

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, June 23, 1978

Time: 2:30 p.m.

COMMITTEE OF THE WHOLE HOUSE

BILL NO. 14 (Cont'd.)

MR. CHAIRMAN, Mr. Abe Kovnats: The item before the House is Bill 14, An Act to amend The Income Tax Act (Manitoba). We are on Page 2, Clause 3.

(Clauses 3 to 12 were read and passed.) Clause 13 (1.6)— pass — the Honourable Minister.

MR. CRAIK: Mr. Chairman, I move that the proposed Subsection 5 (1.6) of The Income Tax Act (Manitoba) as set out in Section 13 of Bill 14 be amended by adding thereto, immediately after the figures "1979", in the third line thereof, the words "and thereafter".

MR. CHAIRMAN: You have heard the motion. The Honourable Minister.

MR. CRAIK: Mr. Chairman, I would just explain that as it was written it was not clear that the reduction of the small business section of the corporation tax would apply to the years after 1979, and this makes it clear that it is a permanent move unless it's changed again at some future date. —(Interjection)— 11 percent.

MR. CHAIRMAN: Agreed? (Agreed) The Honourable Minister.

MR. CRAIK: Mr. Chairman, I have a further motion with regard to this section.

THAT section 13 of Bill 14 be amended by adding thereto, immediately after the proposed new subsection 5 (1.6) of The Income Tax Act (Manitoba) the following subsections:

Mr. Chairman, they're quite long and I'd maybe ask the advice of the Clerk as to whether this should be read into the record or whether as it's written could be provided. I can explain it, complicated as it appears.

FORMULA: D equals .02 times C over 365 times I

In this formula

D is the deduction allowed to the corporation under subsection (1.6) in 1978 for the 1978 taxation year;

C is the number of days in the 1978 taxation year of the corporation that are in the year 1978;

I is the taxable income earned in Manitoba by the corporation in its 1978 taxation year on which a small business deduction is allowed under section 125 of the federal Act;

Application of subsection (1.6) in 1979.

5(1.8) In applying subsection (1.6) to a corporation that has a taxation year that ends in 1979 but before December 31, 1979, the deduction allowed under subsection (1.6) in respect of the corporation's taxation year that ends in 1979 shall be calculated in accordance with the following formula:

FORMULA: D equals (.02 times F over 365 times Ia) plus (.04 times E over 365 times Ib)

In this formula

D is the deduction allowed to the corporation under subsection (1.6) in 1979 for the 1979 taxation year;

F is the number of days in the 1979 taxation year of the corporation that are in the year 1978;

Ia is the taxable income earned in Manitoba by the corporation in its 1979 taxation year on which a small business deduction is allowed under section 125 of the federal Act;

E is the number of days in 1979 taxation year of the corporation that are in the year 1979; and

1b is the taxable income earned in Manitoba by the corporation in its 1979 taxation year on which a small business deduction is allowed under section 125 of the federal Act.

What it does is, it allows the proration of the reduction of the income tax for small business. It makes it clear that although the reduction in the income tax rate started January 1, 1978, that if a corporation's year-end happened to be January 31 or February 28 or some other month end or some other day during the year, that they would receive a proportionate reduction in this current year of 1978, as a result of the reduction that applied to January 1.

It wasn't perfectly clear in the former Act in this first year as to whether the application of the reduction would apply to year-ends that occurred on dates other than the January 1 date of 1978 or whether it would not, in fact, apply until January 1, 1978; and this makes it clear that any given day of a year-end during this current year will allow the partial reduction of the income tax rate for small business. So that if the year-end was the end of February two-twelfths of the tax would be based on the 1978 rate and ten-twelfths of it on the 1977 rate.

That's the essence of the fairly complicated formula that you'll find in the proposed motion.

MR. CHAIRMAN: Agreed? The Honourable Leader of the Opposition.

MR. SCHREYER: I thought it was clear until the last few sentences, the last couple of sentences of the Minister's explanation.

Just to make sure that it's understood, I would ask the Minister as an example: In the event that a company that taxable income is below the threshold to qualify it as a small business, for purposes of The Income Tax Act, and its financial year-end, let us say, happens to be the end of the third quarter, March, then with respect to the current year, 1978, three-twelfths of its operation would be with respect to its 1977-78 financial year.

But I am assuming that three-twelfths or one-quarter of the tax payable will be calculated, even for the past year, on the basis of the new rate. Is that correct?

MR. CRAIK: Yes, Mr. Chairman, that would be the end of March year-end; three-twelfths would be 1978; and nine-twelfths on 1977.

MR. CHAIRMAN: 13 as amended—pass; (Sections 14 to 16 were read and passed.) Section 17(a)—pass — the Honourable Leader of the Opposition.

MR. SCHREYER: Well two questions here on this last section, Mr. Chairman. The first is to ask the Minister in what respect is Section 8 being made retroactive to a different date. I think it's self-evident, but I'd like it confirmed; and secondly, I'd like to ask the Minister whether there is some section here that in any way modifies or changes the level or threshold of tax payable with respect to definition of small business?

MR. CRAIK: Well on the latter question, Mr. Chairman, the definition of small business comes within the purview of the Federal Government and by their definition and so is not affected by provincial legislation.

Section 8 I'm advised is basically a housekeeping change ' confirming that the maximum property tax credit for 1977 and 1978 is \$375.00. The increase in the maximum property tax credit was effected last year by amendments to Section 4(1.2) of The Income Tax Act, but not to this particular section so, Mr. Chairman, I trust that adequately answers it. It has to do with the proper dating on the property tax credit and Section 8, as is indicated in 17(a), Section 8 is retroactive and shall be deemed to have been in force on, from and after January 1, 1977.

I'm not sure that that's clear, Mr. Chairman, it's actually a clarification of last year's legislation, is what it is, it doesn't bring in a change this year or next year, it's actually correcting a figure that should have read 375 last year, but read 350.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SCHREYER: That explains it then, Mr. Chairman, because as the Minister has said, the changing of the property tax credit from 350 to 375, was effected or brought about 12 months ago. I take it then that this is not a substantive change but rather that in one particular section there was a typing error. Is that about it? —(Interjection)— Okay, that's fine, thank you.

MR. CHAIRMAN: (a)—pass; (b)—pass; Clause 17—pass. Preamble—pass; Title—pass. Bill be reported.

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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 Honourable Member for Portage la Prairie, that the report of the Committee be received.

MOTION presented and carried.

GOVERNMENT BILLS — THIRD READING

BILL NO. 14 — AN ACT TO AMEND THE INCOME TAX ACT (MANITOBA)

MR. JORGENSON presented Bill No. 14, an Act to amend The Income Tax Act, for third reading.

MOTION presented.

MR. DEPUTY SPEAKER, Mr. Henry J. Einarson: The Honourable Member for Kildonan.

MR. FOX: I move, seconded by the Honourable Member for Brandon East, debate be adjourned.

MOTION presented and carried.

MR. SHEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I'm rising on a matter of the privileges of the House.

MR. SPEAKER: The Member for Inkster rising on a matter of privilege.

MR. GREEN: Yes, Mr. Speaker. I'm not asking for a ruling on this matter, I merely wish to bring to the attention of the Speaker, that for several days I've been asking the Minister of Education whether the government intends to bring in legislation with regard to publicly supporting private schools. The Minister has given me various answers including the answer — I'll take it as notice. A bill was distributed today, Mr. Speaker, which certainly I have no complaint with that, but I had then been approached by a newspaper reporter who has a press release, Sir, with regard to explaining the contents of a bill on second reading which I've been asking about in the House and which has been given to the press, Mr. Speaker, on the very day that I asked for an explanation from the Minister and the press release — perhaps this speaks to the efficiency of the Information Services, but a press release has been issued to the House explaining the contents of the bill and the matters contained within the bill which is something which is usually done to the House on second reading. In this case there's a press release in the hands of the newspapers on the very day, Mr. Speaker, when I asked questions on the issue and was given incommunicative answers by the Minister of Education, a press release has gone through Information Services to the news media.

