

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 17 June, 1980

Time — 8:00 p.m.

## SUPPLY — ECONOMIC DEVELOPMENT AND TOURISM

**MR. DEPUTY CHAIRMAN, Morris McGregor (Virden):** I call the committee to order. Resolution 47, 1.(f) — the Honourable Minister.

**HON. J. FRANK JOHNSTON (Sturgeon Creek):** Mr. Chairman, the member is not here that was questioning me, but when he was speaking about pari-mutuel off-track betting, I might say that is the federal government jurisdiction that's presently against the federal Criminal Code. The Honourable Mr. Whelan, the Minister of Agriculture for Canada, has said in no uncertain terms, he wouldn't allow it. The member's question regarding off-track betting is really out of our hands, but we have asked the consultant that is doing the report or study of the racing industry to give their opinions as to whether it would be desirable or not. We still don't have the authority to do it, though.

**MR. DEPUTY CHAIRMAN:** 1.(f)—pass. Resolution 48, 2.(a)(1) — the Member for Brandon East.

**MR. LEONARD S. EVANS:** The item, Administration — Program Development and Technical Services includes the office of the Assistant Deputy Minister, and I am wondering whether the Minister could advise just what comes under this particular ADM on Operations. I was looking at the flow chart that the Minister gave me in response to my request yesterday on staffing, and it seems to me that the ADM for Program Development and Technical Services includes about eight areas. This may or may not correspond with this item, No. 2. But at any rate, I am wondering if the Minister could advise, is there an ADM in charge of this area now, who is that person, and generally what does this administrative group (a) Administration, what is it involved in?

**MR. JOHNSTON:** The ADM handles the administration, the program which is the Program Development and Technical Services. It includes the office of the Assistant Deputy Minister as it says here, and resources for program development and intergovernmental agreement administration. It takes in the transportation, it takes in technology, industrial design, human resource management, promotion and information services, and naturally, the Canada-Manitoba Industrial Development Sub-Agreement comes under the Assistant Deputy.

**MR. EVANS:** Mr. Chairman, I was asking the Minister precisely who is the ADM in charge of this area now.

**MR. JOHNSTON:** Mr. Ian Blicq.

**MR. EVANS:** Looking as a takeoff from that then, looking at the administrative organizational chart here, I note that there is an ADM in Tourism now, or at least there is provision for it, and an ADM in Business Development, as well as an Association Deputy Minister and a Deputy Minister. Is it correct then that this is not the only ADM, there are two other Assistant Deputy Minister positions besides this and in addition, an Associate Deputy Minister and a Deputy Minister position? Is that correct?

**MR. DEPUTY CHAIRMAN:** The Honourable Minister.

**MR. JOHNSTON:** That's the organizational chart the member requested at the beginning. Yes, he's correct, Mr. Chairman, there always was an ADM in Tourism before the department was amalgamated. The other ADM is in Business Development, Mr. Hayes. Mr. Bob Yuel is the ADM in Tourism.

**MR. EVANS:** I gather then, Mr. Chairman, that the ADM from Tourism is brought over, the two ADMs were there before. So what the addition to the administration is the Associate Deputy Minister position, that's one additional position at the senior administrative level, I would gather, looking at this particular chart.

I understand that one of the responsibilities in this area, intergovernmental agreement administration, includes provincial management personnel on the joint Federal-Provincial Agreement and Management Committee. This is relating to Enterprise Manitoba. Could the Minister advise exactly who is on this management committee? Are they all public servants or are there some public representatives of the public at large on this committee as well? If there are, are they paid any honorarium?

**MR. JOHNSTON:** Mr. Chairman, the Deputy Minister, Mr. Blicq; Mr. Tough, who is a director of small business; and Mr. Epp from finance, they're all provincial people and Mr. Edmonds and Mrs. Jean Edmonds from the federal government; Mr. Motta from the federal government and Mr. Good from the FBDB are the management committee as far as our agreement is concerned.

**MR. EVANS:** I gather then it's all— if I heard properly, the makeup is entirely of civil servants or public servants and there are no citizen representatives on this board. Okay. Can the Minister report any progress of this Management Committee? I understand they have overall administrative responsibility of approving various policies. I understand — and again this is from the annual report of the department — that the Management Committee has, among other things, to concern itself with performance requirements, cash flows and guidelines for all ten projects under the agreement, and approve printed promotional administrative literature for publicizing the programs, approve and establish private sector and labour reps for some 11 private sector advisory boards. I guess

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this is really what I was getting at when I was asking about citizen participation.

But at any rate, the other area is conducting staff briefings, ministerial briefings, on various details and inform various associations. Can the Minister bring us up to date on just what this Enterprise Manitoba management group is now doing?

**MR. JOHNSTON:** Mr. Chairman, the administrative group of the agreement meets very regularly and they make sure that the terms of the agreement are being adhered to when any parts of the program are being, shall we say, put into action. They make sure that any requests, anything as far as the RSCI loans are concerned, they make sure of the infrastructure loans as far as they are concerned that they are all done according to the regulations that are laid down by the agreement. They advise the Minister as to what the progress of the agreement is at all times, plus the fact that they approve recommendations by the private sector groups who make recommendations to them as far as applications are concerned. They are working very continually, Mr. Chairman.

**MR. EVANS:** Could he advise whether there are still 11 private sector advisory boards and just what are the 11 sectors itemized here — well, it's not itemized, but what are the 11 sectors? Are those advisory boards, private sector advisory boards, active? How often do they meet and do the members of those boards get an honorarium?

**MR. JOHNSTON:** There are six private sectors boards, two ADC boards and three R.S. rural small enterprise boards. They don't receive any honorarium. The sectors are food, transportation, light and farm machinery, aerospace, health products, electronics. Well, that's the six.

**MR. EVANS:** Can the Minister comment, now that he's had a year or so experience with these sector boards, at least, whether he's getting ideas, any policy suggestions from these private sector boards? Six of them, I take it, not 11 as shown in the annual report of the department. Is he satisfied that these boards are fulfilling a useful function?

**MR. JOHNSTON:** The boards have been meeting regularly, Mr. Chairman. I believe they meet on a monthly basis. In fact, I know they do. They have submitted reports to me on the sectors that I have mentioned. The reports make recommendations as to what they feel some of the problems are within their industry. The reports also give us what they feel should be done to have the industry more beneficial to the province of Manitoba, recommendations as to what products, some of the products that should be looked into as far as Manitoba is concerned. I have answered all their reports and I'm in the process at the present time of meeting with all the sector boards personally and I've met with two of them to date. I'll be meeting with the balance of them within the next three weeks or so.

**MR. EVANS:** The Minister said there were six of these private sector boards and then he referred to some other boards and he used some initials, but

when he was referring to these other boards was he referring to the advisory boards for the enterprise centres or the rural centres in, well, there's one in Brandon and I guess there is one centre operational in Winnipeg, and then there's a technology centre. I would take it he was referring, when he talked about these other boards, to those particular boards and perhaps he . . .

**MR. JOHNSTON:** Well, the EDC is the Economic Development Centres, they have boards, there's one in Dauphin, Brandon and Winnipeg and the Rural Small Enterprise Incentive Program, there's three boards, one in the west part of the province, one that does Winnipeg and east and then there's the whole central part of the province. There's the Technology Centre Advisory Boards, there's two of those, one for the Food Technology Centre in Portage and one for the Technology Centre in Winnipeg, who advise the Manitoba Research Council, which those two operations are responsible to.

**MR. EVANS:** There seems to be a very great proliferation of words. I hope that they are fulfilling the function that was expected that they might fulfil.

I'm concerned with the operations of the centres that we have now in Winnipeg, Brandon and Dauphin, the enterprise development centres and I'd like to know to what extent these boards have a meaningful policy input to make. Who has the last say? Is it the boards who say what shall be done, because in these enterprise development centres, Mr. Chairman, in case you don't know, the idea is to provide some sort of an incubation atmosphere. This was an idea that we had discussed for a year or so before the change of government and this incubation centre would, in effect, be a place where a small business, a fledgling business could get started, where it was perhaps people with very little experience, or certainly people who needed some assistance and would have relatively cheap rent or perhaps free rent and also have some technical service personnel in the same building to provide assistance to them and hopefully get them on their way in the world.

Now it's fine to have advisory boards, but I think sometimes you can have a problem in jurisdiction on occasion between the advisory board and the management personnel. And I know the management personnel are virtually members of the department, maybe there's some technicality that causes them not to be, but my understanding is that they are civil servants, they are paid public servants and decision-making will occur among the staff in the centres, it will occur in the department here in Winnipeg. So my question is, do these advisory boards simply advise, or do they have some sort of meaningful role in making policy and in deciding who shall come into the centre for instance, and what the terms of reference might be for a particular enterprise? Or they merely to sort of watch over what's happening and play a very passive role?

**MR. JOHNSTON:** Mr. Chairman, the advisory boards are doing an excellent job. They are not paid boards, they have met very diligently in all areas of the agreement. They have clear terms of reference,

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the policies are laid down by the government — the two governments I should say, as far as the agreement is concerned. The requests for assistance come in for the RSEI loans, they come in from the municipalities, the towns for infrastructure. They come in from the towns for the other parts of the program where we do research for them on the viability of what should be done in the town, to help the economic situation of it. These requests all come in, but the boards are mainly there to advise, or recommend if there should be loans presented. But the boards for the centres are basically there to make the recommendation as to what businesses should come in the centre. They do that, they do an excellent job, as a matter of fact I've attended a couple of meetings when the boards have been meeting, one in Dauphin and the Winnipeg area, and they do a good job.

I don't know what to tell the member other than what I've said. I have absolutely no complaint and I'm very proud of what they are doing. They're very very good businessmen in all cases, they represent a broad area of the business in a broad area of the province and then the recommendations come to the management board that I just mentioned and the final decision is made by myself. I make sure that all of the regulations and everything that is supposed to be carried out under the terms of the agreement, I also have the opportunity to turn anything down. There is the odd occasion that something goes back and there's the occasion when many of them are questioned, different questions. But the process is very thorough and the boards work very very well.

Mr. Chairman, I would say to the member that the particular area that he's basically talking under now is (k) the Enterprise Manitoba Agreement on Page 37. The operations department is interdepartmental issues, federal-provincial agreements, program developments. Of course, the sections that I mention to the member also come under the Operations Department and the Assistant Deputy Minister who was mentioned.

**MR. EVANS:** Mr. Chairman, I'm simply going by the annual report 1978-79 of the department and it indicates under Administration here, Program Development and Technical Services, Enterprise Manitoba Management Function, and there is a relationship between that management function, surely, and the operations of the Advisory Boards of the Enterprise Development centres. The Minister talked in very general terms and rambled on but I would like to know specifically what do the Advisory Boards of the Enterprise Development centres do; specifically what are they supposed to do? Are they window dressing, are they merely there for showpiece — I hope not. What do they do? Do they have the responsibility for saying exactly who comes into the centre; which company shall come in or which individual should come in? Do they make that decision or is it made by staff? Do they set the rents or is that done by the staff in the department? Do they set the terms of the lease, other terms of the lease, or is that done by the staff of the centre and the department? Just precisely what does the Advisory Board do? Is it simply to oversee what the staff is doing from time to time or are they involved in operational decision-making? I'm not quite clear

from what the Minister said. I mean, it's fair if they are simply Advisory Boards, that's fine, but there is some confusion in my mind and I think in the minds of some other people as to precisely what function the boards that work with these EDCs have. Precisely what function do they have?

