



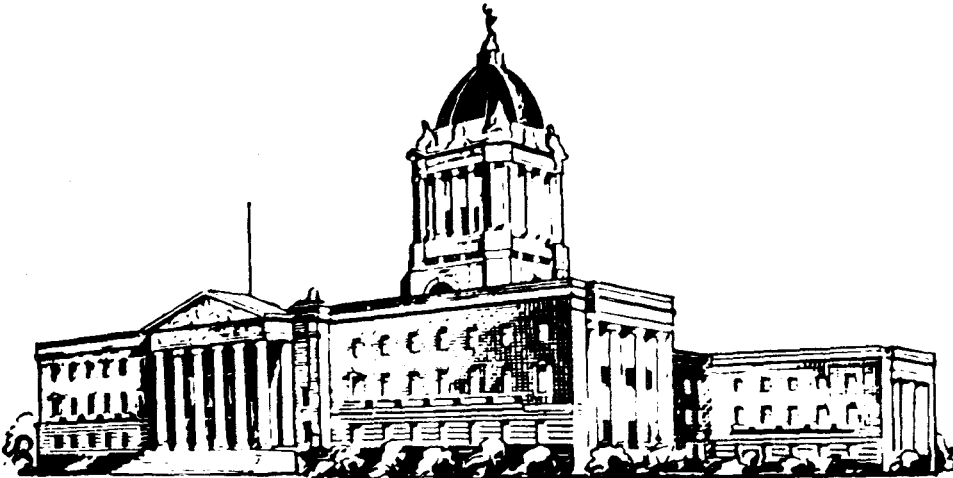
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of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

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Speaker*



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LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 3, 1979

Time: 8:00 p.m.

SUPPLY — ECONOMIC DEVELOPMENT

MR. CHAIRMAN: Committee come to order. Page 25, Resolution 37, (i)(1)—pass — the Honourable Member for Transcona.

MR. PARASIUK: Thank you. In the discussions of some of the problems of small enterprises and looking at the description of the Canada-Manitoba Industrial Sub-Agreement, and I'm pre-empting that portion a wee bit, but I don't think so because both of them overlap, there is a description of a number of things that are done and also in the Annual Report there's a description of a number of things that are done. Very little of it seems to relate to the whole question of financing and venture capital.

I know that business people argue that there is lack, a scarcity of financing; that was one of the reasons why there was some pressure on the federal government to expand the role of the Small Business Development Bank. At the same time, the federal government, through the Canadian Development Corporation, saw fit to get involved with CanWest, the firm headed up by the former leader of the provincial Liberal Party, and I think that when CanWest was established, the intent was to supposedly fill a void in venture capital. If I can recall correctly, when that Corporation was launched, Izzy Asper was quite emphatic in saying that the private sector had come up with something in the order of \$10 million, and I think something in the order of \$10 million had been provided by the Canadian Development Corporation and there would be an attempt then to provide more venture capital in Manitoba.

Unfortunately, what's happened since that time is that I don't think the provision of \$10 million or \$8 million in public moneys through the Canadian Development Corporation to CanWest has really filled the venture capital gap in Manitoba. CanWest has used its leverage to buy controlling interests of Monarch Life, and I don't know if a scarcity of venture capital was involved there. They have also used their leverage to purchase Nature Foods, or some company in the United States, so I still see a continuing gap in Manitoba and probably in western Canada regarding the provision of venture capital. I wonder if the department is doing any work with respect to small enterprise development, in that I would think that big companies do have access to capital. When CanWest got involved in trying to purchase Monarch Life, it did so by beating out a firm, or a bid put forward by Con Riley, I believe at the time, who was heading up Canadian Indemnity. So if there wasn't a scarcity of venture capital involved in that particular business development, at the same time the complaint still seems to be that small entrepreneurs trying to develop their ideas, have difficulty in getting financing and have difficulty in attracting investors here in Manitoba. One company that comes to mind very quickly is K- Cycle Engines. I recall some of the comments about the difficulty of that Professor or engineer at the university in getting together venture capital.

A MEMBER: Christianson .

MR. PARASIUK: Christianson, yes. So I am wondering if the department is doing anything in this respect. Is there something that the department perceives as a problem in addition to the comments that I get from business people saying that they think it is a problem. They are often being subjective or they are relating to personal experiences to me. But I am wondering if the department has been doing any systematic work in this respect to determine whether in fact it is a real problem that exists confronting Manitoba business people, especially the smaller ones.

MR. CHAIRMAN: The Honourable Minister.

MR. JOHNSTON: Well the Member for Transcona brings up something that is a real concern to us. And the reason I say it is a real concern — and I would like to tell my colleagues that I am not trying to be agreeable again — one of the problems that . . . you know he brings up K- Cycle Engines and Mr. Christianson, who certainly has worked with our department. They kept developing

and moving along; they were going to the Federal Bank and we had some involvement with advice, etc. All of a sudden there didn't seem to be anything happening too fast and the American government just came along and said, "You have \$6 million." The American government took the attitude of, you know, anything to do with energy, said we have \$6 million for you for R and D to continue that program.

That is very high risk money as the honourable member knows and the banks have a tendency not to move too fast on that. We just weren't in any position to take a look at the K- Cycle Engine from the point of view of putting money into it to that extent because it is risk capital. We would have to say from our point of view that if we were to take a look at any business coming into the Province of Manitoba, as we have talked about earlier in these discussions, the subject of, I'm keeping my options open, etc. for businesses that are established, etc., we personally as a government wouldn't have that kind of dollars for risk capital in that case. But I guess that all of us have to say that it is a little bit of a disappointment that that particular company couldn't find the funds in Manitoba or Canada to be able to support them. I don't think that there's anybody here that doesn't believe that he sure might have something.

But I think the honourable member is also talking about the fact that I guess the financial houses are not too willing to move in Canada to support companies or ideas that people have with risk capital. They usually are looking to loan money on the basis of orders or expansion of approved businesses, etc. I don't think that I would be right in saying that I would be happy with the situation the way it is. I certainly wish there was more risk capital. I certainly wish that we were like Ontario, who says, "I've got \$200 million to spend on expansion of business or bring business." Our particular situation in Manitoba is to take a look at things that we know are proven. That's the way we're going. We don't have it, and I guess I have to say, as I said just a couple of minutes ago, it's a little disappointing that there isn't more risk capital available in the province of Manitoba or in Canada. I think the member may be saying that the — I don't know whether the member is saying the Bank Act should be changed or something of that nature.

MR. PARASIUK: You know, I think that there has been some agreement between my colleague, the Member from Brandon and myself and the Minister on some of the problems, because I think some of the problems are problems that faced Manitoba 25 years ago, 15 years ago, 5 years ago, today, and they'll be facing Manitoba 5 years from now. I think we're dealing with a number of structural problems, and they're going to take some time to try and overcome, and while I think we have some agreement in defining the problems, you know, I don't think that we'll necessarily have agreement in coming up with solutions.

At the same time, what I'm pointing out are dilemmas, they're dilemmas. If in fact you don't have venture capital being formed in the economy then do you have some different ways of possibly trying to bring that about. You might try and do something with the Bank Act. You might try and do something with respect to tax incentives and people have talked about doing something about capital gains taxation, but again, if you do something there, do you want to direct it. Do you want to put some strings on it so that, if in fact you put in some incentives for venture capital formation, that it's actually used as venture capital and not used to buy out Monarch Life. Because my point about CanWest gave in the example I about CanWest is that I think we have in Canada and as Manitoba taxpayers put some money into a company that ostensibly was set up to provide venture capital to western Canada and it's not doing that.

MR. JOHNSTON: No, I just didn't catch the last sentence.

MR. PARASIUK: Ostensibly CanWest was set up to provide venture capital in western Canada. I can recall when the company was established and I know that that is what the financial pages were saying, that the officials of that company said was going to happen. And if you can recall, and the Minister would recall the statements of the chairman of that company when he was member of this Legislature, talked about western alienation, talked about the fact that we need more business development in western Canada. He was a very strong spokesperson in that respect.

Yet the thing that I find ironic and difficult to deal with, and I think is a dilemma facing our economy is that when the government and the private sector, in a partnership, invested money into CanWest, creating \$20 million capital pool with a fair amount of leverage in terms of borrowing money. That money wasn't used for venture purposes because buying out Monarch Life isn't necessarily, at least in the first instance, a move in the direction of providing more venture capital, unless of course Monarch Life might be seen as some institution in the future to provide a greater pool of venture capital, at which point I have to tip my hat to the present Chairman of CanWest for being a lot more canny than I give him credit for, in that he is using this original \$20 million investment pool to gain control of some larger financial institutions and through that somehow

more venturesome capital in western Canada. But I don't think that that's going to happen, so I think that we have still got a problem. That's the point that I am making.

Despite as a taxpayer having put some money into CanWest through the Canadian Development Corporation, I then wonder whether in fact the Canadian Development Corporation shouldn't be putting money into true venture capital pools or funds. If it's going to put money into a private vehicle like that — so that's \$10 million to put into that type of vehicle — maybe it should be putting money into a western Canadian venture capital fund. I don't know the extent to which Ministers of Industry and Commerce or Economic Development have made that pitch to the federal government. I know that Ministers of Economic Development or Industry and Commerce are talking with the federal government, either with the Minister of Industry and Commerce or with the Minister in charge of The Board of Economic Development, about possible industrial strategies for sectors in Canada and a possible overall industrial policy. It would strike me that what surely will be required if the private sector is going to operate more effectively is the formation and provision and accessibility of more venture capital in western Canada. It doesn't seem to be happening is what I am saying.

There was one attempt with some public participation and nothing happened there. The private sector on it's own right now isn't doing that much. It then leaves the obvious question and this is where we might have some disagreement, but it does leave an obvious question. Does the public, federally and provincially, provincially by itself, does the public have any role in this respect? And I think that that's a question that probably was addressed by Duff Roblin when the Manitoba Development Fund was established.

And I know that you're not the Minister responsible for the Manitoba Development Corporation, but frankly there still exists this gap in our economy right now. And I think that if you really went out and canvassed or did a survey of the business people in terms of what their biggest problem is, especially a person with a very good idea or a process, they will say that we lack the financing. We can't get people to invest and that's why a lot of people came around to the Manitoba Development Fund. That's why many people came around to the Manitoba Development Corporation. And granted, that's a very risky thing to get into. Venture capital obviously is very risky. At the same time, it strikes me that that's the way in which the private part of the mixed economy operates. It's going to operate on risks being taken and risks being financed. Now, the point is, if the risks aren't being financed, then we won't really have that much development taking place, when you get right down to it, in terms of new development.

So, you know, we have said that there are a number of public instruments that might be used. There might be equity participation, there might be a public lending vehicle, there might be outright Crown corporations. Those are alternatives that we put forward. Some of them are in co-operation with the private sector, others aren't. Others are ones that are done by the Crown itself. But at the same time there is an attempt to fill that gap with respect to venture capital and I think what the Minister is going to have to do, and I don't say that he is necessarily going to have to do it right now because he has assumed this portfolio fairly recently, but frankly, by next year, I think he is going to have to have some answers to that problem which we both jointly agree exists. And frankly that is a challenge; that is a challenge that faced the government in 1959; that's the challenge that faced the government in 1966; that's the challenge that faced the government in 1969 and that's the challenge that faces the government in 1977 and faces it today in 1979.

I don't see any good answers and I don't see any positive alternatives coming forward. I know that the Manitoba Development Corporation has been restricted in terms of the activity that it will undertake and that's not a surprise because the government, when seeking the mandate to govern, said that that's one of the things they would do. That's not a surprise but at the same time I do say to the Minister that he still has a problem to live with and there are certain things that are happening in relation to demand and in relation to lower exchange rates. The economy has had some ups and we have had an improvement in the general Canadian economy since 1976 which was very much a low point; 1976-77, that year was very much a low point in the Canadian economy and it started picking up a bit. We don't know how we are going to progress in the future because we are very much tied to the American economy and I would think that a great deal of the exports that we have managed in Manitoba over the last year have really gone to the United States.

So what I am saying is that sometimes, and the Minister might remember this, over the last year I haven't really criticized the government very much on what I call the monthly indicators because I think the monthly indicators — there is a whole set of them — some of them are going to be favourable to this government and some of them aren't going to be favourable and then a year from now the ones that weren't favourable might be favourable and the ones that were favourable won't be, because that's the way the business cycle operates.

But that structural problem, the scarcity of capital formation and the scarcity of venture capital, that's a problem that's going to stay with you for a long time and it's a problem that existdd in

Manitoba, I would say, since the Second World War.

So without getting involved in a lot of inflammatory rhetoric at this time on this, I do say that we do have a problem. I think that alternative ways of trying to field that problem are something that I think have to be pursued. We have had some different ideas. I look forward to the Minister coming forward with his approach, coming forward with this government's approach as to how it might fill what I would call that venture capital gap in western Canada and especially the venture capital gap in Manitoba, because there is some venture capital obviously being formed in Calgary, there's a lot of short-term wealth being created in Calgary right now. They are developing that venture capital pool, or that capital pool, and it is quite venturesome as opposed to sort of the old money of Manitoba or the old money of Toronto which isn't nearly as venturesome as the new money that is being formed, or the new wealth that is being formed in Calgary, Edmonton and other places. So that's a big, big challenge facing this Minister. He may have some other approaches to put forward or some other ideas to maybe talk about it, about what he might do. But I don't see anything that specific yet in this package here to deal with that problem which I think is a fundamental problem facing the Manitoba economy.

MR. JOHNSTON: Yes, well to approach the subject this way, that the investment houses naturally are very concerned about venture capital because, you know, they are dealing with the money invested with them by people and naturally they have to take every precaution to see that their money invested is going to be one that has a return. They won't always be successful but that's really the way The Bank Act and The Financial Act works at the present time.

I guess we could say the same thing about governments that are using the public money and certainly we should be very sure on how it should be invested and have a return to the people. I can say to you that we have been — it was the first meeting of Economic Development when I had been the Minister for one week and I ended up in an economic development meeting in Ottawa. The Assistant Deputy, Mr. Blicq, was with me and there was no question that his advice to me and his advice while we were in those meetings was that the Province of Manitoba had been pressing very hard, and we are still continuing to press very hard, on the federal government coming along on this particular program with us. We have something like that in Enterprise Manitoba as far as small business is concerned but it doesn't extend to the extent the member is talking about.

We really think that the federal government should be involved in setting up a venture capital type of fund that could be used in concert with the province — I guess you could call it a venture capital corporation, if you want to call it that, or company or anything of that nature — that would be based on possibly tax incentives or some way. I'm not prepared to say how it should be done but we have been pressing for that and I frankly think that the public generally would be in favour of something of that nature. Ontario and Quebec have established tax equity investment programs. It is beyond our finances at the present time in Manitoba but we think that the federal government, for regional reasons, should be working towards western Canada and especially Manitoba. I don't like to give the impression or have people think that Manitoba is the poor, second-class cousins. I think that we are a pretty damn good province. But we do need assistance from the federal government in this particular type of program. And I can say to the member that a poll that was taken in the province to the east of us — I guess I shouldn't mention names but it's to the east of us — was, did the people agree that the province and federal government should put \$62 million towards the Ford venture in Ontario? Sixty percent of the people said yes, surprising enough and I know that it doesn't sit well with any of us that that type of thing is done with large companies, but we were talking about small companies. But they said yes, and they said yes for one reason only — the creation of jobs. And they felt that if the government could justify, federal or provincial, the creation of jobs for people that that would have a return to the province over a period of time, that they didn't oppose that — 60 percent didn't oppose that.

All I can say is that the member has sort of given me a challenge as Minister to keep working for that type of thing, to have venture capital in Manitoba one way or another. I have certain sympathies for the financial houses in that they are responsible to shareholders, etc. But if there's a return to provinces or to Canada on the basis of money spent in the way of jobs, which create tax revenue, which creates all kinds of spin-offs, yes we would be in favour and we have been pressing the federal government to that extent.

Now I don't want to let the honourable member think that I've been writing letters every day or standing up on a platform doing it. I can only say to him that in my first meeting that I had as an Economic Development Minister, we brought this forward, we brought it forward on the basis of regional disparities, etc. and we think that it should be done.

When the member speaks about the Manitoba Development Corporation and I know it is not under my jurisdiction, the actual concept of the Manitoba Development Corporation, although it has been criticized by I guess all sides, I think the opposition criticized us when we were government

back in 1969 and we criticized when we were in opposition, but I think the general concept of being the lender of last resort type of thing of venture capital is not a bad one. But you know you have to have the resources and quite frankly we look to the big brother type of operation in this thing. And I guess that Manitoba and the western provinces would be more concerned and more agreeable to this type of thing because you know it's not too hard for Ontario governments and federal governments and Quebec governments to come up with programs when they have all that large population industry and everything and their risks are not as great. We have to take the attitude and press the attitude that western Canada is developing and the risks are not as great here now. We have been trying to work that way. As I said I had been a Minister for only a week when I was there, but last week I wrote Ottawa basically on the same subject. I think the member knows that we are not going to get too many answers from Ottawa at the present time.

I think that venture capital of any kind, no matter how you do it, maybe it's guarantee of loans, maybe it's something of that nature, but we should be able to work to try and do it. And I think the public personally and I say this — I guess I could be quoted as I'm speaking in Estimates right now in the middle of what is public — I think the people generally would not mind government investment providing there is job creation and good return on dollars. We won't always be right on every one but I think it has to be there. We basically agree that that should be done. I hope the member isn't thinking that I am agreeing with him to try and just get by the Estimates, because I think he knows me well enough if I disagreed I would tell him, but that's really what our opinion is at the present time.

I would like to say to you that I am not the greatest financial expert in the world as a Minister, but I do know that that is something that is necessary basically.

MR. PARASIUK: I thank the Minister for that answer. I picked out one point. You know the survey that was done in Ontario — I think it was predictable. I would have thought the 60 percent would have said yes, we should do that. At the same time I think that one of the things that is a bit disappointing about that, because I think another type of result might be predictable, is that if we asked the people of Ontario, "Would you be willing to put \$60 million into a venture capital fund?" which is again high risk, but you know if you invest \$60 million into a number of ideas like the K-Cycle Engine or altering vehicles or things like that, you obviously, and this is just not throwing the money away, you obviously probably could get a tremendous spin-off, or if you concentrated that venture capital in transportation possibly or in one of your high technology areas that you talked about, you might get a tremendous return.

I don't think we've been doing a very good job in terms of educating the public about this, because they might be willing to go along with, really I guess you'd have to ultimately and I don't want to say it in that pejorative a term called a bribe. We will bribe for it to come to Ontario because they are an established company, they have an established process and it's a matter of, will they move on this side of the border or that side of the border, and ultimately, if you look at it without trying to be that pejorative it comes down to being a bribe, but it's not really entrepreneurship. I like the K-Cycle idea much better. So I think that somewhere along the line, I think that we have to be prepared to start saying "Well, if we're going to start putting money up" I guess what I'm saying to you is that my preference would be much more for the venture capital one than for the incentives, and we talked about this a couple of days ago, because that is a big challenge facing you, and I don't want to belabour the point, so I'll move on to a couple of quick questions.

I don't know if K-Cycle has actually left Manitoba. Have they left Manitoba because of the \$6 million Research Grant from the States, or will they continue to develop this in Manitoba, but they are getting the Research Grant from the United States? I was following this up until a few months ago, and I've sort of lost track of it and I would think that since this is an important development in Manitoba, if the minister has any information in this respect I would really appreciate it.

MR. JOHNSTON: Even if we're out of Economic Development, I'll get the member the answer.

I'm of the understanding that the K-Cycle development and experimental work and what have you will probably be done in the United States because of the \$6 million grant, but that's my understanding at the present time. I'd like to get him a very direct answer, because you know, I think the member has mentioned something that he's been following up for two months, and you know for some reason or other things went quiet and now it's developed again. There was a discussion not more than three days ago, where I was informed that the American government had done this, and I'd like to get him the answer and I will.

MR. PARASIUK: I thank him for that, and I look forward to that answer, because you know, undoubtedly I think this will be something that will be discussed further, possibly this year or next

year.

MR. JOHNSTON: Yes, I'd just like to answer — I've been passed a note by one of my people here. But the reply that we received on the venture capital thing from Ottawa was the proposal has been drafted but has been deferred until after the election.

MR. PARASIUK: I have one final suggestion in this area. There are a number of ideas that the department and the Minister are pursuing, but one of the things that's amazed me about, in a sense, the lack of entrepreneurship of many Canadian so-called entrepreneurs, is the extent to which we have to rely on outside people. I use the example of all terrain vehicles. I really am amazed that the advanced work on hovercrafts is being done in Britain and in France, and that advanced work on all terrain vehicles is being done in Britain and in France, because if ever a country seemed like a likely market for all er vehicles, it would surely be Canada.

And we've had a tendency to invest a lot of money publicly on roads, building roads and upkeeping roads in a climate which really isn't that conducive to roads, and we put traditional vehicles or conventional vehicles on these roads that we spend a huge pot of public money trying to upkeep. What I can't understand is why we don't invest some money, or why entrepreneurs don't invest some money into developing all terrain vehicles, which would require less of a public investment in northern climes, in muskeg areas, in the roads, but may indeed require more of an investment with respect to the moving hardware and you know, people were looking at the feasibility of a hovercraft or using hovercrafts in northern Manitoba, northern Canada. And they don't steer that accurately. So I think it's been dropped. I don't know if it's being pursued much further.

And yet the hovercraft is being used quite effectively in crossing the English Channel right now. And maybe what we had to do was do more R and D in Canada to adapt the hovercraft to our climate and to adapt it to a situation where very little expense would be used in terms of bulldozing a highway through the taiga or the bush up north, bulldozing the highway in the wintertime, at very little expense and using the all terrain vehicles. So I'd like to ask the Minister if the department has kept up on what is or what isn't being done with respect to the development of all terrain vehicles in the world and in Canada, and to determine whether in fact they are doing any follow-up work to determine whether any entrepreneurial activity could take place in Manitoba in this respect.

MR. JOHNSTON: I have to say to the member at the present time no, and I remember — I'm not sure how many years ago, the Minister in charge of highways, Mr. Borowski, I believe, brought a hovercraft in — the Member for Brandon East may remember that, and it was tried out in northern Manitoba, etc. Well, I don't know whether you were involved, but I do remember it being done for experimental reasons in northern Manitoba, but you know there's nothing wrong with what Mr. Borowski did in bringing it in and trying it out, and I think the member is right in saying that it just didn't handle right, etc. I haven't crossed the English Channel, but I can remember back as far as Expo in Montreal; they had them working and they were going straight ahead at that time. But I have to say no. I have to say the R and D in the province of Manitoba hasn't been as great as we'd like it to be. No question. I mentioned the other day that we were disappointed in that the R and D for Manitoba didn't go up as high as others when the Federal government made their change. We complained about that, but you know, I don't like to get into examples or start bringing up things that are way back, but one of the reasons for the ship-building industry in Scotland or England is because of the close relationship to the universities which kept those things abreast at all times, and I think I mentioned the other day that we have to have a close relation to the universities, but we also have to have people who are prepared to work in the technical centres, people who work in the technical centres are not necessarily research people but practical people, who know how things go on.

We have started to work that way. We've started to work that way under the enterprise program, but in a very small way. But there's no question that the development of relationship of business to universities or technical advancement has to be there. One man with an idea or one man who's a good scientist can build an empire. I'm starting to sound philosophical, but I go back to the business that I was in before, which was the concrete anchoring business, anchors and we wanted a machine that would put an anchor into concrete but it would have a stop rotation and it would stop and start. Well, the company worked with Bosch in Germany and one man developed that. And they practically locked him in a vault. I've given a couple of examples and there's no question that our relationship in Manitoba with research and development with universities and technology centres hasn't been as great as it should be, and I might say not as good as it should be all across Canada. All across Canada. I think also, in your medical fields and what have you, it can be there.

I guess that I have to go back to the challenges that I gave the member earlier of light machinery,

food products, development, etc., is the program we're working to, and I would expect the member one year from now if we haven't made any progress on it to be very critical, but that's our ideas at the present time.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. BLAKE: Well, Mr. Chairman, it's just coincidental that we happen to be talking about hovercraft and channel crossings, and ship building in England, because I had an announcement of a non-political nature to make that Margaret Thatcher just won a majority government in England.

MR. EVANS: I heard that an hour ago.

MR. JOHNSTON: Can I say to the Honourable Members of the Opposition, it is all right if the Chairman and Minister tap too?

MR. CHAIRMAN: Order please. The Member for Brandon East.

MR. EVANS: Mr. Chairman, I know it's very easy to begin to wander all over the place, and I think we've been doing a little bit of that, which is interesting and all that and some of the items I think we were discussing should really be discussed under (k), because here we're going to be talking about the Research Council and the possibilities of some spinoff. But getting back to (i) per se, the Small Enterprise Development, could we get some idea as to how many personnel are working in that Small Enterprise Development division or branch at the present time; some idea?

MR. JOHNSTON: Yes, Mr. Chairman, we have under (i), 10(2)(i), we have 16 people and it won't take me long to tell you. We have 4 staff for overall administration: 1 general director; 1 administrative secretary; 2 word processing people. Four staff for Small Enterprise Development: 1 director, small enterprise development, and 3 development officers. We have 1 staff as a project manager leading the rural small enterprise incentive components for the industrial sub-agreement. We have 1 staff as a director leading the community commercial development and that is also in the industrial infrastructure component under the Development Agreement. We have 1 staff as a project man leading the Enterprise Development centre in Brandon. Let me explain to the member that the Brandon facility will be similar to the Dauphin facility. We have 2 staff who are for the Enterprise Development Centre in Dauphin, 1 senior development officer and 1 clerk-typist. We have 1 staff for regional officer at Portage la Prairie: 1 development officer. We have 2 staff, are for small assistance centres: 1 development officer and 1 administrative secretary. That's the 16 people in this department. And the 16 people in this department, you recognize that several of them are not paid by the Manitoba Enterprise Program, but do supervision within those programs with people that are working in it under the sub-Agreement on a 60-40 split.