MR. SPEAKER: The Member for Inkster raises a point which relates to a press release. I think that honourable members can read press releases and I don't know that that constitutes a matter of personal privilege. The Honourable Government House Leader.

MR. JORGENSON: On the question of privilege that was raised by my honourable friend. As my honourable friend knows the bill, if my memory serves me correctly, was distributed approximately 11:00 o'clock this morning. If the Minister of Education had responded to that question prior to the distribution of that bill, then he would have been in breach of the rights of the Chamber. The press release if I understand correctly, was held after the distribution of the bill. I see nothing wrong with that. I don't see that my honourable friend does have a question of privilege.

MR. SPEAKER: The Member for Inkster.

MR. GREEN: Mr. Speaker, I was not asking for a ruling on a question of privilege. I indicated, Mr. Speaker, that I would expect that explanations of bill on second reading be made to the House and I would also expect that the Minister would answer in the House before he answered to the

news media.

MR. JORGENSEN: Mr. Speaker, I move seconded by the Minister of Highways, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the supply to be granted to Her Majesty.

Mr. Speaker, it is the intention that we will be only in the Chamber today in Committee of Supply.

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for Radisson in the Chair.

SUPPLY — NORTHERN AFFAIRS

MR. CHAIRMAN, Mr. Abe Kovnats: I would direct the honourable members to Page 65, Resolution No. 97, Department of Northern Affairs and Renewable Resources and Transportation Services, Clause 3. Fisheries and Wildlife Division, Item (a)(1) Salaries—pass — the Honourable Minister.

HON. KEN MacMASTER(Thompson): Mr. Chairman, we had deviated from the order of sections that we were dealing with to accommodate the members in opposition yesterday, and I felt that we would just carry on after that, and that's the particular staff that I had standing by. We finished 6. last night and we thought we would just carry on with 7. today.

MR. CHAIRMAN: I would direct the honourable members to Page 67, Department of Northern Affairs and Renewable Resources and Transportation Services. Resolution 101, Clause 7. Development Resources Division, Item (a)(1) Salaries— —pass — the Honourable Minister.

MR. MacMASTER: Mr. Chairman, I'd like to hand across a couple of the charts that relate to this specific section for the benefit of those that wish to follow that.

I'd like to just read a couple of comments about what we feel this particular section should be doing. The objectives are to identify appropriate resource user fees to carry out resource development activities which will improve the quantity and quality of resources available to users; to provide information and technical support services to persons, communities and business ventures dependent upon the use of the natural resources for the income and employment opportunities and to provide information, training, relocation services to persons in assisting them to take advantage of income and employment opportunities. That's basically what this section deals with, Mr. Chairman.

MR. CHAIRMAN: (1)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could give us the standard information of the staff man years we are discussing under this section, and the staff man years proposed for this year, the staff man years when the Minister came to office and the number of vacancies in the staff man years when the Minister came to office.

MR. MacMASTER: Under Division Administration (a)(1) in 1977-78 there was one; in 1978-79 there will be three.

MR. CHAIRMAN: (1)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could explain what the one position was and what the three positions are.

MR. MacMASTER: The one position is the incumbent person who holds the position. During the course of the year — and I can't tell you just exactly when — he was seconded to Municipal Affairs and I asked that he return and that was granted. There will be two other people working with him now as director of that division — an assistant and a secretary.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could indicate what happened to the position that existed when he came to office as Head of the Division of Development Resources.

MR. MacMASTER: Is the question, Mr. Chairman, what happened to the position or what happened to the person?

MR. McBRYDE: Mr. Chairman, it was to the position.

MR. MacMASTER: Within the amalgamating and pulling the functions together that position disappeared, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister would indicate to us the person that served as the Head of this section when this section was under the Department of Northern Affairs, whether that person was incompetent, incapable or what reason that the Minister saw fit to encourage that person to depart from the department.

MR. MacMASTER: The person in question that we were talking about, Mr. Chairman, chose to resign his position. I believe that he went into private practice of some type, I believe right here in the city. Now I'm not sure.

MR. McBRYDE: Mr. Speaker, this is another one of those senior positions that existed within the Department of Northern Affairs which the Minister for his own reasons saw fit to demoe, in some way force out all the senior executive of the former Department of Northern Affairs, the staff that was not a political staff, but a career civil service staff. Mr. Chairman, I wonder if the Minister could answer my question: Was the person incompetent, incapable, did he refuse to follow orders of the new Minister, for what reason did the Minister see fit to force him out of the public service of Manitoba?

MR. MacMASTER: The Minister didn't see fit to force him out, Mr. Chairman. The gentleman chose to go into business in private life, my understanding is, and I believe that's his personal business, it's not mine.

MR. McBRYDE: Mr. Speaker, I wonder if the Minister could advise us if he or his Deputy Minister advised the individual that within the new department there was really no role for him and he would be better off to leave the Civil Service? Would the Minister confirm that please?

MR. MacMASTER: I can't confirm that, Mr. Chairman.

MR. McBRYDE: Would the Minister confirm that the responsibilities of the individual were to be considerably changed and the person was to have functions taken from him, that this was the manner in which the Minister forced the person to leave the public service of Manitoba?

MR. CHAIRMAN: (1)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Well, Mr. Chairman, I think the Minister's answers once again clearly demonstrate the course of action that the Minister has taken in deliberately and systematically, for reasons unknown and for reasons that the Minister will not explain to us, systematically and purposefully force career public servants out of the public service, thereby bringing into question I think all senior positions within the government of the Province of Manitoba; and thereby, Mr. Chairman, putting all persons in that capacity newly appointed in a very difficult position of having seen their predecessors forced out for no apparent reason, and it leaves them in a basically a condition of uncertainty as to what their future can be in such a system where there is no credence given to the professional function in the Civil Service and is what my colleague the Honourable Member for Rupertsland has called the politicization of the Civil Service within the province by this government, but more especially by this particular Minister of Northern Affairs, Mr. Chairman.

I wonder if the Minister could indicate if any of the funds in this section are recoverable from the Manitoba Northlands Agreement or from any other Federal Government source, whether there are any funds to come from that source for this section.

MR. MacMASTER: It's not indicated under the Divisional Administration Section, Mr. Chairman, but there are sections indicated farther down. As I mentioned in previous sections, we are endeavouring to negotiate administrative type of cost sharing.

MR. McBRYDE: Yes, Mr. Chairman, the Minister has sent us over a fairly simple organizational chart which is so lacking in any detail that it's very hard to get meaning for this section from that organizational chart, and I wonder if the Minister could confirm that this particular section is in such disarray, that the Minister and staff are so unclear as to what is the organization of this particular section and that is the reason he was unable to give us a full organizational chart on the first day of these Estimates debate?

MR. CHAIAN: (1)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Well, Mr. Chairman, I wonder if the Minister then could break down for us the, a further breakdown of the organizational chart as to the . . . if he could give us some more detail to add to this very basic chart here which doesn't in fact show all the sections listed in this section, but only three of the sections. If he could tell us how the other sections fit in and whether or not he is able to give us any more detail, whether there is any organizational chart beyond this very general and vague picture that he did give us.

