

THE LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 4, 1978

Time: 8:00 p.m.

SUPPLY — INDUSTRY AND COMMERCE

MR. CHAIAN: The business before the House, Industry and Commerce, Resolution No. 74. 1.(b)(1)—pass. The Honourable Member for St. Johns.

MR. CHERNIACK: I was looking forward to hearing from the Honourable the Minister, who I assume is on his way. Here he is, Mr. Chairman, and he would be pleased to know that we did not want to pass by an item on which he was no doubt going to make some comments.

MR. CHAIRMAN: 1.(b)(1)—pass. The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, apparently the Honourable Minister does not wish to make any further response in connection with this item, which I guess is his right. I know it's his right, I don't guess it.

Mr. Chairman, the questions I asked were directed to ascertain the personnel involved in the Salary item of, I think it was \$115,000, and my recollection is that there were some five people involved. It is a reduction from the previous year's Estimate. I bear in mind that the Honourable Minister is also Minister of Tourism and the Deputy Minister is, I believe, the Deputy Minister of Tourism. If I'm wrong I'd like to be corrected right now.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, the Deputy for Tourism is Mr. Gallagher. It is a different Deputy.

MR. CHERNIACK: Mr. Chairman, I can only say that we've missed the presence in Manitoba of Mr. Gallagher to the extent that I indeed forgot that he was a Deputy Minister. But I believe he's back now and no doubt is anxious to confer with his Minister.

I just want to point out then, Mr. Chairman, that in the Minister's department, in the executive department . . . in Tourism I don't see an appropriation which I could relate readily to a Deputy Minister's salary that later to see where so no doubt we'll come to that later to see where that appears there. But within the Minister's office, there appear to be moneys allocated in excess of \$3,000 unused for an executive assistant and a salary for one person whose staff man year is frozen. I point that out, Mr. Chairman, because there seems to be padding in the Budget of even an item so small as \$116,500.00. I indicate that because I assume that we will be coming to program items further on in this Budget review which will probably show a reduction in program delivery by the same department.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Well, Mr. Speaker, the member opposite talks about padding. Let me point out that I am in charge of two distinct departments, including the Manitoba Development Corporation, that I am operating with one executive assistant where the previous Minister operated with two. Now, if that's padding, that's fine — not taking into consideration any other administrative or executive assistant help that might have come from the Department of Tourism and from that past Minister.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: That's an interesting comment that this Minister, who has responsibility greater than that of his predecessor, is indicating that he is managing with one executive assistant. May I point out to him again that in my estimation he is managing with one and one-quarter executive assistants. And I still have to ask him why he has got an item of \$20,000 for a salary which is payable at something under \$17,000.00. That to me is padding. If he doesn't need the \$3,000, why is he asking for it?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Well, Mr. Chairman, we won't prolong this debate, but I would imagine that the member would concede that if you are asking for \$40,000 for \$20,000 there is a \$20,000 difference.

MR. CHERNIACK: Mr. Chairman, I appreciate the fact that the Honourable Minister is being forthright, straightforward, and I think in his most recent answer has admitted the fact that he was asking for more money than he requires. And I indicate that only . . . It's a very small amount but there seems to be something interesting from a government which proclaimed a very thorough review of its Estimates to know that this Minister, who no doubt received a much larger

Tuesday, April 4, 1978

recommendation from his department and no doubt has reduced that amount, is still sitting with an additional amount in his own office's budget — his own personal office — than he apparently requires.

MR. CHAIRMAN: The Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, I wanted to deal with one particular question which I have been waiting a number of months to do so, and that is the question of the direction that the Minister and his department intend to take in relation Morden Fine Foods.

Now, I asked him in the last session if he could give me some information. I asked him that in the mini-session and he told me then that he wanted to wait until the regular session and the Estimates debate. I therefore want to take this opportunity to determine what actions the department has taken in regard to that particular Manitoba company. Because it was brought out in the election campaign in September with some fanfare that the First Minister — now the First Minister — made a big hullabaloo about how he had discovered and uncovered a memorandum requiring government departments and agencies to buy food directly from this government-owned and operated company.

MR. BANMAN: Mr. Chairman, just on a point of procedure, I don't mind dealing with the subject matter but I wonder if the member could wait until we get to the Manitoba Development Corporation portion and we could deal with it at that time.

MR. CHAIRMAN: The Honourable Member for Ste. Rose.

MR. ADAM: Mr. Chairman, the Minister is asking us to support and pass his Estimates and we're quite willing to co-operate with the Minister and endeavour to proceed with the business of the House.

I have asked the Minister two questions on statements that he made in his opening comments and I have been unable to obtain an answer. I suppose he doesn't have to answer. I will ask him once more if he wishes to answer, and if he doesn't answer then I only have to assume that the Minister has refused to clarify statements that he made in his opening remarks.

So the opening remarks that have concerned me is . . . In his opening remarks the Minister says, "No. 3 — The minimizing of government interference and disruptive regulations and unnecessary cost burdens on the economic progress," of small business, I presume. So I ask him now, is he aware that another Minister, the Minister of Agriculture, indicates in the Throne Speech that there will be a beef checkoff on livestock, and that I presume the small business auction marts, these are small entrepreneurs, will be obligated to collect these petty fees to grease-up the Manitoba stock growers or beef growers, of which the Minister of Agriculture is apparently an honorary member and a member of some kind.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Well, in direct reply to that question, Mr. Chairman, let me say that the Minister of Agriculture, I understand, is going ahead and will be presenting some kind of legislation along that line, and when something comes up and whatever happens in the House, we will have to take that into consideration and see what kind of paperwork burden that places on people.

MR. CHAIRMAN: The Honourable Member for Burrows.

MR. HANUSCHAK: Yes, Mr. Chairman, I wish to address myself to Item 1. (b), Executive, and I believe that under this section we are dealing with the policy direction given to the department. In particular I would like to respond to a speech made under this item by a backbencher from the government side, the Honourable Member for Roblin, before the House rose prior to 5:00 o'clock. And I did not respond to it earlier because I was of the impression that the Honourable Minister had some comments to make, perhaps other members had some questions to ask, so therefore I deferred my comments until this time.

But anyway, Mr. Chairman, you will recall that at that time the Honourable Member for Roblin stated, and I am attempting to recall from memory, words to this effect, that it wasn't until the present government was elected that a government spoke to his constituents. Well, Mr. Chairman, I suppose that if the question was in order, then I am in order in responding to it. I suppose, Mr. Chairman, that at that time we . . .

MR. CHAIRMAN: Order please. The question that the Honourable Member for Roblin raised was not in order, it was a remark made across the House, and if you are responding to that I would rule it out of order. If you would speak on 1.(b)(1).

The Honourable Member for Burrows, please.

MR. HANUSCHAK: Yes, Mr. Chairman, it is my intention to do so, and I appreciate the problems that you are faced with, but as I recall it, at that point in time prior to 5:30, the Honourable Member for Roblin rose in his seat and he was recognized by the Chair and he spoke. Therefore, I intend to continue with my remarks and I hope that I will relate them to item 1.(b) in the Estimates.

Tuesday, April 4, 1978

Mr. Chairman, I wish to respond, and in relating my remarks to item 1.(b), I wish to respond to a horror story which we had heard before 5:30. And the horror story was that the Honourable Member for Roblin was not aware of the previous government speaking to the constituents of Roblin. That is the horror story and it is a sad one and it is one that his constituents ought to know, that for eight years their member was not aware of the government of the day speaking to them. They were aware but he wasn't. That, Mr. Chairman, is the horror story. I suppose — I'm not sure what kind of horror stories this First Minister was referring to — but there was a horror story that was told in this House. That is another horror story.

At this point in time, Mr. Chairman, and I know that this is the first — really, this is the second session of this House, the first one having occurred in November — the first that you are chairing Committee of Supply and as some previous members may know but newly-elected members may not know, that there is no restriction on all honourable members entering into debate of the Estimates of Supply. I would hope that honourable members of the back bench would feel free to participate in the debate of Estimates of Supply. And being them, I would not pay too much attention to the Honourable Minister without Portfolio responsible . . .

MR. CHAIRMAN: Point of order?

MR. JORGENSEN: On a point of order again, I know my honourable friend is struggling to find something to say in order to kill time but I wish he would relate his remarks to the subject that is under discussion and that is the Department of Industry and Commerce. The remarks that he is making right now have nothing to do with Industry and Commerce. I wish he would relate his remarks to that subject.

MR. HANUSCHAK: Mr. Chairman, I am now rising on a point of order. Earlier today the Honourable House Leader at one time described by my honourable friend, the Member for St. Boniface, as the minister responsible for questions, indicated to the Committee that he is going to control the answers given by the Ministers whose Estimates are being debated.

MR. JORGENSEN: Well, Mr. Chairman, now I rise on a point of privilege because I made no such statement and I want the honourable member to understand that. If he is incapable of understanding plain English, then he should stay away from pure Scotch.

MR. HANUSCHAK: I would suggest that the Honourable Member for Morris read Hansard when it is published and distributed in this House at the first opportune moment, to read the comments which he had made in this House earlier this afternoon. If he will do that, and if he understands English as he claims to do, he would find that that is the only way in which his remarks made at that time could be interpreted.

However, the fact of the matter is, honourable members, that you are quite at liberty to participate in the debate and if there is going to be any restriction placed upon answers from Ministers, there is no restriction upon the questions that you may ask or comments that you may wish to offer.

When the honourable member — and speaking about the Department of Industry and Commerce, dealing with the people of Manitoba, speaking to the constituents of Roblin, one of the 57 constituents in this province, I would like to remind honourable members, particularly the newly elected ones, that there was a time in the caucus of the Member for Roblin, when your caucus did not speak to one of your members, never mind to the people of the province, but to one of your members, you ignored him. You ignored him to the point where eventually he severed his relationship with you and sat as an independent the late Gordon Beard, the Member for Churchill and the Honourable Member for Roblin talks about government speaking or not speaking to a constituency.

Well, Mr. Chairman, it is indeed regrettable that we do have amongst our midst someone suffering from an ailment, such as the Honourable Member for Roblin appears to be suffering from. I thought that the story of Rip Van Winkle was an interesting one to read at one time but we appear to be seeing a re-enactment of it. The constituents from Roblin ought to know that their member was unaware of the fact that during the years 1969 to 1977, the government of the province did speak to the province and did speak on matters relating to the Department of Industry and Commerce and on matters related to other departments and this was confirmed and admitted by the First Minister, the Leader of your party, the Premier of this province, that the previous government did speak to the constituents of Roblin as it did to other constituencies in this province.

Regrettably the Member for Roblin is unaware of that. —(Interjection)— The Honourable Member for Roblin is speaking from his seat again and he will — he is quite at liberty to his feet when I sit down and give his speech and I hope that he will and I hope that other members from the backbench will also.

