

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 8 September, 1986.

Time — 2:00 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

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker. I wish to table the Special Audit Reports from the Provincial Auditor with respect to the Brokerage Building.

MADAM SPEAKER: Notices of Motion . . . Introduction of Bills . . .

ORAL QUESTIONS

MTS - Auditor Ziprick's concern re MTX in 1984

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. My question is to the Minister responsible for the Telephone System.

In a recent interview, the former Provincial Auditor, Mr. Ziprick, indicated that he had spoken to the then Chairman of the Telephone System, Mr. Saul Miller, in 1984, to express concerns regarding the MTX operations in Saudi Arabia. I wonder if the Minister responsible had been informed of those concerns at the time.

MADAM SPEAKER: The Honourable Minister responsible for MTS.

HON. A. MACKLING: Madam Speaker, I don't recall that Mr. Miller, the former chairperson, spoke to me about those concerns.

I believe those concerns were brought to his attention when there was a previous Minister responsible for the Telephones.

MR. G. FILMON: I wonder if the Minister can indicate if, to his knowledge, any action was taken on those concerns.

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, there were some anonymous allegations that had been raised vis-a-vis

MTX in December, 1984, and the Provincial Auditor's staff reviewed those allegations in the overview audit fashion to determine if there was any substance to the allegations. The concerns that were noted were collectibility of accounts receivable, availability of records. These were passed on to the auditors of MTX and, six months later, the Auditor, Arthur Anderson, had received adequate records, issued the '84 audit report without qualification.

The allegations of the Auditor in December, 1984 apparently did not include any reference to bacsheish.

Cabinet Minister responsible for MTX in 1984

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: My question to the Premier is: who was the Minister responsible in December of '84, Madam Speaker?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: The Minister responsible was Mr. Uskiw at that time.

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, I wonder if the Premier can then indicate that no action was seemed to be necessary, that, in fact, the government was satisfied with the review that had been done by the Auditors.

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, because the Auditor was satisfied, there was no further report to government.

I spoke to Mr. Jackson, as a result of the same telephone interview on Thursday just to be doubly assured. This is the advice I received.

Entry and exit visa information re M. Aysan

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Madam Speaker, my question is for the Minister responsible for the Telephone System.

I wonder if the Minister would be good enough to have provided the committee tomorrow the exit and entry and re-entry visa entries of Mr. Aysan during his two years as general manager of SADL in Saudi Arabia. That information, Madam Speaker, coincidentally, was

partially provided by Mr. Aysan, and I wonder if the Minister could assure us that the complete record of his entry and exit from Saudi during the two years he was there would be available tomorrow.

MADAM SPEAKER: The Honourable Minister responsible for MTS.

HON. A. MACKLING: Thank you, Madam Speaker. I will make that request of Mr. Holland to ask Mr. Aysan to come prepared to answer questions in respect to that and bringing a documentation with him, to the extent that he has it, to answer those questions.

MR. D. ORCHARD: Well, Madam Speaker, to make the Minister's job maybe a little easier, perhaps you might bear with me and I'll quote from Mr. Aysan's answer on Thursday of last week.

Mr. Aysan indicates, "I just received the translation of my passport which includes all my exit - re-entry visas." I'm going through it to reconstruct the dates and locations.

Madam Speaker, it would appear as if Mr. Aysan has that information, has had it of last Thursday, and I wonder if the Minister might give us assurance that would be part of the answers provided on tomorrow morning's meeting.

HON. A. MACKLING: I've indicated, Madam Speaker, that I will ask Mr. Holland to require Mr. Aysan, of course, who will be present, to come prepared to answer questions and to bring the documentation referred to with him.

Dairy producers - quota policy

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Madam Speaker, my question is to the Minister of Agriculture and is based on the dairy industry.

Dairy farmers have been waiting for a year, I suppose for a policy announcement by the Minister regarding the transfer of Class 2 quotas. There was some indication given to the dairy industry and the dairy farmers that a policy announcement would be coming forward at the end of August.

Could the Minister indicate when the dairy farmers can expect that policy announcement regarding transfer of Class 2 quotas?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, there is no policy discussion regarding Class 2 quotas. There are policy discussions under way dealing with the entire quota system and as they relate to the entire dairy industry. Those discussions are continuing, and as soon as there is a finalization to those discussions, there will be an announcement.

MR. A. DRIEDGER: To the same Minister, Madam Speaker: can the Minister indicate whether he now

agrees that there is value on quota and that this is part of the ongoing discussion that has taken place?

HON. B. URUSKI: Madam Speaker, I certainly can agree that the system that was put forward by members opposite when they were in government resulted in a value for quota and that is the reason our Natural Products Marketing Council did take action pursuant to an original policy directive given by the former Minister that there should be no value for quota. One thing being discussed, Madam Speaker - (Interjection)- of course . . .

Again, Madam Speaker, members opposite, or some members opposite, want to not only put the question but also prepare their own answers to this debate.

Madam Speaker, as soon as our discussions with the Milk Marketing Board are concluded and our internal work is done, an announcement will be made.

Beef Stabilization Plan - classification enrolment

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Madam Speaker, I have a new question to the Minister of Agriculture and it's related to the beef industry.

Approximately 80 percent of the beef farmers under the stabilization program made their application for the lower subsidy, lower cost, lower level program and the deadline was, I believe, the beginning of August some time. Some of the farmers have not responded in any degree for whatever reason.

Is there a possibility that these farmers can still, who had not made a decision by the deadline, appeal to the Minister and decide which classification they would like to be enrolled under?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, there was a deadline initially on there and, as the member points out, notwithstanding comments made by his own colleagues, that there was great confusion. Over 80 percent of the farmers made their decisions during the week of the deadline. I have asked the commission to review those remaining unanswered questionnaires because one doesn't know whether farmers still wish to make those decisions. If there are producers who wish to make those changes that they did not make by the deadline, I've asked the commission to look at the possibility of having one more period of review in this matter.

Now whether there will be one or not, I'm sure that farmers should correspond either with myself or with the Commission making that desire known. Then the Commission can, in fact, determine whether there is sufficient need to make another, what I would call window, in having that decision made. But at the present time, at this moment, that decision period is over.

MR. A. DRIEDGER: Madam Speaker, to the same Minister. Could the Minister indicate - I wasn't quite

clear with his answer - he's indicated that farmers can write to the Minister and consideration possibly will be given - those 20 percent that have not responded in total; is the Minister or is the Beef Commission going to make contact with these individuals so that they know that there's a possibility of reconsideration or an extension of the time limit?

HON. B. URUSKI: Madam Speaker, the Honourable Member for Emerson really doesn't know the process or maybe is not clear with the process.

Madam Speaker, the process was that if producers did not wish to respond or did not respond by the deadline, automatically the system in place would flow so that there is no need for the Commission to follow up with those producers who wish, in fact, to make their decision. They made their decision; doing nothing or not responding was a decision in this case. Those who responded and clearly indicated for the change in the contract made a decision. Those that did not fill out the forms also made a decision, Madam Speaker.

Workers Compensation Board - Review Committee

MADAM SPEAKER: The Honourable Member for Niakwa.

MR. A. KOVNATS: Thank you, Madam Speaker, I would like to direct my question to the Honourable Minister of Environment, Workplace Safety and Health; the Minister responsible for Workers Compensation.

My question is: have the new rates on Workers Compensation been struck for this year and can we expect another 20 percent increase as per usual?

MADAM SPEAKER: The Honourable Minister of the Environment.

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

The rates have not been struck for next year. The rates for this year were struck at the beginning of January and the rates for next year will be struck at that similar time again.

MR. A. KOVNATS: Madam Speaker, I would like to direct my question to the same Minister.

The question is: has the Review Committee's recommendations been made yet to the Honourable Minister; and if not, when can we expect the Committee's recommendations to be made public?

HON. G. LECUYER: The Review Committee has recently completed the public hearings. The Review Committee, as the member knows, there is a legislation under consideration as well to allow the committee members to file information and other information from the Compensation Board, which is within the broad mandate they were assigned.

When that legislation is passed, they will be able to carry on with the remainder of their tasks and hopefully lead to a report within the time frame that was assigned. I am informed by the Chairperson of the Committee that they still expect to come forth with a report within the time frame assigned, which was 18 months, which would mean that their report would be due sometime in, I believe, the beginning of February.

Public Schools Act - provincial review re French schools

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Madam Speaker, I have a question for the Attorney-General.

At the end of the last Session of the last Legislature, there was a decision in the Province of Ontario with respect to their Public Schools Act, involving the effect of the Charter of Rights, notably with respect to French-speaking classes. The Attorney-General at that time indicated he would review that decision as it affects or may affect the Manitoba Public Schools Act. Could he indicate whether that review has been completed?

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: No, Madam Speaker, it hasn't. These are decisions, as the member will recall, one of the Ontario Court of Appeal, so that's fairly high up the judicial ladder, the one in Alberta is of the Alberta Court of Queen's Bench, which is fairly low down in the judicial ladder.

We've got that matter under review. The problem is that the applicable section of the Charter is rather ambiguous in terms of its wording on the governance issue, and we want to look at that very carefully.

MR. G. MERCIER: Could the Attorney-General indicate when this provincial review will be completed?

HON. R. PENNER: I'll take that as notice and get back to our constitutional law department, and get back to the member either in the next day or so or as soon as I can.

Conflict of interest - government guidelines to government officials

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Madam Speaker, I have a question for the Premier.

The audit tabled today by the Minister of Finance with respect to the Brokerage Building indicates, on Page 3, that the Winnipeg Arts Club Cooperative Inc., which received a grant - it notes that the Arts Club secretary was the principal secretary to the Premier. "In our opinion," the Auditor states, "it is not appropriate for government officials to actively participate in the process of requesting financial assistance from the government or its agencies for organizations to which they belong."

Could the Premier indicate what steps he is taking with government officials to recommend to them they shouldn't be involved in situations like this, which leave a perception that there may be a conflict of interest or that they are exercising undue influence in obtaining such grants?

MADAM SPEAKER: The Honourable Minister of Finance.

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

In response to the question of the Member for St. Norbert, I would just indicate to him to read very carefully all of the report of Mr. Jackson. The report in it says that, in their very detailed audit of all transactions with respect to the Brokerage Building and the Government of Manitoba, it indicates that he did not find any matters of an illegal nature. He indicates that any of the matters that he raised in his audit are merely matters of a kind where strengthening of administrative processes is required.

He also went on to say that, based on his audit, he found no evidence or indication that the Minister of Energy and Mines acted improperly or influenced any decision with respect to any matter with respect to that building. So, that is a clear response from the Provincial Auditor, the result of his comprehensive audit.

In the course of doing this audit, he worked in a way that is different from any audit that he does for the Government of Manitoba, a very comprehensive review of all administrative procedures, and as a result, he raised a number of matters he felt should be reviewed in terms of administrative policies of the Province of Manitoba, the one in particular that the member raised.

But the member, in quoting a section of the background to the report, failed to quote another section which indicated that the principal secretary of the Premier, Mr. John Walsh, did not, in any way, benefit from his involvement in that organization. It's not unlike other people who are involved in organizations, whether they be legions, whether they be community clubs, whether they be arts organizations, sports organizations, or recreation organizations that do and have activities with the government.

But it's very clear in the report that he had no personal gain as a result of his involvement with that organization, nonetheless, I think it's important that people be not put in that position where there could be a perceived conflict of interest by others, so certainly it's being suggested that senior officials not be engaged in activities of a senior nature in recipient organizations.

MR. G. MERCIER: Madam Speaker, would the Premier indicate what steps his government is taking with government officials, what advice or what guidelines have they established in order to avoid officials becoming involved in situations where they are in a position or could be perceived to be in a position of influencing decisions regarding financial assistance from the government to organizations in which they are involved?

I was in no way suggesting to the Minister of Finance that the principal secretary had received any benefits. The report clearly states that he did not receive any personal benefits, but in order to avoid this and other situations that have arisen during the past five or six months, could the Premier indicate what specific steps or guidelines are being taken by the government to avoid these situations?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I am pleased that the Honourable Member for St. Norbert is refuting the comments that he made on May 20, when he suggested

there was an incestuous relationship among a number of civil servants and politicians. I'm pleased that we do have on record today the alteration of that point of view which was struck very very clearly by the Honourable Member for St. Norbert on May 20, another allegation that has been demonstrated to be totally untrue and in fact represented a complete falsehood as to facts.

Madam Speaker, insofar as the particular item dealing with the technical questions raised by Mr. Jackson, I had a discussion with Mr. Jackson in regard to this aspect. Officials will all be advised whether they are members of community club organizations or whether they are members of legions or Army and Navy's or other non-profit organizations, that they ought not to permit their names to be used in any applications for funds from government.

I wanted to say insofar as Mr. Walsh is concerned, there certainly was no influence upon the board, nor indication, according to Mr. Jackson, that the board, in any way, shape or form, was influenced by the fact that Mr. Walsh's name was on there as a representative or official of the Arts Club.

MR. G. MERCIER: A final question to the Premier, Madam Speaker.

In view of the statement by the Auditor that it is not appropriate for government officials to actively participate in the process of requesting financial assistance from the government or its agencies for organizationS to which they belong; and in view of the fact that this statement is a sentence following the notation that the Arts Club secretary was the principal secretary to the Premier, does he accept the advice and the recommendation from the Auditor that his principal secretary should not have been involved in that application?

HON. H. PAWLEY: Madam Speaker, I don't know whether the Member for St. Norbert had been listening to my comments a few moments ago. I indicated very clearly, Madam Speaker, that I am of the view that all officials, regardless of their particular position, must avoid permitting their names to be included as signatories to applications to any department of government in which funds are involved because of the perception that could be created, of a conflict of interest.

I accept the advice of Mr. Jackson in this respect and officials will be advised accordingly because it does cover a huge ambit of various non-profit organizations by which this undoubtedly has been occurring over a space of some years without, I must hasten to add, any gain to the particular officials involved, of a personal nature.

Depo-Provera

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Thank you, Madam Speaker. My question is to the Minister responsible for the Status of Women.

Some weeks ago I asked about hearings being held on the potentially dangerous drug, depo-provera. At

that time the Federal Government announced these hearings were to be held in-camera in private with invited people only. I've been led to believe that there is such a meeting here in Winnipeg tonight.

Has the Minister been invited?

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

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

The Member for Kildonan raises a very serious matter and I'm sure all members of this House share the concern about the closed and secretive process of the Federal Government around hearings for the controversial . . . Madam Speaker, I would hope that members opposite would take this matter a little more seriously. This matter involves women's lives and women's health.

Following the question raised earlier by the Member for Kildonan, I wrote to the Federal Minister responsible for the Status of Women, Barbara McDougall, and asked that there be an open process, one that was open to scrutiny and to input. Madam Speaker, no action was forthcoming, as witnessed by the hearings that began today in Winnipeg, closed hearings, and I believe some women tried to attend the hearings, but were unsuccessful, were barred from the meeting.

Not only was there no positive action forthcoming, I did not even receive the courtesy of a response.

MR. M. DOLIN: Madam Speaker, my understanding is both the Minister of Community Services and the Minister of Health wrote letters. I'm wondering if they received any response from the Federal Government on this matter.

MADAM SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Madam Speaker, I did receive a courtesy response on the initial letter and a subsequent letter telling me that there were closed hearings to be held.

MR. M. DOLIN: A final supplementary to the Minister responsible for the Status of Women.

My understanding is that the Women's Health Clinic has been one of the leaders in this country in bringing this matter to the public purview. Is the Minister aware whether or not they have been invited to these closed meetings?

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

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

Yes, the Women's Health Clinic is a member of the Manitoba Coalition on Depro-Provera and, along with many organizations, has worked hard to ensure that these hearings would be open to women who have had experience with the drug, to the media, so that there would be some scrutiny of the hearings, to all interested individuals concerned about the controversial drug.

Unfortunately, to the best of our knowledge, those hearings have remained closed and only groups, by invitation, have been part of the hearings and only doctors have been included on the panel dealing with this issue.

Property tax increases - Bill 57

MADAM SPEAKER: The Honourable Member for Charleswood.

MR. J. ERNST: Thank you, Madam Speaker. My question is to the Minister of Urban Affairs.

The government has introduced Bill 57, which will be up for Second Reading this afternoon and which will deal with concerns regarding the assessment process in the City of Winnipeg.

My question for the Minister is: Will the Minister or will the government be providing additional buffering monies in order to mitigate against potential dramatic tax increases in the City of Winnipeg in 1987?

MADAM SPEAKER: The Honourable Minister of Urban Affairs.

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

Yes, we will be debating Bill 57, I believe today. I think it's very important that Bill 57 deals with the proposed radical shift in property tax assessment, from the commercial apartment owner category to the house owners of Winnipeg. This government, being sensitive to that, the Minister of Municipal Affairs and my other colleagues have worked out a proposal that will prevent a shift of some \$20 million from the large commercial enterprises and apartment block owners over to house owners.

Unlike the members opposite, who have been . . . the Members opposite have, during the last election and for the last number of years, been asking for a proclamation of Bill 105. Unfortunately, Madam Speaker, they haven't understood that Bill 105 was a province-wide bill and would not allow us to deal with the special circumstances arising out of the court decision asking for property assessment for the year 1987.

So we're pleased we have support of some of the leading figures in City Council on this and we are pleased we have developed a creative way of dealing with the court decision to prevent the shift from the \$20 million over to the house owners of Winnipeg.

MR. J. ERNST: Madam Speaker, a supplementary question.

While certainly Bill 57 will prevent the shifts between one classification and another, it will not prevent, Madam Speaker, shifts between - internally - in any one class. The question to the Minister is: Will the government be providing any additional support, additional buffering to prevent the dramatic shifts taking place internally in one class?

HON. G. DOER: Madam Speaker, as we said before, we wanted to get the data in before we started developing specific legal strategies to deal with it.

Just two weeks ago, we received the updated data from the City of Winnipeg that has been outstanding

for some 25 years, and only came forward because of the court case. So members opposite will know that, of course the law had been broken for years and years and years without any regard to the values of property that had been assessed, overvalued and the values of properties that have been undervalued.

We will now look, when we can prevent that \$20 million shift with the enabling legislation, to ensure that the average homeowner doesn't get hit by over \$20 million, we will look at the data in terms of the homeowner category and we will develop strategies in consultation with the City of Winnipeg when we have specific data; but it's very important that we deal with this issue on an objective basis. The province obviously doesn't have millions of dollars just to throw at the City of Winnipeg when the other members opposite and members on this side know that the whole province has been going through reassessment.

It's important to have the facts first, Madam Speaker, rather than just acting without the facts.

MTS - incorporation requirements re MTX

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Minister responsible for the Manitoba Telephone System.

When SADL was formed, both the chairman of the board and the chief executive officer were Saudi citizens; whereas the vice-chairman and the general manager were MTS or MTX employees. Can the Minister tell the House if that was necessary in order to obtain the Certificate of Registration?

MADAM SPEAKER: The Honourable Minister responsible for MTS.

HON. A. MACKLING: Madam Speaker, in answer to the honourable member's questions, the honourable member, I think, was advised at committee that whatever formal arrangements were taken there were required to satisfy Saudi Arabian law in respect to incorporation. If she has some further questions about the details of the incorporation procedures, they can be satisfied at committee.

MTS - SADL's function since 1984

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: A supplementary question to the same Minister.

Madam Speaker, could the Minister provide for the committee tomorrow morning at ten o'clock how the SADL corporation has been functioning since December 4, 1984 without a chief executive officer, if that in fact was part of the incorporation requirements?