MR. EVANS: Well, Mr. Chairman, I would gather that the thrust or the emphasis of this group tends to be essentially non-Winnipeg oriented. I am not suggesting there is no one involved in Winnipeg problems, but there has been a tendency over the years, many many years, I would think for the department to spend a lot of effort in this small enterprise area outside of Winnipeg, the basis being they probably need more help outside of Winnipeg, that in the City of Winnipeg you have more facilities, you have more banking facilities, and you have more, well, the city itself has an industrial development department, and so on. I want to ask the Minister whether my impression is correct, if it's still essentially rural oriented.

MR. JOHNSTON: I would say, you know, I'd have to answer "yes" to that. The lists that I read you earlier of general counselling, etc., are certainly 100 urban, 325 rural; new venture counselling, 20 urban, 150 rural; expansion counselling, 60 urban, 100 rural. Obviously, I'd have to answer "yes" to that, but the member is quite right that we work closely with Winnipeg and as a matter of fact, Winnipeg's new Industrial Commissioner, I think they call him — I say I think, I don't think that's the exact name, but he's similar to your Brandon Industrial Commissioner, working in Winnipeg. He's just been brought on stream in the last three months or so in Winnipeg, and we're starting to develop a close liaison with him.

We don't back off assistance to small business in Winnipeg. We don't get as many calls. I think I can approach a question that the Member for Transcona asked a little earlier about the fact that some of his constituents in Transcona say, well, I'm part of Manitoba too and I probably need some

help, why is it all rural Manitoba? It's a beginning in rural Manitoba because I think that's the place where we have to lead to first. I hope the councillors of Winnipeg aren't in the room, but there's no question that Winnipeg is 500,000 people or better, which is half of the Province of Manitoba. It's an unfortunate situation. I think we'd like to have a Saskatoon and Regina, and a Calgary and Edmonton in this province as much as possible, but that happens to be the fact of life and our drive has . . . well, certainly I think that I'd probably be railroaded out of the room by my colleagues who are sitting over there if I didn't say that we have to do something to expand the economy of manufacturing, etc., in rural Manitoba.

MR. EVANS: Yes. Now this whole area of small enterprise development — I want to confine my remarks mainly to the manufacturing side because retail service sector is very responsive to the size of the population and the level of farm income, and as farm income goes so does a lot of other things in this province, and unfortunately we don't have as much control over farm income as we'd like. You know, prices, the weather and you name it. Whether it be floods or whether it be droughts, but there have been some very, very interesting small enterprise developments in rural Manitoba, and some of them are natural for the area. The only problem is they tend to be very tiny, and they are constrained from developing because they just don't have the market. I recall on one occasion being in Birtle, Manitoba, where we participated in the official opening of a very tiny abattoir, and where they also made sausages. My friend Norm Bergman has left the hall . . . they make delicious hot dogs, the weiners. In fact, I recall when we opened up the building they had a string of frankfurters across and this was our ribbon, officially opening the abattoir and sausage factory. But, oh I don't know, they had three people — (Injite we sampled a lot, I think Norm Bergman ate as many hot dogs as everybody else around. They were really good. But you know, here was something rather interesting because there was a person there who had an interest in that, and managed to get a little bit of money and was doing something. I don't know how it's doing today, but it's limited by that local market area.

Another example, in Rivers, a seed cleaning plant. They did have one many years back. They unfortunately had a fire, although now they've come up with a brand new facility, it's quite good and a lot of local money and people are enthusiastic, and so on. These are very interesting developments and we can go around Minnedosa — I'm not sure how the agricultural implements company is doing now, they've had their ups and downs. But you can go do Boissevain . . .

A MEMBER: If they get the orders, they can produce.

MR. EVANS: Well you see there again, you get back to the problem of the EVANS: Well you see EVANS: Well you see market. See I would disagree with my colleague. I don't think it's a lack of finance so much. I think maybe that was the case about 10-15 years ago. Today I think the savings are around; I think there is money around. If the opportunities are there you can find the capital, the finance. But you go to Boissevain, I remember the Dring Enterprises, making laminated structures, or you can go all over the province. You go to Winkler and to Altona, and so on. And some people are very successful and some companies try to grow a bit and then they grow a little too fast and then they may get into trouble and get over their head, and before you know it they may be bankrupt.

But I was just wondering — and we may not have this information — but I was just wondering, can the Minister tell us, or can his staff tell us, through the Minister, whether they detect any sort of trend in Manitoba where some of the towns are developing small manufacturing centres? I'm not talking about the service sector; I am talking about manufacturing. And you might make an argument, well, they do relate to the size of the town. Like when you get a town like Steinbach you're going to see a little more manufacturing than you will in Rosenort, which is much smaller. You know, Virden has some possibilities, and Minnedosa, because they're a little bigger. Well, they're 2,000-plus.

So, this is the dilemma. If your resources are limited, if you have only got so much money and you've only got so many staff members, do you just sit back and sort of respond to whoever wherever or do you try to concentrate and do your best in those towns, in those communities where there is the greatest potential. So this is a real tricky one, because you don't like to say "no" to anyone, but do you detect, is there any trend of some centres in Manitoba developing as manufacturing centres? I'm just going to guess: Winkler, Altona — almost twin cities — and Morden, the three cities there, and Steinbach. —(Interjections)— Morden Canneries, yes. Morden, Winkler, Altona seem to be. So we hear of some of these towns but is there any . . . You know, maybe there isn't any trend; maybe there isn't any information, but I am really curious. I am interested in this. I have been around the province a lot and there are some rather interesting things that do happen on a very local level. You never read about them here in Winnipeg papers, but nevertheless

they are happening out there. And they are, as I said, unfortunately confined usually by the local market. If they can break through that and then start exporting outside of their local area then they have an opportunity to grow and then you have a real positive factor at work for that town.

So I don't know whether the Minister has had a chance to get that information, but does the staff detect any trend in the development of small manufacturing around the province?

MR. JOHNSTON: Yes. I can say "yes". We are very encouraged. He mentioned some areas, oh, Steinbach, Winkler, Morden and through southern Manitoba and Virden — I wouldn't dare leave Virden out — and Minnedosa. No question — there is no question. And all of these smaller communities are working very hard and many of them, through their Councils, are moving ahead to try and go out and develop industry on their own or drag them in, or start them up, or encourage it.

I'd like to say that one of the problems that we have, dealing with the smaller communities in the department, they work with us very closely but we have this problem also, that sometimes they are a little hesitant to maybe trust us. In other words, if their Development Officer or somebody is working on something and they come to the province, and they usually end up with us — I have used maybe the wrong word when I say "trust" — but they are always concerned that if they tell somebody that they're working with somebody and it gets out somebody else is going to be going after them. It's not really a good situation to have too much competition between the towns and municipalities. I believe in the competition, but it can be overly done.

But, you know, you mention southern Manitoba, and I said Minnedosa. I would say that Swan River, and when you talk about Birtle-Russell; there are all kinds of applications coming in to the program for requests for development of manufacturing in these small areas, and there is no question that it's growing.

I have to say to the member that I am encouraged by it. Maybe I am overoptimistic, but I am encouraged by what's happening in the rural areas. We can't always agree to every idea that comes along but we certainly look at all of them.

If the Member for Brandon East is interested at all, I can say that the group in Brandon especially seem to be an exceptionally aggressive group. Brandon has hired their Commissioner and they are working very hard. They are coming in and being involved with us all the time.

MR. EVANS: Yes, well actually the Minister answered a question that I was going to ask him and I think maybe I will defer other remarks on that until we get to (k), but one other question and that is: you talked about the north and you mentioned Swan River, which is fine, but is the department doing much in areas such as Flin Flon, The Pas, Lynn Lake, Leaf Rapids, Thompson; are you getting many inquiries there? You know, you are in a different geographical zone; you are in a mining area, a forestry area, you have population more concentrated in those places, and so on. Or has that more or less been left to the NorMan Development Corporation, essentially, and perhaps the Department of Northern Affairs?

MR. JOHNSTON: Well certainly the NorMan Development Corporation is active. We have not had as much response from the north as we'd like, and we think that northern Manitoba has as much access into the western markets as anybody. They certainly have trouble getting into the eastern markets but they certainly have as much access to western markets as anybody. But to be honest, we have not had as much come from the north as we'd like, and certainly we encourage it. We are doing a study in Thompson at the present time, and we're doing a study in The Pas at the present time at the request of the Town Council, to make an examination of the economic circumstance in the area and try to advise the businesses in that area the best way to go.

I don't have a copy of one of the studies that we've done but, you know, the areas that we have done are very large print-outs of all the businesses, what they are involved in, volume of business and then, of course, we go into the potential of business for the businesses that are there at the present time. We don't go too far into detail about what maybe new businesses could come into those areas; we are concentrating on the businesses that are there on the basis of what is the best expansion for them. And we're working in The Pas and Thompson at the present time and certainly we want activity in the north.

I just have a note here: Received an application for assistance under the Industrial Incentive Program this week and we are meeting with the people of Thompson next Friday on that program that we were speaking of, that's the Infrastructure Program, and this type of program will be worked on in Thompson.

There is no question that, at the present time, the north is not moving as fast as we'd like it, but again I have to be an optimist. I think that they're coming out of their period of, I guess you

might call it doldrums or economic expansion has not been moving too fast, I think they're coming out of it, but I wouldn't say to the member that it will happen next year. I think it will take two to three years to have it come back to where it was.

MR. EVANS: I just have one last question in this area and that is with respect to Gimli. I know the Industrial Park in Gimli is under the administration of, I think, the Department of Government Services, as such, but I'm sure the Department of Economic Development is still very much involved in the small enterprise section, should be involved, eh, in attracting people in there. I think that it had some very interesting enterprises in there over the years. Some have made it; some have moved out, for different reasons; some have folded, whatever, but I gather there is space there. Generally speaking, I think the facilities are excellent. I know the CNR has still got this big railway locomotive training school which is very good, and I know there are other things happening outside of the Gimli Industrial Park. But my question pertains to the Gimli Industrial Park. Is this Small Enterprise Development Section working there, or maybe it's Business Development, I don't know, but is there any work going on by this group with Gimli and, if so, what's happening? Is there any possibilities of attracting a new industry there? I know there is one that had some trouble recently that set up a few years ago, Viscount Homes, is it? Is it Viscount Homes?

MR. JOHNSTON: No, I think you're speaking of the home company, VIP, is it? Is that the name of it? Is that the one that just had the bankruptcy problems? Modular Homes, yes.

MR. EVANS: Yes, it was in the papers and I don't really want to go into why they had problems, you know, that's their business. But I am just wondering what are the possibilities for the Gimli Industrial Park, and how can you help them?

MR. JOHNSTON: Well, in the lists I gave you we have one small enterprise loan to Gimli Boat Works, aluminum boats, but that's one small loan or forgivable loan that has been done up there.

The Gimli Industrial Park is a natural. It has, well if you want to say, runways; it has accommodation; it has buildings, and I might say some of the buildings have to be upgraded, there is no question about that. I believe the Minister in charge of the Gimli Park, the Minister of Government Services, would be prepared at any time if we came up with an industry that would move in there, would be very anxious to upgrade that park to the extent that it would have to be to get industry. But at the present time we haven't been able to locate anything in there since the Modular went out and there are buildings available.

But the member must remember — and this is optimism again — the Gimli Park is 60 miles from Winnipeg, which is just tremendous. Maybe you thought I was going to say a detriment, but you know if you go to Ontario you will find a head Office in Toronto and a plant 100 miles away. But the Gimli Park is a natural with good transportation and everything back and forth to have people placed in it. We think that we can locate people there, and I go back to the business that it's not going to be easy but we think we've got something that will attract and something we can present, and our people are continually showing it but, you know, we have to have the right business and we probably have to have research done and we have to probably have surveys done for anybody that's going in there, to make sure it's a natural.

I'd, frankly, like nothing better than to be able to find about three good businesses for Gimli Industrial Park. The member may not agree with me, but if that happened I think I'd like to see the Minister of Government Services sell it to a developer to maintain it and get us off the hook for \$600,000 a year, but that's the ambitions we have for it.

MR. EVANS: Okay, supplementary to that then, what is now at the Gimli Park? I know the CNR has this big training program and I do recall Ontario Central Airways had a base there, and I'm not sure whether they're still operating but that was quite a little operation and there at one time was an aluminum boat manufacturer and they may still be there, I don't really know. But this is my question, what are the businesses that are now at the Gimli Park?

MR. JOHNSTON: Well, I, with red face I'd have to say to the member that I couldn't name them all off but I'd certainly be pleased to get him the list of people there at the present time.

MR. CHAIRMAN: (i)(1)—pass; (i)(2)—pass; (i)—pass; (j)(1). The Member for Brandon East.

MR. EVANS: I'd like to ask a couple of general questions here because now we're talking about the Manitoba Trading Corporation, unless the Minister can tell us that we are talking about staff

in addition to the Trading Corporation, but I would imagine these moneys, these salaries, and these expenditures do relate to the Manitoba Trading Corporation staff. So, that's one question. And if it isn't, if they relate to others than the Trading Corporation, we'd like to know.

MR. JOHNSTON: Excuse me, Mr. Chairman, I heard the member's question. Can he just give me a couple of minutes to . . . Mr. Chairman, the Manitoba Trading Corporation remains as an act of . . . but it will be used in the future as a functional tool of market development group to assist firms in export, bridge financing needs as requested by them. I think the member knows what the financing program was. This permits the Market Development officers to serve a more widely based group of firms than when the corporation was involved in individual transactions. The Trading Corporation — we found ourselves in the position of servicing maybe two or three companies, and we found that those companies that we'd been servicing for quite a while, you know, had sort of graduated to the point where they should be able to do this and get their financing on their own. So, we have basically said that the Trading Corporation financing program must be used in a much broader or — I don't know that the word broader is right — but must be used for more companies than just getting involved with the two or three.

So, yes, we still have the financing program of the Manitoba Trading Corporation but we would like it to broaden its scope into working with more companies than they have been, and more small companies than they have been. I must say the ones that we were servicing that grew, started as small companies. We found that some companies, and this just started to happen, we found that we were doing the export papers for a company, charging them \$24 or something for it, and when you looked at it, they were quite capable of doing it on their own now. So, yes, it's still there and we want to broaden its activities from that point of view, that it will service more small companies.

I think all the members know that if you can get this bridge financing at 6 percent, it's pretty nice, but when you get to the point where you should be able to finance it yourself, they should be graduated. But, when I say that there's no criticisms, we just want to make sure it broadens its scope. It's there for a reason and we want to use it for that.

MR. EVANS: I understand then that there is essentially no change in its functioning from before this Minister took over. No change say from the previous administration. There may be some different emphasis but no change in the general parameters, that the MTC, Manitoba Trading Corporation Legislation still exists and the corporation, the staff — there's really no restraint on any one, two, three, four avenues of endeavour that that corporation may be involved in. The Minister said he'd like to broaden the number of companies they're dealing with. That's fine, there's no criticism, and I agree at some point — you know, how far do you hold a company's hand in trying to promote their export business, and that's sort of an administrative problem. I am not going to ask the question again, I'm just saying that I believe the parameters are generally the same, there's no change. There may be some change in emphasis but no change in the general potential of that corporation, no change in the general direction, that it's still the key or chief vehicle to be used by the government, by the department to promote Manitoba made products outside of the boundaries of Manitoba.

MR. JOHNSTON: Yes. I'd like to add though to the member that the Trading Corporation continues to provide export assistance although limiting its direct sales function. We are not closing our options to the Manitoba Trading Corporation working as salesman for Manitoba. We think that's a service for business in the province, but we also believe that the best guy to sell his product is the guy making it or the guy working with the company. The men in the Corporation will be mainly involved in trying to identify products, or trying to identify areas where Manitoba products can be sold, and then working with businesses in Manitoba. After they identify an area and work with them we would expect the companies to hopefully be the sales people of their companies. It wasn't all that successful when we were doing the selling because really the guy that owns the company or somebody that works in a company is probably the best salesman for the company. But we haven't closed our options. Certainly when we get involved, as I mentioned in Mexico or something like that, there may be language problems. There may be reasons why we should be the vehicle to help that person sell. So, we haven't closed the options there and we certainly have the Corporation bridge financing still available, but we are hoping and we are leaning toward identifying areas where Manitoba products can be sold. The men working in the Corporation are designated to certain types of industry, and they in turn will work with Manitoba industry that could sell in other areas. But, we don't take the attitude that we close off the options completely.

I'd say to the honourable member that we don't favour getting into agreements with companies where we're the commission agent or the commission salesman. It hasn't really worked or we don't

feel worked that well. We think we should be identifying and work with them. If they don't have the capability of marketing themselves, I think we move in again and try to educate them how to market their products, but we haven't closed the door. We're still there to be of service.

MR. EVANS: Well, right. I think we can agree that to some extent at least the Trading Corporation was not able to pull off as many deals as I would have liked to see personally — hope springs eternal and I'm not critical of the staff or the department but we did make, I think, a valiant effort and I agree we shouldn't over emphasize one or two or three firms to the detriment of others. I agree also let's not get into any financial backing or bridge financing when there are normal commercial financial vehicles to do that. By all means let that happen.

I think one thing that was different though for the Trading Corporation was at one point we had two or three salesmen, if you will, on the road. They really could not, I agree with the Minister, they could not sell the product of any one company better than that company could itself, by no means. But what they could do, I think the term was used by a friend of mine, they could bird dog. In other words they identify an area for some development and this is what happened in the case of the abattoirs that were sold in Panama, in Central America. The person working out of Mexico City, if I recall at that time, I stand to be corrected but my memory tells me that he identified that there was some opportunity there. Having done so then we searched around in Manitoba for a company that could deliver the goods. Once we found that company, which was Canadian Rogers Western Limited, it was their representatives who were actually doing the selling and of course the wheeling and dealing, and our man in that case could speak Spanish and English fluently so that he, I guess, was a translator and he did other things as well.

So I would gather that there are no field staff of the Trading Corporation as such now. I'm not sure so I'm going to ask that specifically. Are there any field staff? In other words are there any staff going around — I think some of our best markets may be in western Canada; they may be in the upper mid-western United States and they may be I think in the Third World countries in Mexico, Latin America. I think those are some of the better potential areas for Manitoba made manufactured goods. At any rate, this is a very specific question, do we have any field staff who are going around searching for opportunities to bring back that information to Manitoba businessmen?

MR. JOHNSTON: Yes, Mr. Chairman, we have 16 people still involved with the market development. We have the general manager, who holds the sector responsibility for commercial development, and we have nine development officers, and one senior development officer for capital projects, one development officer for food and beverages, one senior development officer for health products and aerospace and electronics and electrical — I have trouble with that gentlemen, there is a very definite difference between the two, a senior development officer for machinery, a senior development officer for resource construction and transportation, a development officer for consumer products and furniture, a development officer for warehousing distribution, a development officer for apparel and a senior development officer for support services. We have two administrative secretaries. We have two people, one co-ordinator and one development officer responsible for special projects, which is the new fighter aircraft program and then the Canadian Patrol Frigate Program, and we have two staff that are administration and financial officer and clerk of operations. We still maintain 16 people within that department who are designated into specific sectors to identify markets that can be used to work with businesses in Manitoba.

MR. EVANS: Well these 16 people then, or the bulk of them, as I gather they're more or less research officers, eh? I mean, say, the Health Products man, is he or she looking, let's say, at health product opportunities where we can sell — oh, I remember we were making some pacemakers here and Harco Electronic was one. For years we've been working with this company. This is a health products field. Is this what the Minister's saying, that we've got someone who is designated for health products and he does the research, contacts the companies, make them available to export markets, or does that person actually go out into the field, into the potential market areas and do some preliminary market research, market surveying on his own and then come back, or are they all in-house? In other words, are they mainly Winnipeg based doing research and advising Manitoba business of opportunities to export out of the province, or are they also engaged in going out themselves, surveying the situation first-hand?

MR. JOHNSTON: No, they're not research and they're not in-house. They maintain and expand or increase export for Manitoba, identify market distribution and channels, and I'm reading now but I think I've kind of touched on that for both foreign and domestic. They identify markets. They identify source of Manitoba suppliers, and they co-ordinate and utilize Federal services, both

and foreign, and utilise Provincial Inter-department resources. They are not in-house research people; they are people that go out and try to identify markets for businesses in Manitoba. I might add that they certainly must be going somewhere; I seem to sign enough expense accounts for them, but they are moving around.

MR. EVANS: Could the Minister give us, you know, an example. You know, one, two examples. Maybe his staff could give him some examples of — I don't care whether it's health products or food products, you know. Just like, how does the process — how does that process work? I think the Minister has fairly well explained it but, you know, you can sit in the office and identify opportunities and communicate to Manitoba businessmen. That's almost like a kind of research in a sense, eh? But it's another thing to get out there and test the market, so to speak, for the would-be exporter.

MR. JOHNSTON: Well, you know, May 29, electronics, Mexico, Micro. We were involved with the financing of Romicon, Argentina, Harco, Gelaine Military Hospital, Turkey, Harco. As I said we have been working mainly with two or three companies but the activities of companies assisted between February 28, 1979, or from April 1st, 1978 to February 29 — Companies Assisted, 289 versus 242 in 1977-78; Merchant and Agent transactions, 41; Number of Shipments, 59; Formal quotations made, 109; Countries sold, 20; Agents and Distributors appointed — we have appointed 19; Trade Fair participation — and I might say to the member that in this particular appropriation we have grants to help companies in Manitoba participate in Taade Fairs; Missions, about 10 to 13; and Seminars, 7 seminars, 215 people.

Now the member asked me a specific question of examples. I could give him the countries — well, Dubois Wild Rice, Edison Industries, Harco Electronics, Kipp Kelly, ManWest Engineering, Marco Tool, Natura Soil Conditioner, Northland Wild Rice, Sprague Wild Rice, those are what we have been dealing with and, as I said, we'd certainly like to expand that.

MR. EVANS: I'll just interject for a moment. The Minister has given us various examples, which is fine, but I was wondering about the procedure. Does that Trade Officer working in a specific area, whether it's electronics, or whatever it is, does he then go out to Turkey, to Mexico, with the businessman, or is he pretty well confined to Winnipeg? I'm just wondering, how is the procedure worked now? Just give one example of how the procedure works.

MR. JOHNSTON: He doesn't necessarily go out with that company. Their mandate is to continually try to identify markets. Now I know that that's hard to explain. We just don't have them running around looking for markets, but we have a procedure and I'm sure it's fairly common. We have a procedure where we might have companies in Manitoba, first of all, that are making a product. We try to identify markets for them. We also try to identify natural markets for things that are being made in Manitoba. I guess I would have to say that they're not out continually running around on their own trying to find a market. If there's a Manitoba business that is producing something, they will work to try and find a market. They don't necessarily have the people that they're working to find the market for with them the first trip, but certainly if we identify it, we take it to the company and we work with the company to try and go from there. But I wouldn't like the member to think that they're just sitting in Winnipeg thinking of things; they are working with people all the time.

MR. EVANS: Well, it's my view, Mr. Chairman, that this area is a very critical area for the department and I'm not suggesting some of the other areas aren't also critical, but this is one area, you know, if we could only pull it off. This is a great potential for providing a basis of growth for Manitoba business because, if anything, we're limited — the size of our companies, the size of the operations of our manufacturers are limited by the relatively small local market that we have, and if somehow you could break out, you know, break out of this and be able to search out opportunities beyond our borders, whether it be in Canada, the United States, or elsewhere. You know, we are doing something that's — you know, we're not just taking in one another's washing.

Let me give you an example: The Food and Beverage Industry in Manitoba is essentially a local market industry. The people who work manufacturing bread and biscuits, or soft drinks or beer, or whatever, in that industry sector, they're Manitobans who are producing goods, foods and beverages for Manitobans. It's strictly a local market. There are some exceptions, but I doubt if we sell much bread, for example, outside of the Province of Manitoba. We make the bread here and we consume it here. So that to that extent we are busy helping one another but it doesn't have the same potential for increasing the level of income in the province to the extent that we could have industries here who would sell their products outside of Manitoba.

You know, I think that this is — I don't really want to get off the topic, but it's not off the topic either — but I want to talk just for a minute about McKenzie Seeds Limited. This is a kind of industry I wish we had a little bit more of, where we bring the raw material into Manitoba, we process it, we package it, and 90 percent of the product is sold outside of the Province of Manitoba. I don't know what the exact numbers are, but 90 percent's a good figure. Mr. Blicq can tell us; he's on the Board. It's a big number. It's 85, 90, 95, whatever, but this is an ideal industry. We bring the raw material into Brandon. We process it. We package it. And then we sell it right across Canada from coast to coast, and we earn revenues for the provincial economy. And this is to me an ideal sort of set-up, so I say if we could identify more industrial opportunities where we could have our manufacturers making the product and earning revenues by selling the products not only in Manitoba but outside of the province so that we're bringing in new revenues, bringing in cash, bringing in moneys into the province. And we've had one or two companies that have been rather successful. Kipp Kelly's an excellent example of a company that's been successful, and if we could have more Kipp Kellys and if we could have more McKenzie Seeds, if we could have more of these companies that have some ability to make a product that has to be a fairly high value product to overcome the cost of transportation. That's why if you're into the higher technology stuff, electronic equipment, pacemakers, for example, and medical electronics, you know, they're valuable enough that they could overcome the cost of transportation from Winnipeg, let's say, to Mexico City or to Turkey Or wherever they're going to.