Therefore, I would ask the Minister of Industry and Commerce as he deals with his estimates under this appropriation and under following appropriations that in the course of outlining the record of performance of his department, that he would indicate to the members of this committee, and in particularly for that member of his caucus sitting in the backbench who is unaware of what the previous government had said to his constituents, in many many ways as related to this department and others, just exactly what the government had done, because he seems to be unaware of tuat. It

seems that during that eight-year period he had fallen asleep or whatever had happened, but anyway, he was unaware of it.

I would ask the Minister to cite chapter and verse of what this government had done as related to his department as it applies to the people of Manitoba, and in particular to his constituents, for his benefit so that he would know and also for the record. Because if the Honourable Minister does not do that then the word of the Member for Roblin will stand on the record, that the government had not spoken to the constituents of Roblin, the government had ignored them, but the fact of the matter is that it had not in any department and certainly not in this one.

So, and I'm indicating to the Minister without that Portfolio that I intend to — (Interjection)—Well, whoever's putting himself in charge of this portion of the Legislature's proceedings, that I will be asking each and every Minister the same question — particularly for that Minister's benefit. And, so the Honourable Member for Roblin who appeared earlier today to want to tell us something, I presume, related to the debate of our Estimates, he wanted to tell us something about Churchill which he still hasn't told us and if it's relevant to the debate I hope that he will stand in his seat and tell us so that eventually he will know the number of times that the New Democratic Party Government has spoken to the constituency of Roblin and to all ridings of the Province of Manitoba and what, in fact, we told them and what, in fact, we did do. I do hope that we will hear those thousand speeches or a thousand of whatever it is that the honourable member is referring to. And so that's my first request of the Honourable Minister, that in reviewing the performance of his department that he would make a special effort to impress upon his colleague, the member for Roblin, what the government, the department had said, had done for his constituency.

My second question to the Honourable Minister is that the Minister, and this again relates to a comment made by the Minister in his opening remarks when he says that he and the department are active in improving the business environment by reducing the personal income tax and all the other taxes that he cites in that sentence. I would like to know, Mr. Chairman, in his attempt to improve the business environment, and I would think that in improving the business environment he is also implying that he is attempting to attract business and industry to the province, I would like to think business and industry from other jurisdictions outside the province to locate here and thus enhance our economy. I would like to know what it is that he is doing to make the people in other provinces of Canada aware of these accomplishments to which he had made reference in his opening remarks which were ruled in order and not out of order, so therefore I feel quite at liberty to respond to them, and I see the Honourable Minister is looking to the House Leader for some direction. Well, that's fine. I would like to know what he's doing.

I had made reference on another occasion to a firm that closed its operation in Calgary, and which is moving its staff to two of the highest taxed provinces; one, Ontario, and another, also saddled with another problem — one of separatism — Quebec. I'm speaking of Firestone Tire in Calgary, and they're moving their staff down there. Is the Honourable Minister making some attempt to attract that portion of the Firestone Tire operation to the Province of Manitoba? Is he telling them that, look, here we have a province wherein a new government was elected last October and we rushed to pass the following legislation within six weeks after election. Within not more than four weeks after taking office we abolished succession duties, we abolished gift taxes, we reduced income tax and we reduced the corporate tax, the small business tax, and we've done all these things to make ourselves attractive to you. Rather than buying your plane ticket to fly to Ontario or to the Province of Quebec, or driving over to the provinces of Ontario or Quebec, would you consider locating in Manitoba, because here we've done all these things which we believe are the things that must be done to attract business and which we believe do in fact attract business.

I want to mention to you, Mr. Chairman, I am not of the same mind because I do not think that that is the one and only way in which you attract business. In fact I don't think that in this manner the Honourable Minister is going to attract any business. I would like to hear the Honourable Minister tell us what he is doing with this legislation to attract, by improving the business environment what is he doing to attract business from outside the boundaries of the Province of Manitoba to locate itself here.

I would also like to remind him of the question that I and the Honourable Member for Selkirk asked earlier, and I don't believe — now he may have responded to it because I do apologize for having come in a minute or two late — when we asked him to give us the data on the number of jobs lost, number of jobs created, and I added as a supplementary question I wanted to know the number of jobs that came into being as a result of the legislation passed by this government during the latter part of November and the beginning of December.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE: Mr. Chairman, it's generally conceded when members opposite make charges or allegations against the people and the constituency that I represent that I should rise to my feet and defend those people and defend my right to speak in this House. Mr. Chairman, I rise with a lot of reservations tonight because I'm following an ex Speaker of this House who never breaks the rules and decor or the protocol of this House, one of the people who knows the rule book much better than I, Mr. Chairman — a man that has great dedication, knows the rules, sat in that Chair and would never, Mr. Chairman, ever flout or challenge your rules or break the rules. And with great compassion I follow this great ex Speaker of the House. I suspect under 1.(b) that he was in violation of the rules of this House, and I hope, with leave and, Mr. Chairman, may I ask leave to speak because I will be

Tuesday, April 4, 1978

violating the rules of this House the same as he was —(Interjection)— well then I'll sit down.

MR. CHAIRMAN: The Honourable Member for St. Vital.

MR. WALDING: Thank you, Mr. Chairman. I had a question or two for the Honourable Minister. I believe it was yesterday that the Minister of Finance made a couple of remarks about zero based budgeting. He mentioned at that time that he had sent a document around to all of the Ministers for their perusal. Can I ask the Minister whether he received that document and whether he read it.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Yes, Mr. Chairman.

MR. WALDING: May I ask the Minister' Mr. Chairman, whether it arrived in time for him to put it into place in discussion of his department's Estimates, or perhaps he'd like to tell us whether he agrees with the principle of zero based budgeting, and whether he intends to proceed in the future.

MR. BANMAN: Mr. Chairman, that was not employed while we were going through the Estimates.

MR. WALDING: Mr. Chairman, does the Minister agree in principle with that type of budgeting and does he intend to use it in his department's Estimates in the future?

MR. BANMAN: Mr. Chairman, when we have time to look at it a little closer in next year's Estimates I'm sure we'll give it some consideration.

MR. WALDING: I wanted to ask the Minister a couple of questions on the reconciliation statement and I hope that I'll be in order under this item since it doesn't appear under any other resolution or appropriation.

MR. CHAIRMAN: I think if you are going to ask any questions other than on Salaries 1.(b)(1), there is a time for asking the questions later.

MR. WALDING: . . . Mr. Chairman, you would give me some guidance as to where I might ask questions about the Reconciliation Statement and the Summary of Programs under the Industry of Commerce which appear on page 48.

MR. CHAIRMAN: To the Member for St. Vital, it would come under 1.(a) Minister's Compensation and Salary. If you will allow yourself to speak on it at that time.

MR. WALDING: I wonder then, Mr. Chairman, since this 1.(b)(1) covers the Minister's department and his Deputy Minister and the drawing up of the Estimates in that department, whether I might not ask the Minister as to those two functions which were transferred to Finance and to the Executive Council as to what they covered?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: I wonder, Mr. Chairman, if the member is referring to the Energy Council and I guess, the larger figure, which is MHRC.

MR. WALDING: Mr. Chairman, the two items I was referring to was an amount of \$154,000. and another amount for \$17,003,800.00.

MR. BANMAN: Yes, Mr. Chairman. The first one is the transfer to the Department of Finance of the Energy Council; the second one is the Manitoba Housing and Renewal Corporation.

MR. WALDING: Thank you, Mr. Cuairman. I'd like to just ask the Minister if could confirm that there is no Capital amount in his Estimates for this year?

MR. BANMAN: Mr. Chairman, I can confirm that — yes.

MR. WALDING: Mr. Chairman, I'd like to go back now to follow up on a comment that the Minister of Finance made when he introduced the Interim Supply Bill, when he said that the first round of Estimates, if they had been approved would have shown a deficit of \$300 million. I'd like to try to zero in on the Minister's department, what portion of that came under Industry and Commerce. Can the Minister tell me the first time that the department produced the preliminary Estimates for the previous Minister — the Minister in the previous government? Can he tell the House what the amount of those Estimates were at that time?

MR. CHAIRMAN: The Honourable Member for Ste. Rose.

Tuesday, April 4, 1978

MR. ADAM: Mr. Chairman, in view of the fact that the Minister is looking up the information for the Member for St. Vital, perhaps I could ask the Minister another question that I see he made in his opening comments, in that he indicates that he met with Mr. Lessard, the Minister in charge of the Regional Economic Expansion, and I would ask the Minister if he has received a commitment from the federal minister responsible for the Regional Economic Expansion, as to how much money will be coming in for industrial development in the Province this year or in the next five years.

MR. BANMAN: Mr. Chairman, an industrial development agreement as I mentioned is being negotiated and we hope to have that resolved in the very near future. The amount of money that's involved is somewhere in the neighborhood of \$40,000,000 over a five-year period and that's what is being negotiated on right now.

MR. ADAM: Yes, Mr. Chairman, I am reading from a press release or a news item in the Financial Times, and it indicates here the industry in Manitoba — I'll read it for the Minister's edification because he had just mentioned that within the next five years there will be \$41,000,000 in funds, federal funds, coming to Manitoba. I will read it — "The federal government will spend 26.4 million over the next five years to stimulate industrial development in Manitoba. The program which will largely be funded by the Federal Department of Regional Economic Expansion will focus on attracting high technology industry." How does he reconcile this news item in the Financial Times with the figure he has stated — \$41,000,000.00?

MR. BANMAN: Mr. Chairman, as the member — maybe he didn't understand me correctly — I said it was in the neighborhood of \$40,000,000.00. If the member understands the agreements, any DREE agreements that the Province has in the past, and I guess in the future, will sign unless we can get the formula changed — it's a 40-60 funding; 40 percent provincial, 60 percent federal. So if you take a figure of roughly about \$44,000,000, the federal input would be about 26 million.

MR. CHAIRMAN: The Honourable Member for Burrows.

MR. HANUSCHAK: Yes, Mr. Chairman, further to the question raised by my honourable colleague, the Member for St. Vital, in view of the fact that the Honourable Minister of Finance was able to come up with a total figure of the preliminary estimates, the departmental estimates submitted to the government prior to October 11th, then there must have been a figure obtained from his department and I would think that the Honourable Minister should know it. And then as we go through the Estimates of the various departments we should be able to total up the figures as submitted by the Ministers and see how they square with the figure given to us in the House the other day by the Minister of Finance, and so if we know that preliminary estimate, the total preliminary estimate for all the departments, surely the Honourable Minister should be able to tell us what the preliminary estimate figure was which he had inherited when he became the government on October 24th.

