



Third Session — Thirty-Second Legislature
of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

33 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

| Name | Constituency | Party |
|--------------------------------------|--------------------|-------|
| ADAM, Hon. A.R. (Pete) | Ste. Rose | NDP |
| ANSTETT, Hon. Andy | Springfield | NDP |
| ASHTON, Steve | Thompson | NDP |
| BANMAN, Robert (Bob) | La Verendrye | PC |
| BLAKE, David R. (Dave) | Minnedosa | PC |
| BROWN, Arnold | Rhineland | PC |
| BUCKLASCHUK, Hon. John M. | Gimli | NDP |
| CARROLL, Q.C., Henry N. | Brandon West | IND |
| CORRIN, Q.C., Brian | Ellice | NDP |
| COWAN, Hon. Jay | Churchill | NDP |
| DESJARDINS, Hon. Laurent | St. Boniface | NDP |
| DODICK, Doreen | Riel | NDP |
| DOERN, Russell | Elmwood | IND |
| DOLIN, Hon. Mary Beth | Kildonan | NDP |
| DOWNEY, James E. | Arthur | PC |
| DRIEDGER, Albert | Emerson | PC |
| ENNS, Harry | Lakeside | PC |
| EVANS, Hon. Leonard S. | Brandon East | NDP |
| EYLER, Phil | River East | NDP |
| FILMON, Gary | Tuxedo | PC |
| FOX, Peter | Concordia | NDP |
| GOURLAY, D.M. (Doug) | Swan River | PC |
| GRAHAM, Harry | Viriden | PC |
| HAMMOND, Gerrie | Kirkfield Park | PC |
| HARAPIAK, Harry M. | The Pas | NDP |
| HARPER, Elijah | Rupert Island | NDP |
| HEMPHILL, Hon. Maureen | Logan | NDP |
| HYDE, Lloyd | Portage la Prairie | PC |
| JOHNSTON, J. Frank | Sturgeon Creek | PC |
| KOSTYRA, Hon. Eugene | Seven Oaks | NDP |
| KOVNATS, Abe | Niakwa | PC |
| LECUYER, Hon. Gérard | Radisson | NDP |
| LYON, Q.C., Hon. Sterling | Charleswood | PC |
| MACKLING, Q.C., Hon. Al | St. James | NDP |
| MALINOWSKI, Donald M. | St. Johns | NDP |
| MANNES, Clayton | Morris | PC |
| MCKENZIE, J. Wally | Roblin-Russell | PC |
| MERCIER, Q.C., G.W.J. (Gerry) | St. Norbert | PC |
| NORDMAN, Rurik (Ric) | Assiniboia | PC |
| OLESON, Charlotte | Gladstone | PC |
| ORCHARD, Donald | Pembina | PC |
| PAWLEY, Q.C., Hon. Howard R. | Selkirk | NDP |
| PARASIUK, Hon. Wilson | Transcona | NDP |
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| PHILLIPS, Myrna A. | Wolseley | NDP |
| PLOHMAN, Hon. John | Dauphin | NDP |
| RANSOM, A. Brian | Turtle Mountain | PC |
| SANTOS, Conrad | Burrows | NDP |
| SCHROEDER, Hon. Vic | Rossmere | NDP |
| SCOTT, Don | Inkster | NDP |
| SHERMAN, L.R. (Bud) | Fort Garry | PC |
| SMITH, Hon. Muriel | Osborne | NDP |
| STEEN, Warren | River Heights | PC |
| STORIE, Hon. Jerry T. | Flin Flon | NDP |
| URUSKI, Hon. Bill | Interlake | NDP |
| USKIW, Hon. Samuel | Lac du Bonnet | NDP |
| WALDING, Hon. D. James | St. Vital | NDP |

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 7 June, 1984.

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Employment Services.

HON. L. EVANS: I have a statement to make.

Mr. Speaker, earlier this week, my colleague, the Honourable Eugene Kostyra, announced a \$3 million jobs fund program to encourage work projects in Northern Manitoba.

