker, I tell you I have no difficulty in understanding why the Conservatives are part of this. I'm a little bit troubled, a little bit concerned as to why the Liberals are part of it. And yet I fully understand the contribution that Mr. Molgat has made to Senate reform over the years. But failing Mr. Molgat, I'm hard pressed to see the Liberal party terribly involved. And yet I can tell you Mr. Loughheed and Mr. Roblin, the former Premier of this province, for many years now have been addressing the concerns of the Senate and how, in their view, it should be reformed to represent more adequately and more satisfactorily, the views of Western Canada, indeed all the regions of the nation. So my thanks goes to them.

Madam Speaker, what is happening in Western Canada today? Some would say, "Well, nothing out of the ordinary." And some would say, "Well, is anything happening?" Madam Speaker, the answer to those questions is "yes."

What is happening today? Well, I think the awareness of this word "colony" is beginning to be driven home to a whole host of new Western Canadians. And, secondly, the fact that they're involved in the whole discussion is causing that word to conjure up the old and the bad feelings that it brought forward years ago.

Madam Speaker, it was a time only a few years ago, when I was becoming aware as to the politics of this nation, that my father told me how, for instance, in 1948 after World War II, the price of wheat, which was rising in the world market to a value of \$1.75 at the time, was being held at an artificial \$1.25 within this nation. Madam Speaker, a decision that was made in

the central region of the nation, Madam Speaker, made in some respects because we wanted to help our allies after the war but made with virtually no input from Western Canada. It happened also after World War I, in that respect, Madam Speaker.

I'm told, of course, that coming into this century, that Western Canada was at one time going to be the nucleus of this great nation, with Winnipeg to be the nucleus. And Madam Speaker, it was stopped. It was prevented from occurring. Many people for generations have been asking the question "Why?" But then, in a more modern sense, Madam Speaker, all we have to do is look at what's happened within the energy pricing area, all done for the national good.

We had Alberta for 20 years pleading to the nation, begging the nation to help them with their resource of oil, Madam Speaker, to pay a value somewhat greater than the world price so that they could build up their province. And Madam Speaker, OPEC comes on the scene and the price of oil approaches \$35 a barrel. And through the Seventies, when there was great dispute between the province and between Ottawa, all of a sudden in 1980-81 comes forward the National Energy Program and \$80 billion is lost to that province.

Madam Speaker, more lately CF-18, and I've gone on the record with respect to that decision by Ottawa and, indeed, our whole party has, and said it was a terrible decision for this Province of Manitoba. It was totally, totally unfair.

And today, Madam Speaker, we look at oil and gas deregulation, and if one had seen the documentary the other night on *The Journal* or on *Venture*, one would wonder whether or not oil and gas deregulation would have come had we not been in the downside of pricing within that area.

Madam Speaker, CF-18 - I felt badly because I'm a Progressive Conservative, and it was a decision that was brought forward by a Conservative Government in Ottawa; but then I looked around, I looked beyond the decision, and I couldn't help but notice what else has happened in Western Canada over the last number of years when there were virtually no Liberal representatives, save one, Mr. Axworthy, and where all the fruits that were to come and to be shared equally in Western Canada have basically centralized; found their way into the City of Winnipeg. As a Manitoban, one can't be terribly critical of that, Madam Speaker, but you can see how other western provinces indeed would feel that they had been terribly short-changed.

There was a case, Madam Speaker, where there was a solitary representative in a government who had great impact. Today, Madam Speaker, within the Conservative National Government we have many, many strong Ministers from Western Canada, Madam Speaker. So, of course, the fruits, Madam Speaker, or the spoils are divided more evenly and more equitably like I'm sure most Western Canadians would want.

But the bigger question, Madam Speaker - is there anything such as a strong Minister left? In my view, the way government is going, the Cabinet form of government is no longer satisfactory. It seems like the Prime Minister's office has tremendous controls. That is something that developed during the days of Trudeau and, in my view, is still current, Madam Speaker. So do strong regional Ministers have a guarantee? Do they bring forward what it is that is expected of them? I

think it's a question that should be debated more properly.

Madam Speaker, the point I'm trying to make is that it's going to take something else. It's going to take some reform of institution to bring forward what it is the regions want within this nation. So, Madam Speaker, I say to you, a single solitary representative, one member from a region, one Minister from a region will not do the trick.