MR. BANMAN: Mr. Speaker, I understand the request from the department was somewhere in the neighborhood of 7.6 million. Let me just clarify this very briefly, Mr. Chairman. One of the problems, I think, and the previous Minister probably had too, after the request is taken into consideration and you do some cutting then the interesting thing that evolves from this whole thing is that all of a sudden that is a decrease, and the way I have always been used to working is you take the figure that you spent last year and then you go ahead and if there is a 2 percent increase or 3 percent increase on top of that figure that's the figure of increase or decrease. But somehow this doesn't quite work that way and I don't mind admitting that. In the first instance what really seems to be a decrease in spending very often ends up being a net increase. And I don't particularly put any stock in this particular figure that the member wanted, I think that you have to look at the Estimate and you have to look at it. —(Interjection)—

MR. CHAIRMAN: The Honourable Member for St. Vital.

MR. WALDING: Thank you, Mr. Chairman. I wonder if I might continue that line of questioning that I was asking before. The Minister has just given us a figure in the region of \$7.6 million. I assume then from that that it could not include the two amounts for the Energy Council and MHRC. Is he then telling us that the decision to transfer those to other departments was made during the term of the previous government?

MR. BANMAN: No, Mr. Chairman, the figures that I produced here are those that deal with the affiliated agencies as well as the Department of Industry and Commerce.

MR. WALDING: I wonder if I can then ask the Minister the same question again, Mr. Chairman, and ask him that since this figure that he has just given us, which he says was prior to the election, does not include the two amounts that under the present Estimates are under Finance and the Executive Council, if that therefore means that the decision to transfer those two appropriations was made by the previous government?

MR. BANMAN: Mr. Chairman, I understand that figure that I have given would include the Energy Council and not the Manitoba Housing and Renewal Corporation.

MR. WALDING: Mr. Chairman, my attention was temporarily distracted. I wonder if the Minister would repeat that, please.

MR. BANMAN: I understand that figure would include the Energy Council but would not include the Manitoba Housing and Renewal.

MR. WALDING: Can the Minister then tell us what the amount of the Estimates was that was submitted to him as Minister?

MR. BANMAN: Yes, Mr. Chairman, for all intents and purposes it was \$7.6 million.

MR. WALDING: Thank you, Mr. Chairman. Can the Minister tell us whether he, as the Minister, cut this amount down at all before it was submitted to Cabinet or whatever the body is that reviews total budget?

MR. BANMAN: Yes, Mr. Chairman, we went through the Estimate process and there were cuts made.

MR. WALDING: Can the Minister be a little more specific and tell us what the amount was that was then brought into Cabinet from his department?

MR. BANMAN: Well, Mr. Chairman, the difference between that figure and what is printed in the Estimate Book.

MR. WALDING: Do I understand the Minister to say that any cutting that was done in the Estimates of this department were done only by him and not by Cabinet or by Management Committee?

MR. BANMAN: In consultation, Mr. Chairman.

MR. WALDING: Mr. Chairman, I'm trying to get a figure from the Minister of what he, as the Minister, recommended as being the approved budget for his department. Mr. Chairman, I am trying to get from the member whether he in fact recommended that \$7.6 million should be the budget for his department for this year, or was it cut down by him as the Minister and if so, to what?

MR. BANMAN: Mr. Chairman, the figure that I have given the House is not the figure that I recommended to Cabinet. The final figure that we came up with is the figure in the Estimates Book.

MR. WALDING: Then, Mr. Chairman, do I assume from what the Minister says that all of the cutting of the budget was done by the Minister and none of it by Cabinet or by Management Committee? Can the Minister confirm that?

MR. BANMAN: No, Mr. Chairman, as the member knows, there was a review conducted and there were different areas looked at. But the difference between the figure that I have quoted him and the final analysis, the allocation of funds and where the moneys would be spent was done in consultation with the department.

MR. WALDING: Mr. Chairman, the Minister said that there was some review done or a review process. Could he clarify that for me, please?

MR. BANMAN: Yes, Cabinet, Mr. Chairman.

MR. WALDING: Thank you, Mr. Chairman, I'll try again. Can the Minister tell me what figure was submitted to this review process or the Cabinet for their discussion and by what amount did they cut it down by to arrive at the final 4.6?

MR. BANMAN: Now, if I understand the member correctly, you are asking what I submitted to Cabinet and then we went through the process there. The figure submitted to Cabinet was roughly \$5.3 million, so that would be about — including the affiliated agencies — a \$600,000 difference.

MR. WALDING: Thank you. Then, Mr. Chairman, what the Minister is telling us is that because of his scrutiny of the department's budget, that he reduced it by an amount of almost 30 percent before it even went to Cabinet.

MR. BANMAN: Yes, 30 percent of the original request, yes.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, just following on that line of answers, I think the important thing that we would like to know and which I think the people of Manitoba are entitled to know is that when the Minister of Finance waved the figure of \$300 million and took great credit for reducing that from what he claimed was the former government's requirement, and when the Minister responsible for the Task Force today on the radio spoke about \$400 million for the current year, that it would appear that the Minister himself reduced the request by the department by some \$2 million plus. It would be very important, I think, and illuminating to know whether the \$300 million referred to by the Minister of Finance was based on \$7.6 million or \$5.3 million or \$4.6 million submitted by this department.

MR. CHAIRMAN: 1.(b)(1)—pass? The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, the reason I make that point is that the Honourable Minister is not just Minister of the department but is a member of Cabinet and as such would know, surely, what one of his colleagues is saying about the \$300 million, as what part of that is the part which was reduced out of his department's budget. I think it is a very important question because as the Member for Burrows said, we can then add it up and see just where that money was.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Chairman, I wish to express my appreciation for the candour of the Minister. As I said earlier, I wish the Minister of Industry and Commerce well. I'm not too sure about the Minister of Tourism and Recreation though.

Nevertheless, Mr. Chairman, earlier I didn't want to interrupt the questions of my colleague, the Member for St. Vital, but I think it should be underlined — the Minister's candour I said I appreciate — that he is a responsible person and I found him to be so over the years that I have worked with him, has disassociated himself with the type of interview that was given by Mr. Riley from Texas, I believe. He's not answerable to the House but nevertheless he gives interviews to the press and the \$400 million that you have disassociated yourself from such remarks, I wish to thank the Minister.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. EVANS: Thank you Mr. Chairman. Following along the remarks made a few minutes back on communication, of the Minister, with communities, with industry representatives and so on and I would commend that suggestion to the Minister. There was some criticism offered by the Member for Roblin on this matter and I would like to take half a minute or so out just to speak on that by way of suggestion to the minister, in the way that he may better carry out his duties as it indicates here under Executive requiring policy direction, central administration and so on.

First I want to correct a statement made. I think on two or maybe three occasions the minister stated that I, as a previous minister, had two executive assistants. I did not have two executive assistants. I had one executive assistant located in Brandon and from time to time I had different administrative staff personnel help me in the office here in Winnipeg. They Varied in personnel over the years and there were periods of time when there was no one employed and it varied over the years.

I want that mis-impression corrected and the records will show that there was but one executive assistant retained and I just might add that after five years service he was paid not too much more than the present minister's executive assistant is now starting out at, but that is another matter.

The question of communication with the business community, the minister made reference to that and obviously you should communicate. I would point out that over the years I made an effort to discuss various industrial problems — industrial development problems with the Manitoba branch of the Canadian Manufacturers Association. We have met on occasion with the Winnipeg Chamber of Commerce. We set up various committees from time to time. We had discussions with the clothing manufacturers through the Fashion Institute, and so on.

I would commend this to the Minister and as one of my colleagues earlier today said, therefore, communication with the industries in Manitoba, with industrial representatives in Manitoba is not new, it has been going on for some time. And so too with the people and business community outside the City of Winnipeg. The Member from Roblin made some reference to the fact that, in his opinion it was a fact that no one paid any attention to Roblin constituency, and of course, he knows differently. Unfortunately he is not in his seat at the moment, but he knows differently. In fact, I recall being in his particular constituency on two and perhaps three occasions as Minister of Industry, not as Minister responsible for housing — I am glad the member is back in his seat now — not as Minister responsible for housing but long before, as Minister responsible for the Industry and Commerce Department, we met, I think we were there on two and possibly three occasions, and I do recall that on one occasion we had a problem presented to us respecting the Roblin Forest Products Limited, and we did something, I believe, with the department, to assist that particular company that was having some problems at that time. I won't go into it — (Interjection) — Well, that was prior to that. — (Interjection) — Well, that's right and if North American Lumber hadn't bought it it may not have been in existence today. .

MR. McKENZIE: People owned it before but a corporation bought it.

MR. EVANS: Well, the local people sold it to a corporation. That is what they call free enterprise, remember?

At any rate, we were in the honourable members constituency on several occasions, meeting with the Chambers of Commerce, meeting with the Councils, and having coffee and doughnuts. Norm Bergman was with us so we had to eat our way around.

MR. McKENZIE: The forty units of housing was a beauty. That was a beauty.

MR. EVANS: That remains with your government now, the question of whether housing proceeds — I know that it would have proceeded if we were in government — it is an open question now.

MR. McKENZIE: You are polluting the Shell River with that 40 units of housing. No permits, you don't need to go to the Clean Environment Commission, just build it.

MR. EVANS: Mr. Chairman, the honourable member is speaking from his seat and he is talking about a matter that really doesn't bear on the estimates at hand.

MR. McKENZIE: That was the last clean river in Manitoba, the Shell.

MR. EVANS: I regret asking him to go bc back to his seat.

MR. McKENZIE: You guys polluted it. I'll go, my time's coming.

MR. EVANS: At any rate, not only did we visit Roblin but we visited the constituency of the Member for Roblin's seat mate, the Meb Member for Swan River, on a number of occasions and I do recall again meeting not only with municipal officials but also the Chamber of Commerce people and I recall being told very vividly about the problem of developing the Swan River Airport. I remember being there on at least two occasions on that problem and I think we have done something to help that community improve its airport, and I think it has a very fine airport today compared to what existed a few years ago.

Mr. Chairman, for our information, this is well within the department, or it used to be within the departmental estimates because transportation was a branch of this particular department. I think it still is, if the Task Force recommendations are carried out it may or may not be, but at the moment it still is and that's within the executive purview of the Department of Industry and Commerce.

As a matter of fact, I recall, for the members' interest, I recall on one occasion, one summer, I believe we visited 25 communities in the province, 25 Chambers of Commerce, 25 municipal councils that we met, not within one week or two weeks, but scattered over a period of a couple of months, and it is a real learning experience, and I would commend it to the present minister. It is something that can be done very easily, in fact, it is a learning experience and it can be a very enjoyable experience.