Today, I am pleased to announce that the fund has approved the allocation of \$6 million for a Community Assets Program which will assist in the construction of projects in southern Manitoban and eight northern urban centres.

Although funded by the Jobs Fund, the program will be administered by the Department of Employment Services and Economic Security. The program is intended to encourage community groups to proceed this year with capital projects which will mean new job opportunities and improved local facilities for many Manitobans.

The non-profit community groups, local governments and southern Indian bands will be eligible to apply under the program for financial assistance to construct, renovate or expand a variety of facilities which will be of lasting benefits to Manitoba communities.

Applications will be received until August, 1984, and all project work will take place during the period September, 1984, to June, 1985. This is a longer work period than previous, but we think it will provide the flexibility necessary for many projects to be completed, particularly those who cannot be carried out totally under winter weather conditions.

I anticipate that the program will receive many excellent proposals involving good local job opportunities on projects which, when completed, will enrich the lives of Manitobans in many communities. A similar program offered by the fund last year provided funding for 319 community projects and created more than 2,000 jobs.

I am certain that the Manitoba Jobs Fund investment in community projects through the Manitoba Community Assets Program this year will again bring excellent economic and social benefits to many areas of this province.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, in responding on behalf of my leader to the announcement made by the Minister

of Community Services, certainly let me acknowledge that the communities, Indian bands and other non-profit organizations, as referred to in the announcement, will be happy to know that a program of support, which has been established for lo these many years, long before such a description as a Jobs Fund was created, is continuing. It was run very successfully by my former colleague, the Member for La Verendrye. It was part of an ongoing program which communities have had every right to expect from a government, who after all imposes a very high level of the taxation upon these same people.

But, Mr. Speaker, my principal reason for responding to the Honourable Minister's announcement this morning is to indicate how we have once again been led down the garden path because there were some of us who believed, and some of us who even acknowledged it in response to the Throne Speech, when special attention was made that the Jobs Fund was moving into areas of permanent economic job development in the private sector rather than the emphasis that had been the case in the first year or two of the Jobs Fund existence.

Well, Mr. Speaker, we do not oppose, of course, these announcements, but let me simply point out that it flies directly opposite to the stated position and the direction that the Jobs Fund was going to take, the statements made by responsible Ministers in that government, by the Premier, by the Minister of Finance, and by other Ministers. Now here we have, Mr. Speaker, another \$6 million of the Jobs Fund being dedicated to renovating community halls, improving skating rinks and, Good Lord, we all need them. I have my little community rink in Warren that looks forward to its little application form, just as much as any other community does, of the 319 in Manitoba. Mr. Speaker, let the record show those communities received that kind of support.

I suppose, Mr. Speaker, the impetus of that kind of community access program was developed in the year 1967, the year of our great Centennial across this nation. It was then followed up by similar programs in the year 1970, Manitoba's Centennial Program, and since that time community assets have been improved by various programs under various descriptions by governments of various political descriptions, Mr. Speaker, of various descriptions.

But, Mr. Speaker, it was this government that said the Jobs Fund was now going to turn around, and going to redirect its energies into the private sector and create permanent jobs. We don't see that happening with this kind of announcement.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.

Ministerial Statements and Tabling of Reports . . . Notices of Motion . . .

INTRODUCTION OF BILLS

HON. M. SMITH introduced Bill No. 16, An Act to amend The Child Welfare Act.

MR. P. FOX introduced Bill No. 17, An Act to amend The Dental Mechanics Act.

HON. R. PENNER introduced Bill No. 18, The Statute Law Amendment Act (1984), (Recommended by Her Honour the Lieutenant-Governor); and Bill No. 19, An Act to Amend The Summary Convictions Act.

INTRODUCTION OF GUESTS

MR. SPEAKER: Prior to Oral Questions, may I direct the attention of honourable members to the gallery, where there are 22 students of Grade 9 standing from the Murdoch MacKay School. The students are under the direction of Miss Trush. The school is in the constituency of the Honourable Minister of Energy and Mines.