**MR. JOHNSTON:** I guess you could say, Mr. Chairman, that the staff recommends and the boards advise. Regarding the rents, they make recommendation on what rents should be paid by the people coming into the centres and they also make sure that the people within the centre are receiving the proper advice while they're in the centre and they advise on every tenant that comes into the centre, as I said. They advise on the program emphasis that should be with all of the tenants and they advise on the centre policies, the policies of that particular centre. These recommendations are made usually by the staff and the boards are there to be an advisory capacity. They are very close to the area that they are located in and they know the needs of the community and they probably have a better idea whether it's a viable operation or not. They are there as a volunteer group to assist and they do.

**MR. EVANS:** Mr. Chairman, the Minister said that the staff recommends and the board advises. What I'd like to find out is who makes the decision?

**MR. JOHNSTON:** After the staff recommends, they advise, they discuss it, they make the decision; it goes to the management committee that was mentioned earlier, of the federal and provincial management committee, and the final decision is mine.

**MR. EVANS:** It sounds very complicated, Mr. Chairman, very complicated. As a matter of fact I can't say I've had lengthy discussions about this, but I've had some discussions with at least one person in the business community and there seems to be some confusion as to just exactly where the boards fit into this. I think there is some feeling that perhaps the boards are almost like a fifth wheel, that there is some sense of frustration growing because there is this very complicated administrative setup. You have the staff locally, you have this management committee, Federal-Provincial Agreement Management Committee, you have the Minister and it gets to be very sort of hairy after a while trying to keep tabs on all these lines of communication.

What it seems to me is that you have a very centralized decision-making apparatus set up here and I would not be surprised if some of these members of the boards, unless they're given something meaningful to do, will not last very long because people will become disenchanted. I suggest that what we've had described to us is very complicated. It certainly doesn't allow for local decision-making. It's very centralized. The decisions are made virtually in the Minister's office after three other groups have looked at any particular recommendation.

I wonder if the Minister could tell me who are the —(Interjection)— Well, if it's wrong, Mr. Chairman,

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maybe the Minister could tell us what's wrong with that.

**MR. JOHNSTON:** Mr. Chairman, the only person making it hairy and confusing is the Honourable Member for Brandon East. The program is working exceptionally well. I don't know who could make the final decision other than the Minister. We are talking about government funds. We are talking about federal and provincial government funds, so that's the reason for the federal-provincial committee. Then we have the staff members on the advisory boards and then we have the private sector people on the advisory boards. We have several very happy tenants going very well. The Winnipeg one is on the corner of the Lagimodiere Boulevard and No. 1 Highway and in Brandon it's — I forget the actual street — 10th and Richmond Street, and in Dauphin we are just in a new larger building in the industrial centre and they're not all full at the present time, but there's applications being looked at all the time and it's working extremely well. I think it's a very good thing to have the input from the private sector, especially people that are familiar with the areas that they're working in.

As I said, I don't know who can make the final decision and the final decision may be centralized but certainly the advice comes from a very broad sector and group of people.

**MR. EVANS:** Mr. Chairman, I agree it's a good thing to have people involved. I'm not knocking the involvement of people. What I am criticizing is what seems to be a very involved decision-making process, making for a hell of a lot of frustration at the local level. Really, these boards advise but they have no decision-making power, that's what I would gather. The decisions are made here, not in Dauphin or Brandon or wherever these centres may be. If there's one at Portage or Virden some time, the decisions won't be made locally, they'll be made very centralized after a very complicated procedure of advice and recommended review, etc., etc. We should be careful with the spending of the people's money all the time but at the same time, Mr. Chairman, there's such a thing as decentralization, there's such a thing as expediting programs and I would say there's a lot of government programs that decisions are made at the local level. They're not all made in the centre.

What I'd like to know from the Minister is, could he advise whether they're all filled or what is the occupancy rate? How many businesses can each centre, Dauphin, Brandon and Winnipeg house and are they presently all filled or what's the occupancy situation at the present time?

**MR. JOHNSTON:** Mr. Chairman, I would like to say to the honourable member again now, I agree with him when he was speaking about the program management of the Enterprise Agreement that does come under this section, but if he wants to speak on the agreement we will be very prepared under (k) to tell him what is happening under all sections of the agreement.

**MR. DEPUTY CHAIRMAN:** The Minister of Government Services.

**HON. HARRY J. ENNS (Lakeside):** Mr. Chairman, I'm intrigued by this conversation and obviously would want to support the Minister of Economic Development at this particular stage because I believe the Manitoba Enterprise Program is working extremely successfully under his leadership and that of his department. —(Interjection)—

**MR. DEPUTY CHAIRMAN:** The Member for Transcona on a point of order.

**MR. WILSON PARASIUK:** I'm just wondering on what basis the Minister of Government Services breaks into discussion. I thought he was rising on a point of order. Other people have been standing for attention and I'm just wondering on what basis — is it just a matter of the person getting up and calling out your name to get your attention, is that the way it works?

**MR. DEPUTY CHAIRMAN:** I guess the Chairman recognized the Minister of Government Services. I saw both members come up and to again change the trend a little bit I called on the Minister of Government Services.

**MR. ENNS:** Mr. Chairman, I am a member of this committee and I would like to make a contribution to the consideration of the estimates for the Department of Economic Development at this particular time. I would of course sit down, Mr. Chairman, if that was out of order. I await your ruling, Mr. Chairman.

**MR. DEPUTY CHAIRMAN:** The Minister of Government Services.

**MR. ENNS:** Thank you, Mr. Chairman. Mr. Chairman, I've been encouraged with the program that has been entered into with some enthusiasm by this Minister and can indicate to honourable members of the House that the capacity and the help that the advisory members of this program bring to this program are very worthwhile. They bring to the everyday consideration of various business enterprises, small and large, the capable common-sense advice of people who have been in business in many instances, the better parts of their lives in the province of Manitoba, and I'm sure that's what the Honourable Member for Brandon East referred to when he talked conceptually about the program.

Now, I know that, I'd like to speak from some experience, having had the occasion to call upon the department to assist a person in business or trying to get established in business in my constituency. He was responded to in a responsible way, received good advice. There's no guarantee necessarily that the person that is being given that advice will accept that advice, but I can cite other occasions. I know that my colleague, the Honourable Minister of Natural Resources, he was concerned about a printing enterprise in his part of the province and the department sent the appropriate people down into his area and was able to assist that printing enterprise in a substantial way to improve their operations. I think these are the kind of things that the Department of Economic Development does so well.

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I only rise at this occasion, Mr. Chairman, to indicate to you that small or large in different parts of the province, the Manitoba Enterprise Program is working effectively. We have a tendency to look at the department that's only bringing in those big leader items, the big program that's going to make the fundamental changes to the economy of this province and I would like to take this occasion — and I won't prolong the estimates of this department any longer — but I wish to encourage the Minister and his staff that in the business development process in the province of Manitoba, we don't forget those Manitobans that are in business today, maybe not all that successful, that need from time to time the professional advice that the department can give him. I sense that is being done by this Minister and by his staff. While I was not particularly successful in having achieved that within my own constituency with a particular business, a particular association with this department, I'm satisfied to realize that when that happens to other parts of the province that it is precisely the kind of business evaluation that is undertaken by the advisory committees that we have been discussing that determines when it's appropriate to expend public funds for the further development of businesses in some instances — and I would like to stress existing businesses — in the province of Manitoba.

Thank you, Mr. Chairman.

**MR. DEPUTY CHAIRMAN:** The Member for Brandon East.

**MR. EVANS:** I'm prepared to leave the matter of occupancy ratios, etc., of the centres until we get to that item towards the end, but I'd like to ask one question and that is if he could give us the names of the board members of the Brandon Enterprise Development Centre, the chairman and the board members.

**MR. DEPUTY CHAIRMAN:** The Honourable Minister.

**MR. JOHNSTON:** That can be provided, Mr. Chairman. I think I would like to provide all of the board members to the honourable member. We'll make a list for him.

**MR. DEPUTY CHAIRMAN:** The Member for Transcona.

**MR. PARASIUK:** Thank you, Mr. Chairperson. I assume from what the Minister said that this would be the appropriate spot to ask him some questions about a matter that I think is under negotiation right now between the province of Manitoba and the federal government, mainly the funding for the research centre at the university dealing with — is it micro-electronics or mini-electronics? I don't know the exact name that was used for that, but there was a research centre committed some time ago. The Minister made an announcement, 300,000 was committed by the provincial government, 300,000 was committed by the federal government. I'd like to know the status of that particular research centre, the research thrust at the university. I think it does have some potential. We on this side of the House

were supportive of it. We'd like to know what's happening with it.

**MR. JOHNSTON:** Mr. Chairman, again, the offer of the funds that were granted to the micro-electronics centre were done under the Enterprise Development Program, under a section of that, which is 2.(k). That has to do with the Manitoba Research Council as well.

**MR. PARASIUK:** The reason why I raised that point now is I don't if the federal government has contributed its full share yet. As far as I can tell, they haven't. I know that this has been a commitment in past elections. I don't know who, in fact, which government, whether it was the Liberal government prior to the May election of 1979 or the Conservative government prior to the election of February of 1980, which government made the commitment and supposedly was allocating the money, but we heard a lot about this. I do believe that the province has indeed kept its part of the bargain and put the money forward. I know there is some concern at the university that funding has not been tied together for this completely. I know that there has been some discussions with possible staff recruits to that centre and that it's not proceeding. There seems to be some holdups and I'd like to know what these are.

**MR. JOHNSTON:** Under the Enterprise Manitoba Program, Mr. Chairman, where the province put in the 300,000, certainly the Enterprise Manitoba Program has federal funds in it, I believe, but we're not in the negotiations. But we have encouraged the federal government to put in their —(Interjection)— well, yes, I guess we could call it additional support that has been requested of the federal government. During two elections, Mr. Chairman, there were indications made by the federal government that there would be some additional federal support to that micro-electronics department at the University of Manitoba. To date, I don't think that there has been any additional funding, not to my knowledge anyway.

**MR. PARASIUK:** Thank you, Mr. Chairperson. I don't believe I have my source material at hand, but I'm quite certain that the present federal Minister of Employment and Immigration, namely, Lloyd Axworthy, had indicated that the federal government would be providing money to that facility. —(Interjection)— That's right, and at this particular stage I think it's very important for Manitoba to get off the mark quickly with respect to research and development. This strikes me as an area where Manitoba may, in fact, develop some comparative advantage with respect to the other parts of Canada.