HON. A. MACKLING: Madam Speaker, I have asked staff to prepare a statement which will indicate the nature of the arrangements in the pre-incorporation period and continuing in respect to how the operation

was carried on in Saudi Arabia and that statement should answer those concerns.

Education tax - rural areas

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Madam Speaker, I direct my question to the Minister responsible for Municipal Affairs.

As his colleague has just said, data specific to the City of Winnipeg has just become available causing the government to act quickly bringing forward Bill 57 in an attempt to mitigate the effects of transfer of tax responsibility from commercial to residential properties.

I ask the Minister in charge of Municipal Affairs whether or not he has had data from the rural areas at his disposal for some period of time and what he'll be doing to relieve the education tax portion that's been a major problem for all those land owners within the Province of Manitoba?

MADAM SPEAKER: The Honourable Minister of Municipal Affairs.

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

Clearly the Member for Morris doesn't realize that the two matters are entirely unrelated. The matter of the City of Winnipeg problem is related to a problem where the assessments have not been carried out for the past 25 years. That information has only been provided to us in the last two or three weeks. We have moved very quickly. We've consulted with the mayor and members of council and we believe that there is a potential resolution to the problem.

On the matter of the education taxes on farm land, of course, we've had information for some time and we'll be reviewing it. Appropriate decisions will be made at the appropriate time.

MR. C. MANNES: Madam Speaker, can the Minister explain why the government could act so quickly on this item, which is important, in the space of having the information three weeks and yet with respect to the farm property where they've had tax information for two or three years, they've chosen not to act?

Can the Minister tell us why they could act so quickly on one and do nothing on the other?

HON. J. BUCKLASCHUK: Madam Speaker, the City of Winnipeg issue is as a result of a court-ordered reassessment.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. J. BUCKLASCHUK: With respect to the matter of education taxes on farm property, we have had discussions with agricultural organizations. They are aware of our position. We will be reviewing that situation and, if and when the province feels that it is in a position to act in that area, the province will do so.

MR. C. MANNES: Madam Speaker, a new question to the same Minister.

This is a very complicated area, I understand that. The Minister undertook to provide for all members of the House an opportunity to discuss this whole area at greater length. He was going to bring in his staff people and give us a better understanding of what materials, what assessment materials have been collected to date. As a matter of fact, he said so in Hansard July 3, Page 1473. In response to my question, he indicated he would do that within a month. That was July 3.

I ask the Minister, Madam Speaker, whether or not he was sincere when he made the comment and, if he is, when indeed will that meeting be called and why hasn't it been called in advance of consideration of Bill 57?

HON. J. BUCKLASCHUK: Indeed, I do recall that commitment and I certainly intend to fulfill the commitment. But, as I indicated, the information was only made available to us in about the past two weeks or so. We have been scrambling up until the middle of last week just to determine how we deal with that situation.

But in terms of the information that we have been able to develop from the information provided by the City of Winnipeg, I'm quite prepared to provide a meeting for the benefit of members of that side of the House and this side of the House to take a look at the potential impact without the provisions of Bill 57.

But if the member opposite is asking for me to wait and to consult with the members of that side before we decide what our legislative package is, I should remind the member from that side that this side is the government side.

MR. C. MANNES: Madam Speaker, I ask the Minister whether or not he made this commitment in good faith; because, Madam Speaker, this is an important issue and there is no way we should be dealing with Bill 57 so quickly unless we understand the full impact upon all areas of the province. I ask the Minister again whether he was sincere when he made the commitment to the members opposite?

Manitoba Development Centre

MADAM SPEAKER: Order please. That question is out of order.

The Honourable Member for Portage la Prairie.

MR. E. CONNERY: Madam Speaker, to the Minister of Community Services. Last week, because of our concern over the movement of people out of MDC into the community and the crowding at MDC, I asked her if she could inform us of the number of people who moved out of the MDC during the month of August.

Does the Minister now have that information for us?

MADAM SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Madam Speaker, from my memory, I think it's five; but I will undertake to get the accurate answer.

MR. E. CONNERY: Did the Minister say five, Madam Speaker? -(Interjection)-

Madam Speaker, then to the Minister, when we were supposed to move somewhere in the vicinity of 200 people into the community by the 31st of December and 13 moved totally in the months of June and July and five in the month of August, can this Minister now tell us how she is going to move that many more people into the community in the last four months of this year and, if she can't, what is she going to do to stop the overcrowding at the Manitoba Development Centre?

HON. M. SMITH: Madam Speaker, in the course of the Estimates, I tabled the information about the expected flow and the projects in detail.

Madam Speaker, that prospect of managing the complete number by December is still quite good, but we have looked at what we do if we are not able to meet the full requirement. We do have a potential of 50 extra spaces in the renovated South Grove at the MDC without offending the minimum standard on the fire and safety as a buffer, Madam Speaker. We do expect at this point to be fairly close to our target and, as I say, with the buffer number of beds available, we are confident that the continued movement can occur.

MR. E. CONNERY: Madam Speaker, in Estimates, the Minister said that the space per bed in the numbers of over three was well in excess of 60 square feet per person. The Minister, on our tour, agreed that there were some that were marginally 50 and we're putting more people into the MDC. Is it not time that this Minister now called for an investigation into the Welcome Home Program so they can proceed and not put more people at risk in the community?

HON. M. SMITH: Madam Speaker, several times over during the Estimates, during our trip through the MDC and again in this House, I have said that there are two standards: No. 1. the minimum standard, which meets the fire and safety requirements; No. 2. the optimum standard which is the one we are aiming at and one which two-thirds of the wards at the MDC currently meet. The others are between the minimum standard and the optimum. We are below the 700 level for the first time in history, Madam Speaker, partly secured by residents moving out into the community and partly secured by having alternate plans for people in the community so they do not require admission to MDC.

MADAM SPEAKER: The time for Oral Questions has expired.

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before moving to Orders of the Day, could I direct the attention of honourable members to the gallery to my right, where we have visiting with us, this afternoon, Mr. Shuttleworth, who is former member of this Legislature and a former Minister from 1953 to '58. On behalf of all the members, I welcome you this afternoon.

The Honourable Member for Emerson.

COMMITTEE CHANGES

MR. A. DRIEDGER: Madam Speaker, I have some committee changes. On Statutory Regulations and

Orders, Mercier for Hammond, Orchard for Connery; and under the Standing Committee on Agriculture, Pankratz for Rocan.

MADAM SPEAKER: The Honourable Member for Ellice.

MR. H. SMITH: Yes, Madam Speaker, I have some committee changes: Agriculture Committee, the Member for Rossmere substituting for the Member for Osborne; Statutory Regulations and Orders, the Member for Ellice substituting for the Member for Swan River, and the Member for Thompson substituting for the Member for The Pas.

ORDERS OF THE DAY

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Yes, Madam Speaker, before indicating what bills should be called, . . .

MADAM SPEAKER: The Honourable Member for St. Vital on a point of order.

MR. J. WALDING: On July 30, the Deputy Speaker took under advisement a matter involving allegations of untruthfulness between two members. When I brought it to your attention on the 21st of August, you indicated that you had it under advisement and undertook to report back to the committee. Since that is some five-and-a-half weeks ago, that is an unprecedented time and most unusual. It raises the question as to why there is that delay and if in fact you intend to bring down a ruling before the end of the Session.

MADAM SPEAKER: The honourable member does not have a point of order and he well knows questions are not to be directed to the Chair. If he has any questions for me, he can direct them to me privately.
The Honourable Government House Leader.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: The Honourable Member for St. Vital on a new point of order.

MR. J. WALDING: Yes, I'm quite aware it was not a question; it was a matter of bringing it to your attention so that you can in fact comply with what you promised the House some two-and-a-half weeks ago.

MADAM SPEAKER: The honourable member does not have a point of order and I'm fully aware of the commitments I have to the House.
The Honourable Government House Leader.

HON. J. COWAN: Thank you, Madam Speaker.
Before calling the two bills that will be debated today, I'd like to indicate that this evening, or perhaps starting this afternoon, we will be going into Committee of Supply following debate on the bills. Culture, Heritage and Recreation will be in the Chamber; Jobs Fund will be held in the Committee Room, the Estimates Review;

and the Ministers who have responsibility for Jobs Fund projects will be in the Committee Room to the extent possible to answer questions during the course of the Estimates debate.

As well, Madam Speaker, this evening, because we have the two committees running concurrently, Statutory Regulations and Orders and the Standing Committee on Agriculture to consider matters referred to them, we will only be having the one Estimates review in the House which will be Culture. That's been determined by leave with members opposite.

Also, to confirm that the Standing Committee on Public Utilities and Natural Resources will be meeting at 10:00 a.m. tomorrow morning in Room 255, as will Agriculture, if required. We'll know that later this evening.

In respect to the debate on Second Readings, Madam Speaker, can you please call first Bill No. 57 on page 7 of the Order Paper and following that, please call Bill No. 55 on page 10 of the Order Paper.

SECOND READING

BILL 57 - THE MUNICIPAL ASSESSMENT ACT AND THE CITY OF WINNIPEG ACT

HON. G. DOER presented Bill No. 57, An Act to amend the Municipal Assessment Act and the City of Winnipeg Act, for Second Reading.

MOTION presented.

MADAM SPEAKER: The Honourable Minister of Urban Affairs.

HON. G. DOER: Thank you very much, Madam Speaker, I'm pleased to be able to introduce this bill, Bill 57 for debate on Second Reading.

This bill, of course as you know and members know, is a measure to allow the City of Winnipeg to deal with the severe difficulties that have arisen out of the court-ordered reassessment within the City of Winnipeg. For a defined period of time, Madam Speaker, the city will have the power to set differential mill rates for different classifications of properties.

This bill has been developed in consultation with the Minister of Municipal Affairs and has been developed with consultations with the City of Winnipeg, arising out of an official delegation meeting that took place in May of this year. It is consistent with our long-term commitment to reassessment in the province that was begun in '83 and consistent with our stated intent to be sensitive to the shifts that will take place in the reassessment process and to be able to deal with the problems that arise out of that in the fairest possible way.

As members are aware, the recent court decision requires that the city bring its assessment roles, which presently reflect 1950's values in property relationship up to current levels. The city for the past year-and-a-half has worked to bring its assessment roles up to 1975 values. At one time, this reassessment presented many difficulties that we must deal with. We are pleased, Madam Speaker, that the city is complying with the

court decision and that they are doing a great deal of the work that is necessary to continue the long-term commitment the province has to reassessment within the Province of Manitoba. Twenty-five years is a long time and many of the property values and relationships do change.

As a result of this court-ordered reassessment and the reassessment that takes place, there have been a number of shifts that this government believes is undesirable and not fair in terms of the tax burdens within this province. In 1983, Madam Speaker, this Legislature gave its approval to Chapter 88 of the Statutes of Manitoba, 1982,'83,'84. These amendments to The Municipal Assessment Act, commonly known as Bill 105, which allowed the Lieutenant-Governor in Council to make regulations fixing the percentages of value by which each property class shall be assessed and gave the authority, through these regulations, to define classes of properties.

As members opposite may know, the ability for us to proclaim Bill 105 to deal with the City of Winnipeg issues was not there. Madam Speaker, Bill 105 has always been a provincial-wide bill to deal with provincial-wide shifts through property tax reassessment. The request from some city councillors and some members opposite to proclaim Bill 105 to deal with the problems of City of Winnipeg was just not a legal solution, Madam Speaker. Bill 105 never did give the province or the City of Winnipeg Council the right to cherry-pick just for the City of Winnipeg those classifications that would be appropriate in the City of Winnipeg. We hope members opposite will acknowledge this fact when dealing with Bill 57, which is an interim measure to get at the principle issues we think are very important based on the court-ordered reassessment.

This bill, I should point out, is a continuation of the reassessment process in this province but it does deal with the specific problem arising out of a specific court decision. This bill has been developed by the Minister of Municipal Affairs and myself with our colleagues and a committee that was established through the official delegation dealing with the Mayor and the Chair of the Finance Committee of the City of Winnipeg.

I might point out that there's been two previous bills passed in this House that also dealt with problems dealing with the reassessment and the court order decision in the City of Winnipeg. We have just received the data, Madam Speaker, some two weeks ago and we have immediately moved with that data to deal with some of the shifts that are taking place. We will work with the city, Madam Speaker, on the categories to be established under Bill No. 57 and we will work with the city to establish the categories, but those categories will be consistent with the long-term assessment reform in the Province of Manitoba.

Madam Speaker, the data that we received showed that there would be a radical shift of property tax burden in the City of Winnipeg off of major commercial enterprises and off of major apartment block owners onto home-owners individual sole residences in the City of Winnipeg. That is why, Madam Speaker, that Bill No. 57 was necessary.

Secondly, there would be a shift between the classification of commercial and apartment block owners and home-owners onto the farm category within the City of Winnipeg. It is small in relative terms to the

burden of taxation in the city, but it is almost four times, based on preliminary information, the existing property tax assessment for farms within the City of Winnipeg purview.

There is a third shift that will take place, Madam Speaker, and that will be between home-owners in areas that have been overvalued and home-owners that have been undervalued.

It is very important, therefore, and the province strongly believes that a fair system of taxation in the City of Winnipeg dealing with property tax assessment would mean that we could pass a bill that could prevent the shift of some \$20 million off of the owners of business, off of the major corporations that headquartered in downtown Winnipeg, off of the whole area of apartment block owners and moving onto the single home-owner be prevented.

That's why this government has come forward with Bill No. 57, a bill we believe that enables City Council, in consultation with the province, to stop the shift of some \$20 million onto home-owners. Yes, there will take place a shift with home-owners within the home-owner category with the City of Winnipeg, and we hope that those numbers when we get them reflect a fair property tax assessment in terms of 1975, in terms of the City of Winnipeg home-owners. But we are confident that City of Winnipeg will not see fit to allow the \$20 million to take place, and they will take advantage of the different mill rate structure that is proposed in this bill, and they certainly will take advantage of the consultations that we have proposed, to go from the classifications that presently exist and allow us to separate out, in a classification basis, apartment block owners from individual home-owners in the residential category.

(Mr. Deputy Speaker, C. Santos, in the Chair)

This government, Mr. Deputy Speaker, does not believe that the kind of tax shift and burden was fair or justified and that's why we came forward with Bill No. 57 as an interim measure to deal with it.

We are pleased, Mr. Deputy Speaker, that we have had support from the city publicly and we are pleased that the city has also been sensitive to the shift of taxation and has worked with us in developing the concepts contained within this bill; concepts, Mr. Deputy Speaker, that are also consistent with the long-term reassessment to take place in the Province of Manitoba.

First this bill, Mr. Deputy Speaker, will proclaim sections of Bill 105, the portion of Municipal Assessment Act that provides for classification of property. That is the way, Mr. Deputy Speaker, we will be able to differentiate between some of those areas in the residential category to prevent that shift of some \$10 million from apartment block owners to home-owners.

This province will be announcing in due course, in consultation with the City of Winnipeg, those classifications of property permitted under the section of this act, and we will do so, as I say, in consultation with the City of Winnipeg.

Secondly, Bill 57 will give the City of Winnipeg the temporary power to levy differential mill rates on different classes of property, subject to final approval from the Lieutenant-Governor-in-Council.

I might point out, Mr. Deputy Speaker, that differential mill rates have been in effect for school taxes for many years.

Mr. Deputy Speaker, we believe that these steps will give the city the power to redress these shifts between property classes. Mr. Deputy Speaker, to you and all the members I would like to say that we have worked closely at a political and staff level to share information. We have received approval in principle from these measures from the City of Winnipeg Board of Commissioners, the Mayor and the Chair of the City Finance Committee. It is our intention that this special taxing authority be granted to the city only until such time as the province-wide assessment reform is put in place. At that time, portioning would be established on a provincial-wide basis. This is why in the legislation we have included a sunset clause to deal with the interim measures proposed in the bill. It is a temporary only designed tool to let the City of Winnipeg use its judgement in dealing with with some of these serious problems of court-ordered reassessment.

Finally, this is an extraordinary measure and as such we wish that these special taxing powers only apply to property taxes for the city's purposes. However, we are prepared to work with the city, to see what steps can be taken using the education support levy, but we recognize that we're not prepared to put an additional tax burden on residents outside the city limits, to help solve what is in essence a City of Winnipeg problem.

Mr. Deputy Speaker, we will be working together with the city in the next few weeks to ensure that all necessary mechanics are in place. We know, Mr. Deputy Speaker, that there will be a great deal of confusion in the City of Winnipeg. There will be some pain. But, Mr. Deputy Speaker, we believe that this bill, proposed by this government, as soon as we receive the data from the City of Winnipeg, as we stated all along, we would move when we had the information. We believe that this bill will be a contribution to prevent the \$20 million shift onto the single home-owners of Winnipeg, and we believe that is only fair and consistent with the policies that this government believes in.

Mr. Deputy Speaker, I would welcome the contribution of all members on this important bill and I would propose it for reading.

Thank you very much, Mr. Deputy Speaker.

MR. DEPUTY SPEAKER: The Honourable Member for Charleswood.

MR. J. ERNST: Thank you, Mr. Deputy Speaker.

Mr. Deputy Speaker, certainly the question of assessment and assessment reform has been around for some considerable length of time. Members opposite have, and the Minister indicated, 25 years of a lack of reassessment in the City of Winnipeg and I heard all kind of pooh-poohing and tsk, tsk from members on the opposite bench, Mr. Deputy Speaker. But obviously, they aren't aware of what has happened in the past and how assessment reform came into being, and how it occurred, and what has brought it up to this point. Obviously, Mr. Deputy Speaker, they are not aware, or otherwise they would not have made those comments, would not have made those derogatory noises.

1975 was the start of discussion between the City of Winnipeg and the provincial assessor dealing with reassessment and bringing assessment into the market value system. Mr. Deputy Speaker, that started in 1975

and was formalized in 1979 with the appointment of the Weir Commission, to deal with assessment reform in the City of Winnipeg and in the Province of Manitoba indeed. Mr. Deputy Speaker, that Manitoba Assessment Review Committee reported in 1982. A review committee of government was set up, Mr. Deputy Speaker, to review that report. It also reported in 1982.

So for all of the claims from the members opposite of assessment reform, they have, in fact, sat on that report, sat on those recommendations, done nothing with respect to assessment reform since 1982, Mr. Deputy Speaker. They've been told and they understood it. They knew all of the problems that were outlined. This is not something new. This is something, Mr. Deputy Speaker, this is something that was identified in the Weir Report. In fact the former Minister, Mr. Deputy Speaker, the former Member for Springfield, chose rather than deal with the report at all, that he would simply blame municipalities. He would charge that they've done nothing and therefore why should he do anything. Mr. Deputy Speaker, that's the kind of attitude that prevailed during the last administration, and I'm pleased to see that at least there is some movement with respect to the government in this administration, because the problem is real. The problem is real; it's not going to go away, and they're going to have to face the music sooner or later. Obviously they have to deal with it right now.

But that Manitoba Assessment Review Committee Report, Mr. Deputy Speaker, identified there would be shifts in value, identified that there was going to be massive shifts from commercial, from apartment buildings onto residential. That's not something new. It's not something that was discovered two weeks ago with respect to the information that was provided by the City of Winnipeg. They may well have confirmed it two weeks ago, Mr. Deputy Speaker, but it was something that was identified by Mr. Weir and his commission back in 1982, so that we've had ample time to deal with this particular situation.