So I say, personally I'd like to see this area built up. I'd like to see — I know there's a limit to how much you can do, but this is one area that really I commend to the Minister for further development.

I would also observe that, thus far at least, this government has chosen to follow the policy of the previous Administration, and that is, not to set up Trade Offices in other cities in North America, Europe, and elsewhere in the world as has been the case for Ontario, Quebec, Alberta, British Columbia. Many, many Canadian provinces have Trade Offices, if you would believe, in London, Paris, Chicago, New York, Los Angeles, you name it, and in fact it gets a bit embarrassing when you go to some of these American cities, you see Minneapolis, the Ontario Trade Office next door to the Canadian Trade Commissioner's office. The Canadian Trade Commissioner's office is presumably serving all of Canada, including Manitoba, and down the hall is Ontario's representative. There was some pressure a few years ago that we should set up an office perhaps in London — well, we used to have an office in London. This was back in the sixties. Murray Armstrong was our Consul Trade Representative there, I think the term is Consul-General. Some provinces, as I say, continue to have offices in London and elsewhere. It was decided, I guess in around 1968, '69, to close that office and to continue to rely on the Federal Government, and I maintain that the Federal Government actually does have a very good Trade Commissioners' service around the world — one of the best.

But the point is, in order to get full use of those Trade offices you have to be there. Your Manitoba businessmen have to be there. Your Manitoba Department of Economic Development representatives have to be there in order to make those Trade reps knowledgeable and aware and understand that we have something here to sell, or that we're out there looking for some markets, and that seems to me to be one of the secrets of success. I would not advocate, and I hope the Minister will tell us in a minute that there is no intention to put offices around North America or Europe because I think that's very, very expensive and could be wasteful and duplicative of what's already in existence.

But I do say to him that it's very vital that your staff get out there and our Manitoba businessmen get out there and make sure that those Trade officers of the Federal Government, wherever they may be, whether they're in Japan, or in Turkey, or in France or Mexico, wherever they are, that, you know, we have something to sell and we want their assistance in doing so. And my own experience is, once they are aware of what Manitoba wants to do, or some company wants to do, they will put their shoulder to the wheel, but if you don't go to them, if they're not made aware of it, then you don't get the service. They will respond, but you have to go after them. So I guess I'm asking the Minister' (a) Is there any intention to develop offices outside of Manitoba, as Ontario has done or Alberta has done? And (b) Is there any program for making better use of the Canadian Trade Commissioner offices?

MR. JOHNSTON: Well, yes, you know, we had the representative, not in my time, in Mexico, which is not with us any more. We have preferred to work for the Canadian Trade offices in Mexico and preferred to work with them everywhere. The Minister of Agriculture was in Mexico about two months ago with agricultural products and worked through the Canadian Trade office, and very successfully. We don't have any intention at the present time of setting up trade offices anywhere. When I say intention at the present time, it would have to show an awful cost-plus benefit in order to do it,

and we have just in the past two weeks had the Dutch Ambassador spend four days in the Province of Manitoba working with us. We've had some liaison with the European Common Market, we've had people here from Sweden, all working with us and looking at Manitoba.

At the present time, we feel that we can service and work with those people with our particular employees who have to go there, if we had to go there or work with them. But there'd have to be shown a real cost benefit for us to start opening up offices that are very expensive to maintain, I agree it can be a pretty embarrassing. I wouldn't mind having a Manitoba House, same as Alberta has a London House or Alberta House in London, and that sort of thing, but we can't at the present time justify that luxury. I think I mentioned earlier on in the Estimates that we've identified certain markets to the west of us, to the south of us and the Latin American companies, and certainly worked with all the others, and we haven't closed our options. I've used that term quite frequently. If you're in the selling and servicing game, you just don't close off all your options, but we have no intention at the present time to spend that kind of money.

MR. EVANS: I'm glad to hear the minister make that statement because I agree with that position. We shouldn't spend that money.

Dust one final question on this area, and that is: What is the plan for the forthcoming year in terms of participation in fairs and exhibits? There's usually a plan of action for the year ahead. Without going into all the detail, are there any major fairs or major exhibits that Manitoba will be participating in? There used to be, whether it be furniture or metal products or whatever.

MR. JOHNSTON: Well, yes. I'm told and I was aware of this. We get applications from industries in Manitoba that would like to participate in different fairs that would be beneficial to their industry. I don't think the member was saying that the province goes in and participates in every fair because there's all kinds of different fairs for different products. When we get a request from industry in Manitoba to participate in a fair, we have funds available to assist businesses to participate in the fair and on the basis too that we want to see either them setting up, if they're a small company, have the ability, or through that fair to set up a selling organization or an agency throughout areas where they can sell their products, and we also get back from those companies a complete rundown of how many requests they had for products, etc. But we as Manitoba don't really set up a Manitoba booth as such all that much, and I don't want to be corrected here — well, let's just take a look at it — Manitoba participated in the Pipeline Show in Edmonton, Jun 1979, will be, but that's Manitoba booth. Farm and Ranch Show, Edmonton, in March 1980, that's the plans at the present time for the Province of Manitoba. The other fairs that we work on are requests from industry.

MR. EVANS: Well, fine. I don't want to really belabour it, but I gather there's really been no change in the policy in participating in exhibition and fairs. In other words, we go in there, possibly get 'x' number of square feet, and presumably encourage some of our manufacturers, or whoever, to participate and they pay their own shot in bringing their merchandise there, and they have to have their people there, and so on. But we provide the space, and we say here's the Manitoba section of that fair, and to that extent we are subsidizing or encouraging those would-be manufacturer-exporters. So really there's no change I gather, it's more or less the same procedure.

MR. JOHNSTON: Yes, that's correct. The honourable member says no change. I'd like to say to him that the Department of Economic Development is one of a service department to industry in Manitoba. It's one of trying to identify areas where products that are manufactured Manitoba can be made and it's one of trying to attract manufacturers to Manitoba. I think on those three basic points, I don't know how anybody in Manitoba could maybe disagree with our objectives in that point of view. I think probably we've identified certain industries. The member says that they were identified and have been identified before. We feel that right now we'll never be in a better position to advance it, and we can't lose the opportunity.

I'd like to answer one question that had me concerned before the break about the Southam Business Publications \$5,738 trade fair. Southam sponsored the Western Canada Farm and Ranch Show in Edmonton, and our \$5,738 was used — and I'm having trouble reading your writing John — we rented the space for provincial exhibit, the manufacturing staff exhibit provided the equipment, space approximately 3,500 feet, and we had six Manitoba industries involved in that space. That's what there was to Southam.

MR. EVANS: Well, I didn't ask that question, but that's fine, it's on the record and my colleague will read it.

MR. JOHNSTON: Yes, I know but I think it was a question that deserves an answer.

MR. EVANS: Yes, well one, I keep on saying a final question — a final question, supplementary. Is there going to be an annual report of the Manitoba Trading Corporations? It seems to me by law there has to be a report published of the MTC, and is that report going to have some details as to some of the companies you're working with, you know, so that one could read it without asking a lot of detail questions here, just to read it and get some idea of some of the things that are going on.

MR. JOHNSTON: The member hit me with something when he said by law. I'm informed that yes, it has to be done and . . . when fellows, when can we have it? —(Interjection)— It has to be produced three months after the end of the fiscal year, and it will be.

MR. EVANS: Will it include some data, apart from the financial statements, which are not really that interesting, I'm more interested in just the companies they're working with and some of the possibilities, some of the developments and that sort of thing? And if it will, that's fine.

MR. JOHNSTON: I'm told it will, Mr. Chairman.

MR. CHAIRMAN: (j)(1)—pass; (j)(2)—pass; (j)—pass — the Honourable Minister.

MR. JOHNSTON: Mr. Chairman, I wonder if I could request a five-minute break.

MR. CHAIRMAN: Committee agreed. We have a five-minute recess.

MR. CHAIRMAN, Mr. Morris McGregor (Virden): Call the committee back to order. We're discussing (k)(1) — the Member for Transcona.

MR. PARASIUK: . . . the synopsis of the Canada-Manitoba Industrial Agreement as the minister promised a couple of days ago, and in going through it I was wondering if the minister could, if he has that synopsis, if he has a copy of that synopsis, perhaps we could use that and go from it. On Page 1, you have Industrial Development and it says what the general objective is to accelerate the industrial development process and it indicates that the 1979-80 cost is \$1 million, which with an amount being voted in under this item, and an amount being voted under the DREE Enabling Vote, I understand. But what isn't explained is what the actual expenditures will be, because it says no staff will be required. What will the expenditures be? What will this \$1 million of expenditures be over the course of this coming fiscal year, or the present fiscal year?

MR. JOHNSTON: I think what the member is asking, if I'm not wrong, he sees a figure of \$1,002,000, of which \$841,000 is voted in the economic development appropriation. We're on Page 26 and if he would refer down to — there's \$6,000,012.00. If he would refer to Note 1, it says an additional \$1,061,000 included in the Canada-Manitoba Enabling Vote for the Canada-Manitoba Industrial Sub-Agreement for the authorization of \$7 million.

Now the first figures he sees will add up to that \$7 million figure; the second figures he sees will add up to the \$6 million. Oh him to Page 79; he'll find in the Canada-Manitoba Enabling Vote under Industrial Development Agreement, \$1,061,000. So what we are saying is that in this program we have a figure that we can spend up to \$1,002,000.00. We have put in our vote what we really feel is very accurate of \$841,000, and we can draw from the appropriation on Page 79 if we require more moneys. Now the program is designed in this particular one to accelerate industrial development process in food and beverage, in health, etc. In this one we would be involved in agreements with industries to do research and studies as to the viability of expansion or the viability of bringing a new industry in.

We are not completely sure that we will spend that \$1 million but we are relatively sure or very sure that we will come close, with what knowledge we have now, to the \$841,000.00. The Minister of Finance can't use it anywhere but in the agreement, but we can draw on it if it's required.

MR. PARASIUK: I understand how the enabling vote works, and to clarify something from the Minister, the \$1 million, up to \$1 million will be spent, really, on research and studies. This is applied work to determine whether you can get expansion. There won't be any grants, as such; there won't be incentive grants under this program. This is basically technical work.

MR. JOHNSTON: Yes. As I explained to the member earlier under Enterprise Manitoba \$5 million is forgivable loans in this. Now, the Member for Brandon East mentioned a couple of days ago that research should be done, probably, to take a very close look at the expansion of the aerospace industry in the Province of Manitoba. That's the type of thing that we would work with, on the basis of research to benefit the development of that particular industry — it might be the food industry or some other industry — but it is not a grant as such. It is used for research, for development of industry in the province.

We have set up six Boards of business people in the sectors that we mention here to advise us, not make the decisions of spending money but to advise us as to whether this should be looked at or whether it shouldn't, working with our people in the department. There is no grant in this appropriation. It will be done on the basis of moneys for research for expansion of industry in the province.

MR. PARASIUK: Yes, I assume then, if you just go quickly to commercial development, it will be the same type of activity.

MR. JOHNSTON: Yes.

MR. PARASIUK: (3) Technology Centre. Just a quick comment on that?

MR. JOHNSTON: Let me first say commercial development to accessed accelerating expansion and capabilities of rural communities, when we have — which we had from Swan River; which we've had from Russell; we've had one from Dauphin; we've had one from Thompson; we have done one in Steinbach. This — and I don't want to divert — this program, it's 1979, but it did start in 1978, actually. The agreement you see here was signed April 21st, 1978. So we have done some under this, and this is what we expect to do this year. And those are the group of people supervised by our staff and the people involved working in it, which I could give you, but are doing actual research with communities as to the best potential for expansion of businesses in those communities.

MR. CHAIRMAN: The Member for Transcona.

MR. JOHNSTON: I was going to carry on with (3).

MR. PARASIUK: Okay, I have looked at them, and, frankly, the synopsis is pretty thorough now and I can get an understanding of what's entailed in this agreement, and it brings to light the material that I read when the agreement was signed, and the explanatory material, so I don't want to really go into the specifics that much. It's late and I want to make a specific general statement and that is that this particular approach, by itself, was something that I think had been talked about before. I can recall trying to negotiate the industrial infrastructure component, oh, about five, six years ago, as a replacement or a substitute for DREE incentives. And I think it's a very useful and worthwhile component of this overall agreement. I think that that component will probably be the most valuable.

However, and this has to do with the Canada-Manitoba Industrial Sub-Agreement, and it reflects on the sour taste I have in my mouth towards DREE as a means of really promoting economic development in a region, in that the department itself, in my estimation, is a federal sop. It's a federal sop to, in a sense, placate a region or a government for activity that it really won't do with respect to fundamental policy areas like tariffs; with respect to fundamental areas like transportation; and with respect to the fundamental bias towards central Canada, of the federal Department of Industry and Commerce, and of institutions like the Export Development Corporation. And I would invite the Minister to have his staff take a quick look over the background documents prepared by all western Premiers and submitted to the Prime Minister of Canada at the Western Economic Opportunities Conference in 1973, because despite differences in political labels of the governments involved, there was a great degree of unanimity in terms of presenting the western case for economic development to the Prime Minister at that time. And the papers presented were the product of a fair amount of homework done between the provinces. I think it's the best co-operative effort that probably has taken place between provinces since Confederation on a topic like that.

And, if you have the staff just give you a synopsis of some of the recommendations and have your staff go over the transcript of the proceedings; you will find that time after time when items like freight rates came up, or items like tariffs came up, the federal Minister of Transportation didn't want to rock the boat. He would say, yes, but you know that would create difficulties with the rest of Canada if we brought about this bias in favour of western Canada. They tended to talk about

a bias in favour of western Canada, in terms of promoting economic development, when in fact often what we were arguing about was removing a bias that existed against western Canada.

And time after time, Minister after Minister, was called forward and we talked about government purchasing and the fact that the Export Development Corporation really didn't spend very much money; we talked about the Business Development Bank and the fact that it didn't spend proportionately very much money in western Canada; we talked about Capital formation in western Canada; we talked about possible changes to the Bank Act to try and force banks to free up more Capital for western Canadian development. Time after time, very fundamental economic points were raised and each time the Prime Minister would sort of call on the federal Minister responsible for DREE at the time and say, well, I'm sure you've got some problems there but maybe the Minister of DREE can find some money, in a sense, to tide you over. And I guess, to put it crassly, almost to buy you off. And despite the co-operation that you're getting with the regional staff of DREE, who have a lot of knowledge of Manitoba, I still think that a \$40 million program over five years really will not provide the catalyst. It will provide something; I'm not saying it won't provide anything, but it won't provide the catalyst for real economic development in Manitoba.

I think that some more fundamental things have to be tackled, and the reason why I raise them here — and I will be raising them in discussion on the budget, in the Budget Debate — is that we will not have economic development in the type of federation we have right now unless some of the policies are changed to provide for more economic development in western Canada.

Freight rates are a very important point; tariffs were an important point. The tendency to want to, in a sense, accommodate the growth of Quebec and Ontario with economic development in Quebec and Ontario, even though in many instances the raw resources aren't there, and what western Canadian provinces were arguing is that you can't always bias things that way. If the resources are in western Canada maybe the processing has to take place. And because some of the examples are probably more glaring in other provinces I will use them, but I think they apply to Manitoba as well. Alberta, which has petroleum, wants to really develop the petrochemical industry — and the Minister probably has heard this complaint from the Alberta Minister of Industry and Commerce — and they have had an incredibly difficult time with the federal government in trying to do that. The federal government would like the petrochemical industry to be expanded in Sarnia, and there has been this tremendous conflict taking place, and I think that's part of the western alienation that exists right now. And it's just not a political thing; it has to do with policies that exist in Ottawa which really, I think, tend to discriminate against economic development in western Canada.

So, although something like this exists and it's highlighted fairly significantly within this Minister's Estimates and within this department's Estimates — and I'm not saying you should say "no" to it. You have got it; there are some good components to it. I have objected to certain components and I have indicated my objections before. This, to me, will not really provide for the type of economic development that I think we are capable of achieving in Manitoba and in western Canada. I think that we have to deal with other departments. And you see, unfortunately, although a Committee on Economic Development existed within the previous administration — and I see now that the provincial government here has created a Committee on Economic Development — the federal government really doesn't have that type of counterpart. It's quite easy for the Minister here to get a consensus from his fellow Ministers — and I would assume the Premier sits in on this Committee — and come up with an idea of where you want to go on a particular topic or a particular area. Then you have to go to Ottawa with some consensus and try and deal with that very badly fragmented system there, where often DREE isn't in agreement with the federal Department of Industry and Commerce, where often neither of those two departments are in agreement with the federal Department of Transport.

I don't want to blame this Minister for the fact that Ottawa can't get its house together and establish some type of coherent regional policies with respect to Economic Development, because they haven't done so to date. But at the same time what I'm warning the Minister is don't put all your eggs in this basket because this really, when you get right down to it, is a very small basket. It's a very small basket when you think of the different types of instruments that exist within the federal government to promote Economic Development. The seaway — there is just area after area where things could be changed to better accommodate and provide a catalyst for western economic development.

The Minister, I think, has to keep attacking on those larger fronts. You don't look a gift-horse in the mouth. You have negotiated agreement. An agreement exists. But to the extent that you say, well, now we have economic development because of this, I think you will weaken the case that I think has to be made, not just can be made but has to be made, for changes in those other policies.

And in my remarks a couple of days ago I pointed out the fact that the Export Development Corporation really doesn't have much of a presence in Manitoba or in Saskatchewan, and really

in Alberta. It has some presence in B.C. And it's B.C., Alberta and Ontario who push at those major departments. They push very hard at Industry, Trade and Commerce. They push very hard and exert a lot of pressure on the Department of External Affairs, Department of Transport. They push those major departments, because they recognize that in terms of overall economic development, DREE isn't that important to them. That's why Ontario has never really complained that much, because DREE hasn't been that operational in its jurisdiction.

It would scream bloody murder, however, if Industry, Trade and Commerce started paying much more attention to the western sectors of industry which showed promise, and possibly didn't pay as much attention to to say, Autopact. And all of these things in GATT, and I didn't raise this before, are trade-offs, and I think that traditionally, western interests have been traded off to eastern interests. This is an old complaint. But my point is that DREE, and DREE's program isn't sufficient compensation for the extent to which we've been traded off.

So I don't want to belabour that point, I just make it, I think that the Minister has this particular program, it's got some weaknesses, it's got some strengths, especially the community infrastructure strength, I'm going to look forward to seeing what happens over the course of the next year. Obviously we're in a state of great uncertainty, and we've been in that state of uncertainty over the last complete year with respect to dealings with the federal government, because we've never known when there is going to be an election, and you never could really follow anything up systematically.

However, after May 22nd, there will be certainty one way or another and I will be much more demanding, I guess of the Minister in terms of what's happening in these other areas, like what's happening with the Export Development Corporation. What's happening with Transport, Federal Transport, and what's happening in those areas. I won't be that critical now, I'm just serving notice about those areas and I'll be raising them much more rigorously next year.

MR. JOHNSTON: Mr. Chairman, I would like to assure the member that the subsidiary agreement of Enterprise Manitoba is one that we have, it's \$44 million over five years as he mentioned, but I would not like him to get the impression that that is the major thrust. It is a thrust but the major thrust of the department is in the Estimates that we've gone through to this date. You've mentioned transportation, you've mentioned the exports, you've mentioned GATT, you've mentioned the economic development, which is being carried on by the department daily. I, as the Minister, would not, at any time say that this subsidiary agreement is the economic development of the province of Manitoba. It's a tool that can be used within the department to do the job that we hope it will do, such as infrastructure, etc., help stabilize communities in the rural area of Manitoba, help keep the population there and increase jobs in that area.

When he mentions DREE, I've said the co-operation with DREE, and we have it, we use it, but there's one thing that the federal government seems to ignore. We have tremendous co-operation with DREE and we have had, and I expect we will continue to while it's there, but while they say to us, here's some dollars to help expand industry in Manitoba with DREE, on the other side of the fence, the federal government doesn't say, we'll spend more money in Manitoba to help you support the businesses that we gave money to develop. And so you basically get down to that problem. There is one area that is being recognized, but completely forgetting the other side when you get to the regional purchasing, regional economic development, regional R and D, transport, freight rates, export, the whole bit. So on the one hand, the federal government, I have to say, we have been working with very well in that area. But on the other hand, when you say to them, as the member says, are you going to purchase from the company you put money in to build, it doesn't happen, as the honourable member knows, it doesn't happen as much as it should.

So I can assure you that the department is recognizing that and will continue to press. When we attended the Ministers' meeting, the Industry Ministers' meeting, we had a communique representing the needs for recognizing regional problems throughout this province. I am not here to be critical of my counterparts in Quebec or Ontario, but they come back and say, you know, you'd be making a very great mistake if you reduce or harm that industrial belt that is so valuable. We keep coming back with the argument, that no, that's not the case. You're wasting your money if you're going to give it here and not follow through with the whole thing.

So I'd like to assure the honourable member that we've, eleven times, communicated and argued with them that these things have to be done. I don't know what really more I can say, other than I appreciate the member's comments and I think he's saying to me, in six or eight months from now, he's going to be looking at it. I guess I'm going to say, I accept the challenge and hope I can satisfy him. I know if I don't, I'll hear from him. But we recognize that that's the position it's been in. I think you mentioned the Sarnia situation where Alberta all of a sudden said, enough of this, it'll be processed here, you won't get it type of thing. We haven't got the same whack. We have a power but we certainly have resources in Manitoba and we want them to recognize

it. There's no question about it.

MR. CHAIRMAN: The Member for Brandon East.

MR. EVANS: I don't want to belabour the particular section at any great length. There's a lot of interesting developments that could come out of the agreement, particularly with regard to the food products centre and the industrial technology centre, and when we were talking earlier this evening about more R and D being done in Manitoba, of course this is where it can happen. This does provide moneys for that sort of thing to happen. The real trick of course, is to go from the applied research, the applied development and to make it commercially applicable in the province. In other words, it's fine to develop a new food process, a new type of canning or some difference in taking a particular food and being able to process it in a certain way, that's fine but the real trick is to say, okay, can we commercially produce this in Manitoba, because that's the bottom line, so to speak. Can we make some jobs, can we get some jobs out of this. But you know, nothing ventured, nothing gained.

And the food products development centre, as the Minister knows, is an extension of something that was started a few years back with the Department of Industry, Trade and Commerce. It was a few hundred thousand dollars, I was disappointed, it goes back to 1973 when we first got some money, first indication from the feds that they would be prepared to put some money into a Canadian — it was called a Canadian food products development centre. And this was supposed to be the centre for Canada. But the amount of money was really, in my estimation, a joke, if it was really and truly to be a Canadian food products technology centre.

To that extent, I share the comments of my colleague from Transcona, that in many, many ways, Manitoba is deserving of a better deal from the federal government. The fact is that a lot of the things that will happen here, a lot of the developments that will occur in Manitoba are dependent on federal policies, whether they be transportation policies, whether it's water or air or rail, whether it be the tariff policies, whether it be the policies of supply and services where that's the major purchasing department — you know they all have a great impact, and I believe that we have not had our fair share, fair share of positive attention by Ottawa for many a year.

There are always examples you can bring up. The federal government can always say, well look, we built a hangar for you over at the Winnipeg International Airport, or we've done this or that. They had Operation Access. I'd like to ask the Minister, has the Department of Supply and Services recently, or the Department of Small Business of Ottawa recently offered to have another big seminar that would bring a lot of people in to again push the possibility of selling more Manitoba products to Ottawa?

MR. JOHNSTON: Well, it certainly hasn't come to my desk, and I'm informed by my officials that it hasn't come before us before October. They have not made any approach to do anything like that again. I won't say they won't, but they haven't made any approach to us at the present time.

The member touched on a little bit, not just a little but, but the enterprise development centres in Winnipeg and the one in Portage la Prairie. I have said, and I would say it to you that I don't want to see anybody in, well, I guess I've said white coats, standing around working on something that's going to take 20 years to develop. These particular enterprise centres, if somebody has a product and they have to weld those two pieces together to make it a viable product and a saleable product, that we feel is something that's of benefit to Manitoba, we want to have the expertise to help them do that. But research, as such, we haven't gone into in these centres. That's what the centres are basically for.

Portage la Prairie — when you mention the food industry, the food industry people, when we bring people to it that are in the food industry that haven't seen it and see the equipment in the small building we have now, they're very excited about it and want to use it, and the expansion of it is being done. And we've had the opportunity to expand it with 60 percent federal dollars, and that's really the way we're going. So I've mentioned that that the member mentioned and I would say to him, no, we haven't had anything from the federal government by way of another one of those seminars.

MR. EVANS: The reason that I asked is because in reading today's issue of the Globe and Mail Report on Business, Thursday, May 3rd, here, lo and behold on Page B5, is an advertisement by Mr. Tony Abbott, Minister of State for Small Business, Department of Supply and Services in association with the Small Business Secretariat, invites industrial representatives and small business to attend a seminar on subcontracting opportunities, and the day is to be spent at the downtown Holiday Inn in Toronto where there are different business people, different members of the

of Supply and Services, I guess more or less telling those people how they can sell. I guess you can't knock them, but the fact is that they need to do more of this in Winnipeg. Toronto, they're already in there. They're close geographically to Ottawa, a couple of hundred miles. They're in the industrial heartland and so on. And it seems to me, my colleague from Transcona has said, it's true that there hasn't been enough attention paid by these other departments. DREE, yes, everything is left on the shoulders of DREE. If you want regional economic expansion, it's always DREE, DREE, DREE. Trudeau talks about DREE, the other federal ministers talk about DREE. That's always the solution, always the out, whether it's a transportation problem, we'll solve it with DREE. If it's a tariff discrimination problem, we'll solve it with DREE.