Madam Speaker, strong Cabinet Ministers, many of them like we have today from Western Canada, in my view, is not totally satisfactory to what needs to be done to represent a region well. There are other things. In my view, we have to strike a greater balance and, to me, that can only be done through a reformed Senate, not abolishment, as the NDP at one time will say, and I heard it couched in such fine writing by the Member for Concordia; not a Triple A reform system, something alluded to by the First Minister and sort of defined once but never spoken to again that I can recall, Madam Speaker; but no, a Triple E Senate: Effective, Elected and Equal.

Madam Speaker, three months ago, I was in the United States on a holiday, and members opposite may have heard about this, but there the Senate overruled the Congress and indeed brought forward a bill that would give every state the right to determine its own speed limit. Madam Speaker, that, in the House of Representatives, was outvoted three to one; but yet the Senate, two votes for each state, brought forward the bill and passed that bill that gave the states the right to determine what the speed limit should be within their areas.

Madam Speaker, the system works and it can work well. - (Interjection)- The member says it's a big one. Madam Speaker, it's principle we're talking here. The Member for Concordia says we don't want a quick fix, but let's see that we're moving in a direction to some type of reform.

Madam Speaker, in my view today, Western Canada can best be characterized as an adolescent. Having been a full member of the Canadian family for over 100-and-some years, particularly the Province of Manitoba, still Western Canada at this point in time, in my view, is looking around. It's trying to decide whether it should be a full member of the business or whether it should possibly consider other alternatives. It wants to be part of the business, but it wants to have a meaningful role. It just doesn't want to be given the "Joe jobs," to be made to feel important at one time and yet, when there's a real crisis within the nation, being expected to bear the brunt through reduced value of natural resources.

Today, Madam Speaker, Western Canada is looking, and it's looking carefully. It wants all its political parties, all its representatives, including the New Democratic Party provincially, and I dare say federally, to take a strong stand on this issue, to let the voice of Western Canada, indeed all the regions of the nation, be heard at a level somewhat different than the level at the House of Commons where we are unmercifully outvoted by the power of Central Canada.

Madam Speaker, Saskatchewan, with all the comparative advantage it has, has one million people today, the same as it did 55 years ago. Manitoba today has one million people, the same as it did. Madam

Speaker, what is the makeup of these regions that prevent it from growing and sharing in a greater fashion?

Madam Speaker, maybe members opposite are happy to receive handouts from the Federal Government, now 40 percent of our revenues. Madam Speaker, there are some of us on our side who are saying let us work within our own economy; let us develop our own revenues so that we don't have to go to Ottawa always with our tin cup, asking for more and more and more. Maybe they want to go to the Newfoundland example where 60 percent of their revenue comes from Ottawa. I do not, Madam Speaker.

I think that if we can change the economic structure through the parliamentary system, Madam Speaker, through the institution of the Senate, there will be done more to make this nation a cohesive, strong united nation than anything else that could be done.— (Interjection)— Madam Speaker, the member says "nonsense," but he cannot tell me what will guarantee the fact that Manitoba, five years from now, will not be requesting of Ottawa 50 percent of their revenue through a welfare cheque. That member can give me no assurance, and maybe he's proud of that Madam Speaker, but I do not want to live under that type of government.

So, Madam Speaker, this part of Canada wants fully into this nation. It wants a share of economic power, a share that's guaranteed regardless of what happens in world prices, Madam Speaker, a full guarantee. And it will help, Madam Speaker, it will help, powerful senators who can pull away from some of the partisan political ideologies, and I believe they can.

So let me close by saying that this province wants to be fully equal. It doesn't want to be a lesser equal, Madam Speaker . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

MR. C. MANNES: . . . and in my view, the Triple E Senate should enjoy the full support of every Western Canadian and indeed the members opposite.

Thank you.

MADAM SPEAKER: The Honourable Minister of Industry, Trade, and Technology.

HON. V. SCHROEDER: Thank you, Madam Speaker.

We're facing a very serious issue today. We're coming up with some very, very glib, simple solutions on the other side. What is the problem? The problem is that we have a Federal Government which cannot govern. We have a Federal Government which, in the last several years, has been unable to fulfill its mandate in terms of being fair to the regions. And what is the solution these people come up with? A Senate that would do what?

The example is often given of the CF-18. They say, well, with the Senate, with this Triple E wonderful Senate, all of a sudden this problem would be gone. Do you mean to say you would set up a body in this country that would examine every single purchase order of the Federal Government and then make another

reallocation of the order? That's dreaming, that's absolutely dreaming.