They've seen, Mr. Deputy Speaker, tax burdens are going to become unacceptable for home-owners as a result of these shifts in value. The more that the government tinkers with the economy, the more that the government puts in artificial stimuli or artificial restraint to deal with the economy, such as rent control, it is going to significantly alter the capital value of buildings. Any building that is valued by an income stream, if you depress the income stream you're going to depress the capital value; if you depress the capital value, you're going to depress the assessment. Those are facts, Mr. Deputy Speaker, and are some that should have been known because that has been in place for some considerable length of time.

Admittedly, the City of Winnipeg has not done a reassessment for some considerable length of time. Mr. Deputy Speaker, when the Member for Ellice, for instance, was on City Council, I never heard him raise the matter once during the entire time he was there. Yet now that he's a member of the bench opposite he seems to have taken the role of being able to say, well, you should have done it. There was no motion presented, Mr. Deputy Speaker, at that time. There wasn't even a question raised in the House or in the Chamber at that particular time, Mr. Deputy Speaker.

But while the City of Winnipeg has perhaps not done what it should have done over a period of time, and

there are some reasons for that, I think in part legitimate reasons. The fact that it went through an amalgamation or rather a new form of government in 1960 with respect to Metro; the fact that it again went through another amalgamation in 1972 with respect to Unicity. Those are significant alterations in the pattern of government there, Mr. Deputy Speaker, and significant in terms of their ability to deal with issues such as reassessment. But this government in 1982 froze the assessment of the City of Winnipeg, indefinitely, by Bill No. 33.

Mr. Deputy Speaker, they would not let the City of Winnipeg do the job of reassessment since 1982. The Minister opposite tsk, tsking earlier, Mr. Deputy Speaker, that the City of Winnipeg had not done it, has been handcuffed by this government, by Bill No. 33 passed in 1982 that indefinitely suspended any change in the assessment of the City of Winnipeg.

Mr. Deputy Speaker, at the time, in 1982 that the bill was presented, the City of Winnipeg made a case before the official delegation, made a case before the official delegation to say, do not make it indefinite, put an end date on it, let the assessment process go forward and this government refused. Mr. Deputy Speaker, it absolutely refused to put an end date to that bill, and said "No, we will deal with it whenever we get to it". They have procrastinated and procrastinated for five years, Mr. Deputy Speaker, so that not all the blame lies with the city. Part of the blame lies on the benches opposite.

Mr. Deputy Speaker, the final MARC Report was tabled in March of 1982 with the government. The Standing Committee on Municipal Affairs was called to deal with it, and they reported in June as follows: Recommendation No. 1 of the Standing Committee on Municipal Affairs. The principles, and if I may, Mr. Deputy Speaker, quote from that report their first recommendation, "that the principles of property classification and portioning as generally proposed in the report of the Manitoba Assessment Review Committee are basically sound."

So the question of the Minister of Urban Affairs, Mr. Deputy Speaker, a little bit earlier, suggesting that we didn't know what we were talking about in dealing with the question of classification and portioning was, in fact, by a Legislative Committee found to be basically sound.

Mr. Deputy Speaker, the inaction of the government in dealing with the whole question of assessment in the City of Winnipeg since 1982, since the MARC Report was tabled, Mr. Deputy Speaker, has cost the City of Winnipeg a great deal of money, some \$4 million with respect annually now, some \$4 million based on 1981 assessments within the downtown area alone. Another \$1.2 million on north Main, and how many other countless thousands, or perhaps millions of dollars that are spread throughout the whole system by basically not dealing with the question of assessment by having frozen the city's assessment since 1982.

But it was forced, as the Minister indicated, Mr. Deputy Speaker, into reassessment by virtue of the court decision with respect to - they shaft people when they . . . the former, now present Minister responsible for Culture and Recreation, they forced the City of Winnipeg to court and the court ordered 1987 reassessment, Mr. Deputy Speaker.

But the question of doing something with respect to classification and portioning with respect to buffering

the kind of shifts identified in the report of the Manitoba MARC Report by Mr. Weir earlier, Mr. Deputy Speaker, was one of the first things raised when this House opened. I raised it in my Throne Speech Debate and, Mr. Deputy Speaker, Resolution No. 3 presented to the House dealt with the question of reassessment in the City of Winnipeg. That's how important it was considered on this side. At that time Mr. Deputy Speaker, we asked that certain sections of Bill No. 105 be proclaimed. That's true. But, Mr. Deputy Speaker, Point 5 of that resolution also said: "undertake a close liaison on this subject for the City of Winnipeg and consider additional legislation to ensure that homeowners and farmers are not unduly burdened with inordinate realty taxes."

So, Mr. Deputy Speaker, while Bill No. 105 found to be sound by the Standing Committee on Municipal Affairs, was initially thought by, quite frankly, not just this side but that side as well, thought to be an answer to the problem, has determined now that perhaps it is not the best answer or not the only answer certainly to that problem. That's fine. But, Mr. Deputy Speaker, additional legislation was called for, additional consideration was called for back in early May, so that it's not a question of having come in at the last minute.

We have been cajoling the government, we have been pushing the Minister. We have been on his tail in Estimates. We've been on the case of the Minister of Municipal Affairs during Estimates as well, on the whole question of mitigating the kind of shift that's going to take place in the City of Winnipeg with respect to 1987 reassessment.

Fortunately, the Session has lasted long enough that the Minister has finally moved; he's finally decided that it's time to do something, that all of a sudden maybe the realization of the kind of impact that going to happen in the City of Winnipeg with reassessment, Mr. Deputy Speaker, that kind of impact has finally come to rest in the mind of the Minister and he's going to see the kind of problems that are going to exist, the kind of severe financial hardships that are going to be placed on a great many people in the City of Winnipeg.

(Madam Speaker in the Chair)

Finally, they brought forward a bill that's going to deal with it, that's going to hopefully provide some permissive legislation that will mitigate, in part at least, as a temporary measure, Madam Speaker, against the kind of concerns that have been raised by this side of the House ever since the Session opened.

But, Madam Speaker, now 91 days before . . .

A MEMBER: -(Interjection)-

MR. J. ERNST: That's right. Time passes, Madam Speaker, in case the Minister opposite hadn't noticed.

In any event, Madam Speaker, now some few days before the closing of the 1987 tax roll of the City of Winnipeg, this government has finally come forward with a bill that hopefully will provide some assistance, some mitigation of the kind of severe taxation shifts that will take place in the City of Winnipeg and that hopefully we'll mitigate, to some degree at least, Madam Speaker, those kinds of problems.

I raised it in question period earlier, what the government has failed to mention so far in this process,

and in the debate, is the fact that while assessment shifts from class to class will be mitigated against, that shifts from commercial to residential or industrial to residential or apartments to residential, whatever, those kinds of shifts will be mitigated against. But, Madam Speaker, the shift internally from one area of residential to another, from one type of residential to another, from one district to another will not be changed, will not be mitigated against by these actions of the government. Further actions are required.

I want to put the Minister on notice that we will be anticipating those actions to take place in the months to come. Once the full information is known, Madam Speaker, then we will know the kind of problem that exists and the kind of response that will be required by this government to deal with those particular problems.

Thank you.

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNESS: Thank you very much, Madam Speaker.

I rise to speak on Bill 57, a last minute bill, conceived somewhere, I suppose, in the Cabinet two or three weeks ago and rushed into the House, Madam Speaker, to address a very real problem and one that certainly rural members can identify with because, indeed, those of us from rural areas have not been spared the sudden shifts in reassessment that some of our urban cousins have through a time period when reassessment has not taken place.

Madam Speaker, I find it passing strange that the Minister of Urban Affairs is going to now become the person in charge of reform of assessment and taxation reform on behalf of this government. I think it says something, at least in my view, as to the understanding of the Minister of Municipal Affairs as to his leadership within this whole area.

Madam Speaker, I sincerely ask of that Minister that he provide members opposite an opportunity to sit with staff and gain a deeper insight into some of the principles in place in respect to assessment reform. He undertook to provide that opportunity to members opposite; yet, Madam Speaker, a notice of that bill dealing with assessment shows up on the Order Paper here last week and all of a sudden we're rushing it through.

Madam Speaker, I rise not to be critical of the fact that this bill has a place; indeed, I'll be supporting it. But I do rise in the manner in which this government has chosen to handle this whole area of reassessment. I don't care, Madam Speaker, which Minister is in charge of it, but I find it indeed strange and I find it upsetting, and I resent the fact that members opposite, where all of a sudden they're given information two or three weeks ago, can find it so important to move on it; and yet, having been provided and knowing first-hand, as I know they do, of a very real problem that exists in rural Manitoba with respect to education on farm property and having done nothing over the period of three or four years. Paying lip service to it, Madam Speaker. Minister after Minister, the same Minister, occasion after occasion, rising and saying we're going to have to look

at this problem in a principled manner. We're going to have to look at it in a consistent fashion because we can't do the same thing that's been done over the last 40 years, break this whole area of property assessment and taxation on a piecemeal basis and then allow adhocery to rule and to cause greater and greater inequity as between jurisdictions.

Madam Speaker, they held us at bay for four years now, giving us that type of response and yet, all of a sudden information comes in, collected by the City of Winnipeg, showing how major a shift may occur and how seriously it may impact on residences particularly within the City of Winnipeg and indeed some agricultural land, but primarily residences, and all of a sudden the government sees the wisdom in acting that quickly.

Madam Speaker, I don't know how the members opposite can live with themselves, quite frankly, in responding so quickly to one problem and yet looking at one that was addressed within the Nicholls Report, laid before this House three years ago, it's been talked about by briefs within the Manitoba Teachers' Society, resolutions, and yet this government sits here and does nothing with respect to that.

Well, the Minister of Urban Affairs frowns when I say that. Madam Speaker, that, to my viewpoint, does nothing because I don't see it, quite frankly. I guess I still have to take the word from the Minister of Municipal Affairs, who, in his Estimates, told us it's happening, we're continuing to collect data, we're continuing to develop our model runs to see what impact there will be.

Madam Speaker, as I tried to impress upon that Minister two months ago, if you're going to continue to ask us to believe that, then make sure you have us alongside and fully understand what it is you're specifically trying to do. Yet, all of a sudden, just before the end of a Session, a new bill comes forward dealing with a very specific problem, and one that should be dealt with. So, Madam Speaker, I hope members opposite fully understand why I rise today.

One of the answers given today in response to the question was it was a court-ordered reassessment that's caused Bill 57. Madam Speaker, is that what we need, as rural representatives, to have some action with respect to the terrible inequity within that area of taxation? Do we need a court-ordered solution? Is that what rural people and local municipalities have to do? Well, it appears that way.

Madam Speaker, the Minister and, indeed, the Premier, when he was making some comment to me from his seat, said that this was an interim bill, and I think the Minister of Urban Affairs said that the City of Winnipeg now has the right, in an interim way - and, hopefully, I'm paraphrasing him correctly and in essence I have captured what he said - but he said that the City of Winnipeg has the right, in an interim way, to set levies through the various classifications.

Madam Speaker, I have no difficulty with that. But I ask him why this is separated away from the intent of Bill 105? Bill 105, I am led to believe, was a bill that would have given all jurisdictions, all municipal authorities within the province, would allow them to play under the same rule. Yet the Minister is saying now that it wasn't sufficient, that this is a better response to the immediate problem.

Madam Speaker, I want some further, fuller explanation of that because what that says to me was

that a system of classification that was considered under Bill 105, which was to be consistent throughout the province, in some way was unacceptable to this government, such that they had to bring this in which would allow classifications separate for the City of Winnipeg vis-a-vis the whole province.

Madam Speaker, there has to be an explanation for that because if all of a sudden the City of Winnipeg, even on an interim basis, going to have classifications which may or may not be different from those that, in time, are allowed within the rest of the province, then I say the very nature and the very principle of the Weir Report is being destroyed, because that was brought into being because it was deemed important to have consistency wherever possible.

So, Madam Speaker, I don't pretend to understand this situation in particular, but I do understand consistency. If there is a reason why, all of a sudden, we should have certain classifications for the City of Winnipeg which cannot be in time extended to the rural parts or indeed to the non-Winnipeg parts, then the Minister of Urban Affairs or the Minister of Municipal Affairs - who, quite frankly, I don't think understands the situation - if they have an explanation of that, then please I hope they'll provide it during closing of debate.

Madam Speaker, classifications, they're needed throughout the province. Right now, we basically have two. I think one of the major recommendations of the Weir Report was that that be expanded, that those two be broken down further into seven, and then maybe nine. I'm asking the Minister of Urban Affairs, rhetorically, I'm asking him or the Minister of Municipal Affairs, why is it that these classifications should be determined by Cabinet? Shouldn't all legislators have a role to play in the determination as to what those classifications should be? Should that be strictly a government function? I think it's a real genuine question and it's one that says to me, Madam Speaker, when we've been debating this for so many years, it's one that all of us should have some input to determining what those classifications should be.

Furthermore, are they to be fixed, Madam Speaker, or will they vary? This bill has a sunset clause. When this bill loses force, obviously there will be something else in place, but will there be different sets of classifications then, Madam Speaker, or will the ones that are developed here be the ones in place for another three or four generations? Very crucial questions, Madam Speaker, because one thing we find in tax reform that what you do today, cannot be wiped away. You just build upon it and build upon it and build upon it and, all of a sudden, you reach the point where the court orders something, Madam Speaker, and that's what I'm asking here, as to whether or not these classifications in time can vary.

I'm concerned, Madam Speaker, that even though this bill has to be brought in and supported, and by the very nature of tax reform it will have some long-lasting impact upon additional reform that's to come in years hence.

Madam Speaker, I can accept the sunset clause aspect of it, but yet again it's not the government in its political wisdom. No government is going to allow this bill to lose effect unless there's something in place to, in effect, replace it.

Madam Speaker, in summary, I want to go on the record as being severely critical of this government for

not addressing the terrible state where we have, because of the fact there has been reassessment done in rural areas, where we've had major increases of taxation on farm-related property. I know, and I'll say this on the record to my city councillor colleagues and indeed my city colleagues and indeed any colleagues, that I can understand the significance of the change, but I ask members opposite to realize fully well that those of us, who are farming agricultural land where there is no return at all right today, have experienced 150 percent and 200 percent increases over the last 10 years, because of the fact there's been reassessment taking place. Yet I never saw this government being in place 13 in the last 17 years, doing anything to mitigate that problem.

So, as the Weir Report asked for equity, I stand here today asking for the same thing, because I know there is information available to the Minister of Municipal Affairs. I know that he has had information at his disposal for three years, although he hasn't been the Minister of that department for that long, but that department certainly has. And, Madam Speaker, if we can do this in one area to address a very specific problem, then it can be done in other areas too.

So, Madam Speaker, I just close by saying, when members opposite tell me how much or how important the farm community is to them and how important it is that we give consent quickly to Bill 4, I say, how can that be when we're looking at taxation on farm land today approaching \$7 an acre and, in places, \$9 and \$10 an acre, and two-thirds of that going towards education tax. So, Madam Speaker, I leave that on the record.

I also think that it hasn't been explained to me completely what the implications of the Foundation Levy will be, the government's support of education levy now that we will no longer have consistency of classification between urban and rural Manitoba, now that there could be nine classifications in the City of Winnipeg and two in rural Manitoba. There's supposed to be basically a 43 mill across - I think it's locked into statute - on farm and residence, 43.7 mills or something. I would like to know what impact - and maybe the Minister of Urban Affairs can tell me when he closes debate - maybe he can tell me how it is that this now will be apportioned within the City of Winnipeg as between the various classifications.

Madam Speaker, this is an important bill. It addresses what I know is a real problem. I just ask the members opposite in the government next Session to come forward and treat another area of Manitoba that is suffering from obvious inequities in this same area, to rush forward some piece of legislation in support of them.

Thank you.

MADAM SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Thank you, Madam Speaker.

I do not plan to repeat a lot of the points made by my colleague from Morris, but I fully endorse the comments that he has made in regard to the passage of Bill 57, in view of the fact that in two weeks time this administration is able to introduce a bill and move

in the way in which they have, Madam Speaker, when in fact - and I just want to put some comparative numbers on the record when in fact there is an unfair assessment of education taxes - I think it's approximately \$20 million to \$24 million placed on bare farm land, Madam Speaker, when in fact those same producers or operators of those lands are unable to deliver a bushel of grain to the elevator because of a tie-up or labour dispute at Thunder Bay; when in fact the farmers are being asked to pay those same taxes the fall of the year - their tax notices are now out - and they have to pay them before I think it's the end of October or the 1st of October, or they'll start to accrue a penalty for non-payment.

Those are the kinds of points that we want to put forward, Madam Speaker, to this Minister of Municipal Affairs. I would ask the Minister of Municipal Affairs and seeing the fact that he is in such full agreement and worked so hard with the Minister of Urban Affairs, has he fully discussed this with the president or the executive of the Union of Municipalities? Have there been discussions with them in this regard?

Madam Speaker, my colleague from Morris talks about a percentage increase in taxes. I think, over the last four years, I've had resolutions from some of the municipalities which I represent. The increase has been something like 80 percent in the last four years. That's a 20 percent increase annually.

Where, Madam Speaker, is the fairness and equitability offered by this government? Where is it, Madam Speaker? We live in the same province; we live in the same country; we all strive to make a reasonable income but it is not fair, Madam Speaker, when there's a move made for one portion of society to alleviate some of the difficulty, ignoring the others.

Why, Madam Speaker, could the Minister of Municipal Affairs not put some form of relief in the same bill for the rural municipalities of Manitoba? I asked the Minister why he wasn't able to do so. It isn't that he hasn't got the information. He admits in question period today that the information is available. He admitted to my colleague that it was and, in fact, has been available for years. They've known about the problem. The Minister of Agriculture on a TV show in Dauphin earlier this year said they were going to do something about removal of education taxes from farmland. Are they hollow words, Madam Speaker?

The Conservative Party in the Province of Manitoba, Madam Speaker, is clearly on the record in our election promise of this year what we would do with the education taxes in regard to farmland. There is no debate as far as we are concerned. There would have been action taken, and we were prepared to proceed. This government has done nothing but echo hollow words. This Minister of Municipal Affairs, Madam Speaker, is so incompetent in representing the wishes and the needs of rural Manitoba that he should consider his position as the Minister of Municipal Affairs. That's how strongly I feel about it in light of what we've seen happen in the last few days.

Yes, I really feel he should consider whether or not he is carrying out the wishes of the municipalities of Manitoba and those people who he is supposed to represent when it comes to his ministerial responsibilities. He knows what the options are. That's why I've asked him, Madam Speaker, and I would hope

at some point in the next day or two, he can explain or tell us that he has met with the Union of Municipalities and given them a justifiable reason as to why he's not proceeding with something in a fair and equitable way to help them.- (Interjection)- Well, I think probably the option that he has is to step aside.

It appears that - he's been a Cabinet for how many years? A new member comes along, a parachute candidate in the NDP Party, and proceeds with legislation right away. Does he have that much power over the Minister of Municipal Affairs? Is that where it's at within their Cabinet? He should be prepared to tell us. Does he need a court order to have him move and get off his duff on behalf of the rural people of the Province of Manitoba? Is that what he needs?

Madam Speaker, those are questions, very serious questions that have been put on the record before by my colleague and I want to make sure that the numbers are very clear: \$20 million to the rural ratepayer when it comes to education taxes on farmland are pretty severe as well, particularly when they're unable to move their grain, to get a cash flow to service that debt.