And the fact is that that isn't good enough, and there has to be better co-ordination. I'm not saying what we, in Manitoba, shouldn't help ourselves, because I believe in the old adage, God helps those who help themselves, but you know, we do have a federal government and it does have a lot of spending power and really, in my view, if they were very serious about regional economic balance in Canada, proper economic growth in a balanced way, that is not allowing areas to lag behind unnecessarily, providing opportunities, let's say, for Manitobans so they can live and work in Manitoba, then we need to have a greater commitment from whoever is in government in Ottawa with regard to buying goods made in Manitoba, and with regard to transportation policies and so on.

I don't want to be repetitious, but I mentioned the aerospace industry and I also mentioned other forms of transportation equipment. Those two areas alone are greatly dependent on federal government policy. Railway Equipment: You know they're spending millions of dollars, tens and hundreds of millions of dollars on railway equipment. It would seem to me that a decision could be made to have a lot of that done in the Canadian National or the Canadian Pacific Shops here, or some other associated company. And aerospace, as we know, we have the basis of a good aerospace industry. But that, to a large extent, is dependent on federal government policy and I would hope that in the future we can be more successful in persuading the powers that be in Ottawa to pay more attention to this area. Because the fact is, you see, we're not advocating that they spend more money; all we're advocating is that they redirect the money, because they're going to spend it anyway. They're spending millions of dollars on those hopper cars and they're going to be spending a lot of money on that military aircraft. They're going to spend it, eh? So we want not just our fair share, we need more than a fair share to over-balance, to somewhat outweigh the already overly-centralized industrialization of Canada that has developed historically in the provinces of Ontario and Quebec.

Just one final question that I have, Mr. Chairman, unless the Minister wanted to say something. I just have one specific question regarding . . .

MR. JOHNSTON: No, go ahead.

MR. EVANS: With regard to Brandon. This is Item 5 on the sheet that you distributed, the Enterprise Development Centre in Brandon. There is an estimated 1979-80 cost of \$376,700, six staff required, and so on. The total cost over five years 1.7. I gather that this is along the lines of what we were talking about previously for Dauphin and then maybe some day for Brandon. These are the incubation centres that they have tried, to some extent, I think, with success in Prince Edward Island. And where you have a certain amount of space, where you have technical staff available on-site, and that new enterprises or possibly expanding small enterprises can come in, get relatively cheap rent and free technical services, and presumably develop in this incubation centre. And at some point, presumably, if they develop successfully, at some point, then that they leave, making room for some other enterprise to come in.

So my question is: (a) Is my description of it a correct one, and if it isn't I'd like to be advised and, secondly, just exactly where does this Enterprise Development Centre stand now? Where is it now? Has the building been acquired, space been rented yet? Just what is the degree of progress in this particular item?

MR. JOHNSTON: The member is correct. It's the same principle being used in Dauphin to be used in Brandon, and we hope to have one in Winnipeg. Well, we will have one in Winnipeg. Where it stand in Brandon at the present time: We have invited proposals from builders or developers to present us with a building that would be suitable for this operation, and they would own it and we would rent the space on a five-year lease basis. It would be five years because that's all we will go to because that's the length of the agreement at the present time. Hopefully, it will carry on, but we can't commit ourselves at the present time to any more. . The tenders will be opened on May 17th, under the guidance of the local Board that has been set up to work with us, and it is the same principle as we have in Dauphin at the present time.

MR. EVANS: Have there been any applications or firm enquiries made to the local Board from local entrepreneurs who may wish to use these facilities. And if the answer is "yes", what sort of enterprises are interested in coming into this facility?

MR. JOHNSTON: We have announced the program, as the member knows I did in Brandon, and we have had definite expression of interest from different industries. We haven't got any firm applications at the present time. You know, when we know when the building will be there we intend to make it known again that that's available for this type of an operation. We have had a fellow graduating . . . It seems funny to be talking about graduating industries but we've got a fellow graduating in Dauphin at the present time, where he is now paying the economic rent. One of our problems is that if we move him out tomorrow he might be out of business for a month. We've got to find some place for him to go in that area, where he can operate, and we still won't leave him completely on his own. He will still have the access to some management consulting, but he is doing well on his own.

Firm applications we don't have for Brandon, as yet, but the Board has been pressing me. We have advertised, I might say, for a manager for that centre in Brandon. I know we have advertised through the Civil Service. It's on the boards at the present time. We're expecting to have the proposals by the 17th and a manager in place when we're ready to go. We would hire the manager even before the building opens up, so that he could start to do spade work, work in the area and look at applications with the Board.

MR. EVANS: Well, that's fine. I don't want to belabour this, but it occurred to me why, because it's a five-year agreement, why would the department not want to hire the staff on a contract basis? Because it seems you've got more flexibility. It's like you are operating your own private business. I mean, you've got a lot more flexibility than hiring people under the Civil Service Commission.

MR. JOHNSTON: It's a term basis, but we have to advertise it. Yes, it's a term basis.

MR. EVANS: Yes, and I just assumed, because I see Peter Letkeman as one of the members of the Board; no, or is he with the Research Council? I just assume there will be the maximum possible co-operation or hopeful co-ordination with the University of Brandon and the Assiniboine Community College, where there are a lot of technical services and ability and talent available, I think, which could be of some assistance here.

MR. JOHNSTON: Absolutely, very definitely. As I said, we want to work with those people, to get them involved.

MR. CHAIRMAN: 2.(k)(1)—pass; 2.(k)(2)—pass; 2.(k)(3)—pass — the Honourable Minister.

MR. JOHNSTON: Well, just let me say this: I have made a commitment for a list of memberships. The Member for St. Johns hasn't been here, but I will see that he has them. A statement on the principle of confidentiality, the Manitoba Bureau of Statistics material to be read for the Member for Elmwood. Advertising costs for 1976-77 published in the Public Accounts was \$58,000.00. Exports for the last three years, major products, for the Member for Brandon East, we will see that you have that. And new jobs in manufacturing, 1978 calendar, and first quarter 1979, the Member for Brandon East, we will have that for him, too.

I'd like to say, Mr. Chairman, that I'd like to thank all the honourable members and the staff for the time put in. I would like to say that the Member for Brandon East says "God help those who help themselves", he is sounding more like a Conservative every day, and we appreciate that very much.

I would like to say also that we can talk about the federal government's assistance as much as we like but we have to keep doing things in Manitoba. And I would only ask that all of us, every time we seem to have criticism of Manitoba, it seems to come from our neighbours that live here, or your neighbours that live here, and we seem to be the greatest people in the world for downgrading ourselves, and I don't think there is any need to. I think that we can move beneficially for all of Manitoba at the present time. So, again, thank you very much. And if you pass 37, Mr. Chairman, I am going to move Committee rise because my Housing staff isn't here and the Member for Transcona, who is the critic, has kindly said we won't go in tomorrow morning, because I have an obligation tomorrow morning and we will probably go in tomorrow afternoon at two-thirty.

MR. CHAIRMAN: The Member for St. Vital.

MR. WALDING: Thank you, Mr. Chairman. I have been waiting to get onto MHRC because I had a few questions for the Minister. My questions had to do with the insurance aspect of MHRC properties. I wonder if the Minister will have this information with him tomorrow, so that he would be able to answer any detailed questions.

MR. JOHNSTON: Yes. Thank you, thank you for telling me. We will see that the information is there.

MR. CHAIRMAN: Resolved that there be granted to Her Majesty a sum not exceeding \$8,801,500 for Economic Development operations— —pass.
Committee rise.

SUPPLY — NORTHERN AFFAIRS

MR. CHAIRMAN: I would direct the honourable members' attention to Page 74 of the Main Estimates, Resolution 100: Executive. Clause (b) Salaries and Wages — pass — the Honourable Member for Ste. Rose.

MR. A. R. (Pete) ADAM: Thank you, Mr. Chairman. I just wanted to make a few comments before we moved on into the Estimates. There are a number of communities in my constituency, which are in the boundaries of the Northern Affairs. There are three reserves in the constituency, as well as, I believe, four or five communities that are under the jurisdiction of Northern Affairs. I've listened to my colleague, the Member for The Pas and the Member for Rupertsland, and they, I believe, have very articulately expressed the situation that prevails pretty well throughout the rural Northern Affairs communities.

I also want to put on the record what I believe is a situation in the Northern Affairs communities in my constituency, and it's pretty well as indicated by the two previous speakers on our side. I have spoken to two or three of the councils, and there seems to be a malaise of — actually I don't know whether it's malaise because of what's being done, or rather that nothing is being done. I think that is the major concern — well, the way it was expressed to me, when I spoke to two of the councils in my area, was that absolutely nothing was going on and everything was dead. And I believe this is unfortunate, because this has gone on for too many years that nothing has gone on in the north. The main objection of what was happening in the north was that white people were coming in and telling the natives and the remote communities what was good for them, and this has been going on during the time of the Hudson Bay Company, for two or three hundred years, and it went on after government was formed and since Confederation. This has been what has been happening in the north.

There is always some outsider coming in. First of all, it was the fellow that came down with the \$2 bills, the Indian agent, came down once a year and passed out \$2 bills at \$5 a head, and this, by treaty signed during the time of Queen Victoria, treaties that have been broken systematically and disregarded, broken time and time and again. This is a situation that we found in 1969, the same situation prevailing throughout the rural communities. People coming in, whenever they did go in, there were hardly any programs, but very little was happening in the north.

I can speak from experience, because I was raised at a place called Crane River. Just across the river from an Indian reserve, and some of my best friends — I was raised with native people; some of my best friends are of native ancestry, and I regard them very highly as friends, and I have very high respect for them. I've got to know their way of life and the hardships that they had to cope with in regard to the trapping, the fishing, a diminishing trapping industry, a diminishing fishing industry that had diminished to an extent many years gone by, perhaps even before the time of the Selkirk Settlers, which was the reason why the Hudson Bay encouraged immigration and colonization of the Red River community. But we found not much change in 1969 and I believe there was a most ardent effort to try and change that situation from going in and telling local people what's good for them, what will solve their problems. We tried to change the way of dealing with these remote communities by giving them more say in their affairs. There had been some sort of local advisory committees that had actually no power, even at the local level, they acted — and I speak now in the LGDs, such as Alonza and in the Interlake country, in southern Manitoba, many areas where there were LGDs and in Northern Affairs they did have some kind of advisory committees at a later date.

But in the LGDs we found — which was a bit similar to what was in place in the Northern Affairs but they had really no power. the civil servant, the administrator made all the decisions. In some

cases, where the administrator co-operated with the Advisory Committees, things went on fairly well but in most instances the administrator, having been there for years and years, looked upon the LGD as a private principality of some sort and he made all the final decisions.

We found a similar situation, or even worse, in the remote communities primarily populated by Natives or people of Native ancestry, and we tried to change that by bringing in the local Community Councils. There was quite a change and people started getting involved and people started to feel that at last they were able to make some decisions on their own, but it was short-lived, it was short-lived. Unfortunately there was a change of government with a change of philosophy and a change of policy, and at the present time I believe with the present policy actually the local Community Councils have become redundant, they are no longer required, they are not doing anything. There are no programs; they're inactive; there's nothing to do for them and they feel, even themselves, I believe they are beginning to have an attitude of "what are we doing here, there's nothing for us to do." And there's no programs for local development.

I recall during the period of the previous administration, the Community Councils would come in and try and have market roads built in their remote areas to get at the timber where they could cut fence posts or lumber and so on for local building and local sawmills and many many things were going on which appears to have been abandoned. It's unfortunate because the four or five communities that are in my constituency, everything seems to be at a standstill and I would hope that the Minister would take another look at the direction that we're following, because I think we're taking a step back.

And of course they were warned; we warned the people and we told them that we felt that the Conservative Party government would not proceed in the same manner which the previous administration was approaching those problems there, and so they had fair warning. But nevertheless I want to get these remarks on the record to at least let the Minister know that what has been said by my two colleagues applies similarly in my constituency.

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

MR. BOSTROM: On 1.(b), Mr. Chairman, we have some questions on this, but before we get to specific questions I think it would be useful on this item to question matters of overall policy in the department, as this Executive Branch relates to the whole department.

With respect to the department's Sewer and Water Program, could the Minister indicate what are the major plans and programs that are being undertaken in the fiscal year before us, what the policy is for the delivery of sewer and water services to northern Manitoba, what level of service do they hope to be able to provide, what level of service will be provided in the coming year, and furthermore, what level is being planned for the long-range in the northern communities? I'm talking here not only of subdivisions that were put in place by Northern Affairs planners over the years, but new subdivisions that are going in, as well as for individuals who wish to put in a water and sewer service for their own homes. I'd like to know what communication the department has with the communities on this, and what their definite policy is in this respect.

MR. CHAIRMAN: Order please, order please. If I can just make an announcement with leave of the House. I've just been handed a note that Margaret Thatcher has won a majority election in England.

The Honourable Minister.

MR. MacMASTER: Mr. Chairman, to the Member for Rupertsland, I'll be dealing with that under 19(5); those specific questions we can. . . —(Interjection)—

MR. CHAIRMAN: The Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, the honourable minister indicated that it would be dealt with under Item 5. I see, okay. Another policy question I have is with respect to the capital projects, well, for example, roads, things like roads and bridges for internal community connection, and internal ferry connections in the communities —(Interjection)—

MR. CHAIRMAN: On a point of order?

MR. MacMASTER: No, I just want to clear it up. That's under 19(5) too, to the Member for Rupertsland.

MR. CHAIRMAN: Acceptable?

MR. BOSTROM: Mr. Chairman, I would like to ask a general question with respect to land developing in northern Manitoba, that is the surveying of land for residential lots for remote housing programs, and also for others who wish to build their own lots. Is the department still involved in this, and if so, what is their policy with that program?

MR. MacMASTER: Same section, Mr. Chairman, 19(5).

MR. BOSTROM: Well, Mr. Chairman, on this section that is before us, could the Minister indicate the staff man years and what people are involved in the Estimates that are in Number 1.(b) that's before us?

MR. MacMASTER: There are six, Mr. Chairman, the Minister, Deputy Minister and assistant to the Deputy, his secretary, an executive assistant for myself and my secretary.

MR. BOSTROM: Mr. Chairman, can the Minister indicate how that compares with last year — what the difference is in the amounts there?

MR. MacMASTER: Mr. Chairman, there was eight last year, two funded vacant and we cut out the two vacancies.

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

MR. COWAN: Yes, thank you Mr. Chairperson. Well, this would seem to give us an opportunity to question the Minister somewhat, on any changes in his own perception of the problems in northern Manitoba. He has had that opportunity now to be a Minister of this department for a couple of years, and I'd like the Minister to take this opportunity to speak generally about what he perceives he has accomplished in the last two years, because I've talked to many of my constituents from the north, and they are somewhat disillusioned, somewhat dissatisfied with what is happening in northern Manitoba. We have seen the raft of social problems and economic problems that have followed on the heels of the election of the Minister's government, and I think quite frankly that the Minister has some explaining to do, because things are not at all rosy in northern Manitoba. Things have not been getting better, they have been getting worse, and it's not that they've been getting worse since this last year, but they've been getting worse since the last two years, and I'd like the Minister to explain what . . .

MR. ORCHARD: Doom and gloom.

MR. COWAN: Doom and gloom, the Member for Pembina says, "Doom and gloom." Well, you know, I would dearly love not to have to stand on this side and speak about doom and gloom, but the fact is, that there is a certain amount of doom and gloom in northern Manitoba, and I can place the responsibility, and not only I, Mr. Chairperson, as we will see shortly, many northerners place the responsibility on the shoulders of that government and the responsibility on the shoulders of that Minister. I'm certain that they, as well as myself are interested in hearing him explain why they are pursuing the policies that they are in the face of all the problems that they are creating. So I wish the Minister would the opportunity at this point to stand and explain where he feels he has brought this department in the last two years, and where he believes he is taking it to with Estimates such as this.

MR. MacMASTER: Well, Mr. Speaker, it's the role of the opposition to criticize, it's their role to attempt to embarrass, it's their role — I hadn't thought, but it's certainly the role of this opposition to preach the fact that everything is bad, everything is getting worse, that is their role I suppose, if you stretch your imagination. I'm not totally satisfied with everything that has gone on in northern Manitoba in the 19 years that I've been there, and it's going on 20 years now. I would like to believe that as we go through the Estimates you are going to find that there hasn't been our people going in and telling the communities what they want, the communities have been suggesting to us during the last year or year-and-a-half the type of programs they want, and I think they're going to be very significant and very much appreciated — at least the communities that we've been talking to tell us that. And as they unfold, I think the Member for Churchill may come to the realization that the communities themselves have asked for some things that are, in fact, in place and that some of his own communities within his own constituency will be reasonably pleased.

MR. COWAN: I was not expecting to speak in very great detail on this subject, Mr. Chairperson, but the Minister's remarks, as brief as they were, have cajoled me to my feet once again.

It seems to be that whenever we mention that something is going wrong, that there are problems, that someone from that side yells gloom and doom if they're not red baiting, or someone says it's a job, and it's a favorite line of the Minister, "It's the job of the opposition to criticize and to try to embarrass us, so we will suffer their slings and arrows because we realize that they're just here to criticize and to embarrass." But that is not the case, Mr. Chairperson. We are here to try to help them, and it's a difficult task indeed, but to try to help them govern to the best of their ability and given the calibre of the material with which we have to work, that is indeed a hard problem. But nevertheless, being persistent, we do attempt to do so.

The Minister has said that I preach the fact that everything is going bad in northern Manitoba. Well, not everything is going bad in northern Manitoba, Mr. Chairperson, there are some encouraging signs here and there at times, that come and go, that bloom and fade. But there are a lot of things, there are a lot of problems in northern Manitoba, and by and large they're not getting better. By and large the situation is getting worse and I can only place much of the responsibility for that worsening of the socio-economic climate in northern Manitoba on the shoulders of the Minister who has to bear the responsibility for it. He said that the communities have been coming to his government and suggesting . . . suggesting programs, I would assume, suggesting policy changes. I'm wondering if he would detail out what some of those suggestions have been and where they have come from, what communities? Because I, quite frankly, have talked to my constituents and they tell me they're not being listened to, they are unhappy with what's happening, and that is why we have the unfortunate circumstances that transpired a couple of weeks ago; that is why we have, and I'm almost reluctant to use the word confrontation because when I use the word confrontation they accuse me of preaching confrontation. I'm not preaching confrontation, I'm telling them that it exists, Mr. Chairperson, I'm telling them that when the Metis people feel that they have to use confrontation tactics to attain their worthwhile goals, and that's a decent living and that's a good job, an opportunity to use their hands and their minds to the best of their abilities, those are decent goals, and they should not be denied those.

But when they feel they have to resort to the tactics that they have had to resort to to attain those goals, then something is very very wrong somewhere. When they say, "Talking to that Minister is like talking to the wind," when they say that publicly, then I say to myself, when the Minister stands in the House and says, "We've been listening to them, they've been coming to us with their suggestions and we have been taking them under advisement and we are implementing them," then I say somewhere the communication process is breaking down.

I have to rephrase that, because I don't really believe the communication process is just breaking down by itself. I think it's being broken down, I think it's being destroyed, I think it's being ravished by that government. The only thing I can think is that they don't want that communication process because they are forcing the people to the streets, they are forcing the people to the offices, they are forcing the people into sort of public postures that they are taking. And that is because the people are dissatisfied and they are frustrated. You know, you can deal with frustration. You, Mr. Chairperson, I'm certain, get frustrated at times, probably even once in a while when we stray from the subject in here time and time again. You have frustrations but you deal with them. We talk about those frustrations. We talk it out and through that consultation, we resolve the differences and we resolve the frustrations. But when that consultation does not happen, then there is only one other avenue that is open. Well, there are a number of avenues but there is only one avenue that we have seen pursued in recent days. The people in northern Manitoba can just throw up their arms and say, well, we're going back to 1950, we're going back to 1960. We suffered through it then and we'll suffer through it now.

But they are not doing that. They are not doing that and I praise them for not doing that because that would be the wrong move. They are saying, we know our rights, we know our responsibilities but we know our rights also and we know what is due us and we are not going to be second-class Manitobans any more. We are going to take our rightful place in this province. And they are sincere and as they are sincere, they are also determined because quite frankly they do have justice on their side. So when they sit in or when they devise a confrontation tactic, they are doing so, Mr. Chairperson, because they see no other options. They have lost their optimism and they are rapidly losing their hope. And it is just not falling away from them, it's being driven away from them. The government, the Tory government, is driving it away from them. —(Interjection)— It's this pitter-patter from the Member for Pembina, and I said earlier, when they are not red-baiting, well, here's a red-baiting now, Mr. Chairperson. Now, the Member for Inkster says I reminded him. I assure the Member for Inkster that it was not necessary to remind the Member for Pembina because while his mind thinks in trivial cliches —(Interjection)— and small ones too says the Member for Flin Flon, I find it relatively amusing most of the time but this evening, Mr. Chairperson, this subject

is very dear to me and it's very serious. Because unless they do something about it now to stop what is happening out there, it is going to escalate and I do not want to see that form of escalation and I have been very clear and the record is very clear, I do not condone the confrontation, I understand it. I understand why it is necessary. I understand why the people who are resorting to those tactics feel it is necessary because they are tired of talking to the wind, and that's the polite way of saying it, Mr. Chairperson.

MR. BARROW: What's the other way?

MR. COWAN: The Member for Flin Flon knows full well what the other way is.

There have always been problems in northern Manitoba. We cannot blame the Minister for the problems that exist there because they pre-existed that Minister; they pre-existed his government. As a matter of fact they pre-existed the provincial structure. They have been around for a long, long time and they will be around for a long, long time and the best we can hope for, and it's something that I believe our government did and, you know, Mr. Chairperson, it's something that the people in northern Manitoba believed our government did too, but I believe we worked towards alleviating some of the problems. We worked towards the solutions, not away from them but towards the solutions. We tried very hard and we won very often, and we lost in certain instances and the Minister can come up and stand up in the House and reiterate time after time those few losses that we did suffer because he has sort of a pet repertoire that he says, this particular project fails, or that particular project failed. But he also in all honesty has to talk about what happened in eight years in northern Manitoba under an NDP administration and it made great strides forward, it made great bounds forward. It was historic. It was historic, and now the people in northern Manitoba are seeing that taken away from them. They are seeing a return to the Sixties, but they are not the people Sixties any more; they are not the people of the Fifties any more. They have taken advantage of what we had to offer and they have developed an awareness and they have developed the means to deal with Ministers such as the Minister that faces us today. And they will use those means. They will not hesitate to use those means because they know what they want and they know it's coming to them. In all fairness, in all justice, it's coming to them.

So when the Minister stands and tells us that he has built a rapport with the communities and the people of northern Manitoba, I doubt that he fully understands what is happening out there. I doubt that he fully understands what good rapport is because good rapport does not breed demonstration; good rapport does not breed confrontation. Frustration breeds it; despair breeds it; lack of hope breeds it, but not good rapport. So what the Minister says in this House is in clash with what is happening in northern Manitoba and what is happening on the streets in this province.

So I would like him to convince us and perhaps by convincing us he can convince others, that he is really listening to what the communities are saying. Let him take this time to stand up and detail some of the suggestions that the communities have brought before him and how he has reacted to them. Let him detail how he has been listening to them. Let him detail how his consultative process is working because I quite frankly, Mr. Chairperson, don't see it happening in quite the same light as the Minister would want us to believe.

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

MR. MacMASTER: I said before to the Member for Churchill and the other members opposite, as we roll through, or as we walk through, or as mark time our way through, as we get through the Estimates, it will become very positive and it will be noted that this Minister and the staff that I'm blessed with did not go in and superimpose our ideas on the communities. The ideas that will be coming forth within this budget will be the ideas that came from the communities.

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

MR. COWAN: Yes, Mr. Chairperson. Can't the Minister be a bit more specific than that? Can he not be more specific than that, because he doesn't have the specifics to give us, or does he want to make us wait and go through it item by item? There aren't that many items left in this Estimate. There aren't that many items left. There is not that much left to talk about, what this government is doing in northern Manitoba because this government is not doing much in northern Manitoba. So can't he take this time to prove his case, to in generalities talk about which way he feels the consultative process is going, and how he is trying to build a better rapport. There will be time, throughout the Estimates, to discuss it at further length.

But I would like to start off now, before we go through it item by item, with a better overview

of how the Minister believes his department is serving the needs of northerners, and I would just ask him once again to take the opportunity to be more specific, to enlighten us, to tell us how he feels the Department of Northern Affairs as it stands in these Estimates is serving the needs of northerners?

MR. CHAIRMAN: The Honourable Minister.

MR. MacMASTER: I can appreciate the likes and dislikes of the Member for Churchill, but the fact of the matter is as we go through the Estimates we'll deal with the details and the specifics, Mr. Chairman.

MR. DEPUTY CHAIRMAN, Mr. Robert Anderson (Springfield): (a)—pass; (b)—pass; (c)—pass — the Member for Rupertsland.

MR. BOSTROM: Well, Mr. Chairman, on (c), could the Minister just outline briefly what is included in that expenditure?

MR. MacMASTER: Mr. Chairman, furnishings, office operation, communication, auto and travel. Travel was for \$52,000.00. That was the big one out of that particular group.

MR. CHAIRMAN: (c)—pass — the Member for Churchill.

MR. COWAN: Yes. Thank you, Mr. Chairperson. Perhaps the Minister can tell us how much travel was last year.

MR. MacMASTER: There was, not specifically in travel, but last year there was \$25,000 for transferring and movement of people to the north. That was in there, and the remainder — I'll get it broke out and get that particular figure to you.

MR. CHAIRMAN: The Member for Inkster.