There are 20 students of Grade 10 standing from the Hartney School under the direction of Mr. Forsythe. The school is in the constituency of the Honourable Member for Arthur.

There are 48 students of Grades 3 and 4 standing from the Erickson Elementary School under the direction of Miss Woychyshy. The school is in the constituency of the Honourable Member for Minnedosa.

On behalf of all of the members, I welcome you here this afternoon.

ORAL QUESTIONS

Manitoba Hydro - Standing Committee of Public Utilities

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I direct a question to the Honourable Government House Leader. Can he indicate to us when we can expect to have Manitoba Hydro appear before us, the Standing Committee of Public Utilities, for review of their Annual Report?

MR. SPEAKER: The Honourable Government House Leader.

HON. A. ANSTETT: Yes, Mr. Speaker, I thank the Honourable Member for Lakeside for his question. I have to answer it in reverse. I basically have to give him the same answer I had given to the question in the past, because we've made a commitment that the honourable member opposite requested, that details with regard to the NSP power sale would be provided prior to the sitting of the committee. I would propose to call the committee immediately after those details are available.

As the Minister responsible for Manitoba Hydro indicated yesterday, he hopes that will be before the Legislature finishes its current Session, but if it isn't, we're prepared to call it intersessionally into July, if necessary. I don't think that will be necessary. We've every indication that we should be able to provide that information and call the committee well before month end.

MR. H. ENNS: Mr. Speaker, I direct a question to the Acting Premier of the First Minister of the province. I

ask the Acting Premier of this province to either take the question as notice or pass it on to her Premier, whether she will insist that a longstanding practice of this Legislature will not be broken, particularly in a year where momentous decisions are being made with respect to that Crown agency, that Manitoba Hydro will appear before the Public Utilities Committee of this Legislature during this Session?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Mr. Speaker, I think an answer really has been given to that question. I would also point out that more detail of the nature of the financial risk and the return on the project has already been given and the member opposite appears to have heard. I think again, if he'll consult the announcement made in the Legislature by the Honourable Minister of Energy and Mines, you will find that the main framework information really is there. However, when the committee hearing occurs, that information, when it's appropriate to report because that marks the stage of negotiation, will in fact be available.

Education - Science

MR. SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Mr. Speaker.

I'd like to address my question to the Minister of Education. Mr. Speaker, I have before me the MTS update which makes reference to a report released by the Science Council of Canada. A report and a study was done by them by, I believe it was, one particular subsection of the group reporting on the present status of science education in this country.

I would ask the Minister, in view of the fact that this particular report calls for immediate and sweeping renewal of science education if today's students in elementary and secondary schools hope to live and work successfully in tomorrow's common, complex world of technology, my question is: are there any plans today to significantly alter our science curriculums throughout our schools?

MR. SPEAKER: The Honourable Minister of Education.

HON. M. HEMPHILL: Mr. Speaker, I've said this before, when matters like this have come up in the House, I'm very concerned about sweeping generalizations and sweeping statements made about the education system as a whole that are not relevant to Manitoba, although I don't mind answering specific questions about Manitoba's curriculum in education system. I haven't seen that particular document.

The Member for Morris, I think might remember, when we went through Estimates two weeks ago and talked about curriculum, I indicated that we had been making major revisions in curriculum for the last five or six years in Manitoba, far ahead of many of the other provinces who are just now looking at going back to the basics and revising their curriculum, we never left them and we have been revising ours all along. So it's very difficult to respond to a general statement that doesn't deal specifically with Manitoba.

MR. C. MANNES: Mr. Speaker, this report indicates that analysis of education policies took place in all provinces throughout the nation. Indeed, some 33 commonly used science curricula throughout the nation and some 7,000 science teachers were surveyed. My question is to the Minister, whether or not she at this time is going to consider making a condition of graduation a requirement that students have taken science in each and every year up to Grade 11?