So I'm saying to the Minister of Municipal Affairs, I would hope that in lieu - and I make this as a recommendation to him - in lieu of not moving in any way, shape or form to assist the rural taxpayer, that he, in fact, is prepared to say to the Union of Municipalities that on the waiving of any tax payments this fall, that the government will pick up any interest charges until next spring. I would think that the Minister of Municipal Affairs, to ease some of the pain for the rural taxpayers, he would be prepared to pay the interest charges that rural ratepayers would accrue by not being able to pay those taxes, in view of the fact of what he has done with his colleague, the Minister of Urban Affairs.

I will close with those comments, Madam Speaker, and I will close by saying that we on this side would only support a government move - or I would only support, as a member, a government move that would be more fair and equitable. Yes, it's fair and equitable to the city people and we'll support the kind of move that is being made, but when will they give the same fair application of fairness to the people who are paying rural taxes as well? It's not that they've just heard about it. Is that the reason they've moved? If, in fact, it's the need to just hear two weeks prior to their move, I'm sure if they had have been given the kind of information in the rural part of the province, that request would have been forwarded two weeks ago.

So I plead with the Minister to do something to show that he's not just one-sided and unfair to those people who he is supposed to represent. If he's not prepared to do that, Madam Speaker, then I would expect that he would step aside and let somebody move that can, in fact, look after those rural municipalities and taxpayers.

Thank you.

MADAM SPEAKER: The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: Thank you, Madam Speaker. I just rise to make a few comments about the bill, and certainly am in support of it.

When I listen to the Minister, and that's the reason I'm standing here, I could hardly believe that he would have the gall to stand up and sound like he's leading the parade when, in fact, this side of the House has been pushing this government, every way that we could, to get them to bring in some legislation that would cushion the City of Winnipeg and, of course, we knew they weren't going to touch assessment before the election, because that wasn't on their agenda. But it seems to me that they have just awakened to the fact that it would hit their constituencies and hit them hard.

They were just lucky they were able to bring in this legislation that would cushion the homeowners in the City of Winnipeg. To have this Minister stand up, Madam Speaker, and make out that they thought of this legislation to bring in to cushion the taxpayers in Winnipeg, is really too much to bear.

I would suggest that the Minister simmer down a little bit and maybe take some time to get to know his portfolio a bit better and make the House run a little bit better and not bring in legislation like this at the last minute, which we are happy to see in spite of all.

I have to say that the government introducing this legislation, the Minister introducing this legislation, might have appeared slightly more humble and said that they were bringing it in because all of a sudden they recognized there was a problem. This problem has been here all along and we're the ones that have been pushing and this government has been dragging its feet, and we're thankful it did come in today. But, for the Minister to carry on like he thought it up is absolutely too much for me to take.

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Madam Speaker. The Government House Leader urged me to make a few comments with respect to this matter.

Madam Speaker, I simply wish to emphasize the remarks that have been made earlier on by my colleagues, the Member for Kirkfield Park and the Member for Charleswood. Madam Speaker, it's been five years, during the last five-year period, that members on this side have been attempting at every available opportunity to bring to the attention of the government the serious situation that was before the people of the City of Winnipeg with respect to the shift in assessment that was going to take place, and that the Minister says he finally found out about during the past two weeks and, all of a sudden, he has the solution to the problem.

Madam Speaker, they have been warned week after week, month after month, year after year for the past five years that this problem existed, and they had to do something about it to protect the City of Winnipeg homeowners from this tremendous shift in assessment that's going to take place. Members on this side of the House are quite prepared to support the provisions of the bill, are quite prepared to support any measure that can and should be taken to solve this matter for the people of the City of Winnipeg. I think members on this side of the House are somewhat concerned about the attitude of the Minister in presenting the bill. All of a sudden, he is the great saviour for the people

of the City of Winnipeg, Madam Speaker, and we find that somewhat hard to take.

I did read, Madam Speaker, in the latest issue of the Alberta Report, that the Minister for Urban Affairs is the successor to the now Premier of the province. I don't know what -(Interjection)- Maclean's Magazine, Madam Speaker. I don't know whether that has some connection with this bill that's before the House and the attitude of the Minister of Urban Affairs about this particular matter but I suggest, as the Member for Kirkfield Park just suggested, that perhaps the Minister of Urban Affairs better be a bit more humble about this matter. The solution to resolve this matter should have been in the House some time ago. Members of this side of the House are prepared to support any measure to resolve this situation for the people of the City of Winnipeg. Hopefully, this will do it, Madam Speaker, and we'll be supportive, but perhaps the Minister can conclude debate on the bill in a more humble manner.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Minister of Urban Affairs to close debate.

HON. G. DOER: Thank you, Madam Speaker. I'll go get my hair shirt and grovel around for awhile.

I think it's very important, Madam Speaker, that when you believe in a measure you should propose it with that belief in mind. When we're talking about saviours, Madam Speaker, this government is not attempting to take an unholy credit for this bill, but does know, as opposed to the member opposite who was asking us to proclaim Bill 105, which would have done very little of that \$20 million and, secondly, would not allow us to cherry pick within the City of Winnipeg -(Interjection)- well, Madam Speaker, we know that the government is proposing a fair way to deal with a very difficult problem in the City of Winnipeg, notwithstanding the fact that on March 6, the same day as the Mayor requested, the Leader of the Opposition then proposed to proclaim - I don't know whether in consultation with the rural members who have just criticized some of these means - asked us to proclaim Bill 105, a bill that was a province-wide bill but was stated publicly at that time to deal with the problems in the City of Winnipeg. Unfortunately, that wasn't true.

We have come up with two measures, Madam Speaker.- (Interjection)- Well, Madam Speaker, I have never once heard the member opposite propose a differential mill rate for the City of Winnipeg. I've only heard the members opposite ask for -(Interjection)- Bill 105 doesn't provide for a differential mill rate.- (Interjection)- that's right. It's very important to realize that this is creative to deal with the whole \$20 million shift not only in terms of parts of Bill 105 that deal with classifications, but also to deal with a differential mill rate that City Council can levy onto businesses and onto the owners of apartment blocks in the City of Winnipeg the \$20 million windfall profits that they would get if we wouldn't have proposed this bill.

Bill 105, by the way, Madam Speaker, would have dealt with about \$6 million or \$7 million in terms of this issue because it didn't have a differential mill rate and it didn't even deal with just the City of Winnipeg.

So let's talk with apples and apples instead of apples and oranges.

Madam Speaker, this is an interim bill. The Minister of Municipal Affairs is leading a group of Cabinet Ministers - that has been discussed during the Education Estimates with the Member for Fort Garry - a committee consisting of the Minister of Finance, the Minister of Education, the Minister of Urban Affairs, and led and chaired by the Minister of Municipal Affairs, not only to deal with the real problems of the City of Winnipeg, necessitated by the court-order decision, but also to deal with the long-term goal of this government to have a fair assessment reform throughout the province.

That's why, Madam Speaker - and some of the criticisms of the members opposite - this bill is an interim bill. It's not to preclude the assessment reform that the government has initiated and the Minister of Municipal Affairs is leading in this province in terms of the citizens of Winnipeg.

The Member for Charleswood has raised some questions about the timing of this legislation, Madam Speaker. This committee has been working and it has been publicly stated in Hansard since last May on the issues. Notwithstanding that, the Minister of Municipal Affairs and the government has been dealing with it since 1982. This is the third proposed piece of legislation in this Session dealing with the City of Winnipeg. When the Mayor requested proclamation of Bill 105 on March 6, the Premier then stated that as soon as we received the new assessment information from the City of Winnipeg, the sooner we will be in a position to evaluate the data and deal with the whole issue of classification and the shift of taxation.

Well, Madam Speaker, the Premier kept the promise. As soon as we had the information, we realized it would be a radical shift, not throughout the province, and this wouldn't affect negatively the areas outside of Winnipeg, but there would be a \$20 million shift proposed within the City of Winnipeg. So, Madam Speaker, the committee, through the Minister of Municipal Affairs, proposed two creative ways, I think, of dealing with this problem to prevent the \$20 million shift.

So in closing the debate at Second Reading, Madam Speaker, we think these are fair ways of dealing with the problems in the City of Winnipeg. We know that this is only a step in the reassessment process, but we know that this will prevent within Winnipeg alone a \$20 million shift onto homeowners and, therefore, we would recommend it to this House.

Thank you very much.

QUESTION put, MOTION carried.

ADJOURNED DEBATE ON SECOND READING

BILL NO. 55 - AN ACT TO INCORPORATE THE ROYAL WINNIPEG RIFLES FOUNDATION

MADAM SPEAKER: Bill No. 55, debate on Second Reading, standing in the name of the Honourable Member for Inkster.

MR. D. SCOTT: Madam Speaker, I rise today to speak on this act, An Act to Incorporate The Royal Winnipeg Rifles Foundation, and do so briefly and just partially to recount some of the history of that regiment, the role that it has played in Manitoba's history and Canada's history itself.

The role of militia units themselves go back an awful long ways in our evolution of our democratic form of government and essentially goes back to Peter Cromwell, believe it or not. With that, Charles II recognized that it was folly for nations to keep large-standing armies on their own grounds, that political dissension, political differences could end up having military backing behind those differences and end up in exceptionally costly civil wars. They broke up the standing armies at that time, and replaced them instead with civilian militia units. The militia units essentially were the people's militia.

Dealing directly with the Royal Winnipeg Rifles, it's 102 years ago now, or 103 years ago now, that they were established and first called the 90th Winnipeg Battalion of Rifles. They were established in 1883. Soon after there were some difficulties in the cross border with the U.S., in particular, and the Fenian raids. There was recognition that Canada needed to establish more small local regiments. The first to be established in Winnipeg was the 90th.

They first went into active battle with Fish Creek in 1885, I believe it was on April 24, which you will see in a couple minutes was a particularly important date, in the history of the regiment. There were three important events happened on that date in various years.

They were secondly called into action for the British campaign in South Africa in 1889 and 1900.

World War I followed. The Royal Winnipeg Rifles were a major component of the Canadian forces at the time and fought in virtually all of the major battles of World War I. In particular, along the trenches, they spent many years slogging it through the trenches in simply putrid conditions. Battles that stand out, and people will recognize the names very clearly, those of you who have been, as I, to Flanders, to Belgium, and seen the war monuments there will recognize the incredible tragedy that those battles in that war represented with the loss of lives, the monuments at Ypres, in particular, where I spent the better part of a day, are just lined - it's a massive, massive monument - and that monument is lined, all sides of it, all corners, even the stairways going up on to the monument are lined with the names of people from the allied forces who died in those terrible, terrible trenches in the First World War.

The Battle of the Somme, Vimy Ridge, Hill 70, Passchendaele, Amiens, Canal du Nord are just a few of the major battles that the people and the descendants of the Winnipeg Rifles will recall, not with any kind of glorification whatsoever, but with the toughness of the men hung in, the difficulties that they overcame, to result in eventual victory in that theatre of the First World War.

The Winnipeg Rifles, as well, would not want to let go unmentioned, has had several other forces - it was started in Winnipeg and have since amalgamated with them - the first to see duty, both in the Northwest Rebellion, initially World War I and World War II, were

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the Winnipeg Light Infantry, which was amalgamated with the Royal Winnipeg Rifles on June 30, 1955.

In World War I, saw the service of the 27th City of Winnipeg Battalion, which was comprised largely of volunteers from the Rifles, of surplus personnel they had for their regiment, and was used to essentially establish this new regiment which fought only during the First War.

The other regiment that had major participation of Rifles was the 44th Battalion, CEF, which also was almost a joint venture, one could say, between the New Brunswick forces and those of Winnipeg. World War II saw them spend the first, or when they were sent in 1941, they provided initially defence and underwent additional training for the first three years, from 1941-1944, and in 1944, on June 6, the Winnipeg Rifles were among the Canadian battalions who led the battles on to Continental Europe through D-Day and they contributed greatly throughout the northwestern European front, moving through Northern France, Belgium and finally for the liberation of Holland.

I mentioned earlier the significance of the 24th of April. On the 24th of April, 1885, they entered their first battle in Fish Creek on the 24th of April in 1945, 60 years after to the very day, they finished the final battle in Appingedam in Holland.

The bringing forward of this in my recognition of this bill and the recommendation to the establishment of the Royal Winnipeg Rifles Foundation is in recognition of those who fought in those earlier wars to give us the freedom that we enjoy today. It has preserved the memory of Canada at war, not the glorification of war, not the glorification of the role that we played, but the thankfulness to those who did give and gave the supreme sacrifice, in particular over those years, those who live today with their wounds suffered in fighting for the freedom which we so happily enjoy these years.

The tragedy of war, I do not believe is something that we can forget. We must keep it at the forefront; we must recognize the role that our army, that our air force and navy played in the various campaigns. There's also recognition of a role still for a civilian militia, in defence I might say, not in aggression or in the support of aggression. The Canadian role, since the Second World War has been exclusively that of peacekeeping, and in keeping with that - in the training provided for our militiamen today - emphasize the role that Canada has played. The civilian forces in the militia, as well as the Canadian forces, must indicate and duplicate the efforts of the Government of Canada in the role that we have chosen ourselves and essentially in some ways cast upon us, as an intermediate nation, not a military nation. We never, ever have been a military nation and the Canadian people, especially in the early days, fought very strongly against the notion of us becoming a militaristic nation.

It has never been in our blood, so to say, to stack armies up for the sake of stacking armies, but rather when the need is there our nation and our citizens have responded. They respond exceptionally well with the reputation that they've carried into various fronts, if not at the top, then close to the top of any regiments sent by any nation in the world.

It is a Canadian tradition, as I have mentioned earlier, of the establishment of local militia units, for the purpose of territorial defence and also the role, thank goodness,

has largely been ceremonial, except when called upon to serve in the theatre of active duty. Our militia, as I said earlier, must continue to recognize the authority lies not in armaments, but within the freely elected democratic governments.

Madam Speaker, I don't believe there will be a major problem with the presentation of this bill and I believe we can move forward to committee, but it is my understanding that the bill cannot become effective, in essence, until we have had the consent from the Department of National Defence under Section 248 of that act, and that once that consent is given, the act will be able to come forward.

Hopefully, at committee stage, we'll get more clarification on that particular item and any other questions that members opposite or members on the other side of the House have; and also in regard to members, of the motion coming forward, plus other members of the public hopefully will be able to give us some guidance in dealing with this legislation.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Madam Speaker.

I'll be very brief in closing debate on this bill. I thank the honourable member for bringing forward some of the very good history of the Royal Winnipeg Rifles and the Little Black Devils and I have been endeavouring and will hope to have tonight an answer that he will probably be requesting in committee.

I'd like to say again that the foundation is being set up because of the funds that they gather, and I think they're doing the right thing with that. As you'll note, the Honourary Colonel of this Regiment is a distinguished Member of this House, Senator Molgat, and your Commanding Officer, such as Ron Wery and even Norm Donna, whom you all know very well were Commanding Officers of the Little Black Devils. I thank the member again for the remarks about the regiment and I sincerely hope I'll be able to have the answers for him in committee tonight.

MADAM SPEAKER: The motion before the House is Second Reading of Bill No. 55.

QUESTION put, MOTION carried.

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, I move, 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.

The Jobs Fund will be in the committee room for this afternoon; and for this evening it will be just Cultural Affairs in the Chamber.

No Private Members' Hour as well, by leave.

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 Kildonan in the Chair for the Jobs Fund and the Honourable Member for Burrows in the Chair for the Department of Culture, Heritage and Recreation.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - MANITOBA JOBS FUND

MR. CHAIRMAN, M. Dolin: . . . there is an opening statement from the Minister of Industry, Trade and Technology.

Mr. Minister.

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

The Manitoba Jobs Fund is now into its fourth year of providing impetus for economic growth and development in Manitoba. As we were told last year, the Jobs Fund, an important contributor to a more stable economic performance by Manitoba, has as its current focus broad and longer-term economic and human development.

In the past three years, the Jobs Fund has led to the creation of more than 16,000 person years of direct employment, and it's been instrumental in significant indirect employment opportunities attracting, as it has, more than \$275 million in private sector and other government-level investment in Manitoba.

The Jobs Fund has been targeted to particular sectors of activity in which critical action is needed either to maintain an employment base or to realize new opportunities. The following sectors certainly are worthy of mention: agriculture; food-processing, where Manitoba is making significant advances; small business, which is gaining strong support in its modernization and marketing efforts, benefiting from such programs as Venture Capital and the Technology Commercialization Program; the technology sector itself becoming an ever more important part of Manitoba's economic life and abetted by programs such as Information Technology, which is bringing a greater understanding of future directions in education, business and industry.

The Jobs Fund has been a positive force in energy and hydro development, in forestry, transportation, housing, urban development, youth and wage assistance, and in the advancement of cooperative developments. Through development agreements, the Jobs Fund has been instrumental in bringing greater long-term stability to a wide range of industrial interests in the province. The community and capital assets portion of the Fund had been intended as a counter-cyclical initiative, but as the construction industry cycle improved, this activity has been down-scaled.

The Jobs Fund has impacted on virtually every sector of the Manitoba economy from agriculture to construction, from rural and Northern areas to the massive rejuvenation of Winnipeg's core area. The Fund's role as a catalyst for economic security is reflected in the reports of various economic and forecasting agencies which predict product growth, employment growth and sales growth in Manitoba well above national averages and in most cases leading the nation.

Our jobless rate, consistently among the nation's lowest, is predicted to fall to 7 percent by 1989 and to 5.5 percent by 1994. Manitoba, it is evident, is on the right track to economic security and the Jobs Fund is playing no small role in sustaining that momentum. In doing so, it has elicited and received substantial support and cooperation from Manitoba business, labour and other levels of government. This has led to Manitoba's economic performance becoming the standard by which other provinces measure their own.

In 1986, the Jobs Fund, while maintaining and strengthening a successful and diverse program, will undergo a renewal and regeneration, cognitive of the need to work within an evolving economy.

We will see a continued shift away from capital construction allocations and toward longer-term economic development returning some programs to departments which are more capital-cost oriented. That shift is already apparent. In 1983, fully 75 percent of allocations went to physical assets with 13.6 percent allocated to economic development. Today the physical assets disbursement is less than half the total allocation.

The challenge for Manitoba today is in taking a proactive approach in support of sectors deemed critically important to Manitoba's economic future. For example, the Jobs Fund is initiated to highly informative people and technology dialogue, working with Manitobans in adapting technology to specific needs. The Technology Commercialization Program is aimed at providing support for entrepreneurial efforts to establish a base for technological industries in Manitoba.

Already the potential for such industry is evident through the Manitoba Information Technology Program which, in just over one year of existence, has evolved into a key source of technological knowledge for Manitoba educators and developers of educational software. This ground-breaking initiative, with its keen private sector involvement, has been singled out by international educators for the significant promise it offers to future educational directions utilizing new technology.

InfoTech has generated valuable private sector interest and investment with endorsements, such as I've cited, promising a brighter future. It is this leveraging of private investment that remains a key function of the Jobs Fund. Over three years, the fund has seen, as I indicated before, over \$275 million invested by the private sector and other levels of government in fund initiatives, with \$105.6 million invested in the last fiscal year.

We can anticipate a similar performance in 1986 with public and private sectors working in cooperation to sustain and improve one of Canada's most stable economies. In that spirit, the Department of Business Development and Tourism will introduce the Manufacturing Adaptation Program, recognizing that small business, the generator of most permanent jobs in Manitoba, should be assisted in the introduction of new technologies into their enterprises. The \$1.1 million program will lay the foundation for the industrial and business directions we will witness the next decade and beyond.

By implementing this program, we will be working to ensure that Manitoba remains competitive and capable in manufacturing and in exporting. It is that

objective that gives impetus to concerted efforts we will undertake to make Manitobans, Canadians and the world aware of the quality and value attached to the production of Manitoba people.