What I would like to ask the Minister, and again I think this is the appropriate place because we are talking about the executive which is the focal point of central administration and it surely includes the central problem that the administration of the department should be concerned with, that advises the minister, as just to what is happening in terms of the creation of jobs by the private sector. I am wondering whether the Minister has obtained any estimates from his staff on the number of jobs being created in the private sector. I guess that question was asked earlier today, and perhaps you took it as notice or you gave some indication, but I would like to ask in addition: Has your staff — and I know you have research staff that is in this particular component of industry and commerce — whether your staff has attempted to estimate the negative impact on the private sector of cutbacks in government spending? In other words, have you any estimates, or perhaps could you obtain estimates of the loss of jobs in the private sector that is a direct result of cutbacks of a given amount of government spending in various departments. I am not suggesting that you do it in a hypothetical way, you can take it department by department, and of course you have to take the phenomenon of inflation into account and look at it in real terms.

That would be one factor you would have to take into account, but this is a very serious exercise, and I suggest it is something that I would commend to the Minister. If he hasn't bothered himself with this it is something that he should do, because I said earlier today, the so-called restraint exercise of this government is hurting private industry in this province. I think it is an important question that he should ask himself and ask his staff, to what extent are jobs being lost in the private sector because of cutbacks in government spending? Also, when he is in that process or when the staff is in that process of estimation, to attempt to estimate what the multiplier effect is of these cutbacks.

Not only is there a first impact, first reduction in jobs, a first wave or first round, but also there is second and third and fourth rounds that take place, because of the multiplier effect. In this instance, in a negative way. So what is the negative multiplier at work? I know this Minister will be concerned about or should be concerned about such effects, and he should apprise himself of this, and I, as a member of this House, would like to know whether he can give us some idea of this at this time, or whether he is prepared to undertake this type of estimate.

MR. CHAIRMAN: The honourable Member for Roblin.

MR. MCKENZIE: On a point of order. A second member from the Opposition has made allegations and charges against the people that I represent tonight, in the House, and I don't see how, Mr. Chairman, I could possibly speak on the Manitoba Housing and Renewal Corporation under this item, but the other member was allowed to espouse at great length. The former Speaker and Minister of Education, he was allowed to stray from the rules, and I wonder could I have the same leave, Sir? — (Interjections) —

MR. CHAIRMAN: Order please.

MR. SIDNEY GREEN(Inkster): Lest there be any misunderstanding, if the honourable member asks leave, then I refuse leave. If he wishes to speak, he can go ahead and speak.

MR. CHAIRMAN: Order please, order please. I have given quite a bit of latitude to everybody speaking. We are talking on 1.(b)(1), which are Salaries. I have probably made some errors in not ruling some of the talks out of order and I would apologize for not ruling them out of order. I think as a new Chairman that some of the members had tried and have, in fact, taken advantage of my being a new member, and I would at this time tell you that I will be trying to keep you closer in line with what the subject is.

The Honourable House Leader of the Opposition.

MR. GREEN: Mr. Chairman, just speaking to the point of order, let me say that I do not believe that you have made errors, I believe that you have acquitted yourself nobly in this House. I reject the suggestion from the Member for Roblin that you have not been conducting yourself properly. I say that you have been conducting yourself properly.

The item is 1.(b), Sir. Under 1.(b) we are dealing with the salaries of the Executive and the Deputy Minister. Now members may choose an item which is not the most appropriate item, but is nevertheless an appropriate item, because under the Executive salaries and the salary of the Deputy Minister, they're entitled to deal with all of the things that those executive people deal with and it would require very little ingenuity, as the Leader of the House knows, for every time a point of order was raised in that way for the member to indicate that it relates to the Deputy Minister's salary.

But lest you be led astray by the Member for Roblin, I suggest to you that if the debate does not take place on this item, it takes place on another item, and that therefore this kind of leeway that you have been allowing, is not only generous on your part, but it is appropriate, and you should not see yourself run down, or run yourself down because the Member for Roblin has no understanding of the Estimate procedure. You have done very well, indeed, Sir.

MR. CHAIRMAN: The Leader of the House.

MR. JORGENSON: On that particular point of order I am not going to disagree with the Member for Inkster, who is very familiar with the rules, and I might add adheres to them, and I am going to agree with him up to a point.

There were times during the course of the afternoon, when the honourable member wasn't here when we were talking about highways — we were talking about tourism — we were talking about many subjects that really do not relate to the Department of Industry and Commerce. And my points of order have simply been an attempt to relate whatever remarks were made to the Department of Industry and Commerce and the item that is under consideration.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, to get back to the Estimates. The particular study that the member has asked for, the staff has not undertaken that type of a survey.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. EVANS: Well, just as a follow-up question then, Mr. Chairman, would the Honourable Minister undertake or have his staff undertake such a study?

MR. BANMAN: Mr. Chairman, I'll talk to the staff about it and we will see what we can do.

MR. CHAIRMAN: 1.(b)(1)—pass. The Honourable Member for St. Johns.

MR. CHERNIACK: I was waiting for you to say 1.(b)(2).

MR. CHAIRMAN: 1.(b)(2).

MR. CHERNIACK: Mr. Chairman, just a brief question. Would the Honourable Minister please give us a breakdown of this item?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, the major items in that particular vote are: travelling, printing and stationery, automobiles, expenditures covering costs associated with ministerial meetings.

MR. CHERNIACK: Mr. Chairman, may I just make a comment. There does not appear to be any reduction at all from last year's Estimates for these very items of service to the members of the staff of the Executive department. No reduction at all as far as I can see.

MR. CHAIRMAN: 1(b)(2)? The Honourable Member for Innipeg Centre.

MR. BOYCE: Well, Mr. Chairman, I was waiting for the response to the Member for St. Johns' question, because will the Minister not agree that if it is the same dollars in 1978-79 as it was in 1977-78, that it in effect is a reduction. As he mentioned what the items are for, in this area it is most important that the senior officials of your department are able to attend these conferences and everything else, but by default we lose a great number of Federal dollars, for example. In effect, it is actually a cutback.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: No, Mr. Chairman, I think we can manage with those particular funds, the same amount as we had last year.

MR. CHAIRMAN: The Honourable Leader of the Opposition, and an apology, Sir, for not acknowledging you earlier.

MR. EDWARD SCHREYER(Rossmere): Mr. Chairman, I certainly want to reinforce the words of the Member for Inkster, that you are acquitting yourself so well in the task that the modesty you display really is entirely unnecessary, and we want to impress on you, Sir, that before too long we hope that you will shed this modesty, otherwise the task will become extremely difficult for you.

I do not intend to rise in the course of the Estimates too frequently, but I do wish to serve notice to the incumbent Minister of this department and with respect to all Ministers, for that matter, that one piece of information that I regard as important to the proper understanding of the scope and size of government operations — this department and others — is to simply ask for the number of personnel being requested, that funds are being requested for. Also the number of personnel actually in place and the number of positions authorized.

The reason I make that distinction and ask for the information in three parts is because, as so often happens in the public service of this and any other jurisdiction, is that there may be, for example, 42 staff, say as an example, positions, 42 positions approved but only 37 or 38 filled as at the end of any fiscal year. It becomes quite confusing and leads in fact to a rather childish game as to what the size of the Civil Service is at any given point in time.

I rise to make that request because I, for one, find it confusing, not unfathomable, because I think I can get to the full facts by resorting to the Statistics Canada Catalogue Series for full and comprehensive information. But I would think that the Estimates process within our own province is also an appropriate opportunity in which to ask for this information. Indeed, I think it is particularly relevant to ask for it now, given that we were told on repeated occasion that our public service is oversized and yet, according to the Task Force — and this is all perfectly germane to the Estimates now before us, to this and any department — the Task Force uses a figure, as released yesterday in the Task Force report, of approximately 15 civil servants per thousand population. I accept that figure, and on that basis I would submit, Mr. Chairman, that our Civil Service is in fact one of the leanest or smallest in Canada on a population basis, which is the only basis of making any kind of intelligent analysis. That being so, I ask the Minister now, with respect to Estimate entry 1.(b), (c), (d) and in seriate for information as to number of positions authorized last year; number of positions filled at the maximum point, and the number of staff they are requesting or providing for the upcoming fiscal year.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, in reply to the question, I think the Member for St. Johns received that with regard to this particular section before and I would have no hesitation in supplying the information as we go along.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SCHREYER: With respect, Mr. Chairman, I believe that the Minister's answer provided information as to the number of actual persons as opposed to the number of authorized positions, or vice versa, but not both. It is really quite important to ascertain both — the number of positions approved; the number of positions actually filled — because without one of those pieces of information, it is impossible to know whether there is in fact an increment or a decrease in terms of

Tuesday, April 4, 1978

actual numbers of persons in the employ of any given department.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, just to clarify my intent in this regard, I was planning to ask the questions seriatim as we went along. The Honourable Minister, I think, has indicated his willingness to give that information. May I therefore, in the interest of shortening the questioning period, request that possibly tomorrow morning he could arrange with his staff to give us all the information in written form, as requested by our leader, so that we have it and that should save, I think, quite a bit of time.

MR. BANMAN: Yes, Mr. Chairman, I think that by tomorrow afternoon we will be able to provide the breakdown and show exactly what the Honorable gentlemen opposite require.

MR. CHAIRMAN: The Honourable Member for Transcona.

MR. PARASIUK: I presume we are on 1.(c), that's Administration, or 1.(b)(2). Fine, I'll have to ask that later on.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Well, I wonder if we could get back to \$21,600, Other Expenditures. The Minister said what they were for — I would like a breakdown as to the allocation of these funds, Mr. Chairman. I'd like a line by line on this particular item. . . every line.

MR. BANMAN: Printing and Stationery 3.5; Postage, Telephone and Telegraph 2.7; Automobiles 3.6; Travelling 8.5; and Other 3.3.

MR. BOYCE: Thanks, Mr. Chairman, I don't have to mark it down, there is a recording of it, but I just note with reference to your Postage — the postage rates have gone up from 12 to 14 cents in the last few days, and will the Minister not agree that this actually in effect will result in a cutback in the service.

MR. PARASIUK: Mr. Chairman, I think I am in order with this question. It was on discussing 1.(b) that the Minister indicated that the Cabinet was forced to, or decided it would reduce the Minister's Estimate by \$700,000, and what I have done, I've used the logic of the Minister responsible for the Task Force on Economy and I have done some extrapolation and it would strike me that if you extrapolate that figure for the entire budget, the Cabinet was forced to reduce the Minister's Estimates — that is, the Conservative Minister's Estimates — by a total of \$244,000,000.00. Now, is that extrapolation a fair extrapolation to make or is the logic in arithmetic of the Minister responsible for the Task Force on Economy incorrect?

MR. CHAIRMAN: 1.(b)(2)—pass? The Honourable Member for Transcona.

MR. PARASIUK: Yes, I have just been asking the Minister whether in fact the Cabinet was forced to reduce his departmental, that is, his Ministerial Estimates to the Cabinet by \$700,000.00. Is that correct?

MR. BANMAN: No, Mr. Chairman, that is not correct.