We are through the Manitoba Telephone System pursuing this Teledon project of hooking up homes directly through cable. At Headingley, I think 100 homes are presently hooked up. There is a possibility of hooking up 5,000 homes in the future. I think we're at the thin edge of the technological wedge here when it comes to these types of development, right throughout the North American continent. Now, there is a lot of hardware potential here and this is where the micro-electronics centre would really be able to get a good start if it can get sufficient

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funding to get moving. 300,000, with all due respect, in terms of research and development in this particular area just isn't enough. It pays for the press releases and it probably rents the space, but it's not enough to get going and I would hate to have Manitobans deluded into thinking that we're making some major thrust in this area when we do in fact have the potential to make major gains in this area because people are more concerned with putting out press releases on this matter, rather than coming through with the necessary funds, coming through with the necessary effort of pulling together quality staff from all over North America. You know, people would talk about the valley just south of the Palo Alto area just around San Francisco that in fact it became very famous with respect to computers. Right now, I think that with respect to this type of development, especially utilizing Teledon, we do have significant potential. I just don't think we're moving fast enough in this particular area.

I'm wondering whether there has been any type of program developed at the micro-electronics centre and what type of program that is, because the press announcements, the press releases about this centre, came out some time ago. Surely by this stage we should have an executive director for the centre, surely by this stage we should have a program established, surely by this stage we might be able to try to develop some of the hardware associated with the Teledon project, surely we should be able as well to tie into the Faculty of Science which has I think a fairly good computer science program to start developing software in relation to this type of project. I think that the pilot project at Headingley is a good idea. I think the micro-electronics centre is a good idea, but I don't know if we have enough co-ordination, enough actual performance to this date, especially in pulling together funding and people. I think we have to recognize that a longer-term commitment is necessary if you're going to get good quality people to come here. I believe that Manitoba does have a lot of potential.

You look at certain cities in North America, they've been able to tie into technical developments. Rochester, New York, is one, in relation to cameras, Xerox. Minneapolis is one in relation to Honeywell. Palo Alto just outside of San Francisco was one that developed the computer, especially the mini-computer industry. I noticed in the paper recently, I think June 2nd edition of the Winnipeg Free Press, that the B.C. Development Corporation is trying to push research and development in its province. The cost of labour, the cost of land, especially, has become incredibly high in the Palo Alto area so firms are looking elsewhere.

I know that the previous administration was able to deal fairly effectively with Burroughs Computers and Burroughs established this plant near the Mint because we had capability at the University of Manitoba. So I say that there are some shifts taking place at Palo Alto. There are some shifts taking place in the high technology computer and micro-computer industries, and I believe that Manitoba has a chance to get in on the ground floor, provided it actually pursues this opportunity very intensively, rather than, in a sense, just making the general announcements, providing a bit of seed money, and letting the issue sit there. I don't think it's enough.

**MR. DEPUTY CHAIRMAN:** (1)—pass — the Member for Fort Rouge.

**MRS. JUNE WESTBURY:** Thank you, Mr. Chairperson. I first of all would like to ask the Minister if he would let me have the same list of members of boards that he is going to supply to the Member for Brandon East. I was moved to ask this by hearing him comment that the members of the boards are businessmen with experience and so on and so forth and I presume that is just a figure of speech and he means business people with experience and who have something to contribute in the area of advise. But just to reassure myself I would ask if I could have a copy of the same list please.

In reference to the previous speakers' remarks about the MTS program, I believe it is at Headingley, I wanted just to say, is it not a fact that there are two private firms in Manitoba now who are anxious and waiting and pressing to be allowed to go ahead with a computer home protection type of program. I referred to this in a speech a week or so ago and also to the fact that in other cities in Canada and the United States home protection services are provided by privately-owned companies and privately-operated companies. I would be aghast to think that when we have the private sector waiting and anxious to put these programs into place in the city, and in the province, that we would go ahead and hire an executive director, as the Member for Transcona has suggested, and develop a whole new government department to do something that the private sector is most anxious to do. Perhaps the Honourable Minister can advise us whether it is not a fact that the reason the private sector has not been able to proceed with the programs is because of the mini program that's been going ahead at Headingley? Is it a fact that the private sector development has been halted because of certain rules and regulations inspired by, or on behalf of, the Telephone System? Perhaps the Minister could give us a little background on this.

**MR. DEPUTY CHAIRMAN:** The Honourable Minister.

**MR. JOHNSTON:** Mr. Chairman, the Micro-Electronic Centre at the University of Manitoba is an organization set up which is not administered by the University of Manitoba, although it works out of there under Dr. Kisner. There is a board set up with representation from the Manitoba Research Council and from business and it was the Deputy Minister of our department that sat on it representing the government and there is a federal government representative on the board as well. The funding that goes to them goes directly to them, it does not go through the University of Manitoba. They have at the present time, I believe, but we'll have the board members and everything for you tomorrow. They are a constituted private group associated with the University of Manitoba working on micro-electronics. They have taken in approximately, I understand, about 70,000 worth of research contracts to date working with companies in this area. The provincial government has committed themselves through Enterprise Manitoba to 300,000 a year for three

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years which the federal government, of course, as you know, is a partner. The centre has purchased new equipment and they are working with industry. Our relationship with the people that the Honourable Member for Fort Rouge would be, at the present time through that particular centre, is that it's available to them too. I believe that the people from Telephones and some of the people Telephones are working with, have worked with the centre.

I am afraid I can't answer the questions regarding the industries the member is speaking about coming into Manitoba, working with the Manitoba Telephone Company. The Department of Economic Development is interested in seeing development in the province of Manitoba in electronics, very interested, and we would encourage that type of development to happen, providing that it is something that is not going to harm private industry when the Manitoba Telephone Company is involved as a public corporation.

But the questions that the honourable member is asking I am afraid she should have asked the Minister responsible for Manitoba Telephones who would have had those answers when his estimates were up.

**MR. DEPUTY CHAIRMAN:** 2.(a)(1)—pass; 2.(a)(2)—pass; 2.(b)(1)—pass — the Member for Fort Rouge.

**MRS. WESTBURY:** Just briefly, Mr. Chairperson, I wonder if the Minister would explain just what this division is, provides transportation and distribution research and support services. I'd be interested in hearing just what this division entails please.

**MR. JOHNSTON:** The Transportation Branch, Mr. Chairman, provides policy advice and co-ordination to all departments of the government; improves the transportation and distribution services; improves transportation and distribution into industry; improves and provides technical information and assistance; provides transportation and economic analysis and evaluation. The Transportation Branch is a branch of my department but really is a branch that advises and works with all departments of government who need transportation advise. They work with the Department of Agriculture on rail line abandonment, they work with agriculture on grain transportation problems, they work with myself regarding the air transportation within the province and they advise the Minister of Highways and Transportation on transportation within the province, on all sectors of transportation, they represent with myself the government on the western transportation advisory committee. In general, Mr. Chairman, the transportation group do all of these things.

They also have a very important function in that if there are businesses that are planning to come to Manitoba and our research people request the Transportation Department to advise freight rate information, it's available. They also are able to give all kinds of advice on freight transportation and shipping to companies that are wanting to ship, say, overseas and if they come to us for advice to find out how that can be done, our Transportation Department would do it.

I have listed the eight areas where they are involved and the Transportation Department consists

of 12 people. They have the Centre for Transportation Studies at the University of Manitoba, which grant was done; there's the Hudson Bay Route Association, they also work with them, there's a 1,500 grant to them. There's the Manitoba Aviation Council which has a 25,000 grant, and they work with them and they are members of the Port of Churchill Development Board which the province supports with the other prairie provinces, the province supports that to the tune of 26,500 a year. Then, of course, we have the Airport Assistance Programs throughout the province and the grants are administered through this department. So they have a very very broad involvement in the Manitoba government in that they are the people that everybody turns to when they have transportation problems and the department is under the direction of Dr. Rea.

**MR. DEPUTY CHAIRMAN:** The Member for Fort Rouge.

**MRS. WESTBURY:** Thank you, Mr. Chairperson, and I thank the Minister for his rather more thorough answer than I'm used to getting from him. However, Mr. Chairperson, —(Interjection)— I would like to suggest that even this Minister, Mr. Chairperson, would surely not presume to tell another member of the House how to address the Chair. Mr. Chairperson, perhaps in view of the explanation . . .

**MR. DEPUTY CHAIRMAN:** The Honourable Minister on a point of order.

**MR. JOHNSTON:** Mr. Chairman, on a point of order, if the member is referring to me, I don't recall saying anything about how the member refers to the Chair.

**MR. DEPUTY CHAIRMAN:** The Member for Fort Rouge.

**MRS. WESTBURY:** I wouldn't expect him to, Mr. Chairperson. Perhaps in view of his answer I might just bring to the Minister's attention an item that has been referred to me by people in the area of economic development in the province. —(Interjection)— I realize that he doesn't want to hear but I would appreciate the pretense that he's listening. —(Intejction)— I can tell by his back. Mr. Chairperson, it has been suggested to me that if double highways could be constructed into the United States and into Saskatchewan for moving goods, it would be of considerable assistance in the matter of exporting Manitoba produced goods and perhaps — I don't really expect the Minister to answer this . . . Excuse me, but the sight the red neck just breaks me up. I'm sorry, Mr. Chairperson. I just wanted to suggest this to the Minister as something that perhaps could be helpful to his department in the development of our Manitoba trade.

**MR. DEPUTY CHAIRMAN:** 2.—pass — the Member for Brandon East.

**MR. EVANS:** Perhaps the Minister would like to respond.

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**MR. DEPUTY CHAIRMAN:** The Honourable Minister.

**MR. JOHNSTON:** Well, Mr. Chairman, it's not the responsibility of this department to build highways. Yes, it would be a benefit to have a four-lane highway into the United States, we would be in the position of getting traffic counts and all that sort of information for the Minister of Highways and Transportation and we would recommend it very strongly, in fact that has been recommended very strongly, that No. 75 should be four-lane and I believe that the Minister of Highways has his people working on that particular program at the present time. I imagine there's a lot of land to be purchased and all types of other technicalities to be gone through by the Department of Highways before that can be done.

**MR. DEPUTY CHAIRMAN:** The Member for Brandon East.

**MR. EVANS:** Mr. Chairman, I wonder if the Minister could advise whether he and his transportation staff have recently made any representation to the federal government, the Canadian Transportation Commission and/or the Minister of Transportation, the Honourable Jean-Luc Pepin, regarding passenger rail service. Have the Minister and his department taken any aggressive action with respect to upgrading passenger services, particularly in the prairie region and of course as it affects the province of Manitoba?

**MR. JOHNSTON:** There is a joint operation with the other provinces, working with VIA Rail at the present time to upgrade passenger service and VIA Rail expected to implement Rapid Rail Passenger Service in western Canada in 1981-82, the timing being dependent on delivery of equipment. The delivery of equipment which has been ordered was — well, it wasn't delivered because of a strike in the plant where the products are being made and the time schedule for the Rapid Rail Passenger Service equipment has been put back approximately a year, I understand, Mr. Chairman. But there is and has been a working group between the western provinces, working with VIA Rail to have this very valuable improvement to the passenger service in western Canada because, as we all know, rail passenger transportation will become more popular as energy costs rise, Mr. Chairman.

**MR. EVANS:** Mr. Chairman, I'm glad to hear that there are some developments occurring in VIA Rail and while I recognize when we talk about rail transport this is a federal responsibility, nevertheless the province, through this department and this transportation group, has nevertheless made its position known to the federal government to bring about various policy improvements on the part of that level of government; whether it be improving the Port of Churchill; whether it be fighting the good fight against branch line abandonment; whether it be with regard to adequacy of air services; or indeed whether it be with regard to passenger rail service.