Venture Capital, now in its fourth year, is assigned \$4 million in 1986-87 to provide an important source of equity capital to new and existing enterprises. Venture Capital the last fiscal year was instrumental in assisting 11 companies, creating and preserving 423 person years of employment. That same objective guides Manitoba's highly successful Development Agreement Program.

The development agreement has been an important part of Manitoba's economic growth plan. Among the 11 agreements finalized to date, we've seen Simon Day consolidate its U.S. plant operations in Winnipeg.

Canadian Occidental has strengthened its diversification program through expansion of its sodium chlorate plant in Brandon.

We have seen the success of Toro, which has brought a new industry to Steinbach.

In Manitoba's North, the SherrGold Development Agreement is part of a larger economic initiative to bring long-term viability and diversification to Lynn Lake's future economy, and through development agreements such as one with Cereal Implements in Portage la Prairie or with Carnation Foods in Carberry, we are maximizing the potential of a diverse agricultural sector. Other development agreements still to be finalized represent initiatives for the long-term development and success of our health and agricultural industries.

The development agreement has provided attractive incentives for industry to locate or expand in Manitoba. The agreements are maintaining and creating jobs now and affording promise for future development in this province. The development agreement is a viable vehicle for meeting the economic reality of stiff interprovincial and international competition for the establishment of businesses and industry.

Having finalized 11 such agreements, the government can offer proof that the business development climate in this province is as various economic analysts have specified, that Manitoba is a good place in which to do business. The agreements signed are good for Manitoba, good for the industries involved and good for our future.

As I mentioned earlier, there are areas in which the Jobs Fund is renewing and building. The Jobs In Training Program, for example, has proven extremely popular and in fact it's budgetary assignment has been fully subscribed. It is the government's intention to refocus this important training initiative, reintroducing it this fall.

As Manitoba's economy evolves, it means further evolution of the Jobs Fund. It has now recognized that some programs, such as the Energy Conservation Initiatives previously under the aegis of the Jobs Fund may be best delivered as normal departmental initiatives. Also, a Manitoba Community Assets Successor Program, which has truly served the needs of communities and organizations throughout the province, is to be funded through the Manitoba Lotteries and Trust Fund. From this, we will see continued support given to much needed community-based projects such as day care and vocational rehabilitation.

In Winnipeg, we see progress on the much needed North Portage Development bringing together all levels of government and the private sector in a common effort against inner city decay.

We see the hope for potash development in Western Manitoba where the Jobs Fund has secured development agreements in such diverse sectors as oil seed crushing and sodium chlorate production.

In the North, we see economic progress represented by the Limestone project, where the Jobs Fund is providing training programs for Northern Manitobans, especially Native Manitobans, during the protracted construction phase. The positive effects of Limestone on Manitoba are already evident. Most encouraging is the fact that fully 80 percent of businesses currently involved in all aspects of Limestone construction are Manitoba enterprises. The government is cognizant of the need for budgetary restraint in these times. The Jobs Fund, which will see some budgetary reductions, will be subject to an ongoing assessment of the economic benefits it provides, especially in relation to the stronger economic footing on which Manitoba stands.

At this time, the Jobs Fund remains a needed, positive force for employment in Manitoba, with the province benefiting immeasurably from it.

MR. CHAIRMAN: Thank you, Mr. Minister.
The Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, I have no comments on the Minister's rundown of the Jobs Fund. The Minister paints a very rosy picture of the Jobs Fund and I can say that our position has always been that the Jobs Fund is one that could be done through the different departments just as easy as is done here, and probably easier.

All of the monies that have been allotted to it come out of the other departments and we have shown over the previous years that there's a very small percentage of the money in the Jobs Fund that really could be called new money for development in the Province of Manitoba.

With those few words, I would ask the Minister - the Provincial Auditor, in commenting on the Jobs Fund, gave a report that the accountability of the loans that the Jobs Fund have made or the grants they have made is not adequate. He feels there should be much more information given and much more information acquired before these transactions take place.

What has the Minister done to make the accountability of the Jobs Fund much better than it is at the present time? According to the Auditor, they're not good enough.

HON. V. SCHROEDER: Mr. Chairman, it's my understanding of the Auditor's Report that the concern he has is with respect to inadequate detail at the beginning of a year to Members of the Legislature, with respect to what the fund will be doing as opposed to inadequate mechanisms for looking after loan agreements. If it is the loan agreements, I'm just wondering if the member could provide the specific quote because I'm not aware of any significant problems we're having at the moment with our loan portfolio.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. F. JOHNSTON: Well, this came up briefly in the Minister's Estimates of Industry and Technology and I had with me at the present time - or my colleague did - a statement by the auditor that he expressed concern that the accountability of the loans was not adequate and if the Minister wants to say more adequate to the Legislature, I think that's also very important because the approval of many of these loans, when you consider their size, maybe should be looked at by the Legislature.

I just asked the Minister; he says that the auditor's report didn't refer to, I guess you'd call it the discussions regarding the agreements, etc. But what process is in place to see that all information regarding loans and grants of the Jobs Funds are available to the Legislature?

HON. V. SCHROEDER: Well, Mr. Chairman, could the member provide me with a copy of the statement of the auditor he's referring to, so I know exactly what it is that he wants answered, if he's doing it on the basis of what the Provincial Auditor said.

MR. F. JOHNSTON: All right, I'll provide that for the Minister. I don't have it with me at the present time.

The Economic Development, Section A, Current Operating Expenses - \$29.8 million; what is that going to entail? The Minister has given me a run-down of what monies have been expended so far or budgeted so far and what has been loaned so far to August 15, 1986. There's 21 million in loan authority there, but there's \$29,800,000 in this . . .

MR. CHAIRMAN: The Member's referring to item 1(a)(1)?

MR. F. JOHNSTON: Yes.

HON. V. SCHROEDER: I could just go over them, possibly quite briefly.

The Agriculture portion is \$7,750,000, being the food processing and Rock Lake; Forestry is \$6,714,000; ERDA taking in \$3,422,000; Sectoral Forestry, \$3,292,000.00.

I should say, Mr. Chairman, that these numbers are loan and budgetary together. Energy - hydro is a total of \$20,560,000.00. That includes Churchill Hydro Line of \$8,300,000; Limestone of roughly \$12 million; Small Business portion is \$8,861,000; Cultural Enterprises takes up just over \$2 million; Remote Communities, \$270,000; Venture Capital, \$4,943,000; Youth Business Start - there's a symposium on that - \$16,000; there's a Career Symposium at \$34,000; Manufacturing Adaptation Program, \$1,225,000; and Youth Business Start at \$300,000.00.

The Technology Program - there's a number of programs, but the total is \$4,500,000.00. That includes a Graduate Scholarship Program; InfoTech - there's a number of categories there; Administration Education Technology; Business Public Technology; Business Marketing Development. Then there's Strategic Research; the Technology Commercialization Program - that's the largest of the bunch here - it's \$1,600,000

out of the \$4.5 million; the Technology Discovery Program; the Workplace Innovation Centre.

We have the Development Agreements, totalling just over \$24 million. That includes Vicon, Simon-Day, Canadian Occidental, Canada Wire and Cable, SherrGold, Gravure, Arctic Co-op, Westeel, Toro; unallocated development agreements at the time of the preparation, of approximately \$11 million; and potash development of \$6,750,000.00.

The Cooperative Development portion is \$1,240,000; the largest portion is the Employment Cooperative Initiative at \$1,190,000; Employee Ownership portion at \$50,000; Transportation Initiative is just under \$10 million, with the Churchill Development Agreement at just under \$5 million; Transportation Development at \$4,500,000 approximately; and another \$500,000 for Urban Bus Research Development.

Native Economic Development, there's \$60,000 for the Manitoba Metis Federation.

There's the Health Industry . . .

MR. CHAIRMAN: The Member for St. Norbert.

MR. G. MERCIER: On a point of order, the Jobs Fund is on one page of the Estimates for \$78.5 million. You can turn to virtually any other section of the Estimates and you will have programs that may amount to \$1 million or less than \$1 million. The Minister is reading into the record program after program worth millions and millions of dollars. Could members of the committee not have a detailed breakdown of those numbers or a copy of the sheet or sheets he's reading from?

MR. CHAIRMAN: I don't know that it's a point of order, but it is a request to the Minister.

MR. G. MERCIER: Yes.

MR. CHAIRMAN: Mr. Minister, is it possible to get copies of the details?

HON. V. SCHROEDER: I have practically finished.

MR. G. MERCIER: Yes, but we're not secretaries here.

HON. V. SCHROEDER: Mr. Chairman, I have a detailed description of the various programs involved here. I have an extra copy, so the members can have it right now.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. F. JOHNSTON: I thank the Minister for the copy and for the rundown that he was giving the committee. I maybe should have interrupted but I didn't want to because he was well into the description of the programs. I believe my question was basically on Economic Development, the \$29.8 million in the Estimates for that - then you've got the Expenditures Related to Capital which is (a)(2) - the 29.8 million which is in the Estimates for Current Operating Expenditures for Economic Development. Now, the reason I say the Minister must have been giving me more than that, because when I stopped being able to keep up with him, we were well past \$29 million.

HON. V. SCHROEDER: My apologies. I'll quickly run through the current numbers, and they basically will follow the same pattern that I outlined, starting with Agriculture, Forestry, Energy, etc., excepting that now I will just give the current portion, which would make it easy for members to calculate later on what the capital portion is, because that would be the balance of it.

On Agriculture and Food Processing, the unallocated portion is \$300,000, and \$200,000 specifically designated for Rock Lake, the flax-seed crushing operation. In Forestry, the current portion of the ERDA agreement, \$2.55 million. I'm rounding off the numbers. Sectoral Forestry is \$2.78 million. Energy - Hydro - Limestone, and that includes the employment and training, the offsets, the partnership - that's the Limestone Aboriginal Partnership Development Board - and purchasing totalled \$12,010. Small Business, is a total of \$3,011. The bulk of it or the largest one is Cultural Enterprises at \$1.32 million. Remote Communities, the full 270,000 previously referred to is all current.

(Mr. Deputy Chairman, J. Maloway, in the Chair)

Venture Capital, 940,000; then those symposiums I had earlier referred to. The Manufacturing Adaptation Program is 125,000, current. The Youth Business Start, the 300,000 earlier referred to, is all current. The Technology Program is all current. So all of the numbers given previously, the 4.5 million, are all part of the \$29 million previously referred to.

The Development Agreements: Vicon 43,500; Simon Day 80,000; Canadian Occidental 60,000; Canada Wire and Cable 23,000; SherrGold, 0; Gravure Graphics 133,000; Arctic Co-op 49,000; Westeel 530,000; Toro 82,800; unallocated 998,000; and the potash development, Canamax, 750,000.00. Those are the current interest costs which are being written off.

Co-op Development: the Employee Ownership Program is entirely current, the 50,000 referred to earlier; Employment Cooperative Initiative, 236,000 of that is current, and that comes from the MGEA trust account.

The Transportation portion, Churchill Development, 140,000; Transportation Development 543,000; and the Urban Bus Research Development is all current for \$500,000.00.

Native Economic Development is all current for \$60,000.00. The Health Industry Development Initiative - and I think that's where we had stopped previously - \$100,000, and that is all current. That's the total of it.

If the member wants, I could give him from this point on the current and capital together.

Administration, there are a number of areas for administration and miscellaneous, this one here, \$409,000, current. Then there's a Policy Reserve, and this is a loan portion - none of this is current - \$5,025 million. So total for Economic Development, current, \$29.8 million; capital, \$16.656 million; that's current, that's budgetary, both. The first - I'll go over that again. Of the budgetary portion, there's budgetary current and capital. The current is 29,910,000; the budgetary capital is 16,656,000 for a total of 46,566,000. The loan portion is 42,681,400 for a program total of 89,247,400.

I should say there's one item for \$50,000.00. The MMF portion was approved after the printed Estimates

were finalized but will be absorbed from cash flow within . . .

MR. F. JOHNSTON: Mr. Chairman, now I'll move back to what I'm reading from the Auditor's Report at the present time, March 31, 1985.

"Last year we expressed a concern about the possible lack of legislative control over certain job-creating expenditures approved in a separate appropriation designated Jobs Fund. This appropriation was presented distinct from the departments responsible for program delivery and with no program particulars. We also commented that this approval of expenditures on the government-wide approach could complicate the understanding of program delivery and also impair the Legislature's ability to affix departmental responsibility for programs. We recommended that appropriate modifications be made to attend to these concerns.

"Our recommendation has not been fully adopted. For the 1985-86 year, funds were again approved in a separate appropriation designated Jobs Fund. Although some additional information has been provided, the legislative Estimates material provides an allocation of expenditures approved amongst three major sectors: economic development, urban development and human resources, and community and capital assets.

"However, the legislative Estimates still do not detail the programs planned or the departments to be responsible for the program delivery. We reviewed the internal documentation maintained for the Economic Resources Estimates Investment Committee and the Jobs Fund Committee. This documentation disclosed the funds in the Estimates are specifically targeted for various projects expected to be under the Jobs Fund in the current year. However, we understand that the funds are not guaranteed for these projects."

It goes on: "We have been advised that this approach has been used because of the need for flexibility."

Well, if the Minister can, again further to the above, he says the "need for flexibility." But the Auditor is specifically saying that these three lines in the Estimates, they do not regard as enough information for the Legislature regarding these Estimates.

Now the Minister has given me today, and I asked him in the House on two occasions, for the cash flow report to 1985-86 and to date in 1986. He provided that for me. Now today, just at the Estimates time, we have the Jobs Fund sector which we have program descriptions. I must say that the Auditor is concerned and he says that it creates a lot of confusion and it certainly does create confusion.

If we start at the top, Agricultural Food Processing, five million-three, 5 million loan and 300 budgetary, as included to support two policy development agreements with Burns and Canada Packers. Then it describes the loans. I'd like to ask this: Is it the Department of Industry and Technology that is handling this? Is it the Department of Economic Development? If so, where is the final decision made and when the money is spent? Are these department's recommendations accepted?

If my memory serves me right, I believe the Minister said there is a Jobs Fund Committee. But are they accepted by the Jobs Fund Committee? Does the Jobs Fund Committee reject them or the department's

recommendations that are presented to the Jobs Fund Committee, are they the ones that are carried out? In other words, they submit them and the Jobs Fund supplies the money or the Jobs Fund can veto them. What is the case?

HON. V. SCHROEDER: Mr. Chairman, as an example, say, with Agriculture, as I indicated, there was \$5 million in unallocated loan authority. From that, as an example, we made the arrangements with Carnation. The Department of Industry, Trade and Technology would be the people doing the negotiating very much in that instance, in cooperation with the Department of Agriculture, to ensure coordination. They would be under the direction of the Minister of Industry, Trade and Technology and eventually there would be a proposed agreement which would come to me. I would go over that agreement and, if satisfied, would present that agreement to the Economic Resources Investment Committee of Cabinet.

From there, it would, as a minute, go to a full Cabinet meeting at which time it would be specifically raised verbally by me to draw attention to that item in the minutes for approval or rejection by Cabinet. The ordinary process would be that Cabinet, following on approval of the ERIC Jobs Fund Board and Cabinet, they would approve it.

But there have been occasions where Cabinet has disagreed with certain clauses in a proposed development agreement. It's always understood by the corporation with whom we are dealing that there is no agreement until Cabinet has agreed on our side and we understand from their perspective that there is no agreement until their board of directors has finally approved it in whatever manner is required under their rules to give their final authority to an agreement.

MR. F. JOHNSTON: I've used the example of the top one on the list there, but would the Minister in charge of Co-op Homestart make the presentation to Cabinet regarding the funds he wants from the Jobs Fund or the programs he wants from the Jobs Fund?

HON. V. SCHROEDER: Well, Mr. Chairman, the Minister would make that approach to the ERIC Jobs Fund Committee. From there it would be the report of the committee that I chair.

MR. F. JOHNSTON: So in effect, the requirements for the Jobs Fund is really all presented to Cabinet for all departments by one Minister, who is the Chairman of the ERIC Jobs Fund Committee.

HON. V. SCHROEDER: Yes, Mr. Chairman. I should say that there is a separate portion of the Fund, specifically in the area of Energy and Mines, where the initial negotiations would be done by Energy and Mines as opposed to Industry, Trade and Technology. All the development agreements we have, have been done by Industry, Trade and Technology excepting for the SherrGold Agreement which was negotiated by the Department of Energy and Mines. But again, it would go to the ERIC Jobs Fund Board and from there the Minister in charge of that operation would present it to Cabinet as a minute of that committee.

MR. F. JOHNSTON: Will the bill in the House at the present time that gives the Manitoba Energy Authority the authority to negotiate as far as Energy and Mines is concerned, and the explanation on the bill was, I believe, that it was to satisfy what is happening at the present time. What is happening at the present time is that if one department is in discussion with somebody regarding economic development in the Province of Manitoba, they can certainly call on the Department of Industry and Technology or vice versa. So with this, this will change, as I see Energy and Hydro and Limestone on here, potash further down, well, let's say anything to do with Energy and Mines, because of the change in legislation in the Legislature - I believe it's Bill 39 - that the Department of Energy and Mines would not be responsible to the ERIC Jobs Fund, they would go directly to Cabinet?

HON. V. SCHROEDER: Yes, Mr. Chairman, I think it really isn't changing things significantly from the defacto situation that exists now or existed under the previous administration. When you're dealing, say with a large energy user you're attempting to attract into the province, you tend to have Energy and Mines as the lead department or the potash projects, the proposals that have come along over the years have been done in there.

What we're attempting to do is have a designation within that area of responsibility, which happens to be the Manitoba Energy Authority, specifically designated to do that role. But if they come up with the proposal, it would go to the ERIC Board before it went to Cabinet. It would certainly be examined by the ERIC staff and it would have to be approved by ERIC before it went on to Cabinet, the same way that other economic development decisions would go through that committee.

MR. F. JOHNSTON: Well that legislation is not part of this committee, but it certainly, to me, expands the authority. It's understandable if it's hydro and if it's mining; and that has always been a designation that they worked on themselves and then worked with Industry. But if we are talking about going after large users of hydro to invest in the Province of Manitoba, certainly it's the Department of Industry and Technology that should be in the lead with advice from Hydro. I can't see any place, quite frankly, for the Energy Authority if all they're going to do is ask Hydro for the same information that the Industry and Technology people would be asking for, but that again is another piece of legislation. I must say, Mr. Chairman, I'm moving away from these Estimates a little bit.

MR. CHAIRMAN: The Minister of Energy and Mines.

HON. W. PARASIUK: Can I just comment on the points raised by the Member for Sturgeon Creek?

The Manitoba Energy Authority, in the past, going back to 1980, was involved - because we picked up some of the bills, inherited some of the bills - within the Manitoba Energy Authority appropriation for aluminum negotiations.

MR. F. JOHNSTON: If the Minister thinks he's trying to surprise me with something, he's wrong because

I'm well aware of why those bills were there. It was the Department of Economic Development and Tourism that worked with the aluminum people until it came to the situation where the discussion was on Hydro and then naturally we asked for their assistance and their assistance was through Mr. Craik working with that. It's a normal procedure and it could still continue that same way without having any extra bills or legislation to do it. It's very simple.

MR. CHAIRMAN: The Member for Portage.

MR. E. CONNERY: In the Venture Capital Programs; when a Venture Capital Company is to be approved, does that go to Cabinet?

HON. V. SCHROEDER: No, Mr. Chairman, the Cabinet doesn't approve them on an individual basis.