MR. PARASIUK: I'm sorry, I thought those were the figures you gave to the Member for St. Vital. You told him that the Cabinet had to. . . well what are the actual numbers then — what are the actual figures by which the Cabinet had to reduce your Ministerial Estimates by?

MR. BANMAN: Mr. Chairman, in consultation with the Cabinet, we reduced my Estimate \$600,000.00.

MR. PARASIUK: \$600,000, that means then, that \$600,000 over \$4,600,000 times 1.6 billion dollars, would lead one to a figure of something in the order of possibly \$230,000,000, or \$220,000,000.00. Does that mean the Cabinet throughout was forced to reduce the Minister's Estimates by something in that large order — was that a general situation?

MR. BANMAN: No, Mr. Chairman, I am dealing with my particular Estimates. If the member has questions of the Minister who was in charge of the Task Force, then I would ask that he ask that gentleman those questions.

MR. CHAIRMAN: 1.(b)(2)—pass; 1.(b)—pass; 1.(c)(1) Salaries—pass? The Honourable Member for Brandon East.

MR. EVANS: I appreciate the fact the Honourable Minister is going to give us some numbers on personnel breakdowns tomorrow, but could he elaborate for us now exactly on the general thrust of the Administration section as shown here. Does it still include the word processing centre, does it still include the library services or have there been some changes made in the organization of the department? I can't tell from this, but I wonder if the Minister could advise us just what occurs under Administration. I am sure for a lot of members of the House, you see Executive in one place and Administration in another and it may be confusing. I know there's a difference, but I wonder if the Honourable Minister could explain generally what happens under this item (c)(1), for the money that is being paid out or that will be paid out, what services do the taxpayers get?

MR. BANMAN: Mr. Chairman, I should point out that the provisions are for administrating central accounting for budgetary, legal library, central filming, photocopy, receptionist, word processing centre and the administration of the secretarial support services. I am sure that the member has the same book that. . .

MR. CHAIRMAN: 1.(c)(1) Salaries—pass? The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, we will be getting a breakdown of this information and I would think that when we come to the Minister's salary we could elaborate on it. I am just pointing out to the Minister that that is the reason I am not questioning him as to the reduction in staff that's apparent here.

MR. CHAIRMAN: 1.(c)(1)—pass; 1.(c)(2)—pass? The Honourable Member for St. Vital.

MR. WALDING: Mr. Chairman, I have a question for the Minister. It comes about as a comparison with this item to the previous one, and I note that the salaries have been decreased in this appropriation and also the Other Expenditures in approximately matching amount. Can the Minister tell me why the Other Expenditures have decreased in this appropriation where they've remained the same in the previous appropriation?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, part of the cutback is due to some of the vacancies that will be left, the others are there are some cutbacks in such things as hospitality provisions, in monitoring a little closer the supplies in printing and some other publications of reports.

MR. WALDING: I wonder if the Minister could elaborate a little further, Mr. Chairman, I don't quite grasp the difference between the two appropriations.

MR. BANMAN: Mr. Chairman, one of the reasons, I guess, is that the amount of money that is voted here is directly proportional to the programming people that were involved in that and that the support for those particular individuals with regard to that, would mean that if there were fewer people around you would be spending a few less dollars.

MR. WALDING: I accept the Minister's logic, Mr. Chairman, but by the same token, can the Minister tell us why there is not a corresponding decrease in the appropriation under (b)?

MR. BANMAN: Mr. Chairman, the basic reason is that you still have got a Minister and you still have a Deputy Minister, and that remains fairly constant and there was only provision for one vacancy in that particular instance and, as a result, the other related costs are very much the same.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Chairman, through you to the Minister. The Minister mentioned printing — could you give me the comparative figures last year to this year, please?

MR. BANMAN: \$28,000 to \$23,000. 00.

MR. BOYCE: As I understand it, this work was all contracted out last year, so actually you're purchasing some \$6,000 less services this year from Manitobans than you were last year. — (Interjection)— I'm sorry, Mr. Chairman, am I correct that it was contracted to Manitoba printers and you're purchasing \$6,000 less printing this year than you did last year? .

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Yes, through the O-ueen's Printer, Mr. Chairman.

MR. CHAIRMAN: 1.(c)(2)—pass; 1.(c)—pass; 1.(d)(1)Salaries? The Honourable Member for Burrows.

MR. HANUSCHAK: Yes, Mr. Chairman, I would like the Honourable Minister to explain the fairly substantial reduction under this item, Promotion and Information Services, because I would have thought — in light of the fact, I believe it was in the opening paragraph of the Throne Speech Debate when this government had mentioned that it was their intention to restore the confidence of the private sector in government — that this Minister, under this item I would think, not unless it's under some other item, but I would think it would be under this item that he would have wanted to spend funds to make the private sector aware of what this government had done during the months of November and December as he had indicated in his opening statement, that he has been active in improving the business environment by reducing a whole host of taxes. And I had asked the Honourable Minister earlier to what extent he is attempting the familiarize the business sector in other parts of Canada with what he has done, and yet I note about a \$36,000 reduction, and could the Honourable Minister explain that?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Well, Mr. Chairman, I think in looking at the staff involved with this particular section of my department, I think that the people that are in it right now can do an amiable job in getting out such things as the Manitoba Business Review and other things as well as writing and doing some illustrating work for the department, and I think the people in that particular complement will be able to carry out that function very well and produce any material that the department requires.

MR. CHAIRMAN: The Honourable Member for Burrows.

MR. HANUSCHAK: I'm sorry. I believe the Honourable Member for Brandon East has some comments or questions on this.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. EVANS: Yes, Mr. Chairman, I wonder if the Minister could elaborate for us on just what is going to be the thrust with this reduced budget. I know he's got some very excellent personnel, a very excellent staff in his branch who have done a very good job over the years. They are being given fewer dollars to operate with, but nevertheless I think the topic is worthy of some elaboration. Just exactly what is going to be the promotional thrust of the department in the year ahead? I think, as my colleague from Burrows inferred, or suggested, in the past, at least I recall, when the Honourable Member for River Heights was Minister of Industry and Commerce, a great deal of money and attention, energy and effort went into promotion. We even had a summit conference and we had drummer boys and we had Rothchild and spotlights and beautiful — we had, I don't know how many people, 2500 people sit down at a dinner one night and so on. A great deal of money was spent on promotion and a lot of money was spent on advertising overseas and so on, and obviously this is not going to happen this year or not according to this budget — with this money you can't get Madame Benoit. At any rate would the Minister elaborate on what the promotional program will be in the years ahead, in this year ahead? You know, where are you going to advertise, how are you going to advertise, or are you going to advertise, or are you going to have some new pamphlets, new brochures outlining the opportunities in the province or what have you?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, just to elaborate very briefly as to what the branch is going to be doing: 1. Some of the cuts are attributed to the moving out of the Energy Council which the member knows has been moved to the Department of Finance, and I understand the department won't be doing that particular work. There's a little less work being done for the affiliated agencies as well as there has been fewer dollars allotted for advertising so the branch we feel, with the director and the staff that he has right now, will be able to amply handle the work load they're being asked to do and we felt the assistant director and several other staff people weren't required.

MR. EVANS: Well, Mr. Chairman, I thank the Minister for that information but that was not really my question. My question was just what is going to be the promotional thrust of the department in the forthcoming year? Are you planning any new brochures? Do you have any special advertising program in mind? Are you going to be engaging in any special promotional shows?

I just might mention, just by way of an example, I think it was about a year and a half or two years ago we had what was called "Operation Access" which was a fantastic effort bringing a thousand businessmen together along with the Department of Supply and Services and our own purchasing bureau in the Department of Public Works. We tried to make the Federal Government aware of what Manitoba businesses could produce, and we wanted Manitoba businessmen in turn to know what the opportunities might be in selling to the Federal Government as well as our own provincial government, and this was called "Operation Access". It was a very large exercise. I think it was a worthwhile exercise, but it was an important thing because if anything, as I said yesterday . . . You know our relations with the Federal Government and what the Federal Government does in Manitoba

is very important in the sphere of economic development, and we have said, along with our sister provinces to the west of us, that one of the handicaps we feel we're suffering in this part of Canada is that the Federal Government is not purchasing enough goods and services from Manitoba business, and we have figures to prove that and there's no question about this. Ottawa responded, they recognized this. One way they responded was to participate in this particular promotional show called "Operation Access."

So my question is: Does the Minister have in mind any similar types of shows, or have they got any special trade shows that they will be sponsoring to promote Manitoba-made goods whatever they may be — recreational equipment or agricultural implements or whatever? And also what has he in mind in the way of brochures? Brochures have a way of getting dated and it seems to me that they have to be revised from time to time. You need different figures, updated figures, and so on, and this is part and parcel of the job of promoting Manitoba as a place to invest. I'm not saying it's the panacea at all but you have to do some of this and obviously you're going to do a limited amount, and I'd like to know just what is planned.

MR. BANMAN: Well, Mr. Chairman, the Minister will appreciate that some of the programs are on-going programs such as the support for ongoing seminars. The department has hosted several, or held several seminars related to the new Corporations Act informing the people of the new, different criteria and different steps under the new Corporations Act. The department will be doing public relations; I guess one of the bigger pieces of work that has been done in the last little while is develop a good presentation along with a brochure for the new fighter aircraft program and that fits in with sort of the thing that the member was talking about. As the member knows that is going to be a fairly large contract once it's handed out and Manitoba, of course, is very anxious to get its share in that particular program. The department has presented an excellent slide and presentation with regard to that and they have been showing it to the different companies as they've come through Manitoba through the different bidders of that new fighter aircraft program and that has been one of the larger undertakings of the department.

MR. EVANS: Thank you, Mr. Chairman. Now, two other specific questions in regard to advertising in papers, business magazines and so on that are published outside of Manitoba, whether they be in the United States, or Ontario, or the United Kingdom, what have you — is there any plan to advertise Manitoba in foreign or out of the province publications?

MR. BANMAN: MR. Chairman, I'm informed that there will be a certain amount of advertising in different magazines on a limited basis.

MR. EVANS: Well, one other question then, Mr. Chairman, and that relates to the Manitoba Business Review which used to come out ten times a year. I think it was reduced to a quarterly last year and I'm not sure whether I saw the latest issue — I saw an issue the other day and I'm not sure whether it was the last quarter of 1977 or the first quarter of 1978 — but what struck me about the particular magazine was that it was very colorful. But that particular issue had very little content in it and I found that very surprising because it used to contain, and has contained, a lot of information over the years about developments in the province. It used to feature stories about unique production capabilities of different companies. There were stories on Manitoba business people. There were informational issues on a new industry that has come along. Now it's possibly because there's very little happening in Manitoba industry-wise right now — maybe that's the reason — and I say that very conscientiously that maybe so little is happening there's very little to put into the magazine. But I say, you have a free mailing list of well over 12,000 people and the magazine goes all over the world, primarily in Canada but outside of Canada, and it seems to me that the last issue in particular was so thin I just wonder almost what is the point of putting it out. It would seem to me better to put it out less frequently, although it seems to me you couldn't reduce it much more than we have already. We reduced it from ten times a year to four times a year and I don't know whether you could cut it down to a semi-annual or an annual — maybe the best thing would be to eliminate it altogether, I don't know.