I would like to take this opportunity to point out to the Minister and his department and the members of

the House, that we have a vested interest in this province to make sure that passenger rail service is not only maintained but indeed improved and enhanced, strengthened, enlarged because, Mr. Chairman, not only do we want good service for various reasons on the rail system but we, in this province, have in the city of Winnipeg a very very large railway industry. We service railways, in fact, some of the biggest industrial establishments, I'm not sure whether I have my numbers correct, but I suspect the biggest industrial establishments are in the CPR and the CNR yards and their shops and their maintenance facilities in the Greater Winnipeg area, in fact, involving thousands of people. And a great deal of the work of repairing and maintaining the passenger cars used on the railways is done in the city of Winnipeg, and if we can see an enhancement of passenger rail service, we can also see a positive spin-off affect with regard to more jobs in the railway industry in this province, in this city.

Not only, and the Minister has touched on this, there is another area that we should be very concerned with and that is the electrification of rail lines because we all appreciate the energy problem that we have, particularly for transportation, and this is one area where we have an ample supply of energy that can be harnessed and utilized for transportation. I think that it's incumbent upon the Minister, upon the government of Manitoba, to do all in its power to persuade the federal government to consider very seriously the electrification of rail lines, and particularly in the prairie region. This is not out of the question, Mr. Chairman, it's a very practical suggestion, it's something that is very appropriate. I would trust that the Minister would take this suggestion very seriously and go after the federal government in a very aggressive manner, and that is to see the beginning of electrification of the rail system in Canada and starting right here in the province of Manitoba.

Mr. Chairman, I would maintain that the rail transportation is one mode of transport that has been discriminated against over the years by government. The fact is that the federal government constructs and maintains all the air facilities, the air terminals, provides the services at airports for those who fly; the federal government builds and maintains most of the major ports in Canada and provides navigational aids there as well. Of course, in the case of highways, the provincial governments take the responsibility for the construction of those roads and the maintenance of those roads. It is not the truckers who have to worry about that directly; it is not the people who operate the ships that have to worry about the ports directly and it's not the airlines that have to worry about whether or not the airports are being maintained. It is not their responsibility, it is the responsibility of government.

However, Mr. Chairman, in the case of railways, the railway companies themselves have to undertake the responsibility of the construction and the maintenance and the operation of the roadbed. I suggest, Mr. Chairman, that it's high time in this country that governments look very seriously at the matter of having the railway right-of-way transferred from the railways over to the federal government; to transfer the right-of-way of the railways from the



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railway corporations, CNR, CPR, to the federal government and cause the federal government directly to pay for the cost of the operation, the maintenance, and improvement of that particular infrastructure.

I submit, Mr. Chairman, that if this were done, railways would be put on a much more competitive basis with the other modes of transport. At the present time, there is no question but that there is discrimination against railways. Discrimination against railways, I believe, Mr. Chairman, is not in the national interest and, as I said, even from a job creation point of view, it's not in the interests of this particular province.

These figures relate to, I believe the year 1975, they are four or five years out of date, you might say, but nevertheless they give you a relative picture as to the subsidy that is now going into the various modes of transportation. These are based on federal government reports, where they disclose the deficits spending in air operations and facilities to be approximately 400 million annually. Now, as I said, these figures are about four or five years out of date so you can add a sum on that for inflation. But nevertheless, I think the relationship will probably still hold; 400 million annually on air operations. Highways it's estimated that there is a 1 billion deficit on highway operations in Canada.

At the same time, the subsidies for rail passenger service is relatively small compared to the other modes. In 1975 the estimated subsidies were to approach 140 million. Now it's always talked about, the huge subsidies that the railways get, but, Mr. Chairman, when you look at this in comparison the railways, in many ways, are not getting the subsidies that people make them out to be getting.

I think back of the construction of the Mirabelle Airport outside of Montreal. That particular facility, I believe, cost the taxpayers in the order of 1.5 billion. That one airport alone, the value of which is somewhat questionable, Mr. Chairman, is sufficient to electrify and upgrade. That 1.5 billion would have been sufficient to electrify and upgrade 8,000 miles of mainline rail trackage in Canada, and I submit, Mr. Chairman, with all respect, with a great deal more benefit to Canadians. But because of the neglect of the federal government, I say that you have the distressing situation where the railway passenger fleet has been allowed to deteriorate and allowed to be outmoded. I understand that 70 percent of the railway passenger fleet is between 20 and 40 years old. You just simply cannot attract people to rail passenger traffic if you do not have the up-to-date and adequate equipment.

I'm not suggesting, Mr. Chairman, that everyone can and should go by rail. There is competition with the private automobile, there is competition with bus, there is competition with air transport. But I submit that the automobile and the bus may be very suitable and practical for shorter distances, possibly up to 200 miles, and certainly for long distance there is nothing to substitute for air travel in terms of speed, convenience, and so on. But there is an area, it's suggested that in the area of between 200 and 500 miles, that rail transportation, in particular, makes sense. I would therefore like to suggest, Mr. Chairman, that what this Minister should be doing in his department, it should be very very heavily

promoting regional rail passenger service on the prairies; Winnipeg via Brandon through to Regina, through Alberta to Calgary, one day, beginning early in the morning, let's say in Winnipeg, arriving at Calgary, whatever, in the evening, perhaps it's late evening but daytime, quick, rapid transportation over the prairies to Calgary and likewise Winnipeg via Saskatoon up to Edmonton. A high-speed, efficient, regular, daily regional rail passenger service. I submit, Mr. Chairman, if the Minister and his department were successful in persuading the federal government in this area that we could see a growth in rail passenger traffic in and out of Manitoba, in and out of Winnipeg, through Brandon, through other points in Manitoba.

The fact is that the rail type of transportation offers a number of advantages and there's a lot of information on how rail is far more energy efficient than other types of competing modes of transport. As a matter of fact, and there are various figures on this but there is certain data that shows that rail and bus are approximately ten times more efficient than air in terms of energy conservation and five times as efficient as the private automobile. There are some specific numbers that I have here in front of me from a report by a Professor A. Williams, writing a book or a paper entitled "Energy and Transport — Transport 2000" where he compares the passenger miles per gallon from a large railway diesel operation and that of a Boeing 747. An 864-seat rail diesel passenger train would provide 1,036 passenger miles per gallon compared to only 70 passenger miles per gallon for a Boeing 747, the jumbo jet. So there's no question that rail is far more energy efficient than air and other competing modes of transportation.

There's information available too, Mr. Chairman, regarding the safety aspect of rail service. Railway service has — and these are figures that are available from the federal government and, I think these figures are from Canada but they probably are true for a lot of other countries, that the rail fatalities per 100 million passenger miles was only one twenty-fourth that of automobiles. That is, the rail fatalities per 100 million passenger miles, only one twenty-fourth that auto, one-third that of conventional air and bus and one-sixth that of short takeoff and landing aircraft. In terms of injuries, railways were stated to be 95 times safer than automobiles, seven times safer than bus and three times safer than conventional aircraft.

Mr. Chairman, the Member for Fort Rouge referred to the construction of highways and I'd like to remind members of the House that in this increasing urban society of ours, we have to be very careful about land usage and the cost of excessive land usage for non-agricultural purposes may be, and I would point out that there's no argument whatsoever that it takes much more land to construct a highway than it does to construct a rail line. As a matter of fact, there was one estimate that a four-lane highway requires 20 acres per mile of construction, whereas a mile required for the laying of a double-track railway would require only 12 acres of land. Twenty acres for a four-lane highway, 12 acres for a double-track railway. So even here there is some considerable advantage.

Well, Mr. Chairman, I don't want to belabour the point, but I believe that this is an area that deserves

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more attention than it has been given to date. There's no question in my mind that this regional service that I talked of is something that could take off and providing that there's effective marketing of the service, providing there's appropriate bus connections for the services from various local points, and providing the federal government, I submit, Mr. Chairman, is prepared to recognize the increasing importance or the increasing need to utilize rail transportation. As I said, it has received the short end of the stick in the past and I believe that it's incumbent upon us to promote this.

I would like to hear what the Honourable Minister has to say about this recommendation, Mr. Chairman. Is he prepared to take the bull by the proverbial horns and go to bat and fight for regional rail service and improved passenger service, an improvement which could include electrification using Manitoba Hydro and an improvement which will give more jobs to people in the province of Manitoba?

**MR. DEPUTY CHAIRMAN:** 2.—pass . . .

**MR. EVANS:** Well, Mr. Chairman, I'm not prepared to pass this item, I have some other items to talk about and I wondered if the Minister is going to reply?

**MR. DEPUTY CHAIRMAN:** The Minister of Sport and Recreation.

**HON. ROBERT (BOB) BANMAN (La Verendrye):**

Well, Mr. Chairman, I have to say a few words on rail transportation because I represent an area, one of the major communities in my area, the town I grew up in doesn't have a railway, Mr. Chairman. — (Interjection)— Mr. Chairman, the Member for Brandon East has indicated that the mode of travel in the future is going to be rail and I would like to say a few words in defence of the aggressive policy that this government has undertaken with regard to the highway development. The Member for Transcona last year or the year before mentioned that we were depriving social services from a certain number of funding because we were going to go ahead and build shoulders on roads.

Well, Mr. Chairman, I want to tell you that my constituency is very concerned about highway transportation. They are concerned about rail transportation, but they are much more concerned about highway transportation. And let me say to the Member for Brandon East that one of the major problems we face, not only in the agricultural community but also in the retail community, is the turnaround times that we face with regard to rail transportation. If we want to haul something from Toronto or from Vancouver in the form of retail goods, the time it takes to haul that particular commodity by rail, the unloading, the handling and the problems that are faced with that, at today's interest costs, it becomes a formidable amount of money that we are talking about. No longer can we afford the times where we can allow rail transportation to take a month-and-a-half, two months, to ship the goods and services to central Canada and I suggest to the Member for Brandon East that one of the problems that the railways face

is the problem of the turnaround time that we're looking at.

There is no way that somebody, and I speak of an industry that I've been involved in for years and that's the automobile industry, can afford to go ahead and have cars shipped in either from Vancouver, Mr. Chairman, hauled in from Vancouver and allow the company that's hauling them in to pay a month-and-a-half interest on that particular commodity while it's sitting on sidings and moving into the particular areas. —(Interjection)— Mr. Chairman, there are many commodities and the Member for Lakeside has pointed out another one, the milk industry which relies heavily on the road transportation system and, Mr. Chairman, I might add that a large part of that particular commodity comes from my constituency. The milk industry is very concerned about the road network in the province. So, what I want to say to the members of the committee is that the problems we face within the retail business, within the agricultural community and, Mr. Chairman, we just have to look what's happening with the transportation of rapeseed to the Lakehead, and flax. We're looking at people who are having problems moving commodities. The biggest problem we have in our country right now is trying to get the commodities that we want to ship to the destination that we want to get them to in the shortest time. That's the problem we face, it's not one of getting up and saying that we have to move to rail transportation because that's a cheap mode of transportation. It might be much cheaper to move those goods on a per ton basis, but when you consider the costs of input, the costs of interest on those particular goods, it's something that really has to be looked at. I think we are proud over the last number of years to have said to the people of Manitoba, we are four-laning our roads, we are upgrading our transportation facility to meet the needs of the people of Manitoba. When you look at our Trans-Canada Highway and I guess the members opposite can take a certain amount of satisfaction in that, if you look in my particular constituency, we're four-laned all the way to the Ontario border. When you run east of the Ontario border there isn't a four lane, Mr. Chairman. So I think there is a policy here which the other governments will have to look at and which the federal government will have to look at in developing a national transportation policy in building a national four-lane highway across Canada to provide access for surface transportation which is required to move goods and services back and forth at a fast, economical rate.