HON. M. HEMPHILL: Mr. Speaker, I think perhaps what might be useful is if I provide the Member for Morris with information about what the requirements are and what curriculum has been changed in the last few years in Manitoba. I also remember a report on basics that was based on the entire country that was so wrong when it came to Manitoba that it didn't apply at all. So I think it's important that he ask questions and that we deal with Manitoba curriculum and Manitoba programs. Since it's very detailed, I'd be glad to provide that information to him because I think it will take more time than they want to give me in question period.

MR. C. MANNES: I thank the Minister for her willingness to present that information to me. I'd like though to quote one other small section from the report. It says: "Most teachers at the elementary level" - and again, this was a cross-Canada survey, including Manitoba - "are inadequately prepared for teaching Science." Again, I question the Minister what action that she will take to make sure that these perceived inadequacies, in fact, are remedied?

MR. SPEAKER: The Honourable Minister of Education.

HON. M. HEMPHILL: Mr. Speaker, it continues to concern me to have the Education critic take a report that is based on the entire country and then stand up in the House and make statements that suggest that what they are saying in general applies to Manitoba. That's one of the problems we have where people don't deal with our Manitoba system and make general negative statements, so I am concerned about that and I think that we should deal just with the Manitoba situation. In terms of preparation of teachers, we are always looking to improve our teacher training programs and we're in constant discussion with the faculty and the University of Manitoba and those providing the training. I have a meeting coming up I think in the next few weeks to discuss that issue again because it's a very important issue. What I can say is that the teachers of today are better trained than they ever have been before, more qualified.

I think about 15 years ago, only 15 or 20 percent of them had degrees and now it's 85 percent, so that we still have work to do, but they're getting programs in areas, Special Education, Native Education, Special Needs, that was never given before. They are some of the best trained, best qualified, best teachers we've ever had in our system.

MR. C. MANNES: Well, Mr. Speaker, the Minister has used the words in her response to the first question that this report was not relevant to Manitoba, but she indicated also that we should talk in a Manitoba context.

I will do that, Mr. Speaker. What answer can the Minister give to the survey done within her own department which indicated that a full 60-plus percent of the people are not satisfied with the quality of education offered in our high schools?

HON. M. HEMPHILL: Mr. Speaker, I spent a fair amount of time; I released the results. First of all, I had that study done in the first place and I released the results of it. When I did it, I indicated publicly to the teachers, to the trustees, when I spoke at their national conferences that that percentage of public confidence in our education system was not adequate. It's not a crisis, it's not a disaster, but it is not adequate. I said it was an important message for us and that we all had to do a better job of informing the public and parents about what was happening in the schools and involving them in the decisions. So we've already discussed that a great deal in this House and outside.

What I can say to his question about the calibre of our students for Science is, had the members opposite allowed me to make a statement in the House, a non-political statement, when I asked to two weeks ago, they would have been better informed and they would have known that the students of Manitoba swept the country in winning the Science Award in the National Competition that had 400 projects. Manitoba sent 23 students and 12 of them came away with the top awards. We have nothing to be ashamed of with our Science program!

A MEMBER: How's that for a non-political statement!

Garrison Diversion Project

MR. SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: Thank you, Mr. Speaker.

I have a question for the Minister of Natural Resources. As a follow-up to his efforts in Washington, D.C., on Monday and Tuesday of this week, has the Minister any further information that he can give to the House as to the progress of that issue and the funding for Garrison in the U.S. Senate?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Thank you very much, Mr. Speaker.

Honourable members will recall that just yesterday I indicated that I was very optimistic that there would be significant developments in Washington in respect to this matter. I had anticipated that I would be making a statement somewhat later in respect to this, but I understand that some news has now been released in Washington. I want to indicate to the House that there is now an indication on the part of the proponents of Garrison, the leadership of that group is Senator Mark Andrews and Senator Quinton Burdick, that they are prepared to see alternatives studied in respect to the Garrison project. The studies would be under a presidential commission which would report by the end of this year, and that commission would be charged with the responsibility of considering alternative uses

for Garrison funding and the water development itself. I think that is a very heartening development, Mr. Speaker, one that we have striven for and I think that bodes well for the protection of our resources.