MR. MacMASTER: It's kept simple for a very specific reason and I had hoped the members opposite could absorb it. There are three particular sections, your developmental programs; you can see that in the chart, your resource economics, you can see that in the chart; employment services, you can see that in the chart; the director's position is the divisional administration which we are endeavoring to deal with at this particular moment.

MR. CHAIRMAN: The Honourable Member for Rupertsland.

MR. BOSTROM: Well, Mr. Chairman, I just want to point out again that this section demonstrates again to the opposition and to people in Northern Manitoba that this government is prepared to cut back in services to Northern Manitoba; to cut down on the total program offered to the communities in Northern Manitoba and, Mr. Chairman, as I was making the point last night, this government is reducing the place which Northern Affairs and the northern people held in the program of government prior to this government taking over the reins of power. Mr. Chairman, this is certainly different from the picture that the Leader of the Conservative Party gave the people in Northern Manitoba when they were offering themselves to the electorate. The promises that were made about helping northerners develop the north for themselves and so on is certainly not borne out by this first set of Estimates brought forward by this Minister of Northern Affairs, and right in this section looking at the top line, Mr. Chairman, you can see that there is a \$2 million reduction right here in this section of the department, which is the Development Resources Division, in my opinion a very key section of both former departments of Renewable Resources and Northern Affairs. Mr. Chairman, there's a clear indication of this government's intention to not give the north the same priority that the previous New Democratic Government gave the people in Northern Manitoba. There may be some minor increases in some sections here, but the overall thrust of this whole division, Mr. Chairman, is one of severe cutback, severe cutback in terms of the resources that will be available from this combined department to the people of Northern Manitoba in this fiscal year before us. And I believe this is a shame, Mr. Chairman. It's shameful because this government in its pitch to the electorate during the election campaign certainly gave a different picture to the people of Northern Manitoba. They gave a picture to the people in Northern Manitoba that everything would be all right.

The Conservative Government if it were elected, would carry forward the same programs the New Democratic Party Government had. "on't worry boys, we're going to bring forward the same programs that you had before." And, Mr. Chairman, their first year in office they give the north the back of their hand, by cutting off the very section that is the life blood of resource development in Northern Manitoba, the very section that gives the northern people the opportunity to create employment for themselves, and to get out of the welfare rut, and to make a better life for their communities.

Mr. Chairman, this is a shame nor that reason that the Conservative Party is reneging on the promises that they made to Northern Manitoba, but even in spite of that, Mr. Chairman, it's just a shame in itself, because this government, a government regardless of what stripe, should be making an effort to help the people in Northern Manitoba that are facing such severe problems of unemployment. As I said last night, Mr. Chairman, in debate, when the people in Southern Manitoba, and Southern Canada are faced with unemployment rates of 6 or 7 percent, everything is in a flurry, and so it should be, because those are severe unemployment rates. But, Mr. Chairman, in Northern Manitoba, the unemployment rates are much higher than that. Many communities are facing 75 and 80 percent unemployment rates. And the only opportunity that these people have for employment, Mr. Chairman, the only opportunity these people have for employment, is if the government will act in an activist way in order to provide them the assistance they require to develop their resource base to the fullest. And, Mr. Chairman, the Department of Resources, prior to the election, the Department of Northern Affairs, prior to the election, was doing that in some communities, building up to that in others. And I always argued with the government, Mr. Chairman, and I'd had support in that government as Minister for Northern Development. I would argue that what we were doing, even then was not enough, because there were certainly areas that we still were not touching in terms of assisting people in their development, the potential development that should be available

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to them. Given that, in my opinion, the previous government was not doing enough, this government is certainly falling far short of any decent mark of progress in Northern Manitoba.

Mr. Chairman, I sympathize with the Minister as I mentioned last night, because he's one member, he's one elected member, from Northern Manitoba, he's one voice in a caucus of reactionary regressive people, who don't have any concern or feeling for Northern Manitoba, and he's one voice in a Cabinet, Mr. Chairman, that's only concern is to cut back services to people, renege on their election promises, and, Mr. Chairman, this is a classic example right here, because the preaching that this government made, the preaching and the promises that this government made during their election campaign, they are certainly not living up to it.

Mr. Chairman, this division here is only one part of it because I know from the press statements that I've seen that this department, this Minister who is responsible for other programs that are not before us in these Estimates, has also cut back in programs which affect employment opportunities for Northern Manitoba. And the Special Northern Employment Program, the SNEP Program, as I understand it, has been cut back severely. So, those funds, that would have been used in addition to the assistance that's provided through these resources in the Development Resources Division, have also been cut back. So you put the two together, the combination of factors, Mr. Chairman, the Communities Economic Development Fund is no longer operating as far as northern people are concerned. There's no opportunity for northern people any more to negotiate a loan for a business enterprise through the Communities Economic Development Fund. The SNEP Program has been cut back to a minimal amount, and now we have the technical resource people's support that was provided by the two departments before, Northern Affairs and Renewable Resources being slashed drastically by this Minister and this government.

Mr. Chairman, you put all of those things together, and it's a massive blow to Northern Manitoba, let me tell you, it's a massive blow, and it's only now beginning to be felt and it's going to be felt much more severely as we go through this fiscal year. Because, Mr. Chairman, when you're talking about unemployment problems in southern Manitoba, as bad as they are today, they're only very small in comparison to the unemployment problems in Northern Manitoba. You're not going to be doing very much to help those problems with the cutbacks, you're going to be intensifying those problems, and you're not going to be helping to solve the problems, and to help the people help themselves in terms of developing their resources, developing their communities, providing the much needed and much desired employment opportunities. Because Mr. Chairman, when people use the story that people would rather be on welfare than work, that is a complete myth, because it's been proven time and time again, when there has been useful employment available for people in the northern counties, they'll take employment over welfare any day, and they'll work for less money than they would receive on welfare.

And, Mr. Chairman, that kind of approach, of providing work rather than welfare, was the approach that was being taken by the New Democratic Government, but this government, Mr. Chairman, is giving the back of their hand to that approach and what you're going to have is welfare rather than work.

It's a much easier approach, it's a much easier approach for the technocrat, bureaucrat type of administration that this government seems to want to run, because, Mr. Chairman, when a person comes up to your door and knocks on your door, and says, "My friend, I need your assistance," it's a hell of a lot easier for a person to dig in their pocket and pull out a \$10.00 bill and say, "Here, take this \$10.00, go on your way, don't bother me any more." That's a lot easier, Mr. Chairman, than asking that person to come in, sit down with you, and work with that person to try to help them solve their problem and to work out a solution to their problem.

Mr. Chairman, it's the same analogy in Northern Manitoba, when the people in Northern Manitoba are looking to this government for help, Mr. Chairman, what they'll be getting is welfare, and they'll be getting that \$10.00 bill, and they'll go on their way. But, Mr. Chairman, it will not do anything to really help those people solve their problems, because, Mr. Chairman, it's going to take a lot of hard work and dedicated work to assist people to get out of that rut and to find useful employment within their communities and outside their communities. And it's a general approach right throughout this government. Every program that's affecting Northern Manitoba has been cut back. You look at the Department of Education, the IMPACTE, BUNTEP, Special Mature Students Program, they've all been cut back, and there's problems there, as we've pointed out in the recent debates. It's throughout the whole system, Mr. Chairman, CDF, no more loans to small businesses in Northern Manitoba, zero.