If we're talking strictly of rail transportation, Mr. Chairman, there are tremendous limitations to that and I represent one area which is a classic example of an area which has managed to move ahead very rapidly, very aggressively without rail transportation but relies very heavily on the road transportation. I'm happy to say that this particular government has moved ahead and has provided the type of transportation. I might add, Mr. Chairman, will continue to provide the type of moneys which are needed to upgrade the infrastructure so that, not only the agricultural community but the retail and manufacturing community can benefit in the province of Manitoba.

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**MR. CHAIRMAN:** The Member for Transcona.

**MR. PARASIUK:** Mr. Chairperson, I can't help but rise after the type of speech just made by the Minister where he is promoting highways transportation and trucking over rail transportation at a time when his government goes around saying we have to increase the price of gas. We have to increase the price of oil. I can understand exactly why they want that to happen. You know how you decrease in consumption of oil? You get your head out of the sand occasionally and you start looking at ways in which you can conserve the usage of gasoline and that gasohol plant, frankly, is a little wee drop. —(Interjection)— Hey, wait a second, we obviously have the Minister of Government Services in one of his moods as he was the previous night. Undoubtedly, I can just see it; I can see that twinkle in his toes, Mr. Chairman, I can see that twinkle in his toes. —(Interjection)— I'm looking at him right now. What we have right now, we have the Minister getting up and saying — they start off by saying, well, you know the Member for Transcona doesn't want to put shoulders on roads. I was talking about paving shoulders at a time when hospitals were being cut back, at a time when nursing homes were being frozen and that group on the other side giggles and chortles and starts saying that when it comes to that type of a trade-off, they will take paving shoulders any day over nursing homes and they are completely wrong and the people are going to kick you out of office, specifically for that. But that's just a minor point.

The thing that amazed me is that here we have a situation where railways have not been investing properly, reinvesting in the rail lines; they haven't been investing in the rolling stock and you have apologists for them on the other side. You have apologists who are coming forward wanting to increase the Crow rate, wanting to force farmers to pay more because they don't have the intestinal fortitude to deal with railways in terms of putting in the investment in rail line. —(Interjection)— That's right, a lot more than you. We aren't lackeys, we don't walk around as you guys do going out and . . . —(Interjection)— For the good of your health? That's right. Why didn't you sit down with the railways? I never heard you people ever say anything against the railways. What you want to do, you want to get up and say that the transportation system in western Canada should be road-based. That's exactly what the member just said, "We want a transportation system that will be road-based; we want the public to pay for the roads entirely; we want to subsidize the trucking companies and we want to abandon railway lines." That's exactly what's going to happen if this government stays in office, but the people don't want that. They want a policy —(Interjection)— Oh, I'll put my money up on the next election anyway, just as I put money on the last election. You know, I was right with that and you guys were wrong. From 11 seats to 5 seats. —(Interjection)— That's right, any day. You people finally are working up some gumption. You're working some gumption. We'd love to fight an election right now. You people are so discredited, so discredited across the country with all of your policies, including this one, Mr. Chairperson, including this one.

**MR. CHAIRMAN:** The Honourable Minister on a

**MR. JOHNSTON:** On a point of order, Mr. Chairman. I certainly believe that all members in this House have the right to express their opinions, but we are working on the transportation section of my department. We do refer to transportation, we have been referring to transportation very very generally. I don't know that bets on elections and whether shoulders of highways are paved in the province, which is a policy of the Highways Department. This department would make recommendations as to whether they think they should or they shouldn't or whether the economies are better, things of that nature. But, quite frankly, we don't really have anything to do with the bets on elections and those type of things.

**MR. CHAIRMAN:** The Minister's point is well taken and there's one thing I can clearly identify. I know now why the Deputy Speaker is getting a hell of a lot more money than the Deputy Chairman and it's rather unusual with the rattle here and so if we would turn back and sort of concentrate what subject matter that we are on. We are on (b)(2).

The Member for Transcona.

**MR. PARASIUK:** Mr. Chairman, I was right on the topic. I was following the direction laid out by the Acting Minister of Highways who had made an impassioned defence of highways. And what I thought, since he is the Minister of the Crown, that surely must be the policy of the this government. That policy must be to favour road transportation over railway transportation. —(Interjection)— That's right. You know, here's someone who obviously has been so caught up by the automobile industry, this great gas guzzler, that he's willing to sacrifice the long-range interests of farmers, in terms of security of their fuel supply, to in fact boost up the automobile industry, boost up the trucking industry when, in fact, my colleague was raising some points regarding alternative ways of powering railways. The Minister looks at that and he doesn't like it, he wants to defend the automobile industry. And frankly, we should be looking at ways and means of providing for a more rational transportation system in this country. The Minister has never in fact pointed out the fact that Alberta in 1973 recognized that the railway companies have not properly reinvested in railway lines, that the railway lines are rundown and that somehow there has to be some way of improving those railway lines if we're going to improve our transportation system. It's just not happened. We don't have this government standing up and trying to get railways to improve the railway system and that's tragic.

We say that Manitoba's interests will be best served if we have a revitalized railway transportation system in western Canada and Canada generally. We don't have any people on the other side of the House taking that position. We have said that there are ways in which you can try and bring in electrical energy as a source of power. You can electrify the railway between Winnipeg and Thunder Bay. You surely should look at the possibility of electrifying the railway from Winnipeg to Churchill. The hydro plants

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are right up there, provides a ready use for our hydro-electric power which is generated here in Manitoba, but you won't get those people on that side of the House trying to put forward those types of proposals. They don't want to look at that because that would involve some government planning, that would involve some government interaction, that would involve jousting with some of the very large corporate interests in this country and that party isn't prepared to do it; very simply, they are not prepared to do it. They aren't willing to take on the responsibilities of government. They've backed away from so many of those responsibilities over the last two-and-a-half years and that's quite apparent to the people of Manitoba.

Here, we have one, when it comes to transportation, it is a crucial issue and the Minister has been very mum on this topic. His colleague gets up and rants and raves about highway transportation. It's amazing, his colleagues chortle at that, that somehow my colleague, the Member for Brandon East, his concerns about railway transportation aren't valid enough. They giggle about that and yet that is the critical issue facing Manitoba; it's the critical transportation issue facing western Canada. We know it on this side of the House, but people on that other side of the House don't seem to understand it and they don't care. We can't do much to convince them that it's important. The only thing we can do is put ourselves forward as the alternative who will talk rationally about these topics and will do something about them, and we'll let the people judge that.

**MR. CHAIRMAN:** The Member for Brandon East.

**MR. EVANS:** I see the Minister of Agriculture was going to get up, so, perhaps I'm prepared to talk very briefly and maybe yield the floor to him and maybe the Minister of Economic Development would like to get into it as well. I'd like to know, since we are still talking about transportation and railways in particular, what is this Minister doing now to help prevent the erosion of our branch line system in this province? Has this Minister made any representation to the Canadian Transport Commission? — (Interjection)— If the Member for Gladstone wants to get up and make a statement, I'd be . . . — (Interjection)— Well, Mr. Chairman, I'm asking the Minister a question. What is he prepared to do to fight the good fight for railway transportation? You know, Mr. Chairman, when I was on that side, the Minister responsible for transportation, there was barely a question asked by the members of the Conservative Party when they were in opposition. They hardly asked any questions. Maybe the Honourable Member for Swan River the odd time would respond when I would talk about some meeting we had gone to or some western transportation conference we had attended and gave a report to the Legislature, but other than that, check the record. Check the record. How many questions of branch line abandonment did the Member for Rock Lake ask or Swan River or Gladstone? I don't think the Member for Gladstone ever asked one question about branch lines. — (Interjections)— Well, Mr. Chairman, I think the

Minister of Economic Development will admit this; all you can do is try. You can't force the railways to . . .

**MR. FERGUSON:** What did Mazankowski do?

**MR. EVANS:** Well, you're talking about the Federal Minister who has the responsibility. Mr. Chairman, I ask what is the government that the Member for Gladstone is supportive of. Let him go back and talk to his constituents, his farmers, and I'll ask them how satisfied they are with your Minister of Economic Development regarding branch line abandonment. Ask him how satisfied the people out there, the people who vote, the people who count, ask them how satisfied they are with what this government is doing on a whole host of things from drought protection right through to railway line abandonment? I'll tell you, Mr. Chairman, that they are very unhappy. We'll find out how unhappy they are within the next year, I'll tell you that, very unhappy.

**MR. WILSON:** We call the election, not you.

**MR. EVANS:** Whenever the next election. I trust the Member for Wolseley will be there fighting with us, if not as a Conservative, maybe as an independent, I don't know. At any rate, Mr. Chairman, the Member for Gladstone said what did we do? What did we do when we were in government? Well, we tried and we made submissions to the CTC. I recall going down to Emerson fighting the maintenance of that particular line from Emerson that goes due east over through to Ontario. And I'd like to remind the honourable members — if they want to go to the library they can get a copy of submission — he wants to know, what did we do — submission by the province of Manitoba to the grain handling and transportation commission set up by the federal government to consider the very question, Grain Handling and Transportation Commission. September, 1976, Mr. Chairman, it's a report of about 173 pages on why the federal government should not proceed post, forthwith to start tearing up the railway lines in the province of Manitoba. And it goes on.

We analyzed the provincial responsibility that we recognized that we have to the rural economy and the aids to rural areas and we itemize in detail, the effects of railway abandonment, the effects on the communities, the effects on the rural municipalities, the tax structure. We analyzed the effects on the producers. We analyzed the effects on the elevator system. — (Interjection)—

Well, Mr. Chairman, that shows you the ignorance, the total ignorance. Is the Member for River Heights suggesting that the government of Manitoba operate the branchline system? He should talk to his colleague from Gladstone or what have you; you're both confused. One's saying, look what Mazankowski did. — (Interjection)— Look at Mr. Mazankowski. Mr. Mazankowski is a federal Minister and this is federal jurisdiction. What we can do is analyze — (Interjection)— He was, he was. Yes, the people of Canada saw the light. The people of Manitoba saw the light and there they go. He had the unique distinction of serving the shortest time of any

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Minister of Transport, I think, in the history of Canada. —(Interjection)—

Mr. Chairman, what we can do at the provincial level, we can't force the federal government to do this with Churchill or force them to do that with air service or force them to do this with rail service, but we can submit reasoned arguments. We can use logic. We can use our analysis and point out why this line should not be abandoned, why that line should be maintained, why this line should be upgraded. —(Interjection)— If you think that's a useless exercise, that's fine, you're entitled to your approach, to your opinion. If you want to sit back and do nothing, fine, but if you want to get to the federal government, one way is through making submissions, one way is putting up reasoned arguments, one way is doing your best to pressure them.