Break-ins - police protection

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Mr. Speaker, yesterday I took as notice a question from the Member for St. Norbert relating to crimes statistics, particularly statistics which gave him some cause for concern with respect to break and enter. His question broke down into two parts: one is the statistics themselves; and secondly, remedies for the problem.

Now, let me say with respect to the latter, when he talked about asking Crown Attorneys to seek the maximum punishment for those convicted of such offences, I would point out today, as I pointed out yesterday, that the maximum is life imprisonment and I can say categorically Crown Attorneys will not be instructed to seek the maximum sentence for break and enter, the vast majority of which, although serious, are in the petty crime area and involve very young people.

Secondly, his statistical base was wrong and, indeed, the reverse of what he indicated is the picture. Using the actual police statistics collected and confirmed on a national basis, the statistics show that in a period from 1980 to 1983 the increases have been much much different. In fact, in many areas, Brandon is one, there has been absolute decline in residential break-ins of 23.1 percent. The overall increase in residential break-ins in Winnipeg over that period of time is only 28.3, averaging less compounded than 7 percent a year. In fact, the statistics show that for 1982-83 break-ins decreased in Brandon by 18.3 percent, in rural areas by 8.8 percent, and only in Winnipeg was there any increase and an increase far different than that suggested by the Member for St. Norbert, relying as he did on press statistics and a release from the insurance industry.

The final comment I have relates to the sentencing practice, and I would point out there have been comments by the Court of Appeal which does adjudge that break and enter is serious, and indeed the Chief Justice of the province went so far in February of this year to say that he wished to impress upon sentencing magistrates in this province that fines are not the fit and adequate disposition for this kind of offence in the future. He's speaking for the Court of Appeal. We will not hesitate to impose terms in jail.

We request the Crown Attorney to distribute a copy of these reasons to all provincial judges and to all Crown Attorneys so that no sentencing magistrate can be unaware of our views. Those views of course are not binding, maybe persuasive, but I will end this reply as I did yesterday by saying that it is still our view that sentencing should be on an individualized basis and take into account the record of the offender, the age of the offender, and the circumstances of the offence. The blanket notion that we can ask the Crown Attorneys to ask for life imprisonment every time there's a break and enter is a horrendous suggestion and it's rejected, utterly.

MR. G. MERCIER: Mr. Speaker, the statistics which I refer to were contained in a Free Press article, which quoted representatives of a number of insurance companies, including Autopac, the government insurance company, which quoted an increase of break-ins from 1978 or 1979, which showed an increase from \$8,000 over \$12,000, a 50-percent increase.

Would the Attorney-General indicate what his figures show for the increase? I believe he referred to a period of 1980 to 1983 for break-ins in the City of Winnipeg. What are the actual numbers?

HON. R. PENNER: For the City of Winnipeg between 1980 and 1983, with respect to business premises over the four-year period, 16.2; and for residential break-ins for the same period of time, 28.3. In fact, I gave that figure in my answer and that's an average compounded of less than 7 percent per year. Indeed, I will be pleased to give the member a copy of these statistics.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please.
The Honourable Member for St. Norbert.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please. Order please.

MR. G. MERCIER: Mr. Speaker, the Attorney-General is awfully sensitive.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please.

May I remind all members that this is not a time for debate; this is Oral Questions.

The Honourable Member for St. Norbert.

MR. G. MERCIER: Mr. Speaker, in view of the fact that it is not uncommon that where there is an increase of close to 30 percent in a relatively short period of time in a serious crime, housebreaking, and it has a very traumatic experience on homeowners and there are a lot of homeowners who are frankly afraid to leave their homes these days because of the number of break-ins that are occurring; in view of the fact that in those situations it is not uncommon, Mr. Speaker, for the Crown to emphasize the importance and the deterrent effect upon persons convicted of offences in such an area - and I wasn't asking that they get life imprisonment; and in view of the statistics that the Attorney-General is now citing, isn't it time the Crown Attorneys asked for more serious punishment for those people convicted of that crime in order to provide some deterrence?