But I do know it has a large readership, you do have a large mailing list, and I think it has been well received — I know it has been well received in the past. What I'm concerned about is the lack of content, the lack of material, and it can serve as a useful vehicle for information to buyers in Manitoba; it can provide a lot of technical information to Manitoba businessmen and it seems that this last issue has fallen down in that respect, and I think there's a lot of room for improvement.

So my suggestion is, well I guess it's a question, you know, are you going to carry on with a very meagre publication or do you fully intend to beef it up to the stature that it had been in the past where it contained a lot of useful technical information, a lot of news about what was happening in the province, or is it your intention to phase it out entirely?

MR. BANMAN: Mr. Chairman, the Business Review will be printed on a quarterly basis. I'm informed by staff — I don't know which issue the member saw — the last edition had eight more pages than the other one did so it's even a little bigger, and I'm sure that staff sitting here will take note of some of the comments the member made when they're working through the Estimates.

MR. EVANS: Thank you, Mr. Chairman. I can't recall whether it was the last quarter of 1977 or the first quarter of 1978, I don't remember. But at any rate, which brings me to a point, I'm not sure whether the MLAs of this Legislature are on the mailing list, and if they aren't I think it's a good idea. You're sending 12,000 free copies all over the world and it seems to me it wouldn't hurt to put another — well, maybe the Ministers are getting it, I'm not sure — but I know I'm not on the mailing list and I know many of my colleagues are not on the mailing list so I think a few more copies would be worthwhile in this respect.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, the staff has taken note of that and we will add the Members of the Legislature to that mailing list. Thank you.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Chairman, in listening to the Minister's response, it should be noted that once again the private sector is looking forward to public funds in the business created by fighter aircraft. But I was just wondering, Mr. Chairman, if the Minister can explain to us how the . . . We are on (e)(2) are we not, the Other Expenditures?

MR. CHAIRMAN: We are on 1.(d)(1).

MR. BOYCE: Oh, 1.(e)(1). Well, I'll wait until we are on 1.(e)(2).

MR. CHAIRMAN: 1.(d)(1)—pass; 1.(d)(2)—pass; 1.(d)—pass.
1.(e)(1)—Salaries. The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, this department, dealing with economic and operational research support, brings me to a point that I want to ask the Minister and encourage him to respond either right away if he can, or if he needs a little time, to be able to be ready to respond when we deal with his salary.

I want to know what his Economic Research Branch is going to set as a target for this year's work of the department? The Honourable Minister gave us in his introductory remarks a list of targets that he had, purposes that he sees for his department and I want now to find out whether the Minister has some idea how he is going to measure his progress and his success or failure a year from now? I want to know what sort of factors he is going to consider valuable to justify the expenditure of the moneys that he is requesting now. I want to know whether he feels that a change in unemployment will be a factor. I want to know whether he feels that production of mineral or production of manufactured goods or export of goods, or whether it's the gross provincial product that will be a factor. I want to know how he is looking ahead to measure whether or not he has been a good minister; whether or not his department has done the job that he is setting for it.

I am asking him now if he is prepared to tell us just how it is that he is going to be able to measure his success a year from now?

MR. BANMAN: Mr. Chairman, we'll provide the member with some of the data that he requires, probably tomorrow.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. EVANS: Mr. Chairman, I would like to ask the Minister whether he has any estimates of the anticipated shortfall in jobs being created in the Province of Manitoba in this forthcoming year of 1978 to maintain the natural rate of population growth? I can advise him and I don't think it is any great revelation, but one objective to keep in mind or one objective that is worthwhile for this province, is to try to maintain the natural rate of population growth. Unfortunately this has not occurred for many many decades — maybe the odd year, yes, but unfortunately for many decades we have experienced a loss of population. It would seem to me that a worthwhile objective at least is to try to maintain the natural rate of population growth.

In order to do so, this requires certain job creation. Could the Minister advise us now, and if he can't advise us now, could he provide the House with an estimate of what number of jobs are required in the forthcoming year? What number of new jobs are required in the forthcoming year in order to maintain the natural rate of population growth in the province?

MR. CHAIRMAN: The Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, I have a short question. I wanted to know whether or not the winding down of the Bureau of Statistics will have an adverse effect on this division. It strikes me that my understanding is that there is a lot of statistical analysis and information that is used under the economic and operations research area and that if you are going to slash the budget and staff of the Bureau of Statistics by 25 percent or more, that this may have an adverse effect on the effectiveness of this branch. I would like to hear the Minister's comment on that.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, I'm told by staff that they feel that there will be no disruption or any problems created by that. A lot of the statistics are Statistic Canada statistics that even the Manitoba Bureau of Statistics gathers and that is available to this particular branch too.

MR. DOERN: Could I ask for a clarification? Did the Bureau of Statistics provide information to the economic and operations research area? Were they the main provider of information to that division?

MR. BANMAN: Mr. Chairman, I am advised that there was a very minor amount of information that was received from the Bureau from these people.

Further to especially the manufacturing job dropoff that the Member for Brandon East was asking about, we'll try to provide some figures. As the member knows, Canada generally has been facing some problems as far as the manufacturing sector and the job problems in that particular area and I'll try to furnish some figures for the honourable member for tomorrow.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. EVANS: I thank the Minister for his undertaking. I would like to also ask him whether he could advise the House of specific industries, specific companies that have been identified by the Economics Operation Branch in this year, 1978, or in the last few months? Does he have any information as to specific industries that have been identified as potential for Manitoba? I don't mean general categories such as aerospace per se or the agricultural implements industry branch per se but I mean individual companies that might be interested in locating in Manitoba. Has the Economic Operations Branch identified specifically and concretely individual companies that might have opportunities in Manitoba and are seriously interested in coming to Manitoba and locating here? If so, could he also indicate roughly how many jobs might be involved in these and also whether they are all in Winnipeg or whether some are to be located outside of the City of Winnipeg?

MR. BANMAN: Mr. Chairman, the branch provides assistance in trying to assess what industries there possibly could be. I understand that the Small Business Development Branch comes for assistance to these particular gentlemen. The other area that they have been involved in and the member knows that too, is that they have been involved in certain of the GATT negotiations that have been going on and that is a very important part which will be coming up in the very near future. I met with the former Ambassador, Mr. Jake Warren, today and I understand that the negotiations are coming to a head right now and that they are very anxious to receive proper input from the provinces as to their stance with regard to that.

MR. EVANS: Just following that up for a minute then, Mr. Chairman, I was just going to ask the Honourable Minister a question respecting the GATT negotiations and whether he has formulated, or his government has formulated a particular position with respect to changes in tariffs as they affect manufacturing in Manitoba? As he may know, we have had over the years some co-operation, some considerable co-operation with the western provinces, British Columbia, Alberta and Saskatchewan, and in fact we presented — I guess it was Premier Lougheed presented a joint paper to the Federal Government on the matter of tariff adjustments.

Unfortunately the Province of Manitoba is not blessed with the degree of manufacturing as the Province of Ontario has been, or is, and therefore what is good for Ontario isn't always necessarily good for Manitoba. Whereas Ontario, I know, has a lot of influence, I would suggest, and whereas the Federal Government in many ways is representative of central Canada simply by virtue of population concentration in that part of Canada and the number of Members of the House that come from that part of Canada, given these realities' has the Minister formulated in his own mind a position with respect to changes in the general agreement on tariffs and trade? Has he and his government formulated any particular unique position in this respect?

MR. BANMAN: No, Mr. Chairman, I think the stand taken by all the prairie provinces is very similar and that is toward freer trade negotiations. As the member pointed out some of our other provinces in Canada, I think, don't particularly share our view, Ontario being the major one, but I think that the prairie provinces as a whole, as the member has mentioned, are generally in favour of freer trade and that has been conveyed to the negotiating team as far as the Federal Government is concerned and was strengthened today again with our meeting with Mr. Jake Warren as far as the Manitoba position. I understand from talking to him that the other prairie provinces are conveying that same type of feeling to him and that is the position generally that we will be taking.

MR. EVANS: Thank you, Mr. Chairman. Just one final question, then I'll yield the floor to my colleague from Burrows. And that is a question in relation to rural economic development or regional economic development, if you will. I am sure the Honourable Minister is aware that Manitoba has some considerable imbalance with regard to industrial locations. This is bad and it is good. We must recognize the realities that one of our biggest advantages is having in Manitoba in totality, a large city, a large market area, a large market concentration that enables us to have certain kinds of

industries that we might not have if we had a more dispersed population.

But be that as it may, nevertheless it seems to me that a worthwhile endeavour is to seek out economic opportunities, to advise the private sector with regard to locations in regional centres of the province — Brandon, Portage, Dauphin — or other market towns or what have you. Certainly I know the people in Thompson are very concerned with opportunities for secondary industry and so on and having said that they are concerned, I know it's an extremely difficult task, an almost impossible task, to try to stimulate secondary industry when you are very distant from markets, such as the town of Thompson City of Thompson is.

So we recognize the realities of trying to bring about industrialization in certain regional centres.

But nevertheless, I believe it is this branch that is charged with the responsibility of engaging in research, policy research with regard to regional development in the province. Can the Minister advise us whether his government and he, as the new Minister, have any new thrusts in this area? Are they intending to place greater emphasis on this, or less emphasis, or just what is going to be the approach? Have they got any new ideas or is there any program in the offing as a result of the work done by this Economic and Operations Branch that we are now discussing?

MR. BANMAN: Mr. Chairman, we hope that this particular branch will provide the backup and resource material for the different groups and operations that will be dealing with small enterprise development and enterprise development in total, and when there are parties interested in coming in that they will be able to identify that and act as support troops for the two different branches.

MR. HANUSCHAK: Mr. Chairman, firstly by way of preliminary question to make certain that I do not offend the Minister who assumes the responsibility for department ministers answering questions, I would like to know: as I understand it this is the branch that is responsible for doing what the department wishes to do to attract industry to the province, is that correct?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Yes, Mr. Chairman, it is research and support for small enterprise development and for industrial development.

MR. HANUSCHAK: Mr. Chairman, then I would like to know what success this branch of his department has had in doing what the Minister claims that he is doing and being active in improving the business environment by reducing the personal income tax, reducing corporate tax on small business and eliminating succession duties, and could he name, could he identify at least one industry that he has been able to attract to the province of Manitoba, to establish and locate itself because of all of these tax benefits that he claims that he is offering industry? Could he name at least one that came and located here because of this legislation?