You know in fact - and there are some of you who believe in central government. We just heard from the Member for Morris, who doesn't, but I've heard the Member for River Heights and others who have some greater understanding of this country, who understand that you need a strong central government. In fact, just last week there were some people in Manitoba saying that the concern about the Meech Lake Agreement was that we wouldn't have a strong enough central government. Now here we are having others saying, oh, it's too strong. Let's have provincial things happening.

They know full well Madam Speaker, that if you attempt to decentralize power to a greater extent, you will run afoul of that part of our Constitution which talks about similar levels of service at similar levels of taxation for all citizens. After all, we are all Canadians. We're not Manitobans; we're Canadians. We're Canadians first and then Manitobans and then Ontarians, and so on.

I hear the Member for Brandon chirping again. I notice that his buddy, his cousin, Lee Clark, says they've got a problem, but there's also a solution, Madam Speaker. He says there is a solution. He says the problem is we won too many seats. That's their problem. But fortunately enough, he says Tory fortunes are turning around; there is a solution. For the first time in 20 years, for the first time since John Diefenbaker, the Tories are in third place across the Prairies. The solution is coming. The Tories are in third place across Canada, but for the first time in our generation . . .

MR. G. ROCH: How many are undecided?

HON. V. SCHROEDER: The Member for Springfield is grasping at straws. He says, "How many are undecided?" Not enough, not enough to help the Tories, but certainly that will do something about them having too many seats. Their fortunes are certainly turning around. The solution they come up with, they don't want to fix things up, don't talk about fixing things up.

How about abolishing the Senate? Is there anyone on that part of the House who says that the Senate is doing something useful today? What is it that they are doing useful today? They are a sinecure for people who have served their parties, Liberal and Conservative, because New Democrats refuse to take that kind of sinecure - and I am rather proud of a number of New Democrats and CCF people from the past who have refused to take that kind of a job.

They didn't prevent the CF-18 problem. They haven't prevented the problems that the Member for Morris has alluded to. Why don't you get rid of them? Why don't you, as a first step, get rid of that existing bunch of hacks and flacks among whom are some good people who I don't think should be there?

The Member for Morris talks about strong representation. He makes an inference, Madam Speaker, which was never made in this House by members opposite as long as the Liberals were in power, the inference being that Manitoba was not only fairly treated by the Liberal Government, but more than that, was getting the West's share of Confederation because

we had one strong member. I remind the member that when he was sitting in that seat and Mr. Axworthy was in Ottawa, it was Conservatives who were attacking the Liberals on the basis that they were not being fair to Manitoba.

It was people like Mr. Epp who were raising in Parliament the issue, which was true, that the Federal Government was only spending 3.9 percent of its procurement dollars in Manitoba. Mr. Epp said that was not good enough. Where are we now? We've dropped by more than a percentage point with these strong western members: Mr. Mazankowski, Mr. Hnatyshyn, Mr. McKenzie, Mr. Holtmann.

What happened with all these strong powerful regional representatives when the CF-18 came on the table and it was a simple matter of determining who had the best bid, who had the best price? All of a sudden, along came Montreal and scooped it right out of our hands with all these strong regional representatives that we had so fortunately gotten. The problem -(Interjection)- I am addressing the resolution. I am telling you that the problem is the Federal Government; the problem is the Federal Government.

A MEMBER: He's supporting the resolution and look how he's touched it.

HON. V. SCHROEDER: Madam Speaker, we believe in the Triple A Senate.

You start off with abolition of the existing Senate; no question about that. Then you start looking at what to replace it with. The current Senate is not doing anything useful. We may as well go on to something that can do something for -(Interjection)- You know, we hear the Member for Springfield; suddenly he's gained a voice. It must have been in Vancouver and all that hot air down there on the mountains.

He went to Vancouver and said, Madam Speaker, his solution to the problem of the West is a powerful movement that railroads the Tories into acting in the West's interest. He's going to railroad the federal Tories because they're being unfair. Railroad his own party.

Madam Speaker, did he say anything in this Chamber as time after time after time the Federal Government put the shaft to Manitoba over the last two-and-a-half years? Not a word. Suddenly he's found his voice in Vancouver.

I hope I start hearing him in this Chamber when all those decisions are being made. -(Interjection)- Madam Speaker, I'll be continuing in the next Private Members' Hour, but it is really nice to see that things are turning around for the Tories in the West and they're going to be losing seats.

MADAM SPEAKER: Order please.

The hour being 6:00 p.m., I'm now leaving the Chair with the understanding that the House will reconvene in committee at 8:00 p.m.