The SNEP Program has been cut back to almost nothing, only a caretaker-type of operation, and the resources development division has been cut back correspondingly with all the other cutbacks. Mr. Chairman, it'll be simply, in most cases, a caretaker-type operation when what the north needs right now is new thrusts, new programs, some added emphasis on resource development, certainly not cutbacks as we see from this Minister and this government.

MR. CHAIRMAN: (1)—pass — the Honourable Minister.

MR. MacMASTER: There was a question by the Member for The Pas, Mr. Chairman, in relationship to the size of the department. Previously there was 172, 31 of them are vacant, for a filled position of 141, we now have 127. And this 127, I might add, is a total new division, amalgamated, pulled together, reinforced and in good shape, I believe, Mr. Chairman, to supply expertise help for resource development in northern Manitoba.

MR. McBRYDE: Mr. Chairman, I assume that the Minister is referring to this particular section that we're on with those figures. I wonder if he could just nod his head that's this Development Resources Division, those are the staff figures.

Mr. Chairman, this is an amalgamated new division and I wonder if the Minister could assist us to understand it a little bit better. They show here Development Programs Branch, Resource Economics Branch and Employment Services Branch.

I wonder, Mr. Chairman, do those have one person in charge of each section that report to the director. And then, Mr. Chairman, under the Development Resources Programs, do each of those sub-programs have a director that reports to this sub-director, if there is a sub-director?

MR. MacMASTER: Mr. Chairman, we're on the section now of the administration then which is the director and as we go on down through the method of operation of the various programs and resource groups will be outlined as we get to those sections in the Estimates.

MR. McBRYDE: Mr. Chairman, we're dealing with the Divisional Administration here and the Divisional Administration should deal with the structure. I'd ask the Minister to answer those structural questions, please.

MR. CHAIRMAN: (1)—pass — the Honourable Member for The Pas.

MR. McBRYDE: I'd like to ask the Minister under the Administrative section here, when we're looking at the administrative structure of this section of the Department of Northern Affairs and Resources, whether or not there is a person in charge of the Development Programs Branch, the Resource Economics Branch and the Employment Services Branch?

MR. MacMASTER: Certainly, Mr. Chairman, and we will be dealing with that as we get to them on the Estimates.

MR. CHAIRMAN: (1)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister of Northern Affairs and Resources could tell us whether we are dealing with the Divisional Administration of the Development Resources Division of the Department of Northern Affairs and Resources.

MR. MacMASTER: You're dealing with a particular office, of which I have said who is in that office.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could tell us within the Administration and the Administration structure of this section, whether there is a person or persons in charge of the Development Programs Branch, the Resource Economics Branch and the Employment Services Branch.

MR. CHAIRMAN: (1)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I move that committee rise.

MOTION presented and lost.

MR. McBRYDE: Yeas and Nays, Mr. Chairman.

MR. CHAIRMAN: Call in the members.

A COUNTED VOTE was taken the result being as follows.

MR. CLERK: Yeas: 13, Nays: 23.

MR. CHAIRMAN: I declare the motion defeated.

We are on Resolution 101, Page 67, Northern Affairs and Renewable Resources and Transportation Services, Clause 7. (a)(1)—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: I wonder if the Minister, before going on to these other sections so that we will have a bit of an over-view what we're talking about, could he give us an indication how many people in this section were formally of the Department of Renewable Resources and how many people in this section were formally from the Department of Northern Affairs, and where they would fit into the structure here? It's a matter, I suppose, of his staff pulling this information out. But I would like to know how many of these programs relate to the ones that were under Resources and how many relate to the ones that were under the former Department of Northern Affairs directly, and where they would be located in each section.

MR. MacMASTER: I will get that information, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, one of the points I made at the start of this section was the fact that the section seemed to be very rag-tag, disorganized and nobody seemed to know where people fit, where things fit, what the direction was and what was happening. I think, Mr. Chairman, that must be the reason why the Minister was unable to, and refused to, answer questions relating to the structure of the department because maybe, Mr. Chairman, he does not yet know the structure of this section of the department, he does not know what direction they are going in and he does not know what they are doing.

Mr. Chairman, this overall section of the department, as my colleague has indicated, is one of the key sections of the overall Provincial Government program for resource development — human and physical resource development — in Northern Manitoba; especially, Mr. Chairman, in the remote communities of Northern Manitoba.

Mr. Chairman, what we have here; what was developed; what was underway; what was beginning to work, show results in Northern Manitoba was a concentrated effort, a deliberate program development in discussion and negotiation with the residents of these communities in order to bring about economic development, in order to bring about job creation.

Mr. Chairman, there was a long way to go. There were still many things that needed to be done but communities were beginning to move. Communities were beginning to be able to have some self-sufficiency, to be able to provide themselves with employment and to be able to control the destiny of their own community as opposed to the time of the members opposite, previously in government and the present First Minister was a Commissioner of Northern Affairs, when there was no direction, where there was no assistance and you had basically a colonial structure that hopefully, somehow or other, some people from remote communities might get a job with a mining company, who were not sure that they would or not. And that was about the only development, the only program, the only thing they had in place before.

Mr. Chairman, this was a major thrust and a major effort of the New Democratic Party to assist communities, to assist the individuals in the communities to bring about their own economic development. That was after, Mr. Chairman, steps had been taken in terms of social development, community development and the development of local self-government within the communities.

The major thrust and the major direction that was discussed with the people of Northern Manitoba was agreed would assist the people of Northern Manitoba move into the next most important phase of their development, that of economic development.

And what we have, Mr. Chairman, is a government that does not care what is happening to Northern Manitoba, that does not care what is happening to the people of Northern²⁶ -27 Manitoba and does not even realize that it's going to cost them more money. It's going to cost the taxpayers of Manitoba more money to move in the direction that they are moving, that is in no direction at all, Mr. Chairman, than, in fact, to attempt to come to grips with the problems, to attempt to assist the communities with their own development.

And, Mr. Chairman, when this Minister was appointed to office, set out, deliberately planned in order to establish his own position with his reactionary colleagues to eliminate programs, to eliminate economic development projects and to eliminate the staff to carry out those particular programs. And, Mr. Chairman, the present Minister of Northern Affairs has sold out the people of Northern Manitoba, has sold out the development, has sold out the remote communities in the province of Manitoba and, Mr. Chairman, this is clearly and obviously reflected in this section as well as all the other programs that this government has cut to assist with the development, to assist with the economic growth of the remote areas of Northern Manitoba. And, Mr. Chairman, the Minister

under this section not only chose to eliminate the staff responsible for carrying out programs, but chose to eliminate programs that in fact were at the point of break-even, that they're at the point of providing meaningful and necessary employment, and meaningful and necessary economic development in the northern part of our province.

But, Mr. Chairman, what the Minister has done is to implement, if he did not in fact assist in writing the recommendations of the report on government organization and economy, service to communities should continue but at a reduced level. And, Mr. Chairman, we're talking more than a reduction here, we're talking about complete elimination of some economic development projects and some economic development programs in Northern Manitoba.

And, Mr. Chairman, the other thing we have under the Administration of this section is, in fact, civil service staff in place in Northern Manitoba. Those that are left, those that the Minister has allowed to survive in Northern Manitoba with very little funds, or no funds at all for actual projects, for actual economic development, for actual employment creation.

So, Mr. Chairman, in the Divisional Administration the administration is such, and the Minister's direction and the Minister's policy is such, that you have civil servants in Northern Manitoba sitting on their hands collecting fairly large salaries, people who have competence in the area of economic development, but no funds to be able to initiate and get projects going in the communities and no projects left to give assistance to because the Minister has eliminated those projects and programs.