MR. SPEAKER: The question is argumentative.

Shoal Lake Cottage Development

MR. SPEAKER: The Honourable Member for Elmwood.

MR. R. DOERN: Mr. Speaker, I'd like to direct a question to the Minister of the Environment, concerning a report

that negotiations have been broken off between the Indian Band concerning Shoal Lake and the Manitoba Government and the Federal Government, that these negotiations have in fact been severed. Is this the case?

MR. SPEAKER: Order please.

The honourable member should not quote from or report from articles in the Press and ask a Minister for confirmation.

Does the honourable member wish to rephrase his question?

MR. R. DOERN: Mr. Speaker, I was quoting from an article on the radio or a comment on the radio.

MR. SPEAKER: Question.

MR. R. DOERN: Mr. Speaker, my question simply is, is it a fact that the negotiations between the Shoal Lake Indian Band, the Federal and Provincial Governments and the City of Winnipeg, concerning our water supply, have in fact been terminated?

MR. SPEAKER: The Honourable Minister for the Environment.

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

The negotiations and questions Mr. Speaker, involve four parties: the Band, the City of Winnipeg, the province, and the Federal Government. The four parties in question have been negotiating for a lengthy period of time and these negotiations have been going on fairly smoothly, especially in recent times, now that the City of Winnipeg itself has been taking an active part in the negotiations.

Whether the negotiations have taken part as reported in the paper, this is the first we hear formally. The parties involved have not heard, other than having read this article in the paper. I would assume, Mr. Speaker, that when you negotiate them, there is an offer made. It may not necessarily please one or other parties involved in the negotiations and the initial reaction may be simply an example of frustrations and does not necessarily imply that the negotiations are broken off.

MR. R. DOERN: Mr. Speaker, in view of the importance of a good clean water supply for our 600,000 people, and in view of the danger of pollution from either garbage or cottage development or boating in that area, can the Minister give his assurance that the water supply of the City of Winnipeg will be completely protected from this point on?

HON. G. LECUYER: The member was probably here in the House last week when that question was asked by other members of the opposition, and was asked again during the Estimates, and the answer was provided that the province was committed to the quality of the drinking water for the City of Winnipeg. It's not because of an article in the paper today that the province has all of a sudden dropped its commitment.

MR. R. DOERN: Mr. Speaker, can the Minister confirm or clarify, has there been an offer of compensation made to the Band in exchange for them giving up their

interest in developing a 350-cottage development? Has there been some offer of compensation or an offer to purchase property in the vicinity?

HON. G. LECUYER: As stated once before, the negotiations are between the parties directly involved, and as per agreement among these parties, this will not be revealed publicly until they come to some form of agreement.

Further to that, I can only say that the representative or the negotiators for the Band themselves have invited the other parties to come and visit the actual site where all of these developments are being considered. Therefore it would, in my mind, appear that the negotiations - it could be an indication especially that we're talking about a date specific towards the end of June for that particular visit by the other parties, that the negotiations are ongoing at this point in time.

Helmet legislation

MR. SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: Thank you, Mr. Speaker.

Mr. Speaker, I have a question for the Minister of Health. The question is in relation to the impact of the helmet legislation that was passed in this Chamber last year and just took effect, I believe on the 1st of April, has the Minister received any indication from members of the medical community as to the beneficial impacts of this legislation?

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, I know that there has been a release from the MMA - and the president happens to be one of the better known neurosurgeons in the province. He stated that at this time last year they had treated at least 10 serious head injuries that they were getting at least once a week normally, and that they hadn't had a single one so far this year.

Break-ins, residential

MR. SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Mr. Speaker, I thank the Attorney-General for forwarding these statistics with respect to break-ins to me.

The statistics, as he indicated, show a 28.3 percent increase in residential break-ins since 1980, for a total number of 7,041 residential break-ins in the City of Winnipeg, Mr. Speaker. The Attorney-General referred to the annual percentage increase.