Mr. Chairman, the honourable minister made this comment in his opening statement and all I am asking is to name at least one, to produce the evidence that he has in support of the statement that he made to this committee last night. I am sure that is not unreasonable, Mr. Chairman.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Speaker, the member opposite has been asking that particular question and he has a full right to ask it. Let me point out to him that we feel in our travelling — in my travelling throughout not only my constituency but throughout Manitoba — that there is a feeling of optimism among some people and appreciate the type of legislation that was brought in, and to that extent, Mr. Chairman, we definitely anticipate that there will be some positive benefits coming from it.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Chairman, there isn't much point to argumentation as to degrees of optimism or entire lack of it, but may I ask the Minister this, if he feels that there is any basis at all for optimism could he advise us — I am sure that he must have some data — as to the anticipated increase in investment in Manitoba in 1978 over 1977 and that as between increases in the private sector investment intentions and that in the public sector? This is commonplace data and I rather have confidence that he has that information.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Speaker, we will provide that data tomorrow.

MR. CHAIRMAN: The Honourable Member for Transcona.

MR. PARASIUK: Mr. Speaker, as a follow-up to that, in the fall session I asked the Minister responsible for the task force on economy if he would set up a mechanism to measure the formation of venture capital in Manitoba. This was done during the Succession Duty debate. This is a somewhat

difficult area to monitor granted, but has the department, in this particular section, established such a mechanism that would monitor venture capital formation in Manitoba?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: No, Mr. Chairman, we haven't got that in our plans.

MR. PARASIUK: Would the Minister considered establishing such a mechanism in that this is the basis of what the government is saying. They are saying that their present economic strategy of reducing taxes or taxes marginally, will somehow increase private investment and that will be done through venture capital formation. I think that we should be monitoring as a government especially in light of the Task Force Report which stresses monitoring the efficacy of such a policy, therefore, will the Minister establish such a mechanism to monitor venture capital formation in Manitoba?

MR. CHAIRMAN: The Honourable for Transcona.

MR. PARASIUK: Since the Minister isn't interested in monitoring his economic strategy I will turn to another area. How many staff man years and how much money is expended yearly in publishing the quarterly economic review of the department which I think is published by this section?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, I understand that the data was available from Statistics Canada and that review will not be published.

MR. PARASIUK: I would like a clarification of the department's position in GATT with respect to the garment industry, what was the Province of Manitoba's position as expressed by the Department of Industry and Commerce regarding the garment industry?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, I am speaking for memory here now, but the general feeling was that there were certain tariff barriers supported as far as the garment industry was concerned, and we supported some of the moves that the Federal Government I. T. and C. made with regard to the restriction of garments coming into Canada and we did go ahead and go along with that particular policy as far as the Federal Government is concerned.

MR. PARASIUK: Yes, this then is a modification of the Minister's previous statement to a question from my colleague from Brandon East whereby the Minister indicated that the position of the Province of Manitoba regarding GATT was that of free trade. You are now saying that you had a qualified position regarding free trade and you qualified it with respect to certain aspects of the garment industry tariffs, is that correct?

MR. CHAIRMAN: The Honourable Member for Transcona.

MR. PARASIUK: Would it be possible, when you are providing information regarding staff man years and the number of people filling these staff man years, to provide an organizational chart of the department?

MR. BANMAN: Yes, Mr. Chairman, no problem with that.

MR. CHAIRMAN: The Honourable Leader of the House.

MR. JORGENSON: We are in Committee of Supply and we do not recognize ten o'clock when the House is in Committee of Supply. I would, if it is agreeable with the honourable gentlemen opposite, if, when we finish this particular item, I will ask that the Committee rise.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Speaker, this is the last sub-item of this particular Resolution No. 74, this being the department that is interested in small business, I wonder if the Minister has taken notice of the fact that he is cutting the printing — you know if you are not going to do anything you don't need any money I will grant that, people shouldn't spend money just for anything, you know, unless you are going to get something out of it.

I wish the Minister well in some of the funds that he has allocated to service some of these people but nevertheless I wonder if he has taken cognizance of the fact that he is cutting the printing bill of somewhere around \$40,000 for this one allocation alone. It may come as news to the Minister, but I probably have more small businessmen in Winnipeg Centre than in any other constituency in the province, a good number of whom are printers. Most of this was contracted out so that when you are cutting allocations actually, you are trying to build up business but yet you are cutting back your

expenditures. I just wondered if these people have been apprized of the fact that you are going to be purchasing — you know the difference between what we expended last year and this year — and I figure roughly \$40,000 for printing, I may be off, maybe the Minister can correct me, \$6,000 on one particular sub-item, you said. I wouldn't like to bog down each time how much you are spending on printing, how much you are spending on printing, how much you are spending on printing, on each sub-item.

But nevertheless, other expenditures relative to any item in the estimates are for goods and services purchased within the province, by and large. What the Minister is telling us, he is telling us a number of things, maybe that one, that this department is not going to do anything really and that he is cutting back his staff to adjust for this and it is reflected in the Other Expenditures but nevertheless I think it is incumbent upon him to advise the business community that the government itself is going to be purchasing this amount less next year, because I know that I am getting more apprehensive all the time. It is difficult enough for the business community in the City of Winnipeg — we have eight percent unemployment rate at the moment. In the printing, I agree once again, Mr. Chairman, you shouldn't just print nonsense, but nevertheless it has, over the years been recognized that to promote something you have to advertise, to get your point across you have to invest some money. I don't even look at this money as an expenditure, it's an investment in the economic community. So, has the Minister advised the business community that you are actually cutting back in this department which is supposed to service the small businessmen, you are cutting back in your own department the purchase of goods and services in a considerable amount which is going to exacerbate the situation of unemployment.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, as I mentioned before printing is carried out of course through the Queen's Printer and the member is quite right that they then go to outside sources and contract printing fees. We feel that this is the requirement of the department's needs this coming year and that we can get along with, and we feel that that is what we want to spend.

MR. CHAIRMAN: the Honourable Member for Winnipeg Centre.

MR. BOYCE: Well, of course the Minister I am sorry didn't answer my question. I asked him if he had informed the business community that this is the amount that he intends to cut back in the direct purchase of goods and services provided by the small businessmen in the community. I agree with him, you know, if you are not going to do anything then you can quite well get by with less, but nevertheless, in this whole appropriation which is the administration of the department, the promotion of business, Mr. Chairman, getting the information to people, and on one sub-item you tell me you are going to cut back the printing by \$6,000 then you are shrinking into a shell that you are not going to accomplish anything I would suggest.

I repeat my question, has the business community been affected of the direct impact of your particular department in cutting back the purchase of goods and services within the community?

MR. CHAIRMAN: 1.(e) — The Honourable Member for Winnipeg Centre.

MR. BOYCE: I have to take it then that the Minister has not advised the business community that he is cutting back the purchase of goods and services within the community to this extent.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, the point raised by the Honourable Member for Winnipeg Centre is an interesting point, but I want to know the other side of the coin. What is the department reducing in terms of its program that it decided that it will not need the money that was allocated last year. To what extent are they reducing the service that they provided before? That I think is a matter of program that we ought to know about.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, we feel that we can provide the service to the community that is of a quality and a nature that will help the business community, both the small business and the enterprise development group, and we think that with the funds that we have we will be able to do that. We have sized certain things down with the people that we have, we have some pretty good people who will be able to get out there and do the job for the province of Manitoba. We don't feel that we will have any problems carrying out the particular programs of the department.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I would be interested in knowing whether there are new people involved or the same people as were involved last year in doing this job.

MR. CHAIRMAN: The Honourable Minister.

Tuesday, April 4, 1978

MR. BANMAN: Mr. Chairman, basically the same people with the exception of a few contracts.

MR. CHERNIACK: Mr. Chairman, I don't understand the extent to which the Honourable Minister thinks that he can do, I think he said a better job, or as good a job. Is it not true that he is cutting down the service which was being made available in the past to small business and that he hopes that he will be able to manage fairly well with that?

The reason I mention that is that I had a call last week from a person who is exploring the possibility of starting a small business, a very small business, I think there are only two people involved who hope to go into this enterprise, that they had been consulting with the department for some months, maybe more than that, and getting some pretty helpful advice and guidance about this project they had in mind, and the last call she had when she called the department was that the man with whom she had been dealing with said to her, "I don't know if I am going to be here next week, and therefore I don't really know that I can promise you that we can help you anymore." And then she informed me that she was not getting anymore help. Now is it a fact then, can we draw the conclusion from this Item (e) that the Minister is cutting down the amount of service which will be available to the public under Economic and Operations Research?

The member from the Royal Bank seems to have all the answers, but he doesn't even get up to speak about them, Mr. Chairman.

MR. BANMAN: Mr. Chairman, as I mentioned, I believe that the staff will be able to do the job that is required, and I would ask the member if the type of information that he's getting, I would ask him to relay that information and that particular name and individual so that we can check that out and make sure that that's not happening.

MR. CHERNIACK: Mr. Chairman, I will certainly ask permission from this person to be able to go direct to the Minister and bypass the fired person, or the person who was afraid he'd be fired, and speak directly to the Minister and see if the Minister will, indeed, provide that help. And I guarantee you, Mr. Chairman, he will. That I'm sure of, because once I bring a case to his attention I'm sure he'll act on it. But, Mr. Chairman, I want to get him to agree that the mere reduction in this item is bound to reduce the amount of service unless he is going to say that these same people will be working more energetically under his whip than they did last year. I mean, he has to say one or the other — either the people were not working as hard as they are going to be forced to work in this coming year, or their service will be reduced. I think that that's obvious, and I think it requires an explanation. Maybe they are not needed to do the job they did before, but let him say so.

MR. BANMAN: Well, Mr. Chairman, let me just reiterate again. We are optimistic that we can carry on the functions that were carried on before, and that the people who are employed in these different functions will be able to handle the administrative and the work load that the total complement handled before.

MR. CHERNIACK: I think that the Minister is not responding, and he doesn't have to respond. I just point out to him that he is now saying there will not be any diminution of the service provided by this department even though there's less money, and therefore less staff and less money being provided, and the actual Other Expenditures are reduced to almost, well let's say 40 percent of what they were before. And he is now saying that he hopes or expects that they will accomplish as much as they did before.

I don't see how the Minister expects that to be a believable statement unless, in fact, he is saying that they were over-servicing before or that they weren't working as hard as they could, or providing the same amount of service as they should have. I am taking that position because he has not described any different manner in which he proposes to deploy his resources in this department in the future. If he said that we will do something differently in some way, I would then have to say, in all fairness, let's see him work it out — let's see whether a different manner of providing the service will be cheaper and just as effective. But if he is telling us that they are going to go about the same way as they did last year, with a substantially reduced budget and provide the same quality and quantity of service, I have to say it is not believable, Mr. Chairman.