Mr. Speaker, the first project and program that this Minister cut upon coming to office — as a matter of fact I think the cut probably greeted him when he came in the first day — was Easterville Harvesting Company set up to harvest fence posts in that part of the province to provide employment to the community of Easterville, the treaty and non-treaty people of the community of Easterville. The operation's set up in such a way that there could be a . . .

MR. CHAIRMAN: Order please, the Honourable Minister on a Point of Order.

MR. MacMASTER: I respectfully suggest, Mr. Chairman, that the member is out of order. Corporate projects are farther down on the same page. If he wishes to talk about corporate projects we'll talk about them at that time.

MR. CHAIRMAN: Thank you. The Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman, I'm talking about the Development Resources Division of this Minister's department which is the key section for delivering economic development and employment creation projects and programs which direction the Minister has given. The direction and policy of this Minister is to do nothing in the area of economic development and employment creation, to cut the programs and projects. And, Mr. Chairman, it is through the Divisional Administration that he makes his policy and program known and, Mr. Chairman, what he has done as the Minister of Northern Affairs with this section is not only a reduction in the overall dollars available for this type of program for employment creation and economic development, but a deliberate elimination of economic projects, some of which were at the point of being self-sustaining in Northern Manitoba.

One such program, Mr. Chairman, for example was the Easterville Harvesting. Set up in such a way so that there would be a core group of people who would be professional cutters, who would work all year round utilizing the equipment and facilities all year around.

MR. MacMASTER: Mr. Chairman, we're on to the Corporate Projects again, Mr. Chairman, and there's a very specific section that we can talk about them if the member wishes to at that particular time.

MR. CHAIAN: Order please. I would like to direct the honourable members attention to the gallery on my right where we have 19 students of Grade 6 standing under the direction of Mr. Hrushowy. These students are from the Rorketon School. This school is in the constituency of the Honourable Member for Ste. Rose and I would ask you to join with me in welcoming these students.

The Honourable Member for Winnipeg Centre.

MR. BOYCE: To the point of order, Mr. Chairman, the member in his presentation is using the example to demonstrate the general case and I think he's well within the Rules of the House.

MR. CHAIAN: The Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman, in demonstrating the direction that the Minister has given this

section, and the administration of this section, I was attempting, Mr. Chairman, to give examples of the direction that the Minister has given. And the direction that the Minister has given is basically do as little as possible, we are not giving you any funds to get the projects off the ground. We are not giving any funds for the continuation of projects. As a matter of fact, the policy is to cut as many projects as possible, projects that lead to the development of Northern Manitoba. And the example I was using, Mr. Chairman, before I was interrupted related to the Easterville Harvesting which had a core group of people as cutters and which was able to expand during the off season so that fishermen in the community of Easterville, and fishing is the main occupation in the community of Easterville, so that fishermen in the off season would not have to go on unemployment insurance, would not have to go on welfare, but in fact they could fish and when the fishing season was over they could go back to work at the harvesting company. When the fishing season opened up again they could go back to work for the fishing.

And, Mr. Chairman, that is a clear example of the policy direction that this Minister has given to this section and to his whole department and, Mr. Chairman, the operation of Easterville Harvesting had a social cost-benefit analysis done on it, and it was clearly shown by two different methods of calculation that in fact the taxpayers of the province of Manitoba were better off with a small subsidy to this operation than to pay the other costs associated with not having the operation in place, and to be able to collect the income tax statements from the people that worked on this program.

So, Mr. Chairman, that is the first example of the Minister's direction, the Minister's lack of direction and the Minister's sellout of Northern Manitoba.

Mr. Chairman, another clear example of the Minister's approach to northern development, and the Minister's approach to that operation he just closed down. His second approach is to sell off, to sell off various operations in which the communities — Well, Mr. Chairman, one of my colleagues add "give" and certainly that is part of the case. The Minister's policy direction, the Minister's administrative advice, is to give away or sell off for whatever he can get, at bargain basement prices, assets of the various operations of benefit to the communities in Northern Manitoba.

Mr. Chairman, one of those is the Pukwagan operation, the log-milling operation in the community of Wabowden, which the Minister is in the process of selling off.

MR. CHAIRMAN: The Honourable Minister.

MR. MacMASTER: We're back on corporate projects again, Mr. Chairman. The member seems to enjoy talking about them. I'm not sure if he is going to enjoy talking about them at the appropriate section.

MR. CHAIRMAN: I would like to direct the honourable members that we are on Clause (a)(1) Salaries and Wages. I think to give the opportunity to those members that are not in the House during the discussion of the debate that if we stick to the subject, that when they do come when the appropriate subjects come up under particular clauses that they will have an opportunity of joining in in the debate, rather than allow the discussion to carry on further, it will curtail their activities and the debate at a later date. And I would ask the Honourable Member for The Pas if he would direct his questions and his debate on this particular subject.

The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, the subject we are dealing with is the divisional administration of the Development Resources Division, which the Minister introduced and defined generally that division's objectives, as the Minister saw them, that division's approach. The Minister did not seem to give the House a fair picture of this division or of the administrative structure. And as a matter of fact, Mr. Chairman, refused to answer questions on the administrative structure of this division, which would only logically come under the administrative section as to how is the structure, how can he carry out these goals.

But, Mr. Chairman, more important is that the goals outlined by the Minister for this section are not being carried out, are not being met. As a matter of fact, Mr. Chairman, all the evidence indicates that the goals move in the opposite direction.

Mr. Chairman, as an example of the goals moving in the opposite direction, of the administration moving in the opposite direction, were Easterville Harvesting, were the Pukwagan operations. It is Minago Contractors; it is Athapap Builders; it is Mistik Creek Loggers; it is the Young Point Cabinet operation and many, many more, Mr. Chairman.

I wonder if the Minister could tell the House whether or not under this Development Resources Division whether any discussions were held with the Manitoba Metis Federation of them assuming the responsibility for the delivery of any programs or projects within the Development Resources Division of this department, and whether the Minister had any discussion with them on that subject,

and whether the Minister had any negotiation with them on that subject.

MR. CHAIRMAN: (a)(1)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Let the record show that the Minister again refuses to answer the legitimate questions of members of this side of the House.

Mr. Chairman, I wonder if the Minister could tell us what role the Manitoba Metis Federation has played in the Minister's determination of this section before us, and what advice he has taken from them in the carrying out of this section, which is before us.

MR. MacMASTER: Mr. Chairman, I suppose it bears repeating for the fifth or sixth time that any particular credible group in Manitoba that wishes carry on discussions with my departmental staff or myself in relationship to how their lifestyles are going and the opportunities they would like to see for their group or their people, are certainly welcome. I have carried on such discussions with numbers of people in Manitoba, The Trappers Association, the Northern Association of Community Councils, the MIB, the MMF, fishermen's organizations — and I will continue to do such.

I give a lot of credence to their thoughts and their aspirations for their peoples and their groups and I feel that good government should be responsive to them and listen to them, and work with them. And I believe we are capable of doing just that and we will be continuing to do just that.

MR. McBRYDE: Yes, Mr. Chairman. Did the Minister or the Minister's staff have negotiation with the Manitoba Metis Federation which would lead to them assuming responsibilities for program delivery of any of the programs under this section?

MR. MacMASTER: I just repeat what I said, Mr. Chairman. I have had credible discussions with a large number of groups, who relate to many sections of my department.

MR. CHAIRMAN: (1)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, the Minister would avoid answering that question.