MR. GREEN: Mr. Chairman, I want to indicate to the Minister that I once had the responsibility which now comes under this portfolio. As a matter of fact I think he would remember that I was the first New Democratic Party appointee as Commissioner of Northern Affairs which my friend, the Member for The Pas, says the Honourable Minister wants to revert to, which would be quite a change because I believe as Commissioner of Northern Affairs I started with a budget of approximately — some of the staff may remember — but I think it was between \$1 and \$2 million and it's now \$25 million. I wonder if the Minister really wants that to come out because if that's his objective, to go back to \$1 million, then maybe my friend from The Pas is right that the objective of a good man, would be \$1 million whereas the figure is now \$25 million.

I think that that might be the most significant remark that the Minister has made but I am not going to take it very seriously, although maybe some of my colleagues will. The Minister has placed a lot of reliance in his opening statement on the fact that the department is now situated in Thompson, I believe. Well, Mr. Chairman, at the risk of heresy I'm going to suggest that that could be a very cosmetic, window-dressing change which will not result in any better service to the people of Northern Manitoba, and I want to impress upon the Minister the danger that that could happen and that the change of going north will, as a matter of fact, reduce the kind of attention that Northern Manitoba is going to get rather than increase it because physically, Mr. Chairman, a representative of the department, even the Deputy Minister, and I would think that the Minister is not going to be in Thompson. The Minister's office is still in this building. Is he to communicate with his Deputy by telephone to Thompson, or by telegram, or is his Deputy still in Winnipeg — the Deputy Minister of Northern Affairs?

MR. MacMASTER: In Thompson.

MR. GREEN: In Thompson. Now I'm even more worried, Mr. Chairman, that the difference is cosmetic rather than meaningful, and I — perhaps this is somewhat in self-defence — because I said to people when I was Commissioner, and even when the subject was raised when I was a member of the Cabinet and not the Minister, but when the Minister was here, that if the Deputy Minister is removed from the Minister and the Cabinet and the other departmental people that he will not be where the action is, and that him being in Thompson will not help the person in Brochet, who is just as accessible if there ever is an accessibility between a Deputy Minister in Thompson

and a citizen of Brochet, that communication is just as easy from Brochet to Winnipeg as Brochet to Thompson, and I would expect that it is very remote in any event, that the more likelihood is that from time to time your field staff get to these communities, that the Minister gets to the communities, as we did and as I did, and the Deputy Minister gets to the communities, as I'm sure the existing Deputy will and the previous Deputy did, by going there when it is necessary to do so, and that the office being in Thompson merely means that the Deputy Minister is not in close connection with many of the other departments.

And let us recall, Mr. Chairman, that this department is not a department in the ordinary sense of the word. It is not a Department of Northern Affairs like the Department of Northern Affairs is in Ottawa. The Northern Affairs Department in Ottawa administers education service, health services; it is the department for the administration of all services to people over whom it has jurisdiction.

In Manitoba the Department of Education administers educational services, the Department of Health administers health services, the Department of Municipal Affairs looks after municipal affairs except in the communities which do not have municipalities, which is the remote settlements and in this I say all of them. The Department of Highways looks after highways, the Department of Industry and Commerce looks after industry and commerce. For the remote settlements there are ARDA agreements which are administered under this Act, but those are administered by the Communities Economic Development Fund. So you've got everybody who is delivering services to these people situated in Winnipeg and you've got your Deputy up in Thompson, and I want, Mr. Speaker, for the Minister to keep a log of the number of trips that it's necessary for him to go to Thompson to speak to his Deputy Minister, or his Deputy Minister to come to Winnipeg to speak to the Minister or to speak to the other people he has to deal with because I'm inclined to guess that there will be many of them.

There seems to be some very strong emotional appeal for somebody to be able to get up and say in Northern Manitoba, "We moved the department from Winnipeg to Thompson." As a matter of fact, we did that too. We moved a whole bunch of the field staff from Winnipeg to Thompson. I, Mr. Chairman, don't wish to undersell it, nor do I wish to oversell it. It was never a top priority with me because I know that when I was the Commissioner for Northern Affairs that if I wanted to be in communication with the staff, and I did want to be, that having other responsibilities, and the Minister also has other responsibilities — the Minister of Labour, also responsible for the Civil Service Commission. Have I left out any of your titles, Sir? I don't wish to.

MR. MacMASTER: Manpower.

MR. GREEN: Manpower. All right. That the remoteness from the staff that is to administer the programs is a problem, and I would want to urge the Minister, that the getting up and making of an announcement that we have moved the Northern Affairs ministry to the north, although it may have some ring to it, it can be a very hollow type of change to replace the fact that there is a concerted program in northern Manitoba.

I am not going to ask the Minister for an extensive response, I just want to tell him, that as one member of the Legislative Assembly, who I think the Minister will concede has a little more knowledge of northern Manitoba than most others who don't come from the north, because, Mr. Chairman, I've probably been to Thompson more often than I have been to any other city in Manitoba, with the exception of Winnipeg and had much to do in that area and much to do in many of the other areas in northern Manitoba, both as a result of my experience in government, and as a result of a private experience in the legal profession. But as one who does have some, I believe, feeling for some of the needs in the area, I want to say that it is possible to run a good department from Winnipeg — not that it has to be done by remote control, it has to be done by people on the scene. But it is possible to run a good department and a good program where the department is centralized in Winnipeg; it is possible to run a very bad department with the department centralized in Thompson, and I would urge the Minister not to regard the physical location of the Deputy Minister as being a major change in the operation of the Department of Northern Affairs. I believe that was the strength and the thrust of his opening statement, and I wish to indicate that I, for one, do not regard that as a very significant or important thrust, and will say so, in northern Manitoba, if the time comes for me to do so.

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

MR. BOSTROM: Mr. Chairman, just following up on my colleague's comments, I would think that part of what he had to say would be borne out by the rather large amount of travel expenditures in this section just before us. I believe the Minister said there was \$52,000 budgeted here for travel.

Could he indicate how many staff that would apply to? Would that be himself, the Deputy and a few other people?

MR. MacMASTER: Mr. Chairman, the amount last year was identical, \$52,000.00. That would apply to the staff that I mentioned before the travelling. And I take the words from the Member for Inkster in the vein I think they were meant, to be cautious of something that's maybe distant from your immediate reach. I take that in the vein that I think he gave it.

MR. BOSTROM: Mr. Chairman, I'd like to have a more specific answer from the Minister as to who exactly those funds apply to for travel budget. Is it himself, his Deputy Minister, and one or two or more other staff, or do all the people in his immediate executive office and Deputy Minister's office use these travel funds?

MR. MacMASTER: About 4, Mr. Chairman. The Minister, Deputy Minister, Executive Assistant, and the Assistant to the Deputy.

MR. BOSTROM: I would assume, Mr. Chairman, that most of those funds would apply to the Minister himself and the Deputy Minister, and as my honourable colleague pointed out, the fact that we have this separation between the Minister and his Deputy Minister, one being in Winnipeg, namely the Minister, and the Deputy in Thompson, it necessitates a lot of travel back and forth for both. So that something in excess of \$50,000 is spent each year in order to maintain that type of arrangement. And one of the unfortunate things about having a base in Thompson is that because of the geographic layout of our province, Thompson is really not a very central point in terms of its dealing with northern communities. I believe Northern Affairs has jurisdiction over some 43 communities in northern Manitoba, and I would think that more than half of those communities are geographically located such as to make it very inconvenient for them to access themselves to the city of Thompson.

I refer to those in my own constituency, for example, all of the communities on the east side of Lake Winnipeg, which relate to Thompson, none of those communities relate to Thompson in a travel sense. The flights that are on a scheduled basis into the communities, with the possible exception of Norway House, all point towards Winnipeg. Winnipeg is the focal point for all of those communities. Winnipeg is the place where the people in those communities travel to and from when they are going out of the community for shopping or whatever, other business trips they may have.

And that also includes the Island Lake area. The Island Lake area, northeastern Manitoba, also is accessing itself mainly through the city of Winnipeg. So that all of that northeastern part of Manitoba really is inconveniently located now with respect to their having access to the main services of the Department of Northern Affairs as they are located in Thompson. If they wish to have a meeting with the Deputy Minister and his staff, for example, they now have to, in some cases, travel to Winnipeg first in order to reach a connecting flight to Thompson. People from Poplar River in my constituency, if they wanted to go to Thompson, they would have to fly to Winnipeg first and then go to Thompson. So that it makes it very awkward for those communities.

And I would also point out that the communities in the northwest part of the province, all of the communities that my honourable colleague from Ste. Rose was referring to and others that he possibly did not refer to in that general area around Dauphin and near The Pas and so on, in that northwest part, do not access themselves, again, through the city of Thompson. So that there is some dozen communities or more in that area that provide most of their access through the city of Winnipeg and/or a centre like Dauphin, but they certainly have no convenient connection of any kind to the city of Thompson.

It may be useful for the communities in the immediate north around Thompson and north of the city of Thompson that do have convenient travel patterns into that city for them to have an office located there to serve their needs. I'm certain that it is convenient for them, but I would think there's probably a majority of the 43 communities in the area of jurisdiction of the Department of Northern Affairs that find it extremely inconvenient that the Department of Northern Affairs is now accessible to them really only in the city of Thompson.

MR. MacMASTER: Mr. Chairman, I did mention in my opening remarks that we do have offices in The Pas and Selkirk and Dauphin, which is really the best geographical distribution that we can think of at the present time.

MR. CHAIRMAN: (c)—pass; 2. Administrative Support Services (a) Canada-Manitoba Northlands Agreement (1) Salaries — pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, before we proceed any further on these, I'd like to ask the Minister if he has a flow chart showing the distribution of the staff in his department, the responsibilities of the staff and so on, if he could provide a copy to us for our information. And Mr. Chairman, in this section, 2.(a)(1), could he indicate what staff who were in these positions last year, and what positions we're talking about in the fiscal year before us?

MR. MacMASTER: Mr. Chairman, in the first particular group, there are 17 SMYs.

MR. BOSTROM: Mr. Chairman, could the Minister please indicate how many there were last year, I didn't hear that, and could he indicate if there are any vacancies at the present time?

MR. MacMASTER: Last year, Mr. Chairman, there were 19. Two became vacant during the course of the year, a clerk and a steno, and we didn't budget for those two particular positions this year.

MR. BOSTROM: Mr. Chairman, could the Minister indicate what the responsibilities of the people in this section are?

MR. MacMASTER: Mr. Chairman, it's personnel, payroll, budget, the financial group, and your community audits.

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

MR. BOSTROM: Mr. Chairman I'd like the Minister to indicate what other expenditures are included here in the Estimate before us.

MR. MacMASTER: Mr. Chairman, printing and stationery, office equipment, postage and telephone computer charges, auto charges, miscellaneous, travel and freight.

MR. BOSTROM: Would the Minister please indicate what the expenditure is on travel in this section?

MR. MacMASTER: \$17,000, Mr. Chairman.

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

MR. ADAM: Mr. Chairman, I wonder if the Minister could indicate who does the computer service for the Department of Northern Affairs. Is this done by an in-house computer or is it farmed out? And if it is, could he give us the figures for the computer expenses?

MR. MacMASTER: Manitoba Data Services, Mr. Chairman, and the figure is \$10,200.00.

MR. CHAIAN: (2)—pass; (3)—pass; (a)—pass; 2.—pass. 3. Local Government Development (a) Local Government Service (1) Canada-Manitoba Northlands Agreement (a) Salaries—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, I just want to revert back for a moment to 2.(3) and ask the Minister if he can just explain briefly what is meant by recoverable from other appropriations in that section.

MR. MacMASTER: That's the total appropriation in 19(6) that you'll see in your Estimate book, to the Member for Rupertsland.

MR. BOSTROM: . . . section, Mr. Chairman. I assume we're under . . .

MR. CHAIRMAN: (1)(a).

MR. BOSTROM: Yes, Salaries and Wages. Could the Minister indicate in this section what staff were associated with this section last year, how many there are this year, and how many vacancies?

MR. MacMASTER: There were 24 last year, there are 24 this year, and if you'll just give me a second I'll tell him how many vacancies at the particular moment. Six vacancies as of today, Mr. Chairman.

MR. BOSTROM: Mr. Chairman, can the Minister indicate what the responsibilities are of the people in this section?

MR. MacMASTER: There are 18 northern co-ordinators, 1 fire prevention co-ordinator and 5 clerical support staff, and they are located in the four areas that I mentioned to the Member for Rupertsland. That's Thompson, Dauphin, The Pas and Selkirk.

MR. BOSTROM: And where is the 1 fire co-ordinator located, Mr. Chairman?

MR. MacMASTER: In The Pas, Mr. Chairman.

MR. BOSTROM: And Mr. Chairman, what is that person's responsibility?

MR. MacMASTER: Mr. Chairman, we'll get into it in detail later on but in general terms, he co-ordinates needed programming and training for community people in relationship to fire prevention programs. I don't want to get into it too far, it's covered quite adequately later on, but the Fire Commissioner's office has extended itself out into communities this year and are putting on programs in the north. We're bringing people in and he co-ordinates this movement, and follows up to make sure that the proper follow-up and training is taking place.

MR. BOSTROM: Mr. Chairman, who ensures that the equipment is in place in the communities and is properly serviced and maintained, so that it will be available if an emergency arises?

MR. MacMASTER: Mr. Chairman, a large degree of this responsibility is on the community councils and the community committees, who in turn, when they are dealing with the co-ordinators, go in and bring that to their attention.

MR. BOSTROM: Mr. Chairman, does the Minister really expect that the one person would be able to carry out this function in the 43 or more communities that Northern Affairs is responsible for? Can he justify that in his own mind, that this person would be able to adequately do justice to that job of co-ordinating the fire protection needs of 43 communities in northern Manitoba?

MR. MacMASTER: The person in question, Mr. Chairman, works very closely with the co-ordinators and the managers of the various areas, with the Fire Commissioner's office and Renewable Resources people. I think, at the moment, they are doing a very credible job. Now if the member has reason to bring to my attention where that's not being done, I'd appreciate that.

MR. BOSTROM: Mr. Chairman, it has come to my attention, in discussions with councils, that they have difficulty in accessing themselves to this one person. Because of the nature of the geographic distribution of the communities, it makes it very difficult for one person to be able to answer all of the requirements of the number of communities. I can sympathize with that person in the sense that I know, as a member of the Legislature representing almost the same number of communities, it makes it very difficult to make oneself available as often as people require. So I'd like to ask the Minister if he has heard these complaints from the communities — your staff has been made aware of these complaints — and if he intends to do anything about it by way of providing a better service to the communities.

MR. MacMASTER: We like to believe that the service may not be perfect, but we think it's in reasonably good shape. I'm a little surprised at the Member for Rupertsland saying that he's had communities complain to him because he's one of the best, I suppose, at dropping me lines about things that he hears throughout his constituency that are brought to his attention. We have had an element of some success, the Member for Rupertsland and myself, in resolving some problems over the past. The people that go into the communities from Northern Affairs, if these things are brought to our attention, we do our best to rectify them as quickly as possible.

MR. BOSTROM: Mr. Chairman, I'm just bringing to the Minister's attention a general complaint that I've heard from communities, and as I hear further complaints of a more specific nature, I will be bringing those to his attention. As far as this person's responsibilities, is the person

for making sure that the communities have the proper equipment and providing the necessary training for them to actually have this equipment serviceable when it's required, and making sure that it's in a proper location, that is a building or whatever where the equipment can be properly maintained and be available when necessary?

MR. MacMASTER: In general terms, what the member has said is exactly what the person is supposed to be doing and I believe that they are. They work very close with the Fire Commissioner's office, who does make inspections throughout the communities, and I think as we go through the Estimates, you'll find that the communities themselves have asked for things in relationship to fire inspections that we're endeavouring to correct this year.

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

MR. ADAM: Mr. Chairman, I wonder if the Minister could clarify on the staffing last year; he indicated that there was 24 on staff and 24 this year and six vacancies. Does that mean that there are 16 positions filled at the present time, or 24 and 6 to be filled?

MR. MacMASTER: Mr. Chairman, there are 14 funded, 18 filled at the moment and 6 will be filled. I'd like to assure the member of that. It's not just a figure that's up front.

MR. ADAM: And those vacant positions will all be filled this year. Is that correct?

MR. MacMASTER: As required, they certainly will. The postings will be going up. The question is, can I assure they will all be filled? It's our intention to fill them all. I think that's the question.

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

MR. BOSTROM: Mr. Chairman, in this section, as before, can the Minister indicate what these other expenditures are made up of?

MR. MacMASTER: Just further to the Member for Ste. Rose, two of the those positions are in the procedure right now, right in the system of being filled. So really, if we'd been a week later, it would have been down to four.

Postage, telephone, telegram, automobile mileage, travel, subsistence in travel for other than employees, that's people that are brought in other than employees of the particular government.

MR. BOSTROM: Mr. Chairman, could he indicate how much is budgeted for travel in this section, including another item related to that and that is travel for people other than government employees?

MR. MacMASTER: Staff travel is \$91,000 and your subsistence and travel for other than employees, community people coming in, is \$57,700.00.

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

MR. BOSTROM: On this, Mr. Chairman, could the Minister please indicate what is contained in that Estimate for the fiscal year?

MR. MacMASTER: Mr. Chairman, this provides for continuing the community fire prevention protection program. It will commence establishing a fire prevention knowledge in the community and training and organizing your community fire brigades. This is in relationship to the person that we were talking about doing the co-ordinating before. This is the funds for that.

MR. CHAIRMAN: (c)—pass; (d)—pass; (a)—pass. 2. Local Government Services (a) Salaries—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, could the Minister indicate how many staff were involved with this section last year, how many there are proposed for the fiscal year before us and what their responsibilities are?

MR. MacMASTER: Mr. Chairman, there was 21 last year, there is 21 this year; and this is a Director, Assistant Director, Co-ordinative Systems and Procedures, two regional managers, two area managers, nine work superintendents and five clerical support staff.

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

MR. BOSTROM: On these two other expenditures and community operations, could the Minister indicate what the items are contained in there?

MR. MacMASTER: The other expenses under (b) I believe, was the first question, is professional fees, office equipment rentals, office operation and stationery, postage, telephone, telegraph, automobile mileage, freight, travelling, education assistance, subsistence in transportation for other employees. The (c) is the council clerk program, the community constable — maybe I should break it down so you can work it out. The council clerk program is \$223,900, the community constable program is \$200,100, community operations and maintenance is \$394,900, regional funds, \$84,000, regional roads — this is in The Pas and the Dauphin area — is \$113,200, the . . . program at Moose Lake, Cormorant and Easterville is \$108,200, the water system maintenance is \$147,000, community works projects is \$354,000 and community works projects again is \$192,600.00.

MR. CHAIRMAN: Before I allow the honourable member to speak, I passed Item (a). I shouldn't have. We are still to finish (2) part of Item (a) before Item (a) is passed. Therefore we will go to (2)(b) Other Expenditures, which is the item that is under discussion. The Honourable Member for Rupertsland.

MR. BOSTROM: On that section, Mr. Chairman, Other Expenditures, could the Minister indicate what portion of that is for travel?

MR. MacMASTER: \$46,300.00.

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

MR. ADAM: Thank you, Mr. Chairman. I would ask the Minister if he could give us some information on police service. I believe he mentioned that there was some funds in that particular item for police service. Could he advise or give us an overview of what's happened here, how many local police are there and have there been any additions or decreases and how that program is progressing?

MR. MacMASTER: Mr. Chairman, I'm as guilty as the Member for Rupertsland. We got going into (b) and (c) and I answered (b) and (c). Now I think that we're through the (b) part and that the question that the Member for Ste. Rose has asked is under (c). Am I correct now? Because I've been wandering, the same as the others.

MR. CHAIRMAN: . . . on Item (b) but I've allowed some latitude and if you want to answer it while we're here . . .

MR. MacMASTER: Well, if we're through with (b) could we . . .

MR. CHAIAN: No, I haven't passed (b) yet.

MR. MacMASTER: Okay. Can we see if we can get through that, then I'll get in, I'm digging out the details on the constable program for the member under (c).

MR. CHAIRMAN: All right. (b)—pass; (c)—pass — the Honourable Minister.

MR. MacMASTER: On the community constable program, we're very pleased, as I think everybody is, with the operation. There is one additional one this particular year. I'll get a total breakdown, I've got the staff working on it if we want to continue. I'll get that breakdown and report to the Member for Ste. Rose within a few minutes.

MR. BOSTROM: On that, Mr. Chairman, does the Minister have any written evaluation or report, or would he be planning to have such an evaluation of that program, perhaps if he has it now he could make it available to us. If not and he is prepared to have an evaluation completed, would

he then make that evaluation available to us when it's prepared?

MR. MacMASTER: I have confirmation that the police commissioner's office is pleased with the particular program. I don't have a departmental specific evaluation of it. I suppose I could dig out something in a file someplace that says that the police commission is in fact pleased with the manner in which it was set up, the manner in which it's being maintained and the credibility of the people that are involved. It's working very well.

MR. BOSTROM: The Minister indicated in this section that there was an expenditure for roads. Could he indicate what those expenditures are in more detail, where the money will be spent, which communities are involved, and so on.

MR. MacMASTER: Mr. Chairman, this is regional roads within The Pas and the Dauphin area for \$113,000.00. I can get more definite details and a breakdown of that for the Member for Rupertsland, too.

MR. BOSTROM: The other area there, I believe the Minister said there was some sewer and water program in there? Or at least a disposal program?

MR. MacMASTER: Maintenance.

MR. BOSTROM: Would he indicate if there is a capital expenditure involved here, or is it just maintenance.

MR. MacMASTER: It's strictly maintenance in this particular section, Mr. Chairman. There is money later on, yes.

MR. BOSTROM: Before we complete this section, Local Government Services, could the Minister give us a bit more of an explanation as to what this section really is responsible for, Local Government Services. I note in his diagram of the department here that it is a section reporting to the director. Can he indicate what their overall responsibility is in relationship to the other sections there that report to the director of Local Government development.

MR. MacMASTER: Mr. Chairman, the section was broken apart because the top part, we found that we could cost-share. That's what creates some difficulty. In the bottom part, you'll find that when I read out the groups, there were areas that we could not cost-share. That's a difficult explanation, I know. But the ones we found we could not cost-share was the director, assistant director, the major co-ordinator, the regional managers, area managers and the work superintendents and the clerical group. In this particular area, we found we could not cost-share. I suppose the best way to define it is the management group of Northern Affairs, and the director of the Local Government services. The people out in the field we found that we could cost-share. During the course of the year we negotiated with the federal people on the Northlands Agreement.

I have the breakdown on the community constables program. Did the member want the locations of them? Okay. Brochet, South Indian Lake, Cross Lake, Norway House, Moose Lake, Cormorant, Easterville, Berens, Camperville, Crane River, Duck Bay, Mallard, Meadow Portage, Pelican Rapids, Waterhen, Berens River, Manigotagan — that's the one I never say right that the Member for Rupertsland gets upset with me, and Seymourville. Agoming, that's the locations of the constables, Mr. Chairman.

MR. ADAM: I wonder if the Minister could advise if the constables have their own vehicles. Are they paid a mileage? In addition to a salary, they're paid mileage, or are they paid a flat rate for their vehicle and their services?

MR. MacMASTER: Mr. Chairman, they have a vehicle and they are paid mileage.

MR. CHAIRMAN: (c)—pass — the Honourable Member for Ste. Rose.

MR. ADAM: Mr. Chairman, in addition to the salary they're paid mileage. That's what I understand the Minister to indicate. It was brought to my attention by, I believe the constable in Waterhen that the area that he had to cover would be sufficient to the amounts that he was paid.

Now I'm not sure whether there was a Constable at Meadow Portage at that time or not, and

I'm not sure whether he was covering both areas of Waterhen and Meadow Portage. When did the Meadow Portage Constable, when was that constable appointed?

MR. MacMASTER: Mr. Chairman, just before I answer, I'm looking to see if there's another one. A slight correction to what I said — I was reading off on the side, you'll have to excuse me, I was reading off the areas that were covered, not the particular salary as relates to the area and I'll correct it in total.

Mallard, Meadow Portage and Waterhen have one constable covers those three areas; and to further, Agoming Manigotagan, and Seymourville have one constable. I still can't say it.

MR. ADAM: Yes, now we're getting somewhere. I now understand the concern that the constable had; I believe he's restricted to X number of dollars for police service to service the communities, and the areas too extensive, too great for the amount that he's been given to cover it. That's the impression that I received from the constable when he was speaking to me.

MR. MacMASTER: Mr. Chairman, I'll have somebody personally check out that particular problem and I'll get back to the Member for Ste. Rose. I hadn't heard of it before.

MR. BOSTROM: Well, Mr. Chairman, in this Section I believe the minister said there was an Expenditure for Community Works. Could he explain how that relates to the other Section that we're coming up to which is Community Works Support?