I say, Mr. Chairman, we submitted a 176-page report to the Hall Commission. Mr. Chairman, that was not the entire record —(Interjections)— The member should know that there were various meetings, various representations made. The arguments put forward by ourselves, I think, were good arguments and as I said, Mr. Chairman, I was thoroughly amazed when I was Minister. I couldn't figure out, here are all those members supposed to be representing the farm community, never asking any questions about branchline abandonment, and yet it was at that time that the federal government was planning, was beginning.

So I say, Mr. Chairman, that this government, unless the Minister is going to tell us otherwise because we haven't had much information out of him yet because he hasn't been responding to the questions that have been put thus far on transportation from the Member for Fort Rouge, the Member for Transcona and myself — no response. I talked for 20 minutes on upgrading rail passenger service and would the Minister tell us what he's going to do about it? Not a word. —(Interjection)— So, Mr. Chairman, I wonder if . . .

**MR. CHAIRMAN,** Abe Kovnats: The Honourable Minister on a point of order.

**MR. JOHNSTON:** The member is saying that I hadn't got up to answer. Before I could answer, the Member for Steinbach or La Verendrye got up and made a statement. Yes, Mr. Chairman, I was accused of not answering and I am saying that if other members wanted to speak on the subject, I recall answering the Member for Fort Rouge and the member's insinuations, I don't think are quite fair. If he'd sit down and let me answer I probably would.

**MR. CHAIRMAN:** The Honourable Member for Brandon East.

**MR. EVANS:** Mr. Chairman, that is not how I recall the events. I had no response to my suggestion that the government put its shoulder to the wheel and try to do something to upgrade rail passenger service. I didn't get any response to that and he had ample opportunity to respond. But, Mr. Chairman, let's make no bones about it. All we've had is hot air from the Minister of Agriculture particularly, and wild insinuations that he's made about the previous government and charges he's made about the

previous government, and the fact is a lot of work went into the question of fighting the federal government on the question. A lot of work, a lot of time, a lot of meetings, and I can't even count the number of meetings we had with the western Ministers of Transport to try collectively in unity to dissuade the federal government from its zombie-like approach that it had at that time to branchline abandonment. So we weren't doing this in isolation, Mr. Chairman. The honourable members know.

The Minister of Economic Development, he associates with the same Ministers that I associated with, the Minister of Agriculture does likewise. These committees just didn't start in October, 1977, they've been going on for some years, and I say I can't even keep track of the number of meetings we had together, to fight the feds with regard to branchline abandonment. I must say that I really appreciated the support of the Minister from Alberta and Saskatchewan in particular. —(Interjection)—

Mr. Chairman, I can't understand any of them, four or five are talking at once. They should all get on their feet . . .

**MR. CHAIRMAN:** Order please. It's kind of exciting to come into committee a little late. I thought the idea of committee was to get through the estimates, but it appears from both sides of the House that that's not the intention of the members. If it's not the intention then there's no reason to be here. But I think that if we allow one member at a time to speak and another member to reply, that we can carry through and we don't have to be here all summer.

The Honourable Member for Brandon East.

**MR. EVANS:** Mr. Chairman, your words are well taken. In fact, before you came one Minister got up and spoke, a Minister of Government Services or Public Works, which is rather unusual for a Minister to participate in another Minister's estimates, so he spoke for a while, that's fine, we enjoyed what he had to say. But you shouldn't know that. And the Minister of Co-Operative Development spoke and I appreciate hearing what he had to say. We're always glad to hear what he has to say but usually the estimates are for the opposition to ask questions, to delve into government programs and see whether the taxpayer is getting his or her money's worth and so on. But as long as you have Cabinet Ministers getting up, plus Cabinet Ministers and backbenchers continually interjecting, making fun of a serious suggestion that I put forward that this Minister get off his prat and try to upgrade rail passenger service in and out of Manitoba and to get no response but a lot of cackling, I say that is not a serious process.

Mr. Chairman, I would like the constituents of those members to be here to see how they act, to see the seriousness that they take with regard to what I consider to be very important matters. We raised the matter of branchline abandonment, all we do is get hoo-haws and jeers and yelling and so on, they're not prepared to take a reasonable, rational approach and in unison fight the good fight on branchline abandonment.

Mr. Chairman, I see the Minister of Agriculture wants to get into the estimates debate and if he wants to take up the time of the committee, that's

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fine by me, we're always glad to hear what he has to say.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. JOHNSTON:** Mr. Chairman, I still reject the member's remarks that I wouldn't get up and answer his question, but that's entirely up to him. If he wants to make those remarks, that doesn't bother me, it just rolls off my back.

Mr. Chairman, I said to the member before he got up and spoke about rail passenger service, or the first time that he spoke about it, I gave him an answer. Here is the answer again. VIA rail expect to implement Rapid Rail Passenger Service in western Canada in 1981 or 1982, the timing being dependent upon delivery of equipment. Light, rapid, reliable and comfortable trains will provide rail passenger service levels unknown to western Canada. It's expected this service will provide an effective option for passengers on intermediate distance trips, Winnipeg-Regina, Winnipeg-Saskatoon, Winnipeg-Thunder Bay. In the longer term depleting fossil fuels could result in significant increase and demand for rail passenger service as the only mode of transportation presently adaptable to electrification.

We have information as to the use of the amount of fossil fuels that the railroad will use and, Mr. Chairman, the Vice-President of VIA Rail has been in my office on two occasions, when we've discussed passenger service. I have mentioned briefly the electrification, but that's something that their own railway transportation companies will have to decide for themselves after experimenting, or better still, doing the research to find out which would be most economical for the railroad.

Mr. Chairman, in the Free Press on May 23rd, 1980, "The VIA Rail to Splurge. The federal Crown corporation has placed orders for 10 complete trains now under construction. They are, he told the Free Press, Canadian-designed, Canadian-built LRCs light, rapid and comfortable and will speed along Canadian rail lines at 125 miles an hour in any weather conditions the nation can throw at it. Coaches for speedy sleep trains will weigh one-third less than the current equipment, it will hug the rails and will have heating and air conditioning, sound insulation, lighting, lavatories, seating space and decorations unmatched by any other means of mass transportation. Five of the super trains are due to go into service in western Canada".

Now, Mr. Chairman, the VIA rail people are waiting and ready to put the type of service the honourable member has been speaking of into operation, but it has been set back a year because of a strike in the plant that was building the Rapid Transportation LRCs and that moved the timing back by approximately one year. So we can expect, Mr. Chairman, that 1981-'82 was to have them and because of the problems encountered in getting the delivery, we would expect that that may be 1982-'83. Hopefully it will be faster. But I told the honourable member a long time ago that the equipment had been ordered by VIA Rail. I tell the honourable member the Vice-President of VIA Rail has been in my office on two occasions and representatives from his company have been in my office, the President of CNR I've had discussions with, and our director, Dr.

Rea is continuing communication with the rail companies.

Regarding the railroad line abandonment, Mr. Chairman, I informed the honourable members last year in my estimates that the Manitoba government, through our transportation department, would make presentation to the CTC if there was a retention committee formed by the group of people affected by rail line abandonment. The CTC pay much more attention to a group of people who are affected more than they do a request from the provincial government. The situation has been to date, Sir, that the retention committees have been assisted in forming. They have contacted us and said that they want to form a retention committee and we do 99 percent of the work for them as far as their formation is concerned, as far as getting the application is concerned, to the CTC and the provincial government makes representation on the railroad line abandonment through the Minister of Agriculture's department. And Mr. Forbes was appointed especially to handle those representations. Our Transport Department services that agricultural group with all the technical advice they may require, to make representation on the railroad line abandonment when the retention organizations are formed.

**MR. CHAIRMAN:** The Honourable Member for Brandon East.

**MR. EVANS:** Thank you, Mr. Chairman. The Minister talks of retention committees. Again, honourable members opposite might say, why didn't you think of that idea? Why didn't you have retention committees? —(Interjection)— I beg your pardon? Mr. Chairman, the retention committees, the idea was conceived long before the Honourable Minister thought of being Minister of this particular portfolio. I don't know how many were formed by the time the government changed, but we definitely had the notion and idea and you can ask your staff about the number of retention committees that were formed. We thought that this was the way to do it, that if there were some communities that really felt that their branchline was badly needed and it was going to make that much of a difference to their community and to the agricultural sector in that area, that they should be prepared to stand up and fight and we would be there with them. I agree with the Minister. I'm glad to see he's carrying out a policy that we started. —(Interjection)— Well, all right. Now, Mr. Chairman, the Minister from the Department of Agriculture said it's balderdash.

I would like the Minister of Economic Development to tell me specifically, was the policy of establishing retention committees not put in place before he became a Minister or before —(Interjection)— No, Sir, there were no retention committees to my knowledge, set up until about 1976 and maybe the Minister can answer that. But my recollection is, you talk about 1960, that was about a different fight. We're talking about the current round of branchline abandonment. Can the Minister advise when the idea the policy was set down to encourage communities to set up retention committees? I might also add, Mr. Chairman, we also subsidized the group which is very concerned about branchline, the Branchline

Association of Manitoba. We also financed them. If you're interested in this, I met with them on many occasions. I've spoken to them on a number of occasions and perhaps the Ministers opposite have as well. So we worked with them.

We did everything we could to back the rural people to fight the railways, to fight the federal government. I don't know what else could have been done. But I'm not here trying to justify what I was trying to do. What I would like to know, if the Minister can advise the House, when was the policy established for the setting up of retention committees?

**MR. JOHNSTON:** Mr. Chairman, the policy was started long before the previous government was in power in Manitoba. It's a traditional way for a group of people in a rural area or an area affected by any railroad abandonment to form a retention committee to save their rail line if they feel they want to do that. So it wasn't the previous government that did it. I didn't take claim, but I would tell the honourable member that after the PRAT report came out, I had meetings right here in our dining room with the Honourable Gordon McMurchie from Saskatchewan, where he outlined his program of how he was going to go about setting up retention committees in the province of Saskatchewan in basically the same way that we went on it very actively last year.

We informed and we asked our members to inform, and I believe there was a notice sent to all members of the House last year, saying if their area was interested in forming a retention committee after the PRAT report — and of course there's been the Neil Report since that time, it was started but it wasn't finished — that the department would be available to assist them to set up the committees. And, Mr. Chairman, it was then decided that it would be handled by the Minister of Agriculture's department under the direction of Mr. Forbes and the technical advice would be supplied by the Transport Department of this government, under my department.

I might say, Mr. Chairman, we're talking about something that we agree on. Whether who started it or not it has been a traditional method and we have been doing it for years.

**MR. EVANS:** That's great. It's been a traditional method for years. It's an old idea but I say there was no action, there was no implementation of that idea in recent years. There may have been in 1960 but the need for retention committees only came about in around 1975-'76 because the federal government set up the Hall Commission to look into the entire matter of branchline abandonment. This is what created the need to set up community committees. I say again, Mr. Chairman, we laid down the policy approach and we knew it was being done in other provinces, it was not secret, but we had to respond, we had to get on the bit and we did.