One other direction to take in this, Mr. Chairman, I don't understand what operations research means, as compared with economic. Could he just elaborate on that, and then I will have a follow-up question.

MR. BANMAN: Mr. Chairman, it's a supportive agency for the research needs of the different departments of staff, and design people.

MR. CHERNIACK: Mr. Chairman, it sounds like a very general sort of support it provides, but for the word operations research, I must tell the Minister that I have looked through, in a cursory way, his budget and that of the department of Tourism and this is the one line where I think he could look for, and I may be wrong, look for the kind of expertise that could produce to him the research to tell him what is the salvage value of the Lord Selkirk boat. I'm wondering if they are the ones that he consulted or, if not, could he indicate which line in either of the two departments would be the one which would give him that expertise necessary in order to learn the salvage value of the Lord Selkirk? Well, Mr. Chairman, the Minister shook his head which indicates that he won't or he can't, and I would say to

Tuesday, April 4, 1978

him that I would expect that he will, before his salary is passed, be able to tell us how he knows or thought he knew the salvage value of the Lord Selkirk, which he sold at a bargain price. Now, I'm not sure whether he sold it as Minister of Industry or Minister of Tourism, because at the moment I don't quite remember —(Interjection)— MDC, well then Venture Tours apparently belonged to MDC, so that what I ask him to clarify for me, in which ministerial position he acts as Minister for MDC? Is it this one?

MR. BANMAN: Mr. Chairman, further on in the Estimates under Development Agencies, that's where we will be reporting with the MDC and the Communities Economic Development Fund.

MR. CHERNIACK: Well then, Mr. Chairman, I assume that we will not come to Item 1.(a) The Minister's Compensation until after we've dealt with the Development Agencies.

MR. CHAIRMAN: The Honourable House Leader.

MR. JORGENSON: The Minister's Compensation and Salary is dealt with at the conclusion of the Estimates of the Department of Industry and Commerce. If my honourable friend will recall, the Development Agencies were dealt with after the Estimates of the Department — I believe it was Mines and Resources — had been concluded. They're dealt with as a separate item.

MR. CHERNIACK: I thank the Honourable House Leader for that information, Mr. Chairman. May I then request the Minister, that before we deal with his salary he take the time to ascertain and tell us where he got the information that he did on the salvage value of the Lord Selkirk boat which he sold at fire-sale prices?

MR. CHAIRMAN: The Honourable Member for Transcona.

MR. PARASIUK: Was this the group within the department which provided the supposed background figures for the guesstimate which the Minister of Industry and Commerce presented and then withdrew, at the last session?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Is the gentleman referring to the flight of capital?

MR. PARASIUK: Yes, the supposed billions of dollars.

MR. BANMAN: Yes, this is the group.

MR. PARASIUK: Are those people who did the analysis the group that are being cut and therefore allowing the budget to be reduced by \$100,000.00? Are you prepared, at this stage, to table the documentation that you said you had at that time, but weren't ready to table. Since you've had a few months to digest it further, are you now in a position to table that statistical analysis that you had?

MR. BANMAN: Mr. Chairman, I think if the member recalls, I did table the document.

MR. CHAIAN: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Chairman, despite the hour, since the topic has been raised with respect to the profound analysis that was made and the document tabled with respect to the prognosis of capital investment in Manitoba, and the so-called flight of capital, despite the hour I will put on the record the following observation, and that is that that document, or what purported to be a document which the Minister just referred to, was something which I believe was one page in length, and which frankly is of elementary grade-school calibre. I say that in spite of the fact whosever professional feelings may be hurt by those words.

The second point I'd like to leave on the record is that there is at least some kind of measurement that has validity when talking about ostensible flights of capital, and that is the extent to which private sector investment in the province behaves in quantitative terms from one year to the next, so I asked earlier this evening and will certainly look forward to tomorrow when the Minister has promised to table his estimate of anticipated private sector investment in the Province of Manitoba. If it is not some several hundreds-of-millions of dollars over that of last year and the year before, then one can assume that there is a flight of capital involved again. Now that happens to be the basis upon which they arrived at their conclusions, and we would be entitled to draw the same conclusions. It is a bunch of nonsense both ways.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Well, Mr. Chairman, in passing this item, it appears that we have the information that

we are going to elicit from the Minister, and it should be noted perhaps questions that I still have. You know, serious allegations have been made and given much publicity of recent date, figures: \$225 million, \$300 million, \$400 million that this incompetent group threw out the window, and yet when we ask the Minister — the Member for St. Johns asked the Minister, "What programs are you cutting?" It is very simple, Mr. Chairman, and I hope this gets out to the people in the Province of Manitoba — it is very easy to cut something out if you aren't going to do anything. I had assumed that when we asked questions that the types of responses that have given over the nine years that I have been here would be forthcoming. That, you know, last year we spent \$10,000 on this, and it looked like a good idea so we are going to expand it a little bit, or we spent \$10,000 on this last a year and it wasn't a good idea so we are going to cut it out. But yet we are not getting this kind of response from the Minister.

I wish I could share his optimism. I repeat, I wish him well, but nevertheless I don't share his optimism, especially when you see the strangling within his own department of the small business community in the province. You know, without being out of order I hope, Mr. Chairman, I can say that doubtless, you know when the Estimates that I had some responsibility for in prior years — I digress but briefly — that I am looking forward to some evidence that I had even seen these — my portion of the \$400 million — I certainly intend to press the Minister for that.

But nevertheless, the idea that a Minister, in response to a question from the Opposition, can say, "No, this is all the money we need to provide the goods and services to run this particular department." And then refuses to say that he is cutting back services. I am sure the people of Manitoba, Mr. Chairman, are not stupid and that they will see what in effect is — (Interjections) —

Mr. Chairman, I will gladly sit down — I want it on the record I will gladly sit down. Any member on this side will gladly sit down for the Member for Roblin to stand up on his feet instead of chirping. Mr. Chairman, on the record, I'm sitting down so the Member for Roblin can stand up. And it should also be in the record that the Member for Roblin was quite successful in running around in his constituency taking credit for the government programs for the past eight years. And of course, now he'll stand up and say that I am bad mouthing his constituents. What a cheap shot. But nevertheless, Mr. Chairman, it has to go on the record that albeit the Minister has tried during this first item that we are considering in the Estimates of 1978-79, has tried to answer with candour but nevertheless I guess he is constrained by the First Minister who is just like a puppet master, I suppose. But I did find it, as I said earlier, refreshing that he had disassociated himself with the \$400 million. I would suggest to my colleagues that we pass this item and go home.

MR. CHAIRMAN: The Honourable Member for St. Vital.

MR. WALDING: Thank you, Mr. Chairman. I don't want to hold this item up either and maybe I should have raised it as a point of order but I notice that the Minister has been answering some of the questions either by nodding or shaking his head. Inasmuch as Hansard does not record nods or shakes of heads, I wonder if I might recommend to the Minister through you, Mr. Chairman, that in future he would answer questions either by "yes" or "no" rather than nodding or shaking his head.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. EVANS: Yes, well, Mr. Chairman, I think the point made by my colleague from St. Vital is a good one. I asked the Minister a few minutes back about rural development strategy and I don't believe I obtained an answer. If there was an answer, I didn't detect it from a nod or a shake or what have you and that is, with this Economics and Operations Branch, is the Minister engaged in developing any strategy for regional development in Manitoba or rural industrialization of this province, however he may wish to describe it? As I said, it is a particularly difficult job but nevertheless it is an exercise that is worthy, an exercise that I would believe would be undertaken by this particular branch. Is there any new thrust that the Minister is prepared to take in the area of regional industrialization in the Province of Manitoba? And if so, precisely what? I mean, research, fine. You can tell us you can do a research but what I want to know is, what are the results of this research? What are the results of the studies and therefore what are the policy positions of the Minister and the government for regional development in Manitoba? That is the important question.

MR. BANMAN: Mr. Chairman, briefly let me say that one of the components of the DREE negotiations with regard to an industrial development agreement is a component which deals with rural industrial infrastructure. That is one of the components which we hope would encourage more rural industrial development, help provide some of the infrastructure that is badly needed when a manufacturer wants to locate in rural Manitoba. That's one of the areas.

The other thing is that they are constantly trying to identify the different areas of possible development and as the member mentioned, there are certain growth areas that have been identified and those areas will be concentrated on.

MR. CHAIRMAN: The Honourable Member for Ste. Rose.

MR. ADAM: Thank you, Mr. Chairman. On that point raised by the Member for Brandon East and the reply of the Minister, with regard to DREE grants, would the Minister verify if most of these grants this year will go for the building of infrastructure for McCains at Portage la Prairie? Does the Minister

Tuesday, April 4, 1978

have figures on how much of the DREE grants will be going to Portage?

MR. BANMAN: Mr. Chairman, as the member is aware, the department has not been involved in the infrastructure and DREE granting of different facilities and I would ask the member to check with the Water Services Board when we come to those particular Estimates. I think there were some moneys included from the Water Services Board with regard to some of the water and sewage things dealing with McCains in Portage.

MR. ADAM: Mr. Chairman, could the Minister elaborate on what infrastructure he is referring to in the DREE grants?

MR. BANMAN: Is the member referring to the negotiations that are going on at present?

MR. ADAM: Mr. Chairman, the Minister indicates that there are some funds that are coming for industrial development for DREE grants. He mentioned it was for infrastructure. I just want to know what this infrastructure is.

MR. BANMAN: Mr. Chairman, what I said is that the particular industrial development agreement is under negotiation. One of those components that we are negotiating is for some moneys which would go toward the infrastructure of rural industrial bases.

MR. CHAIRMAN: The Honourable Member for Transcona.

MR. PARASIUK: Just clarification on that point, Mr. Chairman. Which group is actually conducting the negotiations with DREE for the industrial developments agreement?

MR. BANMAN: Mr. Chairman, the Department of Industry and Commerce in consultation with the Department of Finance.

MR. PARASIUK: I would like clarification as to where in the Estimates it would be best for me to ask questions about the industrial development agreement and the negotiations therein, in what section of these Estimates coming up? I wouldn't like to miss it.

MR. BANMAN: Mr. Chairman, I guess we could discuss it anywhere under the next section, Enterprise Development Group, or Small Enterprise Development, anywhere in there.

MR. CHAIRMAN: 1.(e)(1)—pass; 1.(e)(2)—pass; 1.(e)—pass.
Committee rise. Call in the Speaker.

The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.

IN SESSION

MR. ABE KOVNATS: Mr. Speaker, I beg to move, seconded by the Member for Emerson, that the Report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. JORGENSEN: Mr. Speaker, I move, seconded by the Minister of Industry and Commerce, that the House do now adjourn.

MOTION presented and carried and the House adjourned until 2:30 p.m. Wednesday.