I'd like to know from this Attorney-General, is the public of Manitoba supposed to accept an increase in break-ins at what he would call an annual inflationary rate, is it to be tied to the Consumer Price Index or can the public in Manitoba expect some action from the person who is responsible for law enforcement in this province?

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: I thank the Member for St. Norbert for asking that question. First of all, Mr. Speaker, I did not at any time tie or relate the increase to the cost of living. That is a gratuitous misleading comment although I'm not saying that he intended to mislead. I say he was misled by relying on erroneous statistics. That was the first thing I pointed out. I had never at any time. He seems a little upset because I think he's been hurt. I never at any time said that our department isn't concerned or that nothing has been done. In fact I pointed to statements made by the senior justice officials in this province with respect to sentencing and the statements as is our practice have been circulated to Crown Attorneys. What I did say is that his suggestion that we ought to inflict life imprisonment in these instances was absolutely shameful and I rejected that. Now having been caught out in that appeal to the populace he thinks, and the populace is far less bloodthirsty than he suggests, he now says or insinuates that our policy is do nothing. Mr. Speaker, it is not a do nothing policy, and in fact if he had looked at the '82-'83 statistics and thought about that he would see that overall in the province there is now a decline beginning to set in with respect to the number of break-ins.

MR. G. MERCIER: Mr. Speaker, in view of the fact that residential break-ins in the City of Winnipeg for 1983 compared to 1982 increased by over 600 in the City of Winnipeg, is he not concerned enough to ask Crown Attorneys to treat this matter with some seriousness? I'm sure they're treating it seriously, Mr. Speaker. But in view of the tremendous increase in this particular crime, to ask the Crown Attorneys to seek more serious punishment against those who are convicted of this crime in order to provide a greater deterrence to people committing these crimes, Mr. Speaker, because it is a very serious matter.

HON. R. PENNER: And Crown Attorneys are treating it seriously and the courts are treating it seriously. But neither Crown Attorneys, or the courts are ready to listen to the suggestion that these people should be sentenced to life imprisonment. That's the point of the exchange.

Milk prices

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Thank you, Mr. Speaker. To the Minister of Consumer Affairs, Mr. Speaker. In view of the statements made by the representative of the Manitoba Consumers that the changes made by the Milk Prices Review Commission will cost the consumers of milk in Manitoba more money and that the large retailers will be laughing all the way to the bank, will he as the Minister responsible for consumers get involved in the Milk Prices Review Commission decision and stop the actions that they're implementing?

MR. SPEAKER: Oral questions.
The Honourable Member for Arthur.

HON. R. PENNER: Mr. Speaker, if that question was directed to me I'm sorry I didn't hear it.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Mr. Speaker, the question to the Minister of Consumer and Corporate Affairs, in view of the statement made by Joan Friesen, the representative of the Manitoba Consumers that the changes proposed by the Milk Prices Review Commission will increase the price of milk to consumers and that the large retailers will be laughing all the way to the bank, will he get involved and stop the actions that are being imposed by the Milk Prices Review Commission?

HON. R. PENNER: Mr. Speaker, I don't accept that statement by the person referred to as being in fact the consequence of the changes which have been proposed by the board with respect to the wholesale price of milk. Indeed it's our view that what has been happening is that in a price war between major wholesalers, on the one hand they have put a virtually unconscionable squeeze on the small wholesalers and we were concerned about that, but also they were putting some of the big retailers whom they supplied and with whom they dealt on a discount basis, in a position to use milk in a way which we felt in the long-term was very adverse to the position of the consumer. It was our view that if the big wholesalers were allowed to squeeze out the small wholesalers and then develop a complete monopoly of the industry that the consumer in the long run would pay a heavy price indeed. We weren't prepared to see that happen.

MR. J. DOWNEY: Mr. Speaker, it would appear the Minister isn't concerned about the price of milk to consumers. Will the Minister of Consumer Affairs check with Joan Friesen as well with the small wholesalers who are, in fact, going to be the ones that are squeezed out with the change, Mr. Speaker, the small retailers, and the implications on small wholesalers that there are implications and pressures being placed on small business people that have to be checked out? But I would ask him if he will check with Joan Friesen, and if he'll check with the industry before this move is allowed to take place?