MR. MacMASTER: Several sheets of it, Mr. Chairman, in Brochet — fill and improve the sub-division; in Cross Lake, renovate garage, road re-construction, water truck and tank; in Granville Lake — dock extension; Norway House — landscaping office area, repair foot-bridge; Thicket Portage — dock at landing lake; Warren Landing — garage construction; in Barrows — re-grade and gravel road, Camperville — re-grade and improve drainage and streets; in Camperville - dike construction; in Crane River — storage shed for tools, rebuild lake-shore road; Duck Bay — roadwork and drainage; in Mallard — hall furnishings, in Mallard — skating rink lights; in National Mills — roads; Pelican Rapids — roads; in Red Deer Lake — roads; in Salt Point — the Alpine Road; in Waterhen — waterline extension; Westgate — upgrade gravel roads; in Westgate — construct tool shed; in Meadow Portage — recreation, level and gravel the Mindy Olafson road; in Dawson Bay — drilling wells; and on the Salt Point Road — re-shaping and gravelling; on the Mallard Road North — re-shaping and gravelling; on the . . . Road — re-shaping and gravelling; on the Bilodeau Road — re-shaping and gravelling; on the Alpine Road — clearing is to be done; on the Dawson Bay Road — two and a half miles of clearing; on the Bock Road — two miles of clearing; improvement to Pelican Rapids access road; improvements on low spots on the Proulx Road; Capping old salt water flowing well at Camperville; Anama Bay — materials for shed; Big Black River — building floating dock; Bissett — emergency vehicle and ambulance; again Bissett — office equipment; Bloodvein River — construction small warehouse; Fisher Bay — relocate community buildings; Little Grand Rapids — to raise the existing dock; Manigotagan — purchase filing cabinet; same place — complete the water line; Matheson Island — tractor payment; Pine Dock — tractor payment; Princess Harbour — haul gravel and dock repair; Stevenson Island — outdoor rink shelter; Stevenson Island — clearing rink renovations; Seymourville and Manigotagan — upgrading water systems; Matheson Island — rock crushing.

MR. McBRYDE: Mr. Chairman, I was trying to think of a question to ask about Manigotagan. —(Interjection)— Mr. Chairman, a couple of questions from the Minister's comments. The roads into some of the ranches in the Waterhen area like the Proulx Road and the Mindy Olafson Road — I wonder what sort of a costsharing arrangement or what sort of a formula the department has in terms of those particular roads that basically service one family, or one ranch area?

The other question, Mr. Chairman, is in regard to, he mentioned the Pelican Rapids and it sounded like he was talking about the main road into Pelican Rapids, and I wonder if the Minister could indicate what success he's having in terms of getting Highways to live up to Highways' responsibility in some of the main access roads to communities? I'm not positive, but I got the impression he was talking about the main access road to Pelican Rapids, and whether he's had any more success than, for example, I had in getting Highways to live up to their responsibility as to roads into some of the remote areas?

MR. MacMASTER: Well, the Member for The Pas, the former Minister of Northern Affairs has me at a bit of a disadvantage because his former Minister of Highways isn't here tonight, and mine, if he isn't, he's probably close at hand.

All is not exactly well. I suppose that that's the best answer; we're carrying on the negotiations that I suspect the Member for The Pas started sometime ago, and maybe the Member for Inkster before him in relationship to taking over of roads. We're doing fair numbers of miles of roads that I feel should be somebody else's responsibility, particularly the Department of Highways, and I haven't been quite successful yet in convincing them of what I deem to be their responsibilities.

But I suppose if the Member for The Pas had been more successful, I'd have less to negotiate, but I can appreciate the frustrations that he in all likelihood had because I have a few of them today myself.

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

MR. McBRYDE: Mr. Chairman, there was the other part of the question in terms of roads into the ranch areas, the Mindy Olafsn Road and the Proulx Road, and I ask the minister if, I suppose the basic question is whether there was a cost-sharing arrangement, and sort of what is the departmental policy in terms of these roads when somebody does move back into the bush in order to establish a ranch and sort of, how does he decide who is eligible for a road when they do go into the fairly remote ranching areas in the Waterhen District there?

MR. MacMASTER: The costs to date, Mr. Chairman, have been 100 percent provincial, the province's, and we are making some efforts to have some of these area roads, regional roads, whatever you call them, they get back into the areas where they're serving the Treaty people who are certainly talking with the federal government; we feel there is some responsibility in that particular area.

MR. McBRYDE: Mr. Chairman, this particular problem is a problem that also affects some of the LGDs in Manitoba and I think some other municipal authorities as well, which, basically this section of the department is a municipal authority and I wonder what the procedure is in terms of setting priorities?

If my family and I move back into the bush in the Northern Affairs territory and we establish a farm there, are we eligible for a road, and if so, am I more eligible if the Member for Ste. Rose moves down 5 or 10 miles down the road from me, and how does he allocate these types of roads?

MR. MacMASTER: Mr. Chairman, it's so difficult because I don't have an example that I have encountered, to the best of my knowledge. Now, there might have been something in the last year and a half, but I would suggest that the first move would have to be to your local community Council in the area in which you're dealing; and there's a lot of costs involved in people locating back a way by themselves, and I would suggest that the first thing I would have to talk to is the Local Community Council in the particular area, or the municipal authority, whichever happened to be in that case.

MR. McBRYDE: Yes, Mr. Chairman, some of these places probably fall in between two Council jurisdictions or outside the basic jurisdictions, but still within the Northern Affairs jurisdiction.

I'm sorry, I don't think I asked the minister, but he might have given a figure in terms of the up-grading of the main road into Pelican Rapids, which is a fairly big job so I'm assuming we're talking about some limited gravelling. Could the minister give us the cost on what is anticipated will be spent this year on that main road?

MR. MacMASTER: Mr. Chairman, it's \$25,000 at the moment and this is one that we are hoping that there would be some cost-sharing, but regardless, it's a poor way to start negotiations by saying regardless of but the fact is there's \$25,000 allocated.

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

MR. BOSTROM: I took note that some of the projects he listed there were in my constituency and I'd just like to get some further information on them to be able to respond to some of the enquiries I've had from my constituents.

I know that the internal road system in most of the communities in my constituency requires some up-grading, for example, in the Bloodvein community beside the Reserve, there's some need there for gravel on the roads, the same with the community of Princess Harbour, and the same with the community of Berens River where, in addition to gravel, there's a need for building of a

new section of road in that community as well as up-grading internal road system, itself, and in the community of Norway House, there is apparently a need for gravel for the internal road system not only on one side of the river, but on Mission Island and on the west shore, or the west island in Norway House, there's three different road systems there without connection.

Apparently, there's a need for gravel as well as up-grading of that internal road system and I mentioned up-grading to the minister because since there's been an all-weather road brought into Norway House, there is as a consequence of that, much more heavy traffic of tractor, truck, trailer type nature on that internal road system and I believe it necessitates a major up-grading of that internal road system.

I'm wondering if he has funds in this section for it or if we could discuss that under another section, if he could indicate which section it is. I would like to know specifically how much money is budgeted though for those projects he did mention for Bloodvein, Princess Harbour, and if he did mention I wasn't quite sure if he'd mentioned Berens River, and I would also ask about Norway House, whether there's money in this section for the graveling of roads and/or upgrading of roads in those communities?

MR. MacMASTER: The Norway House road, I'll start with that, I'll get the figure for you, that's in the Department of Highways, but I'll get the figure for you. I understand it's in the neighbourhood of a third of a million dollars, but I'll confirm that and get that to you,

In Bloodvein there was 3,000 yards of gravel that was stockpiled at the estimated price, and I'm very close, of \$81,000.

In Princess Harbour, that was to cover both Princess Harbour and Bloodvein, and you asked about Berens River, there was 14,000 yards stockpiled there for internal roads at a price of \$196,000.00. We did that; I think I told the member in the House, if I didn't I think I told him in the hallway, that we were doing some of those kind of things during the winter over the winter roads.

MR. BOSTROM: I note the high amount that's been budgeted for this gravel. I would ask the Minister if the \$81,000 for the 3,000 yards at Bloodvein was the amount budgeted simply for the crushing and stockpiling of that or if that includes the amount that he expects to spend over the summer in the hauling and spreading of that gravel, and the same with the gravel at Norway House. I believe it was a hundred and some thousand dollars for 14,000 yards. Could he indicate what it actually did cost to crush and stockpile that material?

MR. MacMASTER: I'll get the Member for Rupertsland the price of what we predict it'll be to spread the \$81,000 worth of gravel. That was for crushing and stockpiling and getting it in there. The Berens River, we expect that total project, the \$196,000 to get it in to run \$285,000 by the time we're finished getting it spread.

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

MR. ADAM: Yes, Mr. Chairman. I'd ask the minister if he could advise if there are any programs going into the communities in my area under this item? I understand that all the road work is being done by the Highways Department now, and well, it's understandable, we've had a very rough and heavy runoff this spring. We had some problems in the Crane River area. With regard to new construction last year or upgrading last year that was not gravelled or the department did not have time to gravel, and this spring it was impassable; the school buses were not able to get in to pick up the school children, and they had to walk in the mud every day to meet the bus — I believe it was a half a mile or a mile that they had to walk twice a day to get to reach as far as the bus could come. And I did bring it to the Department of Highways' attention, and they did send a couple of men in there to check it out, but I would like to know if there are any programs and any road work to be done in the communities in my constituency.

MR. MacMASTER: Mr. Chairman, can I take that question as notice and break out the areas in your community, the ones that I have moneys for and the ones that Highways has moneys for, and give the member a total package of the whole thing that's being done in his constituency? I can appreciate his specific interest in it.

MR. BOSTROM: Thank you, Mr. Chairman. My question is following up the previous one and that is the material that is available for travelling the roads in Bloodvein and Princess Harbour, the 3,000 yards that's stockpiled at Bloodvein. Is that for the two communities of Bloodvein and Princess Harbour? And, Mr. Chairman, the amount that he had indicated budgeted for that of \$81,000, did

that just include the crushing of the gravel? That seems like quite a high price for that.

MR. MacMASTER: I'm informed that that's the best price that was available, and I agree it is very expensive but it was felt necessary and it's there and it shall be done.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman. When we were talking about the roads there's the Salt Point Road, I wonder who is assuming the responsibility for that road. He mentioned the Alpine Road there. I assume that's one of the roads into the ranches as opposed to the main road into the community, and I wonder if Highways has assumed the responsibility for that road yet or whether the department had and how much they anticipate it will cost to keep that road open over a period of a year.

MR. MacMASTER: That is still our responsibility and I'll get . . . Was the question an estimated cost for the year? Okay, I'll get that for the Member for The Pas.

MR. BOSTROM: Mr. Chairman, on a policy area related to these questions on internal roads and maintenance, is the Minister and his department following a policy of giving first priority to local people in the area or local companies in the areas of these communities, to allow them to do the work if they can gear up to do the work in terms of hauling gravel, spreading gravel, and so on, and/or in cases like this in the future where there may be a need to have crushing done, would it be possible for the department to give the communities some lead-time to know what the plans are of the department, so that perhaps the communities could plug into this process and avail themselves of the necessary equipment and perhaps do the work for the government at a price which would be no higher than the government is now paying outside contractors to go in and do the work. In fact, it may be cheaper in the long run and allow these communities to have the opportunity to build up the permanent expertise and equipment to carry out this work on a long-term basis.

MR. MacMASTER: Mr. Chairman, very basic statement, I agree with the concept of giving the local people the opportunity. I think that we have encouraged that. We will continue to encourage it, and I think in a great number of the projects that we're talking about it will be — I can't say 100 percent in every case, but it's certainly going to be by and large the majority of the people within the communities that'll be doing that work.

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

MR. McBRYDE: Mr. Chairman, I wonder in this item or elsewhere in the items here if there are dollars in there for the road into Sherridon or whether the department is still doing a little bit of work on that road or not. The Sherridon — there was some clearing that had been done and I understand that there was still some being done there, and I wasn't clear who was doing that or whether it's ManFor or Northern Affairs or Highways, or whether in fact there was some work being done, and also whether there's any money in this year's Budget for the Williams Lake Road, which is basically a road to haul fish out, for the fishermen from Moose Lake who fish at Williams Lake.

MR. MacMASTER: The Sherridon Road was a Canada Works Project and there is no money for Williams Lake Road.

MR. BOSTROM: Well, I point out to the Minister a problem here in terms of the co-ordination of construction projects in these communities, and there's no more better example than this Bloodvein gravel and the Princess Harbour gravel, 3,000 yards. I note here, if the figure is correct of \$81,000 for this material, that works out to \$27 a yard for this crushed material. I know that the Department of Highways, in this same period of time, had a contractor in the Community of Bloodvein under a tendered contract, to crush some 6,000 yards for that county for the airstrip. Now as I understand it, that contractor went in on a tender basis to crush rock in there at a rate at \$11 and something a ton, which worked out to be about \$16 or \$17 a yard. That contractor then moved out of that community, went over to Little Grand Rapids and completed the job there, moved out of Little Grand Rapids back to Winnipeg, and then moved back into Bloodvein to do the 3,000 yards for the Department of Northern Affairs at a rate of \$27 a yard, whereas that same contractor had been in Bloodvein earlier in the winter and had crushed rock there for the Department

of Highways at a rate of approximately \$17 or \$18 a yard. And I don't know why they had to charge more to go back in in the second instance, but I'm wondering why there couldn't have been a better co-ordination here with the Minister of Northern Affairs' Department and the Department of Highways.

Now, I believe there is some good rationale for having the Department of Highways responsible for all transportation in Manitoba, including the airstrips in Northern Manitoba, but I think there are problems that can crop up when there are construction projects like this that are happening in a northern community, where there are two or more departments doing similar things, where they could perhaps co-ordinate their efforts better and double up on something like a rock crushing contract, and be able to realize the economies of scale, in terms of being able to get one contractor to go in once and do the total job for both departments.

In this case, there's quite a discrepancy here in terms of the cost to the Department of Northern Affairs of \$27 a yard, as contrasted to the Highways Department cost which, I believe, was in the neighbourhood of \$16 or \$18 a yard; there's some \$11 difference there.

I wonder if the Minister could indicate what steps his department will be taking in the future to ensure that there is a better co-ordination between his department doing local projects requiring materials of this nature, and the Department of Highways, who will be also doing similar type jobs in the same community.

MR. MacMASTER: Well, Mr' Chairman, I can't explain exactly why the operation didn't work as well as it should, or as well as it might of. I know that the same contractor was used, and this makes me wonder. I wonder whether he didn't have a better price for more by doing more for Highways. I'd like to assure the member that I'll check out the routing and the timing and the cost, and I'll get back to him and find out why it cost more and certainly from that learn how we can better do things in the future.

MR. CHAIRMAN: (c)—pass; (a)—pass. Item (b) Community Works Support, (1) Salaries—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Well in this section, Mr. Chairman, could the Minister , indicate what staff man years were associated with the two fiscal years under comparison, and if there are any vacancies?

mMr. MacMASTER: There were seven last year. There's seven this year funded. One's vacant at the moment.

MR. BOSTROM: Would the Minister indicate what the responsibilities are of the people in this Section?

MR. MacMASTER: Mr. Chairman, there's a manager and a clerical support staff, a technical engineering officer and four work superintendents. These people have the responsibilities for the Water and Sewer Program in the department. They provide assistance to the Regional Co-ordinators on matters pertaining to internal roads and gravel requirements. They liaise with Highways, and we just hit a point in question where obviously there was something lacking in the liaising, and they provide assistance and advice to the co-ordinators and other technicians in the department with respect to any major community infrastructure works.

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

MR. BOSTROM: Well, Mr. Chairman, on (b)(2), before we pass it, I'd like to know what is contained in that estimated expenditure for the fiscal year.

MR. MacMASTER: Mr. Chairman, office operations, stationery, postage, telephone and telegraph, equipment acquisition and repairs. This is the major one, \$134,000.00. Automobile mileage, freight, and travel.

MR. BOSTROM: Why is there such an increase this year whereas nothing was budgeted last year, Mr. Chairman.

MR. MacMASTER: Mr. Chairman, in previous years the emphasis was on construction and getting it started up. We encountered a great number of problems which we're not going to go through here this evening, and this is a group that's been established to work with the co-ordinators, work with the communities, to maintain and correct problems. This wasn't specifically broken out last

year. It was part of the overall construction of water systems. This year we've chosen to break it out so it's quite obviously by the questions more clearly identified for exactly what it is.

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

MR. McBRYDE: Yes, Mr. Chairman. I wonder if the Minister could just elaborate on his last comments. Looking at this format here, where would that item have appeared last year?

MR. MacMASTER: Under the Construction item — I'll endeavor to get the number for it.

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

MR. URUSKI: Thank you, Mr. Chairman. Could the Minister indicate whether the Department of Northern Affairs is involved in the cost sharing of the reconstruction and upgrading of roads within the community of Berens River? The tender that was let last fall, I believe, for I think it's seven miles of road within the community, whether the province is involved in the cost-sharing in that community.

MR. MacMASTER: 60 percent, Mr. Chairman, is Northlands; 20 percent is Indian Affairs, and 20 percent is province.

MR. URUSKI: Could the Minister indicate who is handling the tendering and the administration, letting of the contracts, and handling the day-to-day activities of the contractor, and doing the actual on-site work, the engineering and the day-to-day activities of the contractor. Who tells the contractor when to go and lets the tenders and the like? Who is handling that administration?

MR. MacMASTER: We'll be hiring an engineer to do the on-site engineering of the contract, and the local people, I believe, will be the ones involved in the work.

MR. URUSKI: Mr. Chairman, then was there not a tender let in the fall of 1978 for the reconstruction of that road to be done, started last fall, and to be completed this spring? And, if that is the case, was there any work done on the road last fall?

MR. MacMASTER: No, there wasn't, Mr. Chairman. As far as the road work there wasn't any, and the Department of Indian Affairs originally handled the tendering and that fell through. Now we believe it's back in place.

MR. URUSKI: I would like to understand the Minister correctly, he indicates that there was no tendering last fall or no work done? There was a tender last fall but there was no work done in the community last fall, and when the Minister says the tender fell through, can he explain what happened in those circumstances?

MR. MacMASTER: The Department of Indian Affairs tendered and the contract was never officially awarded, so consequently work never got under way.

MR. URUSKI: Can the Minister indicate whether there will be a new tender let this spring for that construction?

MR. MacMASTER: Yes, there will, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, who will be handling that tendering process? Has the Government of Manitoba now assumed that responsibility or will the Department of Indian Affairs still be doing it?

MR. MacMASTER: The Government of Manitoba.

MR. BOSTROM: Mr. Chairman, one of the contractors, I believe, who was involved in the tendering process for that road last fall had received information that the contractor who was the low bidder on the original tendering process by Indian Affairs had continued negotiating with the Department of Indian Affairs, after having been awarded the tender, and I believe the tender called for him

to begin construction in the fall of 1978, to complete in the spring of '79, as my colleague from St. George has indicated. The contractor that was concerned about it had heard that the person having put in the lowest bid, was able to negotiate a 10 percent increase, and was going to continue the construction, or begin the construction rather, this spring with a 10 percent increase over his low bid. Now, is the Minister telling us that that whole process has been wiped out and that, in fact, a new tender call will be issued and all available contractors will have an opportunity for a fair bid on this job?

MR. MacMASTER: That's exactly what I'm saying, Mr. Chairman. The contract was never awarded. Now there may have been those that carried on negotiations, discussions, whatever, and a new contract will be tendered for this year.

MR. BOSTROM: Mr. Chairman, could the Minister indicate to us how much is budgeted for that actual work, the construction of that road, and could he also indicate what has been budgeted for the gravelling of the roads; that is, the hauling and the spreading of the gravel in the community of Berens River. He has indicated 14,000 yards have been stockpiled there over the winter, and presumably some, if not all of that material, will be hauled and spread this summer season. Could he indicate what has been budgeted for that work, as well, how much has been budgeted for the construction, the new construction of this road?

MR. MacMASTER: Mr. Chairman, I know the amount. It's just that I'm not sure whether I should be saying it here at this particular moment when we're going to tender. Can you let me just take that under advisement. I'd like to assure the member that we feel there's adequate money budgeted for that particular project, and it's not a secret in here but it's a secret, I suppose, secret. You budget X amount of money and you hope a good tender comes in.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, before we leave this Item, the Minister mentioned, I believe, equipment under this Item. I wonder if he could just tell us what equipment is going to be purchased, and also, Mr. Chairman, under this Section — I believe this Section you said there were seven staff positions, and I wonder if he could indicate where those people are located.

MR. MacMASTER: Mr. Chairman, there are seven people and they're located in Thompson, and a general idea of the things that they could possibly be buying will be pumps, and piping, and coronators, and gauges, fittings, this type of thing.

MR. McBRYDE: Yes, Mr. Chairman. I'm still having some difficulty figuring out where this section that was broken out, was it not broken out from any section in the two pages before us, and was it broken out from something that was transferred? I'm not clear as to where it came from.

MR. MacMASTER: Mr. Chairman, I'll have to get the specific Item and number out of last year's Budget. It was out of the construction area. Now, I'll get that number on the Estimates Book from last year and get it to the Member for The Pas.

MR. McBRYDE: Mr. Chairman, I suppose what I'm getting at here is sort of how much of the construction function was transferred and how much was kept, and where were the division lines in terms of deciding which to transfer and which to keep in this department?

MR. MacMASTER: The construction function is under the Department of Highways and Transportation Services. This is straight maintenance, upkeep, and working with the people in the communities on their problems. I don't know if that totally explains it or not.

MR. McBRYDE: Well, Mr. Chairman, I wonder if the Minister could tell us whether this Section was in the past transferred to Highways and Transportation, and then part of it transferred back again.

MR. MacMASTER: We kept this particular group — out of those that transferred we kept this group and set up a specific function for them and a specific budgeted Item for them to clear up or to explain, I suppose, exactly some of the things we're trying to do.

MR. CHAIRMAN: (2)—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, before we pass this Section I'd like to question the Minister some more on the responsibilities of his department and what their plans are for internal connections within the community. There are a number of communities in my constituency that have been petitioning the government over the years for either a bridge connection or some alternative type of connection within the community and I'll just mention the ones that have been petitioning for this the longest and the strongest, and that's starting at the south end of my constituency, the community of Agoming, which he mentioned there, and that's a Saulteaux word which means "across the river", so you can gather from that why they need a bridge. The community of Berens River has over the years been requesting a bridge connection for their community. The community of Poplar River, which granted, is a Reserve community and is more primarily a responsibility of Indian Affairs, has also been requesting bridge connections to two parts of their community, and in Norway House the community has been petitioning the strongest, I believe, for at least one bridge connection across the Nelson River to what they call the West Island in Norway House, and in conversation with the people of Norway House they pointed out to me that the Leader of the Progressive Conservative Party while he was campaigning in the fall of 1977, visited the community of Norway House as part of his campaign and had indicated in a public meeting in that community that a Progressive Conservative government, and I quote the PC Leader, I hope not incorrectly in saying that he would make every effort to get a bridge for West Island.

So I hope that the Minister is taking his Leader's promise to heart and would be working towards that end, and I would hope that he would have some money in this year's budget, or if not some hope to the community, some plans for this bridge connection and/or some alternative. The community is open to alternatives if the government can come up with another type of connection.

At the present time the community of Norway House, in the spring and in the fall during the break-up and the freeze-up periods, has difficulty getting their children back and forth across the river to attend the two central schools in the community, and just yesterday I received a call from the mayor in the community indicating that they were very concerned about the children having to cross in a yawl, having to break ice on the way across, and indicated there were 76 children at one spot that had to cross the river in an 18 foot yawl, 15 to 18 at a time in the yawl, all crossing the river without any life jackets and although it may not be a provincial government responsibility directly, I believe the government has a moral and ethical responsibility in this regard to try to get some better connection in that community.

I can report to this Minister that while the New Democratic Party government was in power we were planning in the fall of 1977 to include in the estimates for negotiation with the Northland's people a plan for a bridge or bridge connections for the community of Norway House, and I believe the former Deputy of Northern Affairs, Paul Jarvis, who was then working as a consultant to the transportation section of my department, was in fact one of those who was assigned to work on that project and attempt to come up with estimates for bridge connections in Norway House. One of the concepts we were looking at because of the very expensive nature, very expensive engineering preliminary estimates for bridge connections in that community, one of the alternatives we were looking at is either a cable ferry crossing, or a type of floating bridge concept which could be swung out of the road in cases where The Navigable Waters Act would apply and once or twice in a year when a major ship or boat had to go by. This bridge could be moved to the side but otherwise could provide a safe and adequate permanent crossing for the residents in that community.

I wonder if the Minister has followed up on those original concepts at all or if he has anything further to report, if he intends to attempt to meet his Premier's commitment to that community, the community of Norway House, while he was campaigning there in the fall of 1977.

And I also would emphasize again that the community of Berens River was also promised a bridge crossing by the Conservative candidate who was campaigning in that area during the provincial election in 1977. Now although that may not be considered as a binding commitment of the Progressive Conservative Party generally, certainly in the eyes of that community they see that as a promise of the Progressive Conservative Party. They don't see it as just a promise of one candidate. They see that as a commitment by the Party, and I say to you, Mr. Chairman, to the Minister through you, that these people will become very cynical of the political process if they are treated in a cavalier fashion on these promises which they took to heart during the provincial election, and believed that they were made in good faith and that the subsequent government would follow through on those commitments. So, could the Minister indicate any plans he has with respect to those four communities I have mentioned, Agoming, Berens River, Poplar River, and Norway House?

MR. MacMASTER: I understand that Agoming, the Department of Highways has upgraded that

bridge and I could stand to be corrected but I think that is the case and then Poplar River, the Member for Rupertsland is correct that it is an Indian Affairs' responsibility. We can certainly be in support of the people in there as Manitobans in talking to the Department of Indian Affairs. I have no plans this year for a bridge at Norway House but I do have plans on carrying on discussions with them on alternatives. I think the alternative is what's going to have to be looked at rather than a solid steel structure.

Now, I don't have the plans and I don't have the original estimates. The Member for Rupertsland suggests that those plans and those estimates are available and I can assure him I'll avail myself of them.

The Berens River situation I understand was studied. I shall again dig out those studies and have a look at them. I understand that the estimated cost was over \$1 million and that's a guess, but I'll look at those plans and just see what they did say.