MR. E. CONNERY: Then the Venture Capital Companies are approved through Business Development?

HON. V. SCHROEDER: If I understand it, it's through an independent or an arm's length board that makes that decision.

MR. E. CONNERY: Then why wouldn't that \$5 million appropriation appear under Business Development? Why would it be under the Jobs Fund if it doesn't go to Cabinet and all the other things, why wouldn't it be under Business Development?

HON. V. SCHROEDER: As you were saying, it's an independent or an arm's length board which . . .

MR. E. CONNERY: Can you speak a little louder? I can hardly hear the Minister. There's something not working; I can't hear the response.

HON. V. SCHROEDER: I just finished saying there is an independent board or an arm's length board which makes the decisions.

MR. E. CONNERY: It's not working.

HON. V. SCHROEDER: The money is allocated in the Jobs Fund and the member may or may not like the fact that it's in the Jobs Fund, but that's where it is.

MR. E. CONNERY: This is exactly what the auditor is saying is wrong with the Jobs Fund.

HON. V. SCHROEDER: Where?

MR. E. CONNERY: In the book.

HON. V. SCHROEDER: No, it's not. He's not talking about the 5 million at all.

MR. CHAIRMAN: Order please, order please. Order please. Could both the Minister and the member direct your comments through the Chair.

The Member for Portage.

MR. E. CONNERY: Mr. Chairman, it's quite clear to me in the Auditor's report, that it's very confusing for people in the Legislature to understand the Estimates and then you've got to go to the Jobs Fund to find out these other things. This is what the Auditor is saying, that it is confusing to people to go through the Estimates.

We look at Industry and Technology and we see \$4.5 million of Jobs Fund money not listed, but it is being spent by the Jobs Fund. If we didn't ask what money was coming out of the Jobs Fund, we wouldn't even know that there was \$4.5 million spent. I guess it sounds good politically, the Jobs Fund, but it's not administratively a very sound procedure, in my estimation.

The money being targeted - now if you have 5 million unallocated, I can accept that as being a slush fund for projects that you're not aware of. But in Industry, Trade and Technology, I'm sure that money is already targeted. Is it not committed to those sectors, InfoTech, etc.; is that money committed already?

HON. V. SCHROEDER: Mr. Chairman, nowhere does the Auditor say that the \$4.5 million that we're putting into the Venture Capital corporations this year, that he has a problem with that, nor the way in which it is specifically allocated. He may well believe that it ought to be more clearly designated and with respect to that, I'm prepared to agree.

I was going to say to the Member for Sturgeon Creek earlier, I think now that we're into the program several years, we're prepared to look at providing - and we can look back and we have a better idea as to where we're going. There are a number of these figures that we know at the beginning of the year we're going to spend, and I would agree that members of the Legislature would be entitled to see generally those numbers, but there is a vast area that is unallocated, and that can't do.

The point the Member for Portage was attempting to make in the beginning though, and maybe I misunderstood him - I understood him to try to tell the government in which allocation to put money and quite frankly that's not his role. We've decided that it will go here and we don't see anything wrong with it going here. Here it, as a part of the Jobs Fund, is doing a tremendous job in providing jobs for Manitoba. We have just finished seeing a few days ago what the results are for the month of August, 1986, and those results are results that I think Manitobans across this province, including in Portage la Prairie, would be very proud of. They're results which show that we are working on diversification of agriculture.

The agreement, as an example, that we entered into with Carnation this year means, in fact, more than 20,000 acres of land which would have been growing wheat and other crops that we can't sell, will be growing potatoes and we will have profitable crops and we will have workers with decent jobs. We will have transportation jobs. We will have refrigeration jobs. All those kinds of things over a number of years.

With the Venture Capital corporations, again, we've had hundreds of jobs created in each year of its operation. This is doing what we said it was going to do. We do not apologize for that. We agree when people

say that we should make things a little more clear. We're prepared to look at that. We're prepared to do what we can to make sure that the expenditures are more clear. We accept that.

But I believe that in the final analysis, it is up to us to make the determination as to in which component we want to put the money which will be spent and I think we have done a fairly good job of doing precisely that.

MR. E. CONNERY: The Minister says the Auditor doesn't specifically mention the \$4.5 million of the Venture Capital, and the Minister is absolutely right. The Auditor says the whole program is out of kilt; that it's not done properly in the Estimates, and it's right there. The Minister can baffle and try to tell us differently, but the facts are in writing from the Auditor, who is an arm's length person, who is not a politician and is doing his job adequately.

I found it very difficult, going through the various Estimates, especially Business Development and IT and T, to find out what was there. I think this government, for some reason, does not want to have their programs discussed before they do them. I think the role of the Opposition is to discuss the Estimates and to make suggestions where there could be improvement. I honestly believe that we are way out in not having these things proper.

You have a slush fund where you aren't aware of what's being targeted. I can buy that and, sure, we need to have that sort of flexibility. But I asked the Minister what has been targeted for Industry, Trade and Technology in Jobs Fund money and I haven't had an answer. Now, I probably would know if this information had been forwarded to us before the committee sat, but typical of what has happened - not in Business Development, I appreciate that Minister gave us a lot of information which made it much more - to do the job properly in questioning. Now we're reading the material when we should be asking questions.

How much money is targeted from the Jobs Fund for IT and T and that sector where InfoTech is?

HON. V. SCHROEDER: Mr. Chairman, all you have to do is ask the question. If you want the global amount for Industry, Trade and Technology, I can give you that, or if you want it broken down.

MR. E. CONNERY: No, it's the global. What is the total amount specified for IT and T?

HON. V. SCHROEDER: In 1986-87, the total for Industry, Trade and Technology is \$28.7 million, approximately.

MR. E. CONNERY: \$28.7 million for Industry, Trade and Technology. Is that broken down in the sheet that the Member for Sturgeon Creek has, that I can get photostated after, or is that not all on there?

HON. V. SCHROEDER: Mr. Chairman, I don't have it in the precise form that we provided on the other document, but it has all the numbers on it for the variety of components and I can provide him with that.

MR. E. CONNERY: Last year, am I correct, in the questioning in the Estimates, that the money allocated

to Industry, Trade and Technology was \$4.5 million from the Jobs Fund?

HON. V. SCHROEDER: No, I believe last year it was in the range of just under \$27 million.

MR. E. CONNERY: I think I'm going to have to go back to the Hansards of that, because I believe I asked in the Estimates what is the total amount of Jobs Fund money in Industry, Trade and Technology and I was given an explicit \$4.5 million, but I'm not going to question the Minister on that.

To me, to go through the Industry, Trade and Technology Estimates and not discuss what the \$28.7 million is going to be spent on is absolutely ludicrous and it is deceitful to the people of Manitoba who have elected people to take a look at these Estimates and to question it with some intelligence. If you don't have an idea of what is being spent in a department, how do we adequately question the Minister on his program? -(Interjection)- You guys would never get a job in the business world.

HON. V. SCHROEDER: It seems to me that's precisely why we're here. I asked the member whether he wanted a breakdown of what it was and he said he didn't want it, and then after he doesn't have the information, he criticizes me because he doesn't have the information. Quite frankly, he can't have it both ways, Mr. Chairman.

I'm prepared to sit here and read into the record the full amount of money that we're putting into IT and T from the Jobs Fund. We're proud of that. We think it's a program that is demonstrably working in this province. I'm prepared to put that on the record. I'm not prepared to take these kinds of slurs from the Member for Portage, which are uncalled for. If he wants the information, he will get it.

In Administration and Communications, there's a total of \$1 million approved; in Agriculture and Food Processing, unallocated, there is \$5.3 million; in Arctic Co-op, there is a total of \$48,000; Canada Wire and Cable \$23,000; Canadian Occidental \$560,000; Consulting Services \$50,000; Development Agreements - unallocated at that stage - we're pretty close to 11 million, just under 11 million; Financial Services, there was nothing left over from the year before; Graduate Scholarship, 200,000; Gravure Graphics - I had already given that number; Health Industry Initiative . . . ; InfoTech - I have given that number previously; Limestone, previous; Rock Lake, Simon Day had been provided earlier; Software, Courseware Fund; Strategic Research \$425,000; the TCP, \$1.6 million; Technology Discovery \$50,000; Toro - I'd given that previously; Urban Bus, previous; Vicon - I'd given previously; Westeel - I'd given previously; and that's the total.

We are hiding nothing. I resent the implication that we are hiding something. If the member wanted the numbers for the Jobs Fund earlier, that could have been discussed with House Leaders; it could have been on first thing during the Session. I don't know - I certainly don't say that it was the Opposition's fault that it's on the last few days of the Session, but there was nothing on the part of the Department of Industry, Trade and Technology or myself, as chairman of the Jobs Fund; we didn't have some kind of a plot to have this at the

end of the Session. I would have been quite prepared to go on Day One which would have given this information to members of the House before you had Business Development and Tourism and before you had IT and T.

The fact of the matter is that in this particular kind of a process, you will not have all the information you want until the last day of the Session, and that's the way the system works. That doesn't mean the system is dishonest or attempting to fool people or anything like that, and I resent the implication.

MR. E. CONNERY: I think the Minister just answered my statement. Why are we getting it on the last day? This material has been ready for a long time. Why can't the committee people - do we have to ask for a return on everything? I've had a return in to the office of the Business Development Minister from back in the beginning of the Session, and I still haven't got the information. You tell us that if we ask for information, it'll be readily available. I asked for information on the Loggers and the other thing, in the Economic Committee that we had a meeting on and that you were the Minister of, and I still haven't seen it, and they were simple requests for information - still no answer on them.

So, you say this information is all there. Why do we have to probe and pull at every little bit to get it? Why isn't it just laid out for us and then we can have proper discussion instead of this kind of ballywag? We don't need the information now; it was ready two months ago.

HON. V. SCHROEDER: Mr. Chairman, the member can cry all he wants. If he would have wanted this on the first day of the Session, and if his House Leader would have put that forward, I'm sure he would have had this on the first day of the Session. He could have had a wonderful Session where he had all the information before him.

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

MR. F. JOHNSTON: I believe the Minister is probably defending so hard that it creates suspicion.

The Jobs Fund Estimates at 78,458,000, if you read the note at the bottom, it says the total expenditure is that figure, and it tells you what the current operating expenses are and the expenditures related to capital. Then it says, in addition \$119 million - in excess of 119 - is being or is to be included in The Loan Act Authority for a total of \$197.8 million. We're not talking about a small amount of money being spent. There's more money in this department right here, or these expenditures that we're speaking of, than there is in the Minister's Estimates put together, or many of them put together.

Here, now, we have all of this money sitting in the loans from the Loans Fund, and we have it all sitting right here in the Jobs Fund. If he wants to say that we should have asked for it, or I should have asked for it at the beginning of the Session, this list, fine. I asked for this, that's what I got. I should maybe have asked for more. It's not all that detailed, but I did get the information.

Today, we get this information and the Minister says, fine, if we want more, we shall have more. Well, if that's the situation, we will ask questions until 5:30 tonight and, hopefully, after we have a chance to study this information, we'll be able to ask all the Ministers questions regarding their departments tomorrow when the Estimates are called again. If the Minister wants to adjourn now so that we can read all of this information and we can come up with intelligent answers tomorrow, that's fine with me too.

I can tell you that when we have this type of a presentation on the Jobs Fund, the Auditor saying that it isn't the best presentation for the elected members of the Legislature to know about, and then we get the Minister getting mad when we ask him about it, is just a little bit, really kind of upsetting to say the word.-(Interjection)- I would hope that the Ministers, when we do have a chance to read this over, will have more to contribute than their ah-ing and guffawing around that I'm hearing at the present time, Mr. Chairman, but that's to be expected from these Ministers.

HON. V. SCHROEDER: Mr. Chairman, I don't believe I have failed to answer questions. I've attempted to answer them reasonably and with the fullest of information possible. I've given the members the opportunity to get either the full answer or the short answer, and I got huffy when the Member for Portage suggested that somehow there was something dishonest or somehow something shady about what we were doing, and that I resent very strongly.

In fact, I suppose the Member for Portage seems to think that all of the information has to come out on Day One, and I've indicated that if he felt so strongly about it they could have asked for a change in the order of the Estimates so these would come forward.

I appreciate that the information on the Jobs Fund is probably too sketchy; I'm prepared to acknowledge that in terms of what the members have before we come here. I've also said that especially in those areas of the Jobs Fund where we know ahead of time, quite specifically that we have to spend the money, we should show that ahead of time rather than telling you on the first day of the Estimates. I appreciate the difficulty the member finds himself in with that. And on that, certainly I'm prepared to adjourn and let the members take a look at the information they've received today and we can go back at it tomorrow so you have specific areas that you might be interested in.

But I certainly will react in the way I did react anytime somebody improperly and unfairly suggests that there's some kind of motives behind the way in which we're presenting our Estimates, that we're trying to hide something. There's always room for improvement. That's why we have a number of departments which are now presenting annual reports which come ahead of the time when your Estimates come forward and that makes your job easier and probably makes our job easier as well. Those are the kinds of things that we have to expand into more departments and more areas of government and we're working on doing that. But I strongly resent the implications raised by the Member for Portage and I'm just not prepared to put up with it.

MR. CHAIRMAN: What is your wish?

The Member for Sturgeon Creek.

MR. F. JOHNSTON: If they want Committee to rise, fine -(Interjection)- well then, . . .

HON. V. SCHROEDER: Well, if he has questions, he had suggested it.

MR. CHAIRMAN: The Member for Sturgeon Creek has the floor.

MR. F. JOHNSTON: Well then, why don't you tell the Minister of Urban Affairs to keep his mouth shut? It would be better to try and talk with him.

Mr. Chairman, then I'm going to ask the Minister a question that the Member for Portage la Prairie had asked - and he said the Department of Industry and Technology. Let me ask, what are the programs in the Department of Business and Tourism that are being presented to the Jobs Fund that will be approved? We know of the Venture Capital.

HON. V. SCHROEDER: Yes, Mr. Chairman, we have the Buyers' Directory; the Community - I'm sorry, I'm sorry - that was last year's program. The Buyers' Directory is not in this year.

There's Employee Ownership. Did you want the numbers on them as well or just the -(Interjection)-\$50,000; Limestone Norman - \$35,000; this is where the MMF \$60,000 is; the Manufacturing Adaptation Program - \$1,225,000; there's a program for Remote Communities, again I think it was referred to earlier - \$270,000; and the Venture Capital Program which is actually \$4,843,800; oh yes, there's the Youth Business Start Career Symposium of \$16,000; and that comes to approximately \$6.6 million.

MR. F. JOHNSTON: Okay. Then we're going to have in this program, or in this funding here we have \$197 million. We have \$119 million in the Loan Authority. So are we saying that there's only \$10 million in the Loan Authority for the programs that we see listed in the Loan Authority? Are the programs that are involved in that \$10 million to be approved through the Jobs Fund or this ERIC Committee?

HON. V. SCHROEDER: I'm not quite sure I understand the question. In Loan Authority, or in this particular sector, Business Development and Tourism, it's \$5,100,000; the \$4 million of Loan Authority in Venture Capital and \$1,100,000 in the Manufacturing Adaptation Program.

So in each specific area you would have the different amounts. I think I had given all the loan numbers previously.

MR. F. JOHNSTON: Yes, yes you did.

In the Department of Small Business and Tourism, where are the programs that come under the agreement that you have with the Federal Government? Now you've got the Economic Development Program or the overall program. Are there any in that?

HON. V. SCHROEDER: There's the Tourism Agreement?

MR. F. JOHNSTON: Well, all right, if you want it fine, Mr. Chairman, let's take that as an example; it's a good one. The Tourism Agreement loans funds for development in hotels and different promotions, etc. Are those approved by the Jobs Fund? Does this money that the Jobs Fund has come from the Tourism Agreement?

HON. V. SCHROEDER: Well, Mr. Chairman, no, they are not in the Jobs Fund, but any major project would be approved by the Economic Resources Investment Committee of Cabinet.

The Agreement is under the Canada-Manitoba Enabling Vote; it's not in the Jobs Fund. That's where you'll find it. I think that's the last item in the Estimates.

MR. F. JOHNSTON: But you said that any projects - the funds don't show here - but any projects from the Tourism Agreement would be approved by the Jobs Fund and in effect, would be regarded as Jobs Fund when the monies come from a Federal-Provincial Agreement.

HON. V. SCHROEDER: Well, Mr. Chairman, there is a Federal-Provincial Management Board and in the smaller projects, we would not see at all. The larger programs would come to the Economic Resources Investment Committee of Cabinet for approval and, of course, for final approval at Cabinet.

MR. F. JOHNSTON: And what is the Employment Ownership Program?

HON. V. SCHROEDER: It's basically an information program through the Department of Business Development and Tourism which the Minister might want to give you more detail on.

MR. CHAIRMAN: The Minister of Business Development and Tourism.

HON. M. HEMPHILL: Yes, Mr. Chairman, the Employee Ownership Program is again an equity program that is set up to provide Manitoba entrepreneurs with information, training and financial assistance to increase both gain and equity sharing in businesses in Manitoba.

We started work in that area about 24 months ago and identified areas where the province could make a meaningful contribution in increasing both gain and equity sharing in Manitoba. We've developed a Manitoba Employee Ownership Handbook which is now completed, along with a teachers' guide and student course material, and both documents are currently being distributed.

The first Canadian Employee Ownership symposium is planned for April 8th and 9th with participants from labour, management and government. A major employee buy-out has just been completed in Winnipeg, which is Lawson Graphics Manitoba Limited, and 25 employees have purchased the company which currently employs 160 people and has gross sales in excess of \$21 million per year.

So this is what we're trying to support and actually encourage wherever it's appropriate.

MR. F. JOHNSTON: Then the \$50,000 is basically an advertising program and an information program and

a consulting program. There is no funding going from this department into the assistance of the employees to purchase?

HON. M. HEMPHILL: That is correct.

MR. F. JOHNSTON: Then I ask the Minister: If the consulting, advertising, consulting and everything, creates a situation for Lawson Graphics to purchase a company, where would the money come from if the government wants to put it in, or did they in Lawson Graphic's case contribute any funding?

HON. M. HEMPHILL: No, Mr. Chairman, what we have been providing and what they wanted, I think, was information, support, help, some feasibility work. Help like that was what we've been providing.

HON. V. SCHROEDER: I should say, if there were proposals come forward, certainly, it could be looked at in terms of a development agreement and, of course, there are unallocated funds available there.

MR. F. JOHNSTON: My colleague has asked me to ask if there was funding to Lawson Graphics through Co-op Development?

HON. V. SCHROEDER: Mr. Chairman, I don't recall, but I'll take that question as notice and will get that answer for you tomorrow.

MR. F. JOHNSTON: Now, again, we have Small Business and Tourism and we've got \$50,000 in here for Limestone and I believe it's Norman, is it? I was scribbling at the time.

HON. V. SCHROEDER: Yes, that's the Norman Business Development Corporation. You have a number of those . . .

MR. F. JOHNSTON: Yes, we have them. But why is Norman - Limestone and Norman - is Norman getting more money through this?

MR. CHAIRMAN: The Minister of Energy and Mines.

HON. W. PARASIUK: The Norman Development Corporation asked for some assistance to help work with northern businesses to ensure that there would be a greater participation of northern businesses in the Limestone development. We, as a government, thought it was a very good idea and they are doing a very good job.

MR. F. JOHNSTON: In MF - it must be the Manitoba Metis Federation . . .

A MEMBER: MMF - Manitoba Metis Federation.

MR. F. JOHNSTON: . . . 1.2 million.