The Minister indicated that there was one staff man year under this section previously and now there are three staff man years. I wonder if the Minister could explain what the two additional staff man years are, and what happened to the other position, which he said was completely eliminated. How does it show in these figures?

MR. MacMASTER: The two additional positions are an assistant to the director and a secretary, and I said that before, Mr. Chairman.

MR. CHAIRMAN: (1)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, the reason this is not quite clear to myself is that there previously was a head of this division, who, I assume, had secretarial staff, etc., etc. And I wonder where the previous head of this section's position appears in these Estimates, or where it has been eliminated from so that we should be able to see a reduction and where his staff appear, or where we can see a reduction in those positions.

MR. MacMASTER: The position that the member is relating to was cut out of (1)(c)(a).

MR. McBRYDE: Yes, Mr. Chairman. I would assume that that would apply also to the staff of the particular individual.

MR. MacMASTER: It might help if I gave an overall number in answer to the —(Interjection)— You would not be capable, the Member for The Pas, of grasping an overall picture, that's why we have got to keep it very sile.

The number from Renewable Resources, as asked for by the Member for Rupertsland, was 42 and for Northern Affairs was 130. That was the vote in 1977-78.

MR. CHAIRMAN: (1)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman. It appears from the figures given earlier by the Minister that there were 14 filled positions eliminated in this section by the Minister and I would like to ask him if he could give us the regional location of those 14 positions that were eliminated. And while he's

doing that, I assume that his staff has now had time to answer previous questions that the Minister took as notice that he would get back to us on, and that is the regional location of other positions that were eliminated that have already been asked of the Minister, and which shouldn't be that difficult, if the department is at all organized, to figure out what those figures are.

MR. CHAIRMAN: The Honourable Minister.

MR. MacMASTER: Just as a comment while we're getting those figures. If the member wishes to insult myself as an individual, or my organizational ability, that's fine, but with the staff sitting here I don't think it's really too credible to be throwing the stuff across the hall that he's throwing at them.

MR. McBRYDE: Yes, Mr. Chairman. The Minister is the responsible person for the Department of Northern Affairs and Resources and all the bungling, Mr. Chairman, clearly belongs to him.

MR. MacMASTER: Well, I come from the old school, Mr. Chairman, where I'm prepared to take the responsibility. There are those who would like to throw that kind of stuff at others who can't stand up and speak. So if you have any further comments to make I'd suggest that you direct them to myself and just save your comments in relationship to the staff.

The breakdown, regional-wise, I still haven't got the figures. Just a minute, we're close to it, Mr. Chairman. The question — I don't recall whether it was from the Member for Rupertsland or the Member for The Pas — taken last night in Northern Field services, the geographic locations.

1977-78 in the Winnipeg area There was 15, there are now 14, a reduction of one. In the Thompson Area, in 1978-79 there was 80.10, there's now 73.15, a reduction of 6.47. In The Pas area there was 78.26 in 1977-78 and 1978-79 there was 67, a reduction of, 11.26. In the Dauphin area, 1977-78, 17 and in the year 1978-79, 13, for a reduction of 4. That was the answer to the question from last night, Mr. Chairman.

We'll attempt, as the Member for The Pas has asked, for a breakdown similar to this for Monday.

MR. McBRYDE: Yes, Mr. Chairman, I thank the Minister for that information. I'd also ask the same question on Section 95 - 1. for that same information.

MR. CHAIRMAN: (1)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman. The figures that the Minister gave us clearly indicate that with the exception of one position, that all the positions eliminated under this section which the Minister refers to — Northern Field Services — that all those staff were Northern staff except for one. So that the reductions — the elimination of positions by this Minister — in that section at least clearly shows what I had said from the start, that it appears that pretty well all the reductions have been in northern Manitoba — which means in an overall sense that the department is now more centralized because there are less field staff in the northern area of our province. And, Mr. Chairman, what the figures that the Minister gave us didn't indicate was the elimination of positions in even the more remote communities outside of Thompson, The Pas and Dauphin. That was one thing I had hoped that he might give us in that answer, is the positions eliminated in the remote communities themselves.

MR. MacMASTER: I have another answer that may resolve a question I believe, from the Member for The Pas. No, this one was from the Member for Rupertsland. It's more detailed.

Last year there was 172.13. The member asked where they came from and there was 42.13 from Renewable Resources, 130 from Northern Affairs. Of them, four positions were cut from Renewable Resources, 71 positions were cut from Northern Affairs, for a total of 75. We have added 30 positions, Mr. Chairman, for a net reduction of 45, which brings us down to our vote of 1978-79 of 127.13.

MR. CHAIRMAN: (1)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman. I'm assuming that the Minister will give us, as we come into each section, the nature of the positions that were cut. So I just serve notice that if they want to get that information prepared in advance on each section of this section they could prepare that information.

MR. CHAIRMAN: (1)—pass; (2)—pass; (a)—pass; (b)(1)—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Yes, Mr. Chairman. I would appreciate it if the Minister would give us a breakdown of what the proposed expenditures are for in this section.

MR. MacMASTER: This is the Wild Rice Development Section, Mr. Chairman. Last year there was one person in place. This year we have an increase of one more, so we have the two. We've added a resource technician.

The general terms of it, I'm sure the members know, is to assist groups of people in communities and bands to develop and manage the lake areas for the production of wild rice.

Wild rice leases are granted, as I'm sure he knows, on Crown lands as a means of securing tenure for development and harvesting purposes. It's basically the same program as was in place last year with some expansion this particular year, Mr. Chairman.

MR. CHAIRMAN: Item (a)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman. I wonder if there is any change in the policy, in any way, in this granting of permits for wild rice development.

MR. MacMASTER: No, Mr. Chairman.

MR. CHAIRMAN: (a)—pass; (b)—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Well, Mr. Chairman, in this section I note there's a significant increase here. I wonder if the Minister could outline what exactly that would be budgeted for.

MR. MacMASTER: The purchase of some additional equipment, Mr. Chairman, and the addition of some communities. I have a list of the communities that we'll be working in but I don't have the list of the communities we had last year. I would suspect that that would be the question, what new communities?

Okay, then I won't bother reading all this off, the communities that were active in and we propose to be active in. I'll ask the staff if they can break out what would be new ones this year which is more relevant to the specific question.

MR. CHAIRMAN: (b)—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Well, Mr. Chairman, further to knowing which communities they would be active in, I would like to know what their plans are for the spending of these funds. Are these capital funds for purchase of equipment such as wild rice harvesting machines, wild rice processing machinery? Would it be for lake control, water control, planting? And given all those areas of potential expenditure, could the Minister indicate if any of those are the ones that are budgeted for here, and if so how much for each?

MR. MacMASTER: It's obvious, Mr. Chairman, that the Member for Rupertsland knows this particular program fairly well. We are talking about the water level control and the weed control and the harvesting techniques, processing techniques, marketing techniques, seeding of wild rice — which I'm sure he mentioned; if he didn't he could have.

What I'll have to do is, to answer the specific question, is to determine the projected new pieces of equipment; the types of equipment, and break out the 6, 7, 10, 12, whatever it is, new communities and new areas and new groups that we'll be working with in this particular year and that will I think answer the questions.

MR. BOSTROM: Thank you, Mr. Chairman. I must say I am somewhat relieved at seeing that this section is still in his Estimates and that the policy that was established by the New Democratic Government with respect to leases for community groups and Indian bands, is still in place.

I would encourage the Minister to continue that policy. I believe it's a good policy. It's certainly in line with the philosophy of making resources available for people so that they will be able to maximize their employment opportunities from those resources.