MR. BOSTROM: Well, Mr. Chairman, in the event that the engineering estimates prove to be completely out of line and the government cannot justify an expenditure in the millions for a bridge, solid steel bridge connection across these rivers, and realizing the necessity of having some kind of connection across the rivers to provide access for the community, for community planning purposes on a long range basis, and just convenience and necessity in terms of being able to cross the school children back and forth safely during the break-up and freeze-up periods, I wonder if the Minister could take a very serious look at the estimates we made on the floating bridge concept and/or if that does not appear to be feasible in the estimation of this Minister and his department, if he would look at his next year's estimates, if he can't find the money this year. Look at least at those two locations, Norway House and Berens River, of putting in a cable ferry connection much like the one that's operating now across the Nelson River. I believe the Minister crossed over it himself going into Norway House last summer during York Boat Days. That cable ferry connection operates very well. The community seems quite pleased with it. I don't believe it's an expensive proposition. It handles all kinds of traffic including fully loaded semi-trailers going into that community.

The ferry connection we put in at Matheson Island to connect the island to the mainland was one of our concepts which seems to be proving out very well. The community council has taken over the administration and actual contracting the work of operating that ferry. Similarly I think something like that could be done for the communities of Norway House and Berens River to give them a permanent access across their rivers. Now granted this will take some lead time and I would like the Minister to at least be able to find in his estimates this year enough money to look at, to study those concepts and to come up with some definite proposals for next year, because these communities are very serious about planning their future growth and in the case of Norway House in particular, the council there expressed their concern to me that there is no way for them to really be able to expand their community or properly plan their community unless they have connection and access connection across the Nelson River to the West Island as they call it. In fact the garbage system they have now, the garbage collection and garbage storage area on Fort Island is completely inadequate and the mayor indicated to me that if things continued the way they were he would have to close that present garbage site down. And in that event where are the people going to be able to take their garbage. Mr. Chairman, they had hoped to be able to have an access across the river to the west shore in order that they be able to have further housing development in that area. But as well to find an area over on the West Island which is a much more larger land space for proper garbage disposal and garbage storage site.

So it's a rather urgent matter particularly in those two communities. There's a lot of frustration, a lot of hard feelings over the years about not being able to get those bridge connections or some kind of connection. And the communities are putting that forward as their top priority. I am sure that if the Minister has ever sat down for a moment with any number of people in Norway House he would find that that's probably the top priority in that community, to have a bridge or access connection across those rivers. And, Mr. Chairman, I would hope that the Minister would make that his priority because as he mentioned earlier in his Estimates, he is desirous of trying to do what the priorities are of the communities in northern Manitoba, and this is right at the top of the list for those two communities. Right at the top, Mr. Chairman. It takes precedence over everything else.

So, I would hope that the Minister could answer me on that, and at least provide something in his Estimates this year to look carefully at those problems. At least give those communities the hope that they are going to be able to achieve that and at least to know what it's going to cost and perhaps find money somewhere else to be able to realize their accesses across those Rivers.

MR. MacMASTER: Mr. Chairman, I'll give both Norway House — I've known of that particular problem of theirs for several years as I am sure the Member for Rupertsland has, and other things came first and he's now telling me that that's their number one priority and I am sure that they're going to make that clear to me and I assure him we'll give serious consideration to it. I want to look at what studies have been made, what alternatives have been proposed and we'll review it during this particular year with the council in that particular community.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, there was one question I forgot before and that was in relation to a sort of a strange situation that existed with the Department of Highways. When the Cormorant Road was built under The Pas Special Area Agreement even before the Northlands Agreement, somehow the Department of Northern Affairs got stuck with the maintenance cost, or 50 percent of the maintenance cost of that road, and I wonder if any of those anomalies still exist in terms of cost sharing or whether the Minister was wise enough to put those in the Transportation Service and then transfer them all to Highways and make sure that Highways accepted its responsibility. Mr. Chairman, I wanted to ask that question before the Minister of Highways left, but I didn't get a chance to do that.

MR. CHAIRMAN: (b)—pass; The Honourable Minister.

MR. MacMASTER: I'll get the answer on that particular question for the Member for The Pas. That's the Cormorant Road — was that Cormorant?

MR. McBRYDE: Mr. Chairman, we sort of had a bit of a procedure problem in the past in these items that are in here without a dollar amount and maybe I could ask a couple of questions on that next item now, because you just skip over it, don't you?

MR. CHAIRMAN: Have we got an item without a dollar amount? We are on item (b)2). There is a dollar amount for that one. We'll pass that one and go on to the next one. Is that the one you're referring to?

MR. McBRYDE: Yes, Mr. Chairman.

MR. CHAIRMAN: (2)—pass; (b)—pass. (c)(1)(a) Salaries— you can include it in that if you like. The Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman, I'm sorry the other evening I thought you passed over the ones that didn't have a dollar amount. I was concerned you were going to do that again.

MR. CHAIRMAN: If there's no expenditure, there's no discussion on it.

MR. McBRYDE: On item (c), Mr. Chairman, I wonder if the Minister could give us the regular types of information in terms of the staff involved here?

MR. MacMASTER: Last year, Mr. Chairman, there were 7, this year there's 7. There's 3 vacant at the moment and I understand they are all being advertised at this particular time. At least they are in the process of being advertised. I think two of them are being advertised and the other is on its way through.

MR. McBRYDE: Yes, Mr. Chairman, the other question is of course, why this item appears as it does? Where are the dollars?

MR. MacMASTER: Mr. Chairman, this is a cost-sharing and is recoverable under 6 on the other page, on Canada Northlands, the total recoverable from Canada.

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

MR. McBRYDE: Well, Mr. Chairman, a couple of questions — exactly what does this Section do, and then, what are the Other Expenditures item here?

MR. MacMASTER: This is the Staff Training Section, Mr. Chairman. They train our co-ordinators

and upgrade the co-ordinators in the needs and requirements that they feel that they're going to need when they're servicing the communities; the Other Expenditures are professional fees, office operations, postage, telephone, telegraph, equipment rentals, automobile mileage, publications, freight, travel and education assistance.

MR. McBRYDE: Mr. Chairman, I'm not quite clear here now. There are seven people to train co-ordinators? —(Interjection)— How many co-ordinators were there again? Maybe I'll just check with the minister as to how many co-ordinators there were.

MR. MacMASTER: Mr. Chairman, there was 21 co-ordinators, and of this, there are 4 people who will be doing the training; the rest is Support Staff and they're putting out training manuals, delivering techniques, supplying resource material, maintaining your community profile and up-dates, facilitating the community census taking, maintaining the departmental library and working with principal Electoral Officers.

MR. McBRYDE: Yes, that makes it a little bit clearer that the responsibilities do go beyond training of co-ordinators, and I assume that they go into training the electoral staff as well. Does this also cover, Mr. Chairman, the other types of training like the Community Clerk training and the Council training itself, or is there another section that's doing that?

MR. MacMASTER: That's what I meant to say originally and I guess I didn't say it fully enough; they train the co-ordinators so they are in a position to work with your Community Clerks, that type of thing that they do. They train the people who go out.

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

MR. McBRYDE: Mr. Chairman, I'm still not clear. Is there 7 people here who train 21 people to go out and train Councils, or is there 7 people here who provide training to Councils and Council Clerks, etc?

MR. MacMASTER: It's internal training, Mr. Chairman. They train the people that go out and keep upgrading their training and upgrading and upgrading them.

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

MR. BOSTROM: On (b), Mr. Chairman, did the minister outline the breakdown of the Expenditures here and why there is a decrease from last year and what is the nature of the decrease? I would also ask him to give us a specific Expenditure for travel in that area.

MR. MacMASTER: The travel this year, Mr. Chairman, is \$20,000 and the major decrease is in travelling that they are not going out to communities; they are training the people who go out.

MR. McBRYDE: Mr. Chairman, in this Section, the minister mentioned there was going to be 3 positions advertised, I think that's what he said, and I wonder if the minister could tell us whether there'll be anyone who is not for rehire?

MR. MacMASTER: Mr. Chairman, anybody that applies under the system is eligible for consideration, and those jobs are being advertised now, that is correct.

MR. McBRYDE: Mr. Chairman, I wonder if the minister could tell us whether of those people that were fired by himself when he became minister whether there's any of those who if they apply, and are processed the minister will not approve their appointment?

MR. MacMASTER: I repeat, people who wish to apply will be given consideration the same as any, just anybody that applies will be given consideration.

MR. McBRYDE: Mr. Chairman, I wonder if the minister could explain to us how the . . . what was it called, the list that was compiled at the time of the firings by the Civil Service Commission in terms of a priority list in terms of hiring, whether this list is still in existence and whether there's been any effort to recruit from people that were fired in the past from this department?

MR. MacMASTER: The Civil Service Commission has a list and consideration is given to them when all openings are made.

MR. McBRYDE: Yes, Mr. Chairman, in its redeployment list, will the redeployment list be gone over to find the people to fill these positions, or will there be a general ad placed and those persons that were previously employed with this department compete with it the same as anyone in the public who was not previously employed by the department?

MR. MacMASTER: All persons compete for the positions, Mr. Chairman.

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

MR. BOSTROM: Mr. Chairman, can the minister outline in here, specifically, what Grants are being discussed, what the increase is, and give us a list of all the Grants that will be awarded in the coming year?

MR. MacMASTER: The \$3.00 per capita last year — last year, the Grant was for \$135,000; this year, it's for \$129,000; because of the census, it was found that there was a variation in numbers.

Last year, Native Communications Incorporated — \$85,000, this year, it's \$90,000; last year to The Northern Association Community Councils, it was \$110,000, this year, it's \$118,000; The Fishermen's Freight Assistance, last year it was \$250,000, this year, it's \$342,600; last year, there was an un-allocated amount of \$15,000 which was meant to supplement any additional requirements of the above grants, and this year that amount is 7.8.

MR. McBRYDE: Yes, Mr. Chairman, the \$3.00 Grant — I wonder if there's been any changes in the regulations in the application of that Grant?

MR. MacMASTER: No, there hasn't, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, I wonder if the minister could tell us whether he has the administrative problem straightened out because last year there was some considerable delay in these Grants being payed out in an oversight within the department? I wonder if those administrative problems have now been resolved and the people can expect these Grants within a reasonable time this year?

MR. MacMASTER: The particular circumstances of last year was the proper count figure as the Member for The Pas I'm certain remembers better than anyone because I suppose there was a dozen questions on a particular Item when we were trying to sort it out. Those problems have been sorted out and I see no problem this year at all.

MR. McBRYDE: Yes, Mr. Chairman. The problems were a little bit beyond that, but I'm glad to hear that they have been resolved.

Mr. Chairman, I'm not clear as to why the Fishermen's Freight Assistance Plan appears here.

MR. MacMASTER: The Fishermen's Freight Assistance Program relates more specifically to people in northern Manitoba and I suppose because I relate and Northern Affairs relates to them and has worked out the funding procedures with them, and the Freight Assistance Program in conjunction with them, that's the logic that we have for having it in this particular area.

MR. McBRYDE: Mr. Chairman, we are now faced with a huge contradiction. The minister, in his opening statements, was boasting about the transferring out of functions and my colleague and myself questioned some of the wisdom of transferring various aspects that related to northern Manitoba to other departments where they didn't have the special interest in terms of northern Manitoba. The minister was very proud that he'd been able to make these kind of transfers and this was going to be a more effective way to, a more efficient way to govern in terms of northern Manitoba and, Mr. Chairman, I'm personally doubtful that there's that much efficiency one way or the other, or perhaps a little less in the way the minister's done it. But regardless of that, Mr. Chairman, the minister was very concerned and proud when he was able to transfer a function that logically belonged somewhere else.

And here, Mr. Chairman, he's saying, "Well, because it relates specifically to northern Manitoba,

therefore it's in the Department of Northern Affairs." Well, all the things he's transferred, Mr. Chairman — transportation services, and things to Mines and Resources, et cetera, et cetera, all relate to northern Manitoba.

In fact, Mr. Chairman, the Fishermen's Freight Assistance Program was, at one time, located within the Department of Resources; it was not located within the Department of Northern Affairs. I don't know how the minister puts that glaring contradiction together in his own mind when he's transferred all kinds of functions that were in Northern Affairs out and, in this case, he appears to have transferred a function in that relates to the Fishermen and to the Department of Resources. I wonder if the minister will have the chance to try and clarify that glaring contradiction that he leaves us with.

MR. MacMASTER: Mr. Chairman, because of the concern by the Member for The Pas, I'll give it consideration and talk to the Minister responsible for Renewable Resources.

MR. BOSTROM: Just further on that, Mr. Chairman, I have a few comments. I was very familiar with this particular Program since it was initiated while I was Minister of the Department of Resources. It was brought in to assist the fishermen with the very serious freight problem that they face in terms of the cost of moving fish from northern Manitoba to the Freshwater Fish Marketing Plant in Winnipeg.

I'm happy to see that the minister has increased the amount; I believe that that's an indication of their support for this particular program and I should think that it's also an indication of their agreement that it was a good program initially and deserves continued support and increases in funding where necessary.

I'd like to get some more details from the minister as to exactly where the program is operating, where the major funds are going, what the terms of reference of the program are now as compared to what they were a couple of years ago, if there have been any changes in the policy in the way in which the program is administered, and I would also question why this program would be in the Department of Northern Affairs, because having been familiar with the Department of Resources, I know it fit rather well into that department because in that you department you have the managers of the fisheries; you have the people who handle the commercial fishing licensing, so that they have complete lists of all the commercial fishermen. I would think that in the administration of this program, the Department of Northern Affairs must have to rely rather heavily on staff within the Department of Resources in order to carry out their functions.

So that I would encourage the Minister to look at the administrative advisability of maintaining this in his department, and perhaps consider transferring this over to the Minister of Mines in order to make it more rational in its application, since you could probably have the same administration people, clerical staff and so on, who handle fishing licensing, handling the administration of this program in terms of its application to fishermen.

I must say that in my experience, the people who were working in the department of resources, who work with fishermen, are better able to assess and evaluate this program on a continuing basis because they know what problems the fishermen are facing, what sort of things have to be done to alleviate some of those problems. So I would just encourage the Minister to take a close look at it. I'm not being overly critical, in fact I'm being complimentary to him in that they have increased this program. I would like to know if that means, though, that this has been done to the benefit of a few fishermen, a few big fishermen, or if it is being distributed rather equitably across the board as far as the fishermen in the north are concerned.

I'd like to see a breakdown of the regions in which the funding is going, and also, if he has a list and could make it available to us of the individual fishermen who have received grants under this program, much like the list which his colleague, the Minister of Education provided to the House in answer to an Order for Return from my colleague, the Member for Churchill. I would be very interested in seeing such a list, Mr. Chairman.

MR. MacMASTER: I'll endeavour to get the list for the Member for Rupertsland. It's still the same, the fisherman pays the first 5 cents and the assistance program picks in for the next 10 and it's the same fish, your white fish, your pike, your lake trout, tullibee, goldeye and perch, same fish. I'll get that list for the member.

MR. BOSTROM: The other question I would have on this, and it's by way of a suggestion also, to the Minister in terms of the department's administration of the program. I know from experience that many of the communities in the north have built up over the years a certain relationship with certain transportation companies who haul in northern Manitoba, and tend to choose certain ones for good economic reasons, in that they've provided them with good, reliable service in the past

and therefore, when it comes time to haul fish from their remote lakes, they contract these same people. I'm wondering if there is any control, if there is any means that the Minister is using, his staff is using, to maintain a control on that amount that's charged above the 5 cents.

If I could just use a hypothetical case where there may be someone prepared to fly the fish out for, say, 10 cents a pound, which would only cost the government a nickel, but because the fishermen have had a certain very good arrangement with another hauler, that hauler may quote them a price of 12 or 14 cents and they would still use that hauler and the government would have no way of knowing, unless they were carefully monitoring it, that there was another hauler available who would have hauled it for 2, 3 or 4 cents cheaper than that, which would mean that much less cost to the government for exactly the same service to the fishermen, since it makes really no difference to him, He has to pay the first 5 cents in any case.

I'm wondering if there are any checks that the Minister has built into the program or is considering to build into the program to guard against that sort of thing.

MR. MacMASTER: I'm aware, Mr. Chairman, that there is fierce competition in the north to get fish out. My experience with fishermen in the north has been that they are as good a policeman as anybody, but I haven't heard of abuses. I haven't heard of the — well, I've heard of fishermen who have complained that they were being abused and they soon changed the person that they were dealing with. I don't know what better check there is, but I will certainly take that under advisement to, I suppose, look deeper into it and see if there are things taking place that are costly to the government, that the fishermen just might not be aware of. There really isn't much going on in that industry that they're not aware of. I suppose continued communication with the fishermen is the best answer to that, but I will carry on with that thought during the year and, if I find that it's being abused in any way, I will do what's necessary to correct it.

MR. CHAIRMAN: (d)—pass; Resolution 101—pass.

Resolution 102, Item 4. Agreements Management and Co-ordination, Item (a)(1) Salaries—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Well, here again, Mr. Chairman, could the Minister please outline for us the number of staff associated with this allocation last year and the fiscal year before us, for comparison how many vacancies, and also give us an overview of what this section is responsible for, what the staff in here are expected to perform?

MR. MacMASTER: Last year there were ten, Mr. Chairman; this year there are eight. No vacancies, and they handle the Northlands Agreement, administration of it and negotiations of it, and the Northern Flood Agreement. And the eight positions are filled.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, is it this section or this next one under (b) where the Planning people are stuck?

MR. MacMASTER: Which Planning people? Could you be more specific? Could the Member for The Pas be more specific what Planning people he means?

MR. McBRYDE: Well, Mr. Chairman, there are some people whose function appears to be Planning left within this 4. appropriation, and I wondered whether they are under 4.(a) or 4.(b).

MR. MacMASTER: Mr. Chairman, the staff are management staff, evaluation, program auditors, auditors, auditors, administration officer and two secretaries. That's the group that's in this group here.

MR. McBRYDE: Mr. Chairman, this Section 4.(a), (b) and (c), under which of these sections does the senior person responsible for this section appear?

MR. MacMASTER: Under (b), Mr. Chairman.

MR. McBRYDE: Mr. Chairman, of the eight positions that existed under 4.(a) last year, how many of those were vacant last year?

MR. MacMASTER: One was vacant, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, the one that was not vacant, was that person let go?

MR. MacMASTER: Two people were let go, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, I have some trouble with those figures. There were 10 positions; one position was vacant and two people were let go and there are eight people employed now. So the vacancy was filled exactly on the 1st of April.

MR. MacMASTER: During the year there was one vacant and it was filled. There are now eight people in positions, as funded and as demonstrated here in the Estimates.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could tell us the location of these eight positions, where these people are located.

MR. MacMASTER: Winnipeg, Mr. Chairman.

MR. CHAIRMAN: (1)—pass; (2)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman, could we have a breakdown here of the Other Expenditures?

MR. MacMASTER: Professional fees, others, communications, stationery, travel, vehicles, subsistence and travel, again.

MR. CHAIRMAN: (2)—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: In here again would the Minister outline what portion of that is available for travel, and could he be more specific as to what has been actually cut from the Other Expenditures section there? There is some considerable amount slashed from last year's.

MR. MacMASTER: For staff travel there is \$10,000, for others than staff there is \$7,000, and the major reduction is because of last year there was the third year review of the Manitoba Northlands Agreement.

MR. CHAIRMAN: (2)—pass; (3)—pass; (a)—pass; (b) Agreements Management and Co-ordination (1) Salaries — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could explain to us — As I understand it, the basic function of (a) and (b), (1) and (2) is the same, and yet they are able to get some of the people cost-shared under the Northlands Agreement and others not cost-shared. I wonder if he could explain to us what the difference is between these (a) and (b), or why (a) is cost-shareable and (b) is not cost-shareable.

MR. MacMASTER: Only those that are directly related to the Northlands Agreement under (a) were cost-shared. Under (b) there are other responsibilities and we could not get them cost-shared.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister then could explain, since he said these people were all co-ordinators or managers of the Agreement, then why they're not all cost-shareable. Why are eight of the people not cost-shareable, if that is their function, as he described it?

MR. MacMASTER: This particular group, the majority of the responsibility relates to the Northern Flood Agreement and the other is senior management, as I outlined. The Director is in this particular area, too.

MR. CHAIRMAN: 4.(b)(1) — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, what are the exact numbers for this Salaries and Wages section? How many staff?

MR. MacMASTER: Seven, Mr. Chairman.

MR. CHAIRMAN: 4.(b)(1)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I assume that the seven in (b) must be much higher paid than the eight in (a). I wonder if the Minister could confirm that.

MR. MacMASTER: Yes, that's exactly what it is. It's more senior staff in this particular area with higher classifications.

MR. McBRYDE: Mr. Chairman, how many of those staff would be related to the Northern Flood Agreement?

MR. MacMASTER: Three directly and the other four indirectly, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, could the Minister explain . . . Well, I think he did what one of the other four does. What do the other three do that they're not cost-shareable. What is their main function?

MR. MacMASTER: The Director, secretary and two analysts, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, what do the two analysts analyse?

MR. MacMASTER: Programs under the Agreement, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could then explain why they are not cost-shareable.

MR. MacMASTER: We could not determine or establish with the federal people, Mr. Chairman, that they were directly and specifically and totally relating to the Northlands Agreement. They work in conjunctions of the three sections there.

MR. McBRYDE: Mr. Chairman, could the Minister tell us if there was a change in the number of positions from last year and where these seven present positions are located?

MR. MacMASTER: Out of the seven, six are in Winnipeg, one is in Thompson, and last year there were 13 and this year there are seven.

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

MR. McBRYDE: Mr. Chairman, the six, were those six positions occupied and, if so, were six persons fired?

MR. MacMASTER: All occupied, Mr. Chairman. One, I believe, was on an educational leave.

MR. McBRYDE: Mr. Chairman, the other five were then fired. What will happen to the one when he or she comes back from educational leave?

MR. MacMASTER: They were all laid off, Mr. Chairman, and the person on the educational leave has been made aware of this.

MR. CHAIRMAN: (1)—pass; (2)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, could the Minister explain the change in the Other Expenditures that is shown here?

MR. MacMASTER: The increase is in relationship to some increased activity in the Northern Flood Agreement implementation, and the breakdown is for professional fees, four party meetings, printing

and stationery, postage, telephone, vehicles, publications, travel, personnel training, travel, honorariums and other.

MR. McBRYDE: Could the Minister say specifically how much is in professional fees and what professional fees are anticipated?

MR. MacMASTER: There was \$5,000 for professional fees. There may be specific professional people that will be required by the department in relationship to the Northern Flood Agreement.

MR. CHAIAN: (2)—pass; (3)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, on Number (3) could the Minister give us some specific detail of what the million dollars is for and what was done last year under the agreement that it does not have to be redone again this year?

MR. MacMASTER: The general expense is going to be similar in amounts. All was not spent last year. Approximately \$600,000 was not spent. We estimate the survey and mapping will be \$500,000, geotechnical work will be \$100,000, and the grant to the Neyanun Development Corporation is \$400,000.00. Did you want that again? The survey and mapping, \$500,000; geotechnical work \$100,000, and the grant to the Neyanun Development Corporation of \$400,000.00.

MR. McBRYDE: Mr. Chairman, I wonder if the Northern Flood Agreement, if the board of directors of the Northern Flood Agreement, the chiefs that are on the board there, made a decision for the Neyanun Development Corporation to hire specific individuals, whether the Minister would put any restrictions on who they might hire.

MR. MacMASTER: Not to my knowledge, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could tell us whether he's ever personally interfered over who the Northern Flood Committee, or this corporation has hired.

MR. MacMASTER: No, I haven't, Mr. Chairman.

MR. CHAIRMAN: (3)—pass; (b)—pass. Before we proceed to the next item, I would just, by leave, give you the latest count of the election over in Britain. Out of 635 seats, there are 417 elected, Labour 205, Tories 202, Liberal 5, Others, 7. Predicted 40 majority for Thatcher, Thorpe defeated.

Item (c)(1) Salaries — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, could we get from the Minister the number of staff here, the positions last year, the positions this year and the positions occupied?

MR. MacMASTER: There were 9 last year, Mr. Chairman, there are 9 this year, there are two vacancies at this particular moment, and we intend to fill them.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could indicate where these 9 positions are located?

MR. MacMASTER: They're all in Winnipeg, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, in light of the elaborate statements that the Minister made during his introductory remarks, in terms of now the administration of Northern Affairs is in the north where it belongs, (1) as if this was a new thing, but secondly, Mr. Chairman, this whole section of the Estimates that we're dealing with right now, (a)(b) and (c), there's only one staff person located in northern Manitoba, and I wonder if the Minister could explain that in light of his position that he took introducing his Estimates.

MR. MacMASTER: There's no difficulty, Mr. Chairman, all the federal people that they're dealing with are here in Winnipeg.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could just enlighten us as to how many

staff the Department of Regional Economic Expansion has in northern Manitoba.

MR. MacMASTER: I would have no idea, Mr. Chairman.

MR. McBRYDE: I wonder if the Minister would acknowledge that they have more staff in northern Manitoba than the provincial government in this particular category?

MR. MacMASTER: Not the ones that are doing the negotiating, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could tell us of the 9 people under the Canada-Manitoba Special ARDA Agreement, how many of those are involved in negotiating the agreement and how many are involved in delivering the service and dealing with people in the field, dealing with people in northern Manitoba?

MR. MacMASTER: Mr. Chairman, this particular groups relates to all of Manitoba, not just specifically northern Manitoba, and they do do travelling in dealing with people.

MR. McBRYDE: Mr. Chairman, I think there are some staff there that you could say, "do do" but anyway, Mr. Chairman, I wonder if the Minister would compare the field work that the staff does under the Canada-Manitoba Special ARDA Agreement with the field work that the rest of his department does, a number of whom are located in northern Manitoba. Mr. Chairman, my understanding is that their territory would be very similar to the rest of the department, that is, some of it being in the Dauphin region, some of it being in the north of Selkirk area, some being in the Interlake, for his whole department, and that there is really no distinction in terms of the territory covered between these 9 people and the other that provide other services, like local government services in the department.