HON. V. SCHROEDER: No, 60,000. The 1.2 million was the manufacturing adaptation program.

MR. F. JOHNSTON: It is 60,000. What is happening with the Manitoba Metis Federation that the funding is coming from Small Business and Development?

HON. M. HEMPHILL: Can you go onto another one while I . . .

MR. CHAIRMAN: The Minister of Education.

HON. J. STORIE: Perhaps I can lend some assistance. The Manitoba Metis Federation developed a number of investment development vehicles. I believe it's called the Manitoba Metis Investment Corporation. MMIC it seems to me is the acronym. What they are doing, they have a number of rather ambitious proposals. They sought support from the Provincial Government and support was granted. I believe that this 60,000 was part of the interim financing that was to be used by the MMF to develop proposals that they submitted to the Native Economic Development Program.

The Native Economic Development Program is a \$345 million federal program. The aim of MMIC was to receive some, I believe \$12 million, through the Native Economic Development Program for a number of their initiatives. They included business investment, housing development. I believe they were working on a number of co-ops in different areas as well.

So it was sort of a multi-stage economic development plan that they were submitting to the Native Economic Development Program, and corresponding with that, if there was approval finally by NEDP, that there would be some additional assistance from the province to MMIC as well. This 60,000 I think was interim financing to see if in fact approval was forthcoming from the Native Economic Development Program.

MR. CHAIRMAN: The time being 5:30 p.m., I will adjourn the proceedings.
Committee rise.

SUPPLY - CULTURE, HERITAGE AND RECREATION

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

We have been considering the Estimates of the Department of Culture, Heritage and Recreation. We are now on Item No. 2.(a)(1), Culture, Heritage and Recreation Programs, Executive Administration: Salaries; 2.(a)(2) Other Expenditures.

The Honourable Minister.

HON. J. WASYLICIA-LEIS: Mr. Chairperson, I took a few questions as notice over the first two days that we were in Estimates.

If I could begin with responding to those while staff make their way in, the first was in response to a question. There was a question raised by the Member for Kirkfield Park regarding an explanation of the \$2,200 grant to the Plug In women's program. That grant was to assist with a women's art exhibition which formed part of the September 1984 Labour Day Festival. The actual title for the activity is Manitoba Artists for Women's Art. It was initiated by the Plug In Gallery in September '83 as an attempt to examine the problems faced by women artists and to develop a program to deal with some of these problems.

In brief, Manitoba Artists for Women's Art has defined its program objectives as follows: to provide a forum

for women artists; to bring together professional women artists with those of less experience; to encourage women artists to have confidence in their work; to create a resource centre for women artists; and to provide women with the opportunity to develop professional skills through the experience of administering their own organization.

My department has provided support to the Manitoba Artists for Women's Art to also enable rural women to participate in their advisory program which brings professional artists together with emerging artists. In 1984-85, my department awarded a grant of \$6,000.00. In 1985-86, the grant was \$5,750.00. In addition, the Manitoba Arts Council Access Program, which is an Affirmative Action Program, provided \$7,000 in 1984-85 and \$8,450 in 1985-86.

I also took as notice, Mr. Chairperson, a question regarding affirmative action for women in the department; specifically a question about those who were being promoted out of the clerical ranks. I can give more detail from my previous answer. There was a promotion of an AY4 to an AO, promotion of an AY3 to an AO, a CT3 to an AO, an AY4 to an AO, another clerk to an AO payroll supervisor, an Illustrator 2 to an AO 4 or section clerk, an audit media specialist to administrative officer or section clerk, a section head to branch director.

There were also individuals involved in training and development; one for training and development into a personnel assistant position; another received training for promotion to a payroll supervisor position; other training related to university training and time off to attend university to complete a degree.

I also took notice of a question regarding Other Operating in Personnel Services, 14-1G(2). The \$500 increase in operating went towards the upgrading of telephone equipment changes, the identification cost of courier services not previously budgeted, and increased usage of the WATS line not previously budgeted, and an increase for educational assistance for a personnel assistant in the Personnel office.

I also indicated to the Member for Brandon West that I would review the grant for the Girl Guides of Canada. They received a cheque for \$2,700, which is an increase from the \$570 indicated in the 1985-86 grants listing. Since then, we have received a letter from the Provincial Commissioner of the Girl Guides of Canada thanking us for the cheque and saying that the support from the Government of Manitoba is of great assistance to the Girl Guides of Canada by providing continued education and recreational programs for girls and women throughout the province.

Finally, Mr. Chairperson, at the close of the Estimates session on Tuesday, August 26, the Member for Kirkfield Park asked a question about a recent article in the newspaper entitled, "Dark days for film in Manitoba." At that time, I had said this would come later on in the Estimates. However, the ERDA Agreement is covered largely by the Jobs Fund, so this is as good a place as any to discuss the ERDA Agreement. If the member would like, I can give a brief answer to the question she was getting at at the close of the session.

Basically, to deal with her questions about the issues raised in that newspaper article, I should point out that under the ERDA sub-agreement, implementation of Sector B, which is funded in the main by Canada and

\$900,000 coming from the province, the Federal-Provincial Advisory Committee that was referred to in the article was established in order to provide Canada and Manitoba with the advice of industry members on an appropriate strategy to develop film, video and audio industries.

The advisory committee was appointed in January 1985. Their report was tabled in January '86, and the former Federal Minister of Communications, as well as the current Provincial Minister of Finance, indicated that they found the report to be interesting and innovative. They requested that the report be widely distributed. Industry members responded to this distribution and the two Ministers received a number of letters from various industry members and organizations, some of which supported the advisory committee report and some that were critical of their approach.

Subsequently, the two Ministers requested their officials to hold round-table discussions with various people in the community and with all of those who responded by letter. That process was completed by the end of March.

The two Ministers also requested their officials to provide them with strategy options for the \$6.875 million, based on their discussions with industry members and the advice in the advisory committee report. The officials tabled their report with me and with the former Federal Minister of Communications in late May.

Since then, a new Federal Minister has been appointed and we have given her the courtesy of time to look at the recommendations. I have written to Flora MacDonald requesting consideration of these issues and a meeting, and I suspect that we will be able to announce new program initiatives in the very near future.

MR. CHAIRMAN: The Member for Charleswood.

MR. J. ERNST: Thank you, Mr. Chairman.

I thank the Minister for that response. I didn't catch the very beginning, but perhaps she can fill me in if I do cross into that area.

As I understood, it took a year to appoint this committee and a year for it to report. It's now been eight or nine months since the report was tabled and no action has been taken really to date, as I gather, to proceed with anything under that agreement.

Now, the agreement, I believe, is about to expire. I think it was a three-year agreement, was it not? - (Interjection)- A five year agreement? All right, then, perhaps the Minister can advise how much time is left on the agreement to run it.

HON. J. WASYLICIA-LEIS: Mr. Chairperson, the agreement is for five years. That leaves between two-and-a-half to three years remaining in the agreement.

The Member for Charleswood has suggested that little has happened. I have given him the sequence of events indicating that there has been a lot of activity over the last year leading up to the point where we can make a decision that is both sensitive to the needs of the community and responsible in terms of financial and legal matters. There have been significant

developments pertaining to the ERDA Agreement. I can point to the establishment of Film Manitoba in May 1985 and as of July 21, 1986, Film Manitoba has approved 21 projects. The total dollars estimated to be committed from Film Manitoba is roughly \$400,000.00. Since Film Manitoba was established Telethon Canada has agreed to invest in several projects and in the last two fiscal years has committed \$98,900.00. Three projects received national licences from the CBC Network and one project received a regional licence.

In addition, I think it's important to note that the Manitoba Jobs Fund has provided a \$500,000 grant to the NFB to assist in the production of a very important four-part series entitled "Daughters of the Country." The NFB committed \$1.8 million to the project and it will be aired by CBC this winter.

As well, I should mention that the North Portage Development Corporation with assistance from the Provincial Government has commissioned the production of the IMAX film a production budget of \$2.8 million and my department was instrumental in ensuring that Manitoba industry members would be involved in all aspects of this production.

Since the ERDA subagreement signed in June of '84, film and video industry have significant increased because of the commitment of both levels of government and this activity is expected to increase as new initiatives are approved and implemented. So I'm quite pleased with the developments to date.

We realize the impatience in the community, in the industry part of the community, and we are working as quickly as possible, given the fact that I'm a new Minister and Flora MacDonald was just appointed. As I said, I think we'll be making an announcement very soon.

MR. J. ERNST: Mr. Chairman, that's fine, and as I understand it, most of the things that the Minister indicated are falling under Component No. 6 of that agreement. Yet, I understand also that under Components 4 and 5, there are some \$6 million of federal monies that have been virtually left untapped where, on the other hand, under Component 6, we've committed five or so million dollars of provincial money. Why haven't we tried to tap the federal funds, instead of spending provincial funds under that agreement?

HON. J. WASYLYCIA-LEIS: The Member for Charleswood is quite correct in pointing out that there are different components to the ERDA Agreement and that there are different levels of activity happening in each component.

As I just indicated in my previous answer, Components 3 and 4 of Sector B, which is the Cultural Enterprises Infrastructure Development Component of the ERDA Agreement is in the process of being finalized and an announcement will be made soon. It should be noted, though, that most of that money in that component is federal money; roughly close to \$6 million is federal money, whereas the province's share is \$900,000.00. I think some of the delays can be accounted for by the fact that there have been changes at the federal level, and we can't, with that kind of small piece of that component, push things along at our own will.

As I've indicated, the province, where it has responsibility for the lion's share of the budget, as is the case in Sector C, the Cultural Enterprises Program Development Component, we have been progressing very quickly to initiate new programs, to work with the industry, to promote film development in Manitoba and I referred to the Film Manitoba and the NFB Project and the IMAX Project as examples.

In Sector A, which is the Communications Information Technologies Component, in that case, all the money is federal money and they have been working actively at initiating projects in that sector and spending the budget that has been attributed to that item.

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

2.(b)(1) Culture, Heritage and Recreation Programs - Grants Administration: Salaries; 2.(b)(2) Other Expenditures; 2.(b)(3) Grant Assistance—pass.

2.(c)(1) Culture Resources: Salaries - the Member for Charleswood.

MR. J. ERNST: I would say that I facetiously commented that it was so long ago that we were last in these Estimates, I have forgotten what questions were asked and which were answered, but I had one question in regard to the Grants Administration between the Lotteries Budget, and I think I did ask that question if I'm not mistaken, between the Lotteries Budget and the Estimates, as to why there is a Grant's Administration in both areas. Perhaps the Minister can refresh my memory.

HON. J. WASYLYCIA-LEIS: I believe the Member for Charleswood is referring to a line under Lotteries for an amount of \$30,000, which is assistance for a capital program that is now no longer in effect.

MR. CHAIRMAN: 2.(c)(1) Cultural Resources: Salaries—pass; 2.(c)(2) Other Expenditures—pass; 2.(c)(3) Grant Assistance—pass.

2.(d)(1) Recreation Services: Salaries—pass; 2.(d)(2) - the Member for Kirkfield Park.

MRS. G. HAMMOND: Mr. Chairman, I think from now right through we will try and stay with the branches. It got very confusing last time. In the Recreation Services, does this branch have any dealings with the Manitoba Sports Federation?

HON. J. WASYLYCIA-LEIS: Mr. Chairperson, there is no formal relationship with the Sports Federation and this branch, however consultation and information sharing for the purposes of coordination does take place.

MRS. G. HAMMOND: Does the branch deal mainly in the rural areas, and is there any work in the city?

HON. J. WASYLYCIA-LEIS: Mr. Chairperson, this branch does liaison work with all provincial recreation associations and there are some in Winnipeg and it does liaise in that case with those recreation associations.

MRS. G. HAMMOND: In the Resource Development on Page 14 of the Annual Report, it talks about new

publications for leadership training including Playleadership, Effective Meeting Kit, Marketing. My question is: Are we having a matter of duplication on certain publications or do you liaise in any meaningful way with the city to make sure that you're not duplicating publications in areas that they have been dealing with and working on for a number of years? Is there any type of liaison with the city that would stop that type of duplication? I refer to the City of Winnipeg, I apologize.

HON. J. WASYLYCIA-LEIS: Yes, this branch does liaise actively with the city to reduce duplication and hopefully to avoid duplication. There are a couple of examples that staff have brought to my attention where the branch and the city have worked cooperatively in order to produce a publication that both levels felt was desirable. One was in the case of accessibility for the disabled and another publication related to children's games.

MRS. G. HAMMOND: The Birds Hill Day Camp, I wonder if the Minister could tell us what the ratio is from staff to children?

HON. J. WASYLYCIA-LEIS: Yes, for the Birds Hill Day Camp, this branch provides 20 staff who are STEP students. The Boys and Girls Club provides four staff. There are 12 volunteers and approximately 150 children go through the camp every two weeks.

MRS. G. HAMMOND: In the Supplementary Information under Communication, there was an increase of \$1,800.00. I wonder if the Minister, Mr. Chairman, could explain?

HON. J. WASYLYCIA-LEIS: Mr. Chairperson, basically the increase was for increased telephone and courier costs.

MR. CHAIRMAN: The Member for Gladstone.

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

The Minister, in I believe it was long, long ago when she gave her opening remarks to this department, mentioned that there would be a program - well it was called the Community Assets Program under Employment Services. She mentioned that there was a program which was going to come in shortly and I had been told that, of course, by the Minister of Employment Services in his Estimates. I was wondering if the Minister has anymore information on that, when it will be starting, how it will be funded? Is it a Jobs Fund funded program or through Lotteries? I wonder if the Minister could just give us an overview of it, please?

HON. J. WASYLYCIA-LEIS: Mr. Chairperson, as I indicated earlier in the Estimates to the Member for Charleswood, this would be a Lotteries-based community facilities capital program. We are aiming to have this new program ready late this year with hopefully money flowing in the beginning of 1987.

MRS. C. OLESON: So it would be aimed at 1987 construction year, am I correct?

HON. J. WASYLYCIA-LEIS: Yes.

MRS. C. OLESON: The Minister, when she's setting up this program, I hope keeps in mind that in order to be fair with these program, they should be allocated carefully over the province. The problem I saw with the Community Assets Program was that at least if it wasn't, it appeared to be very politically operated, and that is to stay. I remind the Minister to have a look at that aspect of it.

Has the Minister decided yet who will be in charge of allocating the projects when these grant applications - which I judge will be probably the format applications will come in - who will be allocating these funds?

HON. J. WASYLYCIA-LEIS: First, let me say that we have had nothing but praise for the Municipal Capital Assets Program. In fact, many members opposite have come to me and asked when this program or a similar program will be reinstated. I don't think there would be any basis for suggesting that this program did not provide benefits on a fair and equitable basis throughout the province. The new lottery-based Capital Community Facility Program will do exactly that, ensure that the benefits are accrued to Manitobans on a fair and equitable basis.

The program, as I indicated earlier, is in the initial stages of planning. I will have major responsibility for the administration of this program. However, I will be working very closely with the Minister responsible for Employment Services and Economic Security since he was the person who made the previous program such a success. I will also be working very carefully with the Minister of Northern Affairs who has identified particular needs in the North and, of course, with the Minister responsible for the Sports Directorate and with the Minister of Community Services.

MRS. C. OLESON: The recreation districts come under this line, do they not? Will you be asking any input from the local recreation districts on the value of programs for specific communities?

HON. J. WASYLYCIA-LEIS: Actually, the recreation districts come under Regional Services. However, the member raises the question of consultation vis-a-vis this new proposed Capital Community Facilities Program. I will be actively consulting with the recreation districts, with communities throughout the province, with municipality organizations.

As I indicated in my opening remarks, I will be specifically undertaking a tour throughout Manitoba this fall to not only discuss the specific capital needs of communities, but to seek input with regard to a long-term recreation policy.

MR. CHAIRMAN: The Member for Kirkfield Park.

MRS. G. HAMMOND: I just have one question on that, and possibly the Minister has answered it.

Will the Community Assets Program be serving the city as well, the City of Winnipeg?

HON. J. WASYLYCIA-LEIS: Yes, Mr. Chairperson.

MR. CHAIRMAN: 2.(d)(1) Recreation Services: Salaries—pass; 2.(d)(2) Other Expenditures—pass.

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2.(e)(1) Public Library Services: Salaries; 2.(e)(2) Other Expenditures; 2.(e)(3) Grant Assistance - the Member for Kirkfield Park.

MRS. G. HAMMOND: I noticed in the supplementary information that although the SY's have not changed at all, there is an increase of 15,300; I think about 5 percent. I wonder if the Minister would indicate. Is that just salary increases?

HON. J. WASYLICIA-LEIS: Yes, the member is quite correct in identifying that increase as attributable to salary increases, merit increments and provision for reclassification.

MRS. G. HAMMOND: Are there any new initiatives in rural Manitoba as far as the Public Library Services are?

HON. J. WASYLICIA-LEIS: I could report on a couple of developments in this area that will be of interest and benefit to rural Manitoba. The first is obviously the capital program for libraries. We expect that will continue to grow, demands will continue to grow, and we will be able to respond to needs in rural Manitoba for the construction or renovation of library facilities.

As well, there has been an increase in travel assistance provided to rural Manitobans to permit them to be able to attend conferences in the province.

Some other work is taking place that is of definite interest to rural Manitoba, and that relates specifically to work dealing with developments pertaining to literacy.

MRS. G. HAMMOND: I'm back at the annual report and the extension and technical services under Acquisitions. They talked about a pilot project conducted with a local independent bookstore. It said: "While the study revealed that the book store was able to supply certain titles, it was not able to supply the full range of titles demanded by the branch."

Does that indicate that they did not continue with the project, or are they just continuing it on a basis of whether there are all the titles or not?

HON. J. WASYLICIA-LEIS: The item that the member is referring to was a three-month pilot project to test the capability of a local bookseller to supply the public library service. That pilot project was discontinued at the request of both partners, but the needs were identified. As a result, as I indicated earlier in this Estimates process, we have undertaken a major study on the needs of independent booksellers.

MR. CHAIRMAN: The Member for Gladstone.

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

I wonder could the Minister tell us if there have been any changes to public library funding this year in the rural part of Manitoba. Is there still the same foundation grant and the same per capita matching grant?

HON. J. WASYLICIA-LEIS: There has been no change in the formula by which operating grants are provided to municipalities or to libraries. However, we have had to increase the amount of money originally estimated

in this particular program in order to match the portion of the grant. As municipalities increase their portion of the grant, we have worked to increase our share.

MRS. C. OLESON: That increase just reflects additional municipalities joining districts and it would reflect the per capita contributions of the municipalities. There's been no direct increase in the grant system to provide extra monies for libraries.

What I'm getting at is that most rural library districts, of course, are really up against it for funds. They try to get their budget to balance and it leaves very little left for books and other materials pertaining to films and so forth. That's why they're there and there's very little funds left over for purchases. So it gets increasingly more difficult every year with increasing costs of books and other materials that they need. I'm just wondering if there has been any thought to changing the way that these libraries are funded.

HON. J. WASYLICIA-LEIS: To start my comments, I think it should be noted that municipalities are still not accessing all the funds that are available to them through the Operating Grants and Capital Grants Program for libraries of this department.

However, I do recognize the point that the member is making in the sense that municipalities are also finding these times difficult financially, and it is certainly difficult to increase their support to take advantage of support that is available through the department.

I certainly am prepared to address this matter; to meet and talk with library officials and municipalities over the next few months and to determine whether or not we should be changing the formula in the next budget year. However, the existing program was just changed three years ago and that was based on input from libraries and municipalities. But having said that, I'm certainly prepared to look at options and have discussions with officials.