In the last couple of years I believe the department was very successful and I'm sure they have brought their stories of success to the Minister and pointed out the potential for increasing this program and that is why this has been agreed to by the government.

The potential here is really one to look forward to because the community groups — from what

I know about them — are really grabbing on to the concept of this program and with a little bit of help from the department there are millions of dollars worth of wild rice that can be produced as a result of these expenditures.

Mr. Chairman, if I can recount just one experience for one community in northern Manitoba last wild rice season, just as an example of the potential of this program. Perhaps the staff have already brought this to the Minister's attention but I would like to ensure that he knows the potential here.

In one lake alone, because of some minor expenditures on water control, the potential production on Shallow Lake on the east side of Lake Winnipeg which is close to the community of Wanipigow, was increased from a few thousands pounds to well over 50,000 pounds, from one lake. And, Mr. Chairman, in a period of four to six weeks that provided a significant income to 25 families that went into that lake, stayed at the lake and harvested the wild rice in a co-operative, collective way and shared the income from that production.

So, Mr. Chairman, given that rice last fall was selling at lake level for over \$1.20 a pound, this meant a significant contribution to the annual income of those families. And, Mr. Chairman, it's just one example of how, with a little bit of effort, a department of government playing an active role can assist a community to develop their resource base, to assist them in taking full advantage of the employment opportunities available from a maximum harvest of that resource.

In that one lake, Mr. Chairman, I don't believe they exploited it to the full potential of the annual renewable or sustainable harvest. I believe that if conditions are right, growth-wise, that that community would be able to take an even better crop this year and in the years to come.

I believe that with some minimal work like that, some minimal effort on the part of the department and in an active way other communities would be able to benefit in the same way that that community benefitted from the wild rice resource.

And that's why I asked the question, and I was interested in knowing precisely what kind of breakdown this figure meant here, because as you can see, last year with an expenditure of approximately \$61,000 that much was accomplished in one community. And certain lakes were seeded by departmental personnel.

I think that the departmental personnel really picked up the ball on this program — I'm sure the Chairman will understand the analogy here — they have picked up the ball on this particular program and they're really running with it. By the looks of it they've obviously convinced the Minister, in spite of the cutbacks in other areas, that this one should be supplemented, and I'm very happy to see that the Minister has agreed and was able to convince his colleagues to break with the pattern of cutbacks and to give this particular section a boost. I believe it will pay big dividends in terms of employment opportunities for those communities. Given the right weather conditions I'm hopeful that the communities, particularly on the east side of Lake Winnipeg that are in my constituency will benefit greatly from the wild rice harvest again this fall, and hopefully get an even better harvest than last year.

So Mr. Chairman, I am again saying I congratulate the Minister on agreeing with his staff and going along with this particular program.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: I wonder if the Minister could tell us whether there is a person in charge of the development programs, if that is the structure?

MR. MacMASTER: Yes, Mr. Chairman, in actual fact there's been 100 percent increase in the number of people involved, be it only that it went from one to two. There's been in the neighbourhood of a 300 percent increase in dollars that will be expended, and one of the people, the only person that was there last year, is certainly in charge of the particular program this year, and we are assisting him with a new resource technician, as I mentioned before.

MR. CHAIRMAN: (b)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, how about the overall development programs, the one person in the wild rice would report to, is that a position which would appear in the structure, and if so, what is the title? What do they call that position?

MR. MacMASTER: There's a head of Development Programs branch, of which, in the Estimates you have one, two, three and so on, until you get down to the Resource Economics, which is the other square and then there's somebody at the head of that and so on.

MR. McBRYDE: Mr. Chairman, I, like the Member for Rupertsland am pleased that this program

and this opportunity for development is not one of those that has been eliminated, that in fact there appears to be some expansion in the program. I know that back in 1969 and 1970 when we first reviewed the wild rice program basically what had happened is that the people who had traditionally been involved in the wild rice program, at first to meet their own needs in times fairly distant and more recently in order to earn wages, had pretty well lost any control or any involvement in the program, and were, in fact, just paid labourers for others who had obtained control over the program, and a basic policy decision was made to attempt to get the traditional harvesters of wild rice back involved in the program and to give them some control over the program.

And Mr. Chairman, it's one place where extra government assistance was needed. If that action wasn't taken the pattern would have continued and there would be very few native people directly involved in the program. The persons involved in this program are not just right from the wild rice area on the east side of Lake Winnipeg, but they come from some quite considerable distance, as they have since traditional time immemorial, travelled as not only an economic activity of gathering the rice that they needed for their own sustenance, but in terms of an annual, cultural, social event so that people would come from near and far to take part in the wild rice harvest, to get together with old friends, and to perform ceremonies, etc., etc. So it is encouraging, to see that there is at least some of the programs that have been beneficial to the northern communities have been maintained, and at least one has been expanded.

Mr. Chairman, under this section, the wild rice section, is there any cost recovery for the wild rice development? Is there any cost recovery at all from any federal agency?

MR. MacMASTER: 60-40, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, is the total \$241,400, 60-40, and what program is that? What federal source does that 60 percent come from?

MR. MacMASTER: Northlands, Mr. Chairman.

MR. CHAIRMAN: (b)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, did this Wild Rice Development Program have the 60-40 last year for the full amount that was in the program last year?

MR. MacMASTER: Yes, Mr. Chairman.

MR. CHAIRMAN: (b)—pass; (1)—pass; (2)(a) Salaries—pass — the Honourable Member for Rupertsland.\$

MR. BOSTROM: Mr. Chairman, I note here is another reduction in terms of the Wild Fur Development Program. As I recall, this is a program financed jointly 50-50 by the Federal Government through the Department of Indian Affairs and the Department of Resources. It came about as a result of a long term discussion and consultation between the two concerned departments and the trappers of Manitoba. The Manitoba Registered Trappers Association has been instrumental and involved in this negotiation from the outset in negotiating the program. In fact it's serving on the board that's administering the program and I understand that they were quite concerned about the cutbacks that this government has announced in the program. There was a certain amount that was established for the five years of this program. Mr. Chairman, there was a slow start the first year, last year it was building up to be a normal year of operation, and to now see that the department is cutting back on the program and foregoing the opportunities that these trappers would have in being able to more fully develop and harvest the wild fur resource in Manitoba. I think here again there's certain disappointment involved, not only for the trappers who were directly involved, but for the province of Manitoba because the wild fur resource as a whole in Manitoba is going under-utilized at the present time.

Mr. Chairman, this was the rationale behind the program in the first place, was to take that under-utilized resource and to assist the trappers in taking a better harvest of that resource. And in some cases, Mr. Chairman, such as in muskrat production, assisting them in building water control dams and so on to assist in increased production of the wild fur resource, in particular specific areas of the province where it was possible to do so.

So Mr. Chairman, I must express my displeasure and disappointment in this section that this wild fur development program has been cut back quite significantly from \$557,100 last year to \$346,000 this year, a decrease of over \$200,000 off a very useful, necessary, and a very much desired program by the trappers in Manitoba.

I'm sure that the trapping community, as represented by the Manitoba Registered Trappers

is probably not making too many noises, although they are very disappointed by this and very dissatisfied with it. They're not saying too much, because Mr. Chairman, when they see the cuts and the slashes that this government has made in every other area they're afraid that the entire program is going to be scrapped. It's such an important program to them, such an essential part of their industry, that they're not saying too much about it, but I must say that they have expressed their dissatisfaction to me and it certainly doesn't speak well for the government's efforts in terms of assisting the trappers in Manitoba.

I wonder if the Minister, just by way of elaboration, could indicate what areas of specific cutback there will be this year.