So the policy was set down that we would support retention committees throughout the communities. Again I mention that because honourable members opposite seem to be under the misimpression that nothing was done previously. I can tell them again, we worked very hard with the same staff, as a matter of fact. Not the same director because he wasn't

here until the latter years, but it was essentially the same staff, they're a good staff, they worked hard then, they had good ideas and they're working well now, I'm sure. So I just want to get that on the record, Mr. Chairman.

With regard to rail passenger services, it's fine to talk to the executives of VIA Rail. I talked to the executives of VIA Rail too a few years ago and just when they were getting organized. I suggest to the Minister that if you're talking about something such as electrification of the railways, you can't deal with the bureaucrats or the executive of VIA Rail, they don't have the answers, nor do the railway companies themselves. They have technical answers. But if you want some action, you have to go to the Minister of Transportation, you have to get the federal government outside for something in the order of this nature and this is the way to go about it. You can have all the luncheons, all the meetings you like with Bob Bandeen of the CNR, or even the CTC or VIA Rail, that's not going to accomplish very much, Mr. Chairman. So I'm prepared to leave that particular item for the time being.

**MR. CHAIRMAN:** (2)—pass — the Honourable Minister.

**MR. JOHNSTON:** I wouldn't even presume to say that I accomplished these ten trains. I can only say to the honourable member that I have had communication with him and if he doesn't believe what the VIA Rail people put out in the Free Press, that five of the 10 speedy LRCs will be in western Canada, as he wants, then I suggest that maybe he could meet with the President of VIA Rail or Vice-President himself.

**MR. EVANS:** The Minister is up to his usual amiable self in the comments. I don't dispute what the . . . I read that too, some time back, in the railway. Mr. Chairman, what's going on now is really a substitution, as I understand it, there's been a long-term downgrading of faster service on the railways, there's been a long-term downgrading. The Transcontinental service has been downgraded over the years and I would suggest what may be happening is substitution. I don't have all the details. I don't have the knowledge. I don't have 10 transportation economists working for me, feeding me information. All I know is what I read in the papers from time to time and I have a suspicion, Mr. Chairman, that some of what VIA Rail is doing is simply substituting and changing around previous services, so that I'm not sure that we're getting net additionality here. I hope we are but I'm not sure. That's all I can say.

**MR. CHAIRMAN:** (2)—pass; (b)—pass; (c) — the Honourable Member for Transcona.

**MR. PARASIUUK:** Yes. I just wanted a word of clarification from the Minister as to where it might be appropriate to raise the whole item of the Phantom Helicopters. Is it under this item of transportation? I presume not but surely somewhere would be an appropriate place to raise the matter of helicopters that were so emphatically promised to Manitobans a few months ago.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. JOHNSTON:** First of all it wasn't promised, Mr. Chairman, but it comes under (h) Business Development.

**MR. CHAIRMAN:** The Honourable Member for Brandon East.

**MR. EVANS:** I'd like to ask the Minister a question on the next item. We're on (c) now, are we not, Mr. Chairman?

**MR. CHAIRMAN:** (c) Technology (1) Salaries—pass — the Honourable Member for Brandon East.

**MR. EVANS:** Mr. Chairman, I understand that this area has been very active, this division has been very active and it's been allowed to be active through the agreement signed with DREE and a great deal of money is now being spent in the area of food technology and technology assistance generally. So I'd like to ask some questions on that. But before I do, I wonder is it correct, Mr. Chairman, that the Minister of Economic Development is promoting metric conversion through this particular division? Is this the area where he promotes metrification and conversion to the metric system?

**MR. JOHNSTON:** This is the area he could discuss metric conversion, Mr. Chairman.

**MR. EVANS:** I wonder if the Minister could advise us just what is the Minister doing in this area with regard to the process of metric conversion? Is the government disseminating information? Just what is the Minister up to now in bringing about the introduction of the metric system? Are there any new developments or are there any programs that we are now funding under this line?

**MR. JOHNSTON:** This department, Mr. Chairman, would be in the position of advising people on metric conversion. The province of Manitoba has not as yet set up the information centre on metric conversion as such. But in the technology branch there are people available to work with industry or whoever regarding the metric conversion and what they may need to change equipment, etc., or what procedures they would have to follow to have their metric conversion done in the time span, which is laid down by the national program. It isn't a program of any government in Canada except the national government or the federal government, and this department is available to advise people on the process of change to metric conversion. As I said, we do not have a metric conversion information centre as such, but the department is available to give any information or assistance to anybody who makes requests of us for assistance.

**MR. EVANS:** Is the Minister satisfied with the process, with the rate of metric conversion? Does he think that the federal government is pushing us too fast or is he satisfied that it's an optimum rate of conversion?

**MR. JOHNSTON:** I don't have any real comment on the speed of metric conversion, which is laid

down by the federal government, Mr. Chairman. We would be very concerned if it did at any time create hardship to industry in Manitoba, manufacturing or the service industry, to make that change. That would be our main concern and if we found, or it were brought to our attention that that was happening in such a way to create hardship, as I said, or create a situation that would increase prices, to put our manufacturers or our service industry prices up that would be harmful to the people or not make our manufacturers competitive, we would then certainly make that known to the federal government.

**MR. EVANS:** Moving on then to the technology centres, can the Minister give us an update on the food centre at Portage la Prairie? I've been trying to find the news release on that. The Minister did issue a new release on the fact that they were going to expand the small nucleus of the food technology centre that did exist at Portage la Prairie and I know the Minister announced that more moneys were forthcoming and, I believe, he may have gone out to Portage la Prairie to make the announcement; I'm not sure, but I wonder if he could give us an update on what's happening at the food technology centre at Portage. Is it on schedule and what are the highlights of the development?

**MR. JOHNSTON:** Mr. Chairman, this technology department, they led and facilitated the Manitoba Research Council in organizing the Food Product Centre and the Industrial Technology Centre in Manitoba which was the MRC legal agreement. The Manitoba Research Council is the group that are responsible, under agreement with the province, for the operation of the technology centres; they completed negotiations for the joint MRC and NRC program for technical information services; they analyze national and provincial technology deficiencies to assure MHRC programs reflect the attitudes and the content required by the private sector. The technology branch of the department led by Dr. Trick, the director, works with the Manitoba Research Council. I would say that the technology centres, both in Winnipeg and Portage la Prairie, do come under the Enterprise Manitoba program. They were built under that program and an agreement was set up for the Manitoba Research Council to operate them. The agreement was agreed upon by the two governments and, Mr. Chairman, that would come under Enterprise Manitoba (k). To answer the member's questions about the opening, the Technology Centre in Winnipeg was opened last Thursday. This Thursday we will be opening the expansion of the Food Technology Centre in Portage la Prairie.

**MR. EVANS:** We can postpone most of our questions on the centres until we get to (k), but I just ask the one question. Are these centres expected to pay their way eventually? Are you expecting to obtain sufficient revenues to cover the expenditures or is it a question of being in a subsidy position on an indefinite basis, or is that the idea? Is it strictly a subsidy for food technology research or is there some thought of recovering some revenue?



The other question I have and then we can leave this until (k), is the size of the staff. How many people will be employed in Portage and how many people are employed in the centre at Winnipeg?

**MR. JOHNSTON:** The complement that was reported on last year that we wanted to work to is 7 in Portage and 13 in Winnipeg and that compliment has been reached, I believe, but again, those numbers will all be available under (k).

The first question the member asked is, will the technology centres be self-sufficient? We certainly will be working towards it, Mr. Chairman. They will have charges for services and, as they move along, it should come, we hope, very close to it. We still recognize our technology centres as a service to industry and there may be times when we will give services to smaller industry that is in need, but we will work to self-sufficiency, that's the idea of the program.

**MR. CHAIRMAN:** (1)—pass — the Honourable Member for Brandon East.

**MR. EVANS:** Okay, we can perhaps get more detail later. It will give the Minister a chance to obtain some of that information and we can discuss it under (k). I just say this is a very very difficult area to translate technology and to commercially apply it, but I think it's a worthwhile effort and there will be many many difficulties. It will not be easy.

Having said that, I think we're prepared to let this go and discuss this in more detail under (k), Mr. Chairman, unless some other member has a question.

**MR. CHAIRMAN:** The Honourable Member for Fort Rouge.

**MRS. WESTBURY:** Thank you, just a brief question, Mr. Chairperson. I don't really know if this has anything to do with this Minister's department or not but I wanted to comment on it. I was invited to a demonstration at Fort Garry School Division a few months ago in which they had a community career resource centre and it seemed to me that it might be of interest to this division. A computer terminal system, whereby young people entering the labour force could feed their information into a machine and have a computerized career suggestion program reported back to them from this computer, and I wondered if the Minister is aware of this, I imagine he is, and if he knows whether this is being developed further. It seems to fit the criteria shown under (c) Technology, provides technological service and support to enterprise. It seems to me this kind of a system would be of great assistance to enterprise in hiring staff and especially young graduates.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. JOHNSTON:** Mr. Chairman, it does come under (h) Human Resource Management, but I would tell the honourable member that the province pays for one person in that centre to help develop careers and this is being done working with the Canadian Manufacturers Association, with the federal

government, with the provincial government, the Department of Education has been involved. The Career Centre in Fort Garry we find is a very valuable centre and we support it by supplying a person working in that centre.

**MRS. WESTBURY:** Excuse me, I just didn't hear the Minister when he said it comes under, I thought he said (h) Resource Management. I think (e) is Resource Management. Which one is it, please?

**MR. JOHNSTON:** (e).

**MRS. WESTBURY:** (e). Thank you, I'll know it for next year.

**MR. CHAIRMAN:** (1)—pass; (2)—pass; (c)—pass. (d) Industrial Design, (1) Salaries—pass — the Honourable Member for Brandon East.

**MR. EVANS:** Can the Minister advise just what is occurring in this area? I am not sure whether this is covered under the Canada Manpower Industrial Development Sub-Agreement or not, possibly it is. I suspect the department has got everything they can under that agreement because it's a way of getting more federal dollars which is an admirable objective at any time. At any rate, Industrial Design includes the Manitoba Design Institute, I am sure, and is there any development here worthy of note or is it just business as usual?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. JOHNSTON:** It's certainly business as usual. They are a very busy group, the Manitoba Design Institute. We had our, it's a traditional premiere and awards nights this year. The purpose of the MDI is to promote and further the application of professional and methodic product design and development in industry and commercial sectors of Manitoba. They get applications on a lot of occasions where they make recommendations to the Minister that we should support by funding different companies to assist them with design packaging for their products. We carry that out very extensively but they have had this year, which is sort of an addition, there's seminars and workshops, design and tourism seminars were held. In 1980, with owners and operators of restaurants, hotel, motel, resort campgrounds and lodging, and here again, the Design Institute is working continually with, or started to work with, these type of people in the tourist industry to help them upgrade their facilities to increase the productivity of the company. The consulting, four sector product evaluations were conducted for agricultural implement manufacturers, 11 firms; . . . furniture, light manufacturers, 10 firms; light machinery manufacturers, 10 firms; rural newspaper operations, 15 firms; 46 individual confidential reports were submitted to participating firms; 10 projects assembled, evaluated, packaged, and monitored for the support of the federal government's Enterprise Development Program; total value of the projects were 637,190.00. The EDP contribution was 480,732.00. There were 17 projects supported through the Design Assistance for Small Projects; the DASP program funded by the

Enterprise Manitoba Development Centres. The total value of the projects was 55,208 and the DASP contribution was 24,769.00. The Design Institute is an organization which is set up as a separate organization in the province. Mr. John Norget is the person with the department who works with the Design Institute and they are very active. Mr. I. Campbell is the Chairman at the present time; Mr. Allan Finnbogason from Eaton's is on the board; Mrs. J. Mallon, vice-chairman; Mr. S. H. Osaka, who is an architect; Mr. Dennis Williams; Mr. Ralph King; Mr. G. Simkin; Mr. Ian Blicq, the Assistant Deputy Minister is on it; and as I mentioned, Mr. John Norget, the executive director of the Design Institute who was with the department.