MR. MacMASTER: Mr. Chairman, what the member is suggesting, that there be some relocation of some of the staff, I can certainly take this under advisement. At the moment, we feel it's running very efficiently where it is, but quite obviously the Member for The Pas is presenting a — I'll take it for what I think it is — a suggestion that there could be a better distribution of the staff throughout the province, and I'll take that under advisement.

MR. McBRYDE: Mr. Chairman, that's what I was suggesting to the Minister. Last year, under this section, in this administrative section, I commented on the centralization of the department, that the majority of people who had been laid off, or fired is the more accurate word, the majority of people who had been fired were in fact field staff, people that worked with the communities, and that in fact the central organization had been expanded. And now, Mr. Chairman, we see that the Minister must have taken that to heart because he has reduced the numbers in this particular section, which is basically Winnipeg management people in the first two items and field people in the third item.

So Mr. Chairman, since he is willing to listen to the criticism in at least that one area, then perhaps he will take a look at the possibility of relocating that staff more in terms of the area they serve, rather than having them all within the city of Winnipeg, Mr. Chairman.

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

MR. BOSTROM: Mr. Chairman, in this area of Other Expenditures, could the Minister indicate how much is in there for travel?

MR. MacMASTER: \$19,500, Mr. Chairman.

MR. BOSTROM: Can the Minister indicate, by way of explanation, of this section in general, Canada-Manitoba Special ARDA Agreement, what projects or programs does he see this money being applied to in the fiscal year that's before us. Can he give us a listing of anticipated expenditures in this area, what categories would be involved, what types of individuals would be involved, so on and so forth?

MR. MacMASTER: The projections are for fisheries, \$165,000; for trapping, \$210,000; agricultural projects \$72,000; infrastructure projects, \$100,000; training projects \$90,000; administration \$40,000.00.

MR. BOSTROM: I thank the Minister for his breakdown. I would like to ask him, more specifically in the area of fishing and also in the area of infrastructure, do they have some specific projects in mind for those moneys that are budgeted?

MR. MacMASTER: Mr. Chairman, the ARDA program, my feelings towards the program is a response program of doing just that, responding to communities and groups who come to us and ask for consideration of assistance. I do not have the specifics, it's moneys that we feel will be required during the course of the year to respond to people who desire assistance under this program.

MR. BOSTROM: There's one area, Mr. Chairman, that is not adequately covered in my view, either by the provincial government or the federal government with respect to the fishing industry in northern Manitoba. It's one in which we were attempting to address ourselves to while we were in government and I believe that the special northern employment program did provide some bit of funding for the category that I am concerned about, and that is the fishing industry in northern Manitoba for infrastructure. Many of the areas in the north that are involved in the fishing industry have old, rather dilapidated infrastructure, as the Minister may already be aware, since he's been travelling around the north. There is a crying need to upgrade and/or replace that infrastructure. I don't believe there is enough money in his total special ARDA budget here to do that job, but somebody has to do that job.

The Department of Regional Economic Expansion, I understand had received an application from the federal agency, the Freshwater Fish Marketing Corporation, to build a new fish station at Berens River, and it revealed the shortcomings of their program when they rejected that proposal, because it didn't really fit their guidelines of trying to achieve a number of direct jobs from the expenditures of their grant funds. It's understandable that a fishing station would only provide maybe 1, 2 or 3 direct jobs, but they did not, and could not, under their criteria, take into consideration the fact that that fishing station would provide 50 or 60 indirect jobs by means of the fishermen being able to realize a living from delivering their fish to that particular fish-packing plant.

Now, they were not able to fund that particular station, the people at Berens River, I know as one example, are desirous of getting together and forming a co-operative or a small company as a collective group of fishermen and building a fish station, but they have at the present time, no access to funding. I believe that the special Northern Employment Program is almost defunct now. There very little, if any, money left in that program from what I'm aware.

The Department of Regional Economic Expansion have already turned down the Freshwater Fish Marketing Corporation on a similar proposal so therefore they can't fund it, and I don't believe that the criteria of this particular program would fill the bill for them either. So I am asking this Minister if he has addressed himself to this problem and if he is considering other funding mechanisms, either himself or in his negotiations with his federal counterparts, to try to do something about this very serious problem. I would think the Minister of Resources should be concerned about this too because it relates to the harvesting of that very valuable resource. If there are not proper fish packing facilities available to the fishermen they don't pack a proper product, they end up shipping something to market which is less than the highest quality so therefore they receive a lower price for their product because it is not packed properly, not in proper facilities; and on the other hand, Mr. Chairman, some of the facilities are so dilapidated that they simply will not be able to continue using them very much longer.

I think the Fish Inspectors at the federal level have been turning their eye the other way at most of the stations operating in northern Manitoba at the present time in allowing them to operate in contravention of Federal Fishery Environmental regulations and so on.

So Mr. Chairman, I think it's a very serious problem. Somebody has to do something about it, and I would think this Minister and his colleague, the Minister of Resources, should be addressing themselves to this problem because one of the levels of government, either the federal or provincial or joint, have to come up with a funding formula to replace these dilapidated structures and to rebuild the ones that are rebuildable, and to replace those that cannot be rebuilt. I ask the Minister to indicate if there's anything in his Estimates here to deal with that problem and, if not, what he intends to do about it and what plans he's making to address himself to the problem.

MR. MacMASTER: I can agree with the Member for Rupertsland in relationship to the falling between the tables, I think is really what he's saying, and I think he's had enough experience in his time as a Minister of Renewable Resources to know the difficulties you have at times with the FPMC, and I can only assure him that we are constantly carrying on negotiations with that particular group.

I would like him to try and appreciate what I feel is my position and I feel the position of the

Minister responsible for Renewable Resources. I think he found himself possibly in the same position; whereas if you step in and start doing their job then they will gladly step back and let you do the whole darn thing, and that's my concern. And I appreciate the fact that in some cases we haven't been successful, and the one in Berens River — I'm not sure of all the details of it, but I'm somewhat familiar with it — we haven't been successful to date but that doesn't mean that we're not continuing and working at the infrastructure systems for the fishermen, Mr. Chairman.

MR. BOSTROM: Mr. Chairman, by way of a specific request of the Minister, is he considering attempting to get costsharing with the Federal Government on this specific problem either through the Manitoba Northlands Agreement or via the special ARDA Agreement, or is he negotiating with the Department of Regional Economic Expansion to either amend their criteria so that they are able to apply their programs directly to this problem, or what avenues is he really following? I mean it's nice to express concern about the problem, and I'm in that position of only being able to do that, Mr. Chairman, of expressing that concern. It's the Minister's responsibility as Minister and his colleague, the Minister of Resources, to ensure that that concern is more than just expressed but there's some action taken on this problem. I would like to know what his game plan is. I mean is he doing more than simply wringing his hands in concern over this or is he actually following through with some corrective action, some negotiation with relevant federal agencies?

MR. MacMASTER: Mr. Chairman, we're doing more than just wringing our hands. We are carrying on very extensive discussions with people in Northlands and the DREE people, but we're caught in the same trap that the FFMC keeps coming in, that it's their responsibility, and the Member for Rupertsland points it out well when he said that they have certain criterias that they won't move in. Our responsibility is to people in Manitoba, the Manitobans, and we're continuing to try and work with both bodies, because I agree that something has to be done about it and I just haven't at this particular moment got the answer. I'll be glad to tell the Member for Rupertland and everybody else when we get that particular problem sorted out. I have not got it sorted out today.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Chairman. Some time ago the Minister gave us a breakdown in terms of the expenditure, and I wonder if he could give us the actual expenditure over the last two years in those various categories, Fishermen, Trappers, etc.

MR. MacMASTER: I'll get that for the Member for The Pas, Mr. Chairman.

MR. CHAIRMAN: (2)—pass; (c)—pass; Resolution 102—pass. Resolution 103: Item 5. Acquisition, Construction of Physical Assets, (a)—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could outline for us what's anticipated here and also, Mr. Chairman, the reason that he has seen fit for the increase under (a) and (b) for this year.

MR. MacMASTER: We're taking advantage this particular year, Mr. Chairman, with some fairly extensive negotiations with the federal people to cost-share a great number of Items that were not cost-shared in previous years. The breakdown: Community Garbage facilities, \$425,000; Community Works Projects, which includes provision of improvements at docks, bridges, fire equipment, shelters, stockpiling of gravel, is \$150,400; Renovations of Community Halls, \$102,000; the Berens River road, \$242,300; South Indian Lake road, \$85,000; and safe water and sewer, \$165,800.00, comes to your \$1,170,500.00.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, the item that the Minister summarized under this section, has he mentioned them under another section, or is this another group of the same type of projects?

MR. MacMASTER: These particular items haven't been discussed before, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister then could tell us, in terms of the larger items, what communities we're looking at and what project.

MR. MacMASTER: The community garbage facilities projects are in Norway House, Thicket

Harwill, the home town of the Member for Rupertsland, Red Sucker Lake, Barrows, Duck Bay, Waterhen, Pelican Rapids and Meadow Portage.

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

MR. McBRYDE: Mr. Chairman, the next item was \$150,000, that was other kinds of projects. Could he give us the same community breakdown?

MR. MacMASTER: Firehalls in Agoming, Berens River, Stevenson Island, Waterhen, and docks in Warren's Landing, Anama Bay and Loon Straits.

I will carry on, because I'm sure the member would . . . The renovations, community halls, did you want . . . ? Moose Lake, Anama Bay, Dallas, Red Rose, Harwill, Pine Dock, Barrows, Camperville, Duck Bay, Mallard, National Mills, Pelican Rapids, Red Deer Lake.

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

MR. McBRYDE: Mr. Chairman, which communities are slated for waterworks this year?

MR. MacMASTER: I'm guessing at it, but I'm sure the Member for The Pas has the number; it's \$960,000 under Department of Highways and Transportation Services. Now, I can get that exact figure, if you want. That was for a variety of water systems. The one that we have mentioned here is in Wabowden.

Now, if the Member for The Pas did not get, at the specific time, the breakdown of the communities from the Minister responsible for the construction, then I will certainly get them for him.

MR. McBRYDE: So we have a situation now, in terms of the effective operation, where the water systems for most communities that are cost-shared under the Northlands Agreement are built by the Department of Highways and Transportation Services, they're responsible for the construction, and the Department of Northern Affairs is responsible for the operation and maintenance of those facilities, and so if there are problems with construction they can get mad at Highways but they still have to maintain the system that's not quite up to standards, and some of the safe water system, however, is still being done by Northern Affairs. I wonder if my understanding is correct.

MR. MacMASTER: This particular one is — the one that we're doing here — has quite a history to it. To simplify it, there is a set of negotiations that has taken place between our department, the CNR and Frontier College and the community, and we felt it was best for us, seeing as we had been so involved in these complicated negotiations over a period of time, to carry on and finalize this one particular project this year.

MR. McBRYDE: Mr. Chairman, the figures here are a little confusing, I just want to clarify that I understand it. Under Acquisition and Construction of Physical Assets the amount spent last year was \$1,260,200, and this year the amount actually spent, although some of it's recoverable, will be \$1,170,500.00. So, in overall, there is a reduction in this particular item. Am I interpreting the figures in a correct manner?

MR. MacMASTER: I think the Member for The Pas has let his thumb run too fast. If he would just take a closer look, we're dealing with (b), and I said in the outset that the exceptional increase is due to the fact that we have been able to get some of these into Northlands. Does the Member for The Pas see which figure I'm looking at? We will get down to (c) in a minute, and I will explain that once we get by (b).

MR. McBRYDE: Mr. Chairman, we're talking about Item 5, and the totals for Item 5 are, I think, somewhat confusing here. I thought we were on Item (a) still, as a matter of fact. But in general are my figures right? I mean, the amount spent by the department on this item, Item 5, is down slightly from last year.

MR. MacMASTER: It's up over \$300,000, Mr. Chairman, if you put all the figures together.

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

MR. BOSTROM: Thank you, Mr. Chairman. I had indicated earlier that I had some concerns

some of the policies of the department and the Minister indicated this would be the section to raise these issues. One was with respect to the department's Sewer and Water Program. Could the Minister indicate what his plans are this year, what specific plans he has, what the policy of the department is with respect to introducing sewer and water facilities into northern communities. I'd ask him to be specific to indicate how this policy relates to the subdivisions which have been put in place by the Department of Northern Affairs over the years, and the ones they are now working on putting in, where there's remote houses being built on them, and how the policy would relate to individuals who are either on their own land or on land in these subdivision locations. I would like to know what their policy and plans are of a long-range nature as well as what they are for this fiscal year that we're considering. I have a number of other questions, but perhaps I'll get a response from the minister on that first.

MR. MacMASTER: Mr. Chairman, our first responsibility I believe, is to get safe drinking water, and we haven't got to the point, though we can see it some day somewhere where we will be going into private homes and private dwellings, but I think our responsibility is to get safe, palatable drinking water into all the communities in Manitoba and we're working in that direction right now. We haven't gone that one step farther that the Member for Rupertsland is raising into taking them into homes at this particular time.

MR. BOSTROM: Mr. Chairman, what is the policy of the department as they relate to communities in Northern Manitoba that want to use the funds that they have available to them, whether it's their own tax dollars raised locally or grant funds they receive from the Provincial Government and/or other funds that are made available to them through the Northern Affairs Budget, that they wish to place a priority on those funds and direct them in that area of sewer and water development for their community? Could the minister indicate what the policy of the department is in that respect? Will they respect the wishes and desires of the community to prioritize the funds that are available to them and in doing so putting their priority in the area of sewer and water for the community? Will the department respect that prioritization of the community and work with them to achieve their desires?

MR. MacMASTER: We're very pleased to discuss those types of options with the communities and as I said previously, and I'd like it believed that their priorities are going to be listened to. There's two specific examples now where that is in fact taking place, and one is in Wabowden and the other is in Cormorant, where we're now negotiating and discussing with them. They want to crank up the sewer and water priority above an awful lot of other things, and we're quite willing to carry on discussions with them and back it up with the moneys that they're getting and try and work it out with them how we can achieve their aspirations.

MR. BOSTROM: Mr. Chairman, the minister indicated earlier that he would appreciate it if I brought to his attention any problems communities were having in having their priorities respected in the process of their negotiations and dealings with the Northern Affairs. I have one specific example for him of one concern that was brought to my attention, and relates to the Community of Norway House. Apparently they did desire to put a priority on sewer and water in their community, and passed by resolution of council. A resolution that stated that they wanted to use at least their own taxes that they collected, that is, their locally collected tax base moneys, for sewer facilities for the subdivision in Norway House.

Apparently the answer they received from Northern Affairs on that issue was no, they couldn't do that, and the reason for it as it was explained to them, is that this was not a policy for Northern Affairs — that it was Northern Affairs policy to provide a standpipe in the community and that was it. So therefore, they were told they couldn't even use their own money to do what they wanted to do, which was to provide a more adequate system of sewer for the homes in a particular subdivision in their community.

MR. MacMASTER: Well, Mr. Chairman, Norway House is a very large community and I know it has a great number of priorities. We know of several — the internal roads was a priority, the bridgeway or some access across the river is a priority, the water and sewer is a priority, and major renovations, renovations at least to put that arena in shape so it's safe for the children and the people of that community to play in and enjoy the community activities. And we had discussions with the people from Norway House. Now I know that's four priorities, but at that particular time the arena — because it's just what an arena in a community is supposed to be, a safe place to meet and for the kids to play in, for the adults to gather — that held a high degree of priority. And we were scratching trying to find some money to help them. I don't believe they went away

feeling they got everything they wanted, but I know that they went back to Norway House feeling that they'd certainly had a good meeting with us, and they were reasonably happy on some of the things we're trying to do on that particular arena. I can't speak for the people of Norway House, but I know that the safe operation of that arena had a pretty high priority at the last meeting that we had with the Norway House people.

MR. BOSTROM: Well, Mr. Chairman, on that specific point would a clarification of the policy of Northern Affairs be to respect their desires; if they wish to allocate a specific amount of their Budget for the year for a specified sewer project, would it be the policy of Northern Affairs to allow them to do that? I'm talking here about the community being able to make decisions at the local level to prioritize funds that are available to them. Granted, a bridge is a big priority in the community. As I mentioned earlier, it's probably the highest priority in the community. Granted, the arena is a priority; the internal road system is a priority. Some of those things are beyond the capability of their local budget to deal with. They're not going to start prioritizing their local budget to pay for a bridge because it's out of the question. It's just not within the realms of discussion, as far as their local budget is concerned. They're not going to be using their local budget to rebuild the internal road system because it's obviously a capital expenditure thing which they're going to have to negotiate with the government as an extra item, not something that they would have in their local budget. And the same possibly with the arena — it would be a capital expenditure item which they wouldn't have enough money for in their local budget.

Now, I know that there is a water program, they can get access to water apparently in one of the subdivisions, but there's no facility to hook up to any kind of a sewer, and the lots are too small to put in their own septic tank systems. I suppose this is an example of poor planning because if there was no long-range planning to put in a proper sewer system in the first place, they probably shouldn't have laid out a subdivision with small lots. I think this is one of the concerns that they have for future planning in their community right now.

There are apparently eight houses that are being held up at the present time because the council are saying, "Look, we're not going to go along with putting housing in a small subdivision if there's no long range plans to put in sewer and water." Why should people be stuck on small lots and then not have the option later on of being able to put in their own septic systems? And if you're going the septic system route, well, then that changes your planning because your lot should be bigger.

So, Mr. Chairman, I'd like to know what, and the communities would like to know as well, what the long range plans for the government are; are they going to consider putting in a sophisticated sewer system into these communities where there are because if they are not going to do that and they have subdivisions? If no plans to do that, they should make that clear to the communities and say, "No, that's not this year's plans, it's not next year's plans, it's not 20-year plans, it's not even in the ball park, we're not going to do it," so then the communities can go back to the drawing board and say, "Well, scrap these little subdivisions, we're going to go back to having two acre, three acre, five acre lots and the people can then do their best to put in their own individual systems."

I come from a small community in northern Manitoba that's operated in much that fashion. The community, over the years, has spread out, up and down the river and people have, because they were spread out, been able to put in their own septic systems and hook up their own water and pressure systems, so, you know Mr. Chairman, that is something that developed on an ad hoc basis, but most of these communities want to get into a rational planning, but in order to plug into a rational planning system, they have to know some of the long range plans of the government, and I know this is a concern of the Norway House group right now, and I'm sure it's a concern of other communities in northern Manitoba.

If the government is quite positive, quite sure that they're not going to be able to put in sophisticated sewer systems, and I'm not so sure that I would agree with that kind of a system because having lived in a small community myself, I know that people don't like to be cramped together in small subdivisions.

At the time that subdivision went in, it was a decision of the local Council up there of the day, and I suppose they're realizing now that they were ill-advised to put their houses so close together, but they're re-thinking that situation right now and looking at a different system for the future, and I'm hopeful that the government can really lay out their policy to these communities clearly and unequivocally, yes or no, are they going to have sophisticated systems so that the communities can make their plans.

MR. CHAIRMAN: (a)—pass; (b)—pass — the Honourable Minister.

MR. MacMASTER: Well, Mr. Chairman, we're in the midst now of carrying on discussions with communities and CMHC because, as the Member for Rupertsland knows, when CMHC is going in, they are putting in the indoor plumbing and septic tanks which, of course, we along the way are going to have to accommodate with lagoons and pump-out trucks and what have you.

It's not an impossible thing, but we're working with the communities and with CMHC now, discussing those very things; it's kind of an awkward position that we're in.

If I can get back to the Norway House people, they were in a very difficult position when they came and talked to us about that particular arena and again priorities have whatever they are, but in this particular case, an Occupancy Licence, the Fire Commissioner was after them and there was, panic I don't think was the word, but there was certainly more than passing concern on how they were going to get that in place, and that we worked out with them.

As far as communities wanting water and sewer, wanting water systems, there's absolutely no problem with us working with them if they want to establish them as priorities, we'll work with them and we've demonstrated that now in two areas now, and I hope that next year, we'll be saying that it's working well in eight, or ten, or twelve or whatever the case may be.

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

MR. BOSTROM: Mr. Chairman, I see you're getting more tired by the minute there, so we'll try to move along. I do have a couple of other concerns in this area I had raised notice of earlier. One in the area of Capital Projects is related to the planning of house residential areas in communities. Can the minister indicate that his department is still involved in doing that for the communities, assisting them in laying out residential areas, or is this the responsibility of another department now?

MR. MacMASTER: Yes, we're still carrying out that particular work; it's under (c) Seymourville and Bissett, the Member for Rupertsland's home town, Pine Dock, Camperville, Mallard, Crane River, Barrows, Sherridon, Moose Lake, Easterville, Pikwitonei, Thicket Portage, Norway House \$5,000 for some subdivision planning that they want to do in there.

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

MR. BOSTROM: Mr. Chairman, one more question on policy in that area. Is the government still following a policy of making the surveyed lots available to not only those who are in the Remote Housing Program who are able to purchase their house and lot through that program, but are they continuing to make those lots available to residents, permanent residents of the area at the cost, a nominal fee plus the cost of the services to the government in providing that lot for the community? I know some communities have expressed concern that a subdivision is laid out and all the surveyed lots are taken up by Remote Housing Programs and then there are no longer any surveyed lots for those who would like to build their own homes.

We had introduced that policy when we were in government of making those lots available also on a sale basis at the cost of putting that lot on the market. Can the minister indicate if he is still continuing that policy?

MR. MacMASTER: We would, Mr. Chairman, make them available.

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

MR. McBRYDE: Thank you, Mr. Chairman. Was that Item (c) is that all Capital Projects for the communities that were mentioned by the minister or are there other items in that amount?

MR. MacMASTER: There's been a — just excuse me Mr. Chairman — there's been a request from a good number of the communities for a Temporary Detention facility and we are now working with the proper authorities to determine the structure of it and the communities for a consideration this year are Easterville, Moose Lake, Norway House, Berens River, Barrows, Camperville, Duck Bay, Waterhen, Pelican Rapids, Crane River, Cormorant, Brochet, South Indian Lake, and Cross Lake.

MR. CHAIRMAN: (c)—pass; Resolution No. 103 — pass. Resolution No. 104: Item 6 Canada-Manitoba Northlands Agreement—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could give us or get the amount budgeted

under the Canada-Manitoba Northlands Agreement for the last number of years and then the amount actually spent under the Canada-Manitoba Northlands Agreement over the last 4 or 5 years, so we can see what the pattern is?

MR. MacMASTER: I'll take that as notice and get it to the Member for The Pas.

MR. CHAIRMAN: 6.—pass. Resolution No. 104 —pass. The Honourable Member for Rupertsland.

MR. BOSTROM: I wonder if the Minister could supply us with a detailed list? I'd like to get a detailed list of all the projects that are contained within this item of \$19,720,900.00. If the Minister could provide us with that detailed list tonight or by tomorrow morning so that we would have a chance to look it over and I would recommend to the Minister that we could then pass this item tonight. I suggest we call committee rise so that we could have any comments that we have on this item brought up under the Minister's salary when we next come to this Department.

MR. MacMASTER: I'll endeavour to get that list as quickly as I can to the members, Mr. Chairman.

MR. CHAIRMAN: Item 6. — pass. Resolution No. 04 — pass. The Honourable Minister.

MR. MacMASTER: I'm in a strange position of asking the question. When would the members, I understand that the two will not be here tomorrow, when would they like this given to them so they can discuss it, seeing as it's an item that I may need some staff if there is a particular question? I'm just trying to get a timetable. Would they like to do it Monday afternoon during Estimates? I'm easy, I don't care.

MR. McBRYDE: Yes, Mr. Chairman, the reason we did agree to get to the Minister's salary, so that he wouldn't have to bring his staff back in. My preference would be that we deal with the Minister's salary on Northern Affairs on Monday, but my colleague will be available tomorrow, but I won't be available tomorrow after 12 o'clock.

MR. CHAIRMAN: The Honourable Member for Rupertsland.

MR. BOSTROM: If I could make a suggestion, I would recommend the same, that if he could get the list to us by tomorrow some time and give us the opportunity to look it over, since it is a very big item and that we could then come back to discuss this along with other issues under his Minister's salary on Monday. Give us a fair opportunity then to look it over and also give my colleague an opportunity to be here when we discuss it.

MR. MacMASTER: Then if I understand the arrangements right, it will be Monday afternoon during Estimates time. I'll do my best to get you this list before then and I'd like to inform the members opposite that I have copies of the Third Year Review which I can get to them first thing in the morning. It's a document that talks about the review and I'll get them both, well I'll get 4 or 5 copies and send it over the NDP Caucus room in the morning and you can review it.

MR. CHAIRMAN: I understand that the Honourable Minister will be supplying the copies prior to Monday and your question was concerning your staff, your assistants won't be required. That seems fair. 104 has been passed. The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, before the committee rises, I wonder if the Minister would just confirm what he hopes to deal with tomorrow in the Estimates so there is no misunderstanding tomorrow.

MR. CHAIRMAN: The Honourable Minister.

MR. MacMASTER: I don't know, I guess the misunderstanding was in everybody's mind except mine — what was happening today. We sometimes find ourselves knowing what we're going to do and we just forget to tell other people I suppose. Tomorrow I'll be dealing, if there is time, with the Civil Service Commission. That's what was agreed between your House Leader and mine this afternoon.

Thursday, May 3, 1979

MR. MCGILL: Mr. Chairman, I move the Committee Rise.

MR. CHAIRMAN: Committee Rise. This Committee is adjourned.