MR. MacMASTER: Mr. Chairman, I don't think the Trappers Organization is really expressing that great difficult feeling that the member has expressed. I'm sure that there are some feelings when you reduce anything. But if we want to talk about the reductions just for a moment, and of course that's the topic, in staff, the Member for Rupertsland didn't specifically relate to staff but we should possibly talk about that for a moment because there were 17.13 last year, there's 13.13 this year, and that's good for headlines, that we reduced four, except that when you look at it we find that all those four positions were vacant anyway, Mr. Chairman.

The reduction in the Other Expenditures can possibly be questioned to a degree, but there were substantial expenditures that went into community trapline cabins, that's cabins that are located throughout the areas that the trappers within the vicinity can come into. This has been slowed down somewhat because of the numbers that were built, and it's certainly not all in place but a substantial amount of it is in place. Some of the marsh improvements have been cut down somewhat, and again the parallel is there that some substantial improvements were made.

Again, I have to say that the industry isn't exactly the way we would like it, but it has certainly progressed well and I think there are sufficient funds in the Estimates to carry on with the co-operation of the Trappers Association and carry on with the program with the identical number of active people as there was last year, and fairly substantial moneys to carry on with some additional trapline development and marshland development.

MR. CHAIRMAN: (a)—pass — the Honourable Member for Rupertsland Rupertsland.

MR. BOSTROM: Mr. Chairman, I note the Minister's comments. I would also like to bring up another point which is of concern to the trappers in Manitoba, and one which I know they were actively considering while I was still the Minister of this Department. They have discussed it with me since the change-over in administration and expressed their displeasure and disappointment that the Provincial Government at present is not really supporting them in their bid for having their own trapper-owned auction outlet in the province of Manitoba.

They did quite an extensive feasibility economic analysis of the only existing main auction facility in Manitoba, that of Dominion-Soudack Limited in the City of Winnipeg. I believe there have been some negotiations between the Manitoba Registered Trappers Association and the owners of that facility to determine a likely price in the event that the trappers were able to raise the necessary funds to purchase that outlet and to operate it. They have arrived at that tentative price, as I understand it. They were in the process of negotiating for funding with the various funding agencies, they were looking for support in principle from the various departments of government. I believe they were working with the trappers in other provinces such as Saskatchewan and Alberta and even the Northwest Territories, they were going to be tied in, as a group, collectively, to own and operate their own auction fur outlet.

Mr. Chairman, I believe the type of letter they received from the Minister of Northern Affairs was not the kind of letter of support that they were hoping for and it was certainly not the kind of indication of support that would give them very much argument in terms of approaching funding agencies for assistance in the purchase and operation of this facility. I've looked at the feasibility analysis that they have made on this particular auction outlet. It appears at first glance to be a viable proposition and I would hope that the Minister would reconsider his position with this group and give them his active support, and encourage his colleagues in Cabinet to give them support. As I understand it they are not coming to the Provincial Government and asking for financial assistance, they would be going through the special ARDA Program, the DREE Program, to attempt to get the funds necessary to negotiate this transaction.

Mr. Chairman, I believe it would be a step forward for the trappers of Manitoba and of all of Western Canada to own their own fur auction outlet. The owners of Dominion-Soudack, I believe, have indicated, at least in the feasibility analysis that I saw, I believe they have indicated their willingness to stay on for a period of five years to assist in the management of the operation and the training of staff personnel, management and technical staff to run and operate such a facility. It is a massive undertaking to be sure, but the potential in terms of the economic benefits to trappers

in Manitoba and in Western Canada appear to be very positive, and I would hope that the Minister would reconsider the kind of support that he gave them so that he would take it beyond giving them what, I believe he said in the letter, a copy of which I saw, where he said he would give them his personal support. And what this group was looking for was more than that, it was more the support and encouragement of the Provincial Government as such, and I believe that that kind of support is something that the Minister should reconsider, discuss with his colleagues, and see if he can't come up with the kind of support in principle that they would require to continue their negotiations for funding and to finalize the negotiations on this major fur auction outlet.

MR. CHAIRMAN: The Honourable Minister.

MR. MacMASTER: Mr. Chairman, nobody has said, "No", to the trappers organization in relationship to their aspirations of the Soudack operation. The feasibility studies and the correspondence I have reviewed fairly thoroughly. There was some questions in my mind, and I would think that there should be some questions in a person's mind if he's in a position of supporting a very important group such as the trappers of Manitoba when they are looking to embark on a, certainly not a risky operation but one that is full of questions and certainly would involve the future of, I guess, thousands of trappers in the entire western part of Canada.

It's not a proposal that I have taken lightly and disregarded, there's a great deal of investigation still has to take place, reviewing other proposals and the markets, and how firm the proposals are, how firm the industry appears to be. There are letters that I have read from other governments across Western Canada who are agreeing in principle until further details are made available. It's not a proposal that we have thrown out of hand, Mr. Chairman, it's one that, I think, deserves more than a passing glance and we have given it much more than that so far. We intend to continue looking at it and watching how their negotiations and their operation is continuing, and it's again something that's of such gigantic nature that you just should not be prepared until you've looked at an awful lot of the facets of the future of it. As I've said, it involves literally thousands of people and their future and their livelihoods.

MR. CHAIRMAN: The Honourable Member for Selkirk.

MR. PAWLEY: Mr. Chairman, I wonder if the Honourable Minister could assist me for a moment because I don't want to miss the proper section to deal with the question of the Netley Fur Farmers and their concerns and expressions. Would that come under this section or under some other section of the Minister's Department? Netley Marsh.

MR. MacMASTER: If the member could just bear with me just for a moment I'll see whether it's here under Wildlife.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I see one staff member is not as busy as the other so I'll give another question and they might give the answer to the Minister. On this program what is the cost-sharing arrangement, and under which Federal section does it come?

MR. MacMASTER: 50-50, Mr. Chairman, under the Wild Fur Development Agreement.

MR. McBRYDE: Mr. Chairman, a slight addition to that. I wonder if the Minister could indicate the — I suppose I could find it, well, he has people that could do it quicker — the amount last year recovered from Canada and the amount this year to be recovered from Canada under this section.

MR. MacMASTER: Last year it was 278.6 and this year it's approximately 173.5.

Mr. Chairman, I'll take the question in hand and get back to the Member for Selkirk and I assure him that when this section appears, or under another section, we'll certainly make him aware that it's coming up and we'll talk about it. I just can't find that particular section, I'm sorry, but I'll keep you aware when it's coming up.

MR. CHAIRMAN: In accordance with Rule 19(2) I'm interrupting the proceedings for Private Members' Hour and will return at the call of the Chair.

The Honourable Government House Leader.

MR. JORGENSON: Mr. Chairman, I believe there is general agreement that the House will now

adjourn. I move that the Committee rise.

MR. CHAIRMAN: 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. DEPUTY SPEAKER, Mr. J. Wally McKenzie: The Honourable Member for Radisson.

MR. KOVNATS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Minnedosa, that the report of the Committee be received.

MOTION presented and carried.

BUSINESS OF THE HOUSE:

MR. DEPUTY SPEAKER: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON: Yes, Mr. Speaker, before we adjourn I would like to change two members on the Industrial Relations Committee, substitute the name of Ferguson, Gladstone, for Spivak, River Heights.

MR. DEPUTY SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: Mr. Speaker, I move, seconded by the Honourable Member for Selkirk, that the House do now adjourn.

MOTION presented and carried, and the House stands adjourned until 2:30 p.m. Monday.