MRS. C. OLESON: Could the Minister clarify what she means by the municipalities not accessing the funds that are available to them now?

HON. J. WASYLICIA-LEIS: The formula now works so that the municipalities have to put up the first \$3.50 per capita and we will match that. However, if they put up to a dollar more than the \$3.50 per capita, we will also match that amount. Many municipalities have not been able to really come up with what would amount to be \$4.50 per capita.

MRS. C. OLESON: Well, I think that's quite easy to understand if you had sat in on a council budget night, too.

I was going to ask the Minister also - she mentioned in her opening remarks - you referred to a Capital Grants Program. Is that a different program than what has been in place before there was a 50-50 matching grant for capital projects for libraries? Are there any changes or is this a brand new program? What is it?

HON. J. WASYLICIA-LEIS: Our intention is to roll the library Capital Grants Program into the much larger Community Capital Facilities Program; and by doing

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so, it is likely that we will be able to have larger ceilings for which organizations would be eligible and as well, groups that had already benefitted previously under the Rural Library Capital Grant Program, they would be able to reapply and access new money through this program.

MRS. C. OLESON: Then I take it that this is tied in with the program we were discussing earlier under Recreation Services; correct?

On another subject with public libraries, at one time the grants were available to the Manitoba Library Trustees Association for special projects. Are those grants still available?

HON. J. WASYLYCIA-LEIS: Yes, Mr. Chairperson.

MR. CHAIRMAN: The Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Mr. Chairman.

In the Lotteries allotment for the public library services there is a \$500,000 special grant for the Winnipeg Library System. Can you explain exactly what that is to be and is it to be one-year program?

HON. J. WASYLYCIA-LEIS: The \$500,000 item that is listed under the Lotteries portion of the department's budget is a special one-time grant to the Winnipeg Public Library. The hope with this grant was to help deal with the fact that the Winnipeg Public Library system's collection presently stands at 1.78 volumes per capita, while the Canadian average is 2.33 volumes per capita.

This grant was announced by the now Minister of Finance and when he made the announcement he indicated that he would expect the materials purchased with these provincial funds would be equitably distributed throughout the library system and that branch libraries, which have been historically underfunded, would benefit directly from this support.

MRS. S. CARSTAIRS: In the detailed appropriations for this department, there is also an asterisk which says that the increase relates to an increase in the operating grant provided to the Winnipeg Public Library. How much of that \$2,447,200 in grant assistance goes to Winnipeg and how much of an increase have they received from '86 to '87?

HON. J. WASYLYCIA-LEIS: Back in February of 1986, the former Minister of this department announced that the formula for the operating grant to the Winnipeg Public Library would be increased from \$2.00 to \$2.33 per capita, and based on 1985 population figures, the change represents an increase of \$185,000 bringing the total 1986 operating grant to \$1,305,559.00.

MRS. S. CARSTAIRS: If I am correct then, Mr. Chairman, it would appear that the total grant assistance from the department, if one subtracts \$2,447,000 and take away \$185,000, that in fact there have been no additional grants made available to any other libraries for this year other than Winnipeg?

HON. J. WASYLYCIA-LEIS: As I indicated previously to the Member for Gladstone - the Member for

Gladstone had asked a similar question and I indicated that although the formula for rural Manitoba had not changed, I indicated two things: one, that we were providing additional travel assistance to rural Manitoba; and secondly, that I was certainly prepared to consult with rural Manitobans and with municipalities to review the formula and to consider making changes.

MRS. S. CARSTAIRS: I think we all share the same concern that Manitobans generally must have somewhat equal access to book materials and the people who live in the City of Winnipeg not only can access the Winnipeg Library system, but they can also access their extensive collections at the University of Winnipeg and the University of Manitoba. I can't quite understand why you would have this large increase to Winnipeg and absolutely nothing, not even a grant increase based on the cost of living to rural library systems in Manitoba.

HON. J. WASYLYCIA-LEIS: I think a couple of things need to be said in response to that question. The first is that the City of Winnipeg actually had not received any increase since 1975, whereas the rural municipalities received an increase to \$3.50 per capita in 1983.

The other thing that needs to be said is that really the bulk of the work of this branch of my department is devoted to providing library services for rural and Northern Manitoba and I think I can point to a number of other services that are provided through this branch that will indicate our commitment in that direction. In addition to the rural library operating grants and the rural library capital grants, this branch provides a service of travelling libraries of approximately 500 books. There is a program of books by mail to individuals, the client groups that this branch works with include the whole range really from preschool children, adolescents, youth, adults, seniors, library staff, library boards, volunteers, municipal councils, library associations and so on.

So I think the answer to your question is that sure, we need to keep up with change and keep up with growing needs in rural Manitoba. But, in fact, this government has been very vigilant about its responding to the needs of rural Manitobans and responding in very real ways through a major increase in the per capita amount for rural Manitoba.

MRS. S. CARSTAIRS: Mr. Chairman, am I correct in saying that the City of Winnipeg gets \$2.33 per capita, which does not have to be matched, but anyone who lives in rural areas will get \$3.50 provided it is matched?

HON. J. WASYLYCIA-LEIS: No, the per capita grant to the city of \$2.33 must also be matched.

MRS. S. CARSTAIRS: Well, considering, Mr. Chairman, that rural areas of Manitoba have considerably larger difficulties in obtaining funding, why would you have a per capita grant in urban Winnipeg of \$2.33, but in a rural municipality it has to be \$3.50. Surely that is the wrong way of looking at it. Surely it should be the other way around, since one has a much larger access to funding than the other one does.

HON. J. WASYLYCIA-LEIS: I think the first thing that has to be said is that in actual fact we are paying more,

this government is paying more per capita in the rural areas than in the City of Winnipeg, so that in terms of actual dollars going into the library system, the rural component of our society certainly gets a bigger share of the dollar.

If we look at the end results of this formula, in actual fact, the city ends up paying roughly \$17.33 per capita; the highest in all of rural Manitoba per capita is \$15.12.

MR. J. ERNST: Mr. Chairman, I'd like to pursue the question of library funding in the City of Winnipeg. The Member for River Heights was somewhat concerned that there was an increase for the City of Winnipeg.

I'd like to know from the Minister why the province discriminates against the City of Winnipeg, providing up to \$4.50 per capita in matching funding to rural Manitoba, yet provides, up until February of this year, only \$2 per capita for the City of Winnipeg and then, with the magnanimous gesture of the former Minister responsible for this department, increased it to \$2.33 in February of this year. It's still way behind rural Manitoba.

Could the Minister explain why they're discriminating against the City of Winnipeg?

HON. J. WASYLICIA-LEIS: First let me point out to the Member for Charleswood that Manitoba does very well when we compare the kind of provincial funding that goes to the City of Winnipeg for library services to other major centres across Canada. The per capita rate of \$2.33 is above the per capita rate for the City of Vancouver, the City of Victoria, Hamilton, North York, Toronto, Etobicoke, and I could go on.

I think this Provincial Government has acted very responsibly by recognizing that the costs of providing library services in rural Manitoba, Northern Manitoba, remote parts of this province, are much greater than the costs involved in terms of the City of Winnipeg.

I think it's also significant to note that the City of Winnipeg, as has been pointed out by the Member for River Heights, has a very superior public library service. I would think that if there are needs to be addressed, they are needs, first and foremost, in rural Manitoba, and that is why I indicated I would be prepared to consult actively with rural municipalities to try to deal with their concerns in this area.

MR. J. ERNST: Mr. Chairman, I appreciate that there are unique needs in rural Manitoba, but there are also unique needs in the City of Winnipeg. The City of Winnipeg maintains branch libraries in areas where it doesn't make economic sense to maintain those libraries just so that the accessibility is there for the people in those districts. The cost of maintaining those libraries, the City of Winnipeg has more branch libraries per capita than virtually any other place in the country.

The fact of the matter is, though, that the province is not contributing its fair share, so to speak, when you consider that a library a short distance away from Winnipeg would be eligible to receive up to \$4.50 per capita funding, yet libraries in the City of Winnipeg are discriminated against significantly by providing only \$2.33 per capita funding, Mr. Chairman.

I say I appreciate the fact that there are unique needs outside of Winnipeg and they should be addressed and

I think the Minister has said that she's prepared to address those. I would hope that she would continue to address the needs and see fit to significantly increase the per capita amount available to libraries in the City of Winnipeg. The Minister indicated earlier that there isn't a 100 percent take-up of monies under the rural Manitoba funding available, certainly that there would be an instant take-up if that money was offered to the City of Winnipeg.

In addition to that, Mr. Chairman, in previous discussions of these Estimates, it was indicated that there are several millions of dollars sitting in a variety of accounts in this department presently unused. Although proposed for some kind of community facilities program the Minister has indicated they may well introduce, those millions of dollars are still sitting there doing very little except gaining interest, Mr. Chairman.

With those funds available, with Lottery funding certainly increasing at a very rapid rate, I would think that something such as libraries, a rather basic service, I would think, to the community as a whole, could well be significantly increased in the City of Winnipeg in order to provide some assistance in that area. I would hope the Minister would address that in future Estimates.

HON. J. WASYLICIA-LEIS: Mr. Chairperson, first let me say that if we have a problem of take-up in rural Manitoba, then I feel it is my responsibility not to take what's left and give it to a superior library service; but I feel it's my responsibility to ensure that municipalities in rural and Northern Manitoba are able to take advantage of this kind of program that we are offering to them.

It's also important to point out, especially in conjunction with the Member for Charleswood's comments, that we should be digging into the Lotteries revenue to fund libraries, to fund the Winnipeg Library when the City of Winnipeg stands probably at the worst position in this country in terms of its support to a public library service, despite the fact that the cities that I mentioned earlier that have a lower per capita rate than that provided by this government to the City of Winnipeg, those cities have managed to contribute double, in many cases, the amount of their share, the amount of assistance from their tax base, towards the public library system.

I could compare, for example, as I mentioned earlier to the Member for Gladstone, that the City of Winnipeg's per capita contribution to the library for 1986 is \$17.33. Well, the rate for a city like Vancouver, in 1984, was \$29.12 despite the fact that the provincial per capita contribution in that case was \$2.10. The share of the City of Victoria to its public library was \$20.84 per capita. In Regina, the city contributed \$37.13 towards its per capita share of the public library system.

I think if we're looking at correcting a situation that the Member for Charleswood describes as so bad, then I think we'd better look to the City of Winnipeg first and foremost. This government has certainly not slouched when it comes to supporting the City of Winnipeg. An increase of 33 cents, amounting to \$185,000, is not peanuts, and a special one-time grant of \$500,000 to correct some inequities in the City of Winnipeg's library system is not to be taken for granted.

I think that's a major contribution on the part of this government and one that I'm certainly quite proud of.

MR. CHAIRMAN: The Member for Gladstone.

MRS. C. OLESON: Thank you, Mr. Chairman. The Minister spoke earlier in answering a question of mine and also in answering a question from the Member for River Heights, about travel assistance in the rural areas. I wonder could she explain who's traveling and is this in between libraries or to conferences on libraries, or just what is the travel assistance for?

HON. J. WASYLYCIA-LEIS: The Public Library Services Branch offers funding to support travel and registration costs for attendance at an approved library workshop, seminar or conference by one representative from each of the 35 rural libraries, and this is quite separate from the one major seminar that this branch puts on for libraries throughout the province.

MR. CHAIRMAN: 2.(e)(1) Public Library Services, Salaries—pass; 2.(e)(2), Other Expenditures—pass; 2.(e)(3), Grant Assistance—pass.

2.(f)(1), Historic Resources, Salaries; 2.(f)(2), Other Expenditures - the Member for Kirkfield Park.

MRS. G. HAMMOND: Yes, Mr. Chairman. In the Supplementary Information, the SY's again are the same and there's an increase in salaries of \$59,400; I think that's about 7 percent. I'm wondering if the Minister could tell me why 7 percent. It was 5 percent before; I'm wondering what the reason is for the big increase in salaries.

HON. J. WASYLYCIA-LEIS: The increase is attributable to GSI merit increases of 54.6 and reclassification of 4.8.

MRS. G. HAMMOND: In Other Expenditures, in Communication there's an increase of - I think I'm looking at the right line - 8,200; am I correct? Would the Minister explain that large increase, please.

HON. J. WASYLYCIA-LEIS: I believe the member is referring to an increase of \$8,000 under Communications, which is under Other Expenditures, and that again is increased costs pertaining to telephone and courier services.

MRS. G. HAMMOND: What would be the increase in telephone and courier services that would be an increase of \$8,200 in one year?

HON. J. WASYLYCIA-LEIS: The increase is basically, first of all as I indicated, the increase in telephone costs which is attributable to two factors: one, a new telephone system was implemented or installed; and secondly, significant consultation had to take place throughout the province in preparation for community meetings that were set up to explain the new legislation and to provide information about the specific grant programs. As well, the costs relate to increased mailing costs - I failed to mention that earlier - to send out details of the new legislation, and details of each of the new grant programs.

MRS. C. OLESON: With regard to the Western Agriculture Museum, the Minister had said, in discussions with her, that they were working on a debt reduction program for that museum. I wonder, could the Minister comment on that now please.

HON. J. WASYLYCIA-LEIS: I was digging through for some additional information, but basically I can give the Member for Gladstone an update on the situation.

First off, as the member knows, the funding for this museum was transferred from Agriculture and put under my responsibility. It is funded through Lotteries and we were able to provide an increase of 3 percent in operating grant to the Austin Museum. Staff has been in close consultation with members of the board and with staff at the museum and have been discussing for some time some of the problems that the museum has been facing. We have indicated to them that we are prepared to look at a deficit reduction proposal.

All I can say at this point is that discussion continues between my department and the museum, and that there are internal discussions occurring to try to remedy this situation. However, I think we have to keep in mind that there are some pretty big problems, some pretty big issues dealing with the Austin Museum. I think we have to spend some time looking at, not only dealing with this short-term problem of the deficit, but also at the long-term plans for the museum, how the museum board members envisage the future and what kind of museum they would like to create and build down the road.

MRS. C. OLESON: Mr. Chairman, I would hope that the Minister soon comes up with something concrete for the board of that museum, because while all this discussion is taking place and all these negotiations, the time is ticking on and the bank is wanting their funds. So they do have a serious problem, as the Minister has indicated.

I was disappointed, quite frankly, when this was moved from the Department of Agriculture to this department, not that I mean to be disparaging of this Minister or the department but it is a distinctly unique agricultural museum; that is its function. To be put in with other museums is, I think, something that the board is concerned about, the members that I talked to anyway. It is unique and it needs to be treated in a different manner to which other museum are treated. It's a hands-on museum where people can take part in some of the displays and the machinery could be put to work. I think that is part of the greatness of that museum.

Apparently, in other provinces where there have been different methods of funding worked out, their agricultural museums take on an entirely different tone, where artifacts, steam engines, etc., are placed on display and never put into action and thereby losing a great deal of their meaning.

I hope that the Minister, in looking at this whole problem, will realize that is really not the way - I don't think that's the way the board of directors want to go; and she's right, they do want some long-term program so that they know where they're going. The building program they were undertaking is really not feasible till they definitely get some way of reducing their debt.

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There could be methods looked at whereby there could be more income into the museum. I think that is something the board of directors are looking at currently. I think they're looking at getting corporate sponsorship as part of it. I think that probably would be beneficial. I don't think they expect the government - nor do they want the government to be entirely responsible for the funds in place; but they too are concerned over the fact that in some areas and some provinces there have been changes in the way the agricultural museums have been operated and they don't really want to see that happen to this one. So I hope the Minister can quite soon be able to report to that board just what she has been able to do.

There was a funding promise through Destination Manitoba. I guess those funds have lapsed and there's no way any of them could be used to help with this project at this time.

MR. CHAIRMAN: The Honourable Minister of Culture.

HON. J. WASYLICIA-LEIS: Thank you, Mr. Chairperson.

First, let me indicate that I certainly recognize the uniqueness of this museum, as do I think all of my colleagues. The transfer of authority from the Department of Agriculture to my department certainly did not mean any change in that recognition. In fact, it really indicates to the public and specifically to the Austin Museum that we are quite serious about sustained assistance to the museum and an interest in putting them on a long-term footing. I think that we were in a situation where growth in Lotteries revenue made it possible to look at the kind of assistance we were able to provide to the Austin Museum.

It should also be noted that basically, to the best of my knowledge, all museums fall under the jurisdiction of this department and there are other unique museums. The Selkirk Marine Museum is certainly unique; the Dugald Costume Museum and so on and so forth. Certainly, we're prepared not to dictate any particular solution to the museum, but to work with them to help them to define the kind of museum they would like to see down the road.

I think we're all concerned about ensuring the future of Austin Museum, but it means some pretty tough decisions, given the kind of financial situation that the museum finds itself in.

With respect to the question about the orientation centre, the museum had indicated to us by letter in July that they did not want to proceed with the construction of the orientation centre and it was clearly indicated to them that money could not be transferred from this kind of program into a deficit reduction program. That would just be contrary to the whole purpose of the program under Business Development and Tourism.

MRS. C. OLESON: It's my understanding that the board of directors of the Western Manitoba Agricultural Museum, that there are three appointments to be made from the government; and there are two currently appointed by the government and a third position vacant.

Could the Minister tell me when they will be filling that position?

HON. J. WASYLICIA-LEIS: The appointments that the Member for Gladstone refers to are actually made by the Minister of Agriculture, since it is the Agricultural Societies that govern this particular aspect; and I understand that discussions are under way for the reappointment of these - for dealing with the two current appointments and for filling the vacancy.

MRS. C. OLESON: Is the Minister then telling me that those appointments will still be made by the Department of Agriculture?

HON. J. WASYLICIA-LEIS: The answer is yes. However, it would clearly be in consultation with myself. I think the Minister of Agriculture, given the current situation, would want to ensure that I was involved in the decision and that there was close consultation between the two of us.

MRS. C. OLESON: In this Supplementary Information that the Minister gave us, under Historic Resources, I notice that the 1985-86 funding was \$540 some-thousand more than this year's funding.

With the Minister taking on the added responsibility of another museum, a large museum, and with the new Historic Resources Act, I wonder why the decrease in funds.

HON. J. WASYLICIA-LEIS: The decrease of \$8.1 is a result of the elimination of the grant for Heritage Day, which was \$7,000.00. The other 1,100 reflects a reduction in expenditures on courier and fleet vehicle mileage, as I'd indicated earlier.

MRS. C. OLESON: Mr. Chairman, I think you must be looking at the wrong - this is the Manitoba Culture, Heritage and Recreation appropriation grant listing plan. On page - well, they aren't numbered, but under Historic Resources, this two or three photocopied sheets that we got, I think the Minister's answer didn't reflect the sum I was talking about.

HON. J. WASYLICIA-LEIS: I apologize for giving an answer to another item.

The decrease, basically the elimination of the 822,000 from 1985-86 to 1986-87, I believe is the item that the member is referring to. That mainly covers a number of major special projects that were one-time in nature. For example, the majority of that was an amount for The Pas Courthouse for renovations and turning that project over to the community. There were a number of other projects - and I can tell you them right now - that included the Dauphin CN Station, the Selkirk Marine Museum. There was a Ukrainian Church study, the Barberhouse and a Native history project, so a number of significant one-time projects for 1985-86 account for that difference.

MR. CHAIRMAN: The hour being 5:30 p.m., we are interrupting the proceedings of the Committee of Supply. Committee members shall return to resume proceedings of the committee at 8:00 p.m.