**MR. CHAIRMAN:** The Honourable Member for Brandon East.

**MR. EVANS:** The volume of work handled by this staff, is there any increase in the volume of work in this past year compared with the previous year or is it fairly static?

**MR. JOHNSTON:** That's what I was trying to give the member when he asked me, and I said, yes, it is business as usual, but they have entered into the additional work of the 46 individual confidential reports that were submitted to participating firms. Four industry sectors overview reports were drafted and submitted to the industry sector advisory boards in agricultural equipment, furniture, light industry machinery and Manitoba community newspaper associations. I mentioned that agriculture was 11 firms; manufacture 10 firms; and light machinery 10 firms; and rural newspapers 11 firms. And then the program support, the 10 projects assembled to evaluate and package and monitor the support through the federal government's Enterprise Development Program, where we have companies that are starting up and working with the Enterprise Development Program, or if they are companies that are within the EDCs, the Design Institute has been of great assistance to these companies. Because as we know, the EDCs take in companies who need assistance of this type. We provide management assistance, we provide other assistance, which we will get into under the Enterprise Program, but the Manitoba Design Institute has been providing assistance to these groups as well.

**MR. EVANS:** You know, we've had this organization in existence for many years and we've had, I might say, the services of members of the community who are prepared to offer of their time and their skills for many years and I'm glad to see that that tradition is carried on, that's fine. But I just wondered if, the Minister reeled off a number of figures and so on, all I wanted in answer was yes or no. Is the volume of work more or less the same as last year, or has it increased? Has it increased — yes, no?

**MR. JOHNSTON:** It's increased much much more, Mr. Chairman.

**MR. EVANS:** Well, if it has increased much more, I'm surprised that the Minister has said that because

I don't see any additional staff here, the salary levels are the same, there's slight adjustment for inflation and I see there's other expenditures are nil now and product research and development is nil. I imagine that part is picked up under (k) so be it, but in terms of the staff, have you got any more staff working on industrial design? How can you do more work if you don't have more staff? So if the Minister says they are doing much more work, have you got much more staff to do that work and if so, how many more staff?

**MR. JOHNSTON:** Mr. Chairman, we have another staff member working with the Design Institute who comes under Enterprise Manitoba, who is shared with the federal-provincial government because it's under Enterprise Manitoba and because the Design Institute is doing a lot of work with Enterprise Manitoba which is the much more work that I mentioned. Enterprise Manitoba pays the salary of that extra person.

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

**MR. JIM WALDING:** Mr. Chairman, I'm not sure if this is the right place to ask the question of the Minister but under the services that the Minister has mentioned to businesses, does that include any market research?

**MR. JOHNSTON:** Market research is done under the programs that we discussed, Mr. Chairman, under the Economic Operations Research Branch which was discussed earlier today, they don't do any market research.

**MR. DEPUTY CHAIRMAN:** 2—pass; 3.(a)—pass; (b)—pass; 3—pass; (d)—pass; (e) Human Resource Management (1) Salaries—pass; — the Honourable Member for Brandon East.

**MR. EVANS:** Mr. Chairman, I wonder if the Minister could advise whether there's some downgrading of this particular service? I see there's a slight reduction in the funding and when you consider inflation it would seem that there are fewer resources available to Human Resource Management. Is there some policy curtailing this type of activity in the department?

**MR. JOHNSTON:** A lot of the Human Resource Management work is done under Enterprise Manitoba, under the Small Business Assistance section of Enterprise Manitoba, Mr. Chairman. The department has a director, a senior development officer, a development officer and an administrative secretary. The total decrease of 6.9 is due to the net effect of provision of funds of general salary increase shortfall and annual increments and abolishment of a vacant development officer position, a 1C1 function assumed by Enterprise Development Centre, which makes the decrease 6,900, Mr. Chairman.

**MR. EVANS:** Is the department still trying to help handicapped people in obtaining suitable employment? I know in the past there has been some co-operation with the Department of Health

and maybe Community Services, I'm not sure, to help place handicapped people in useful jobs, and I'm wondering whether this activity is carried on and how successful the department has been in this respect.

**MR. JOHNSTON:** Yes, that's still done under this department, but the person who does that work, Mr. Chairman, is seconded from the Health Department and the Health Department is the department that pays the salary of that person and 52 special needs persons were placed in employment as a result of the departmental efforts in working with companies in employing special needs persons, as well as some 10 projects were received by the department regarding the establishment and funding of special needs companies, funded by Canada. The department is still very active in that type of work, Mr. Chairman.

**MR. CHAIRMAN:** (1)—pass; (2)—pass; (e)—pass; (f) Promotion and Information Services (1) Salaries—pass; — the Honourable Member for Brandon East.

**MR. EVANS:** Would the Minister indicate under the staff here, Salaries, what kind of personnel he has and exactly what informational programs or promotional programs they are engaged in?

**MR. JOHNSTON:** The program includes two staff, a co-ordinator and a graphic arts person. The decrease of 13,400 is due to the net effect of provision of funds of the general salary increase shortfall, abolishment of vacant illustrator position. The allocation of promotional funds for communications plans is as follows: the Campaign Development Co-ordination Creative Design Service and photography campaign launch event, product display, business luncheons and expenses, audio-visual presentation, display material, campaign support material on posters, publications and miscellaneous promotions and a contingency amount, Mr. Chairman. The total increase of 151,000 is due to advertising exhibits, a new program incentive relating to overall department communication plan.

This amendment includes 50,000 transfer from business development and the departmental policy is to centralize the majority of the advertising in exhibits, funds pertaining to overall promotion in the one appropriation in order to ensure the consistency of the material and presentation. Certain funds for promotion and advertising pertaining to specific programs rather than the overall departmental promotional plan are still voted in the appropriate sub-appropriation. Examples include Travel Manitoba advertising campaign and market development, trade fairs, Enterprise Manitoba industrial sector promotion and program information. Then of course that was 126,000, and printing and stationary supplies 25,000, for a total of 151,000 increase.

**MR. EVANS:** Well, I don't know whether I heard all of what the Minister said, but is he saying that the promotion and information services here, also services the tourist branch. In other words he mentioned a large item, 123,000, I'm sorry I didn't get the number because there was some noise but I

thought he said that item, that large item was related to travel promotion and so my question is, is travel promotion included? You see he's actually gone on to the next line, which we weren't on yet, but I can ask it anyway. Is travel promotion included in that?

My other question was how many, and I didn't hear him, how many people are now paid by the salaries for promotion and information services, and are they professional people?

**MR. JOHNSTON:** There are two — I said two people, Mr. Chairman, a co-ordinator and a graphic arts person who works with the graphic arts. There's two people paid in this appropriation and Travel Manitoba, excuse me. No, the question is as I said, Mr. Chairman, certain funds for promotion and advertising pertaining to specific programs rather than overall departmental promotional plan are still voted in an appropriate sub-appropriation and Travel Manitoba and market development, Enterprise Manitoba are not included in here.

**MR. EVANS:** Well, I take it from what the Minister has just said then that there are other moneys for promotion and information dissemination to be found in the other sections of the department, so that this amount here in this item doesn't give us a total financial picture of the expenditure possible for information services and promotional material. Is that correct?

**MR. JOHNSTON:** Yes. As I said, the examples, there are other moneys found in Travel Manitoba promotion and market development and Enterprise Manitoba.

**MR. EVANS:** Just putting the funding for Travel Manitoba aside, could the Minister estimate how many other dollars were available in the other sections or divisions of the department, excluding housing and excluding Travel Manitoba. How many dollars would be estimate are available for promotion and information services over and above what's shown here in this item (f)?

**MR. JOHNSTON:** Enterprise Manitoba industrial development is 245,000, market development is 25,000, Enterprise Development Centres is 95,000, Technical Centres 99,000 for a total of 464,000 which is under Enterprise Manitoba. Now the Manitoba share of that amount is 185,000.00. The Human Resource Management has 21,000 and the promotion and information, which I just mentioned, is 150,000; transportation and design is 15,000. That, Mr. Chairman, makes an overall total of 650,000 and there's 371,000 recovered from the federal government, well 371,000 is the Manitoba share, the balance is with the other programs which are shared with the federal government.

**MR. EVANS:** We've deliberately gone over all these items rather quickly, Mr. Chairman, and we've just got one question to ask of the promotion and information services and I would like to, at this point, put out a suggestion that perhaps we can adjourn before we go on to Travel Manitoba, that's an item, I think, that really introduces a whole new phase of the department. So I wonder if just one question I have

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under (f) is the name of the ad. agency that the department is using. Is it using only one advertising agency or more? Could he give us the name or names of the advertising agencies?

**MR. JOHNSTON:** Well, the advertising agencies that we use in Enterprise Manitoba are McKim and Foster is the advertising agency in Tourism. I would say, Mr. Chairman, that regarding the adjournment, if the honourable member is wanting to have somebody else here and I know that there is somebody else for the criticism for Tourism, Travel Manitoba, I possibly could ask the member if we could do Business Development, Small Business Development and Market Development and come back to Travel Manitoba, if that's possible? I think we would leave Travel Manitoba and (k) for another time, or we could do Enterprise Manitoba if the member desired.

**MR. EVANS:** Well, I don't have a problem myself but the Minister is right, the critic for the tourist section is not here. And the other point is under Business Development I know, I believe the Member for Transcona had some questions on that area, I believe, and I don't think he's — I'm not sure that he's here and I think it was understood, some of our people understood, thought we may not be going beyond this. I guess they thought we were going to be more long-winded on some of these items. But as I said to the Minister we deliberately cut them short and got to this point, but I'd like to remind him we could still be talking about Industrial Design till midnight. There's lots to be talked about on some of these items. So we try to be expeditious and have been expeditious, Mr. Chairman, to bring us down to this point, and we're quite prepared to be reasonable and expeditious when we meet again.

**MR. JOHNSTON:** Mr. Chairman, I didn't raise any objection. I just thought possibly, if the Tourism person was not here, we could carry on with some of the items of Economic Development, but if the members want to adjourn now that we're down to Travel Manitoba, I have no objection.

**MR. CHAIRMAN:** (1)—pass; (2)—pass; (f)—pass.  
Committee rise.