HON. R. PENNER: The answer is yes, Mr. Speaker.

Home Management Systems - conflict of interest

MR. SPEAKER: The Honourable Minister of Culture.

HON. E. KOSTYRA: Thank you, Mr. Speaker. On May 17th, and again on June 5th, my colleague the Attorney-General took as notice questions regarding the involvement of an employee in my department with respect to some items. I'm pleased to provide a response to those questions.

I would like to report to the House that the report that was requested by the Government from the Provincial Auditor has been received with respect to that employee and her business relationships and I'll be giving copies to members of the House.

I should report that the report clearly indicates that there's no evidence of wrong-doing by Mrs. Hyworon.

The report does go on to note, however, that in light of this case that there is grounds to review the conflict-of-interest-guidelines that have been put in place by this government. My colleague, the Minister responsible for the Civil Service Commission, is in the process of doing this.

I should add that prior to the receipt of the report from the Provincial Auditor, and I would like to thank the auditor for the promptness in providing the government with this comprehensive report. Prior to the receiving of that report my Deputy Minister interviewed Mr. Hyworon on Friday last and as a result of that interview it was the view of my Deputy Minister that while there was no evidence of wrong-doing that it would be advisable for Mrs. Hyworon to take steps to disengage herself from any management or control function with respect to her outside business interests. To this end she has given instructions to her legal advisors to place her share of what essentially are family assets into a blind trust and is in the process of resigning from any directorships or any operational involvement of any kind in these businesses.

I should point out that she had, in line with established policy previously, filed information on these business interest both with her former Deputy Minister, in the Department of Finance, and my Deputy Minister in the Department of Industry Trade and Technology.

In conclusion I feel I should draw to the attention of members of the House a statement in the Auditor's Report with respect to Mrs. Hyworon's conduct and performance of her duties in my department. The Auditor indicates "that there is no question as to her commitment to her work within the Government of Manitoba. She is highly dedicated to her work and her effort is exemplary. I should add that I share this view, Mr. Speaker.

Manitoba Federation of Labour - feasibility study

HON. E. KOSTYRA: In addition I took as notice a question on May 28th also from the Member for St. Norbert with regard to a Jobs Fund grant to the Manitoba Federation of Labour for a feasibility study. I can report that grant has indeed been paid out in the amount of \$15,000 as has a matching grant from the Federal Government of \$15,000 for a total for that particular feasibility study of \$30,000.00.

Sask. Potash - Order for Return

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, my question is to the Government House Leader. Some months ago my colleague, the Member for Charleswood, filed an Order for Return asking for the amounts of money that have been paid to Mr. Dombowski, and Mr. Messer, former head of Saskatchewan Potash Corporation and the former Minister of Mines in Saskatchewan. Can we have an indication from the Government House Leader when we might expect that Return to be filed?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

HON. W. PARASIUK: Soon, Mr. Speaker.

MR. B. RANSOM: Mr. Speaker, a supplementary then to the Minister of Energy and Mines. Will he give us updated information in addition to the Order that has been filed to tell us what sort of contractual arrangement has been entered into with Mr. Dombowski and perhaps Mr. Messer, if he's involved, in doing the present consulting work for the government?

HON. W. PARASIUK: Mr. Speaker, that's exactly what I intended to do. That's why I said that the material will be coming soon. In fact, I think I did inform the Member for Charleswood that I would be providing not only information as to what this government has been spending with respect to consultants to try and get a potash mine, but what the Conservative Government spent, Mr. Speaker, in an unsuccessful attempt to get a potash mine.

MR. B. RANSOM: Mr. Speaker, a question supplementary to the Minister then. Would he consider just dealing with that information that we asked for and forget all the nonsense that he's trying to bring in on the periphery of the issue to try and cloud it? Will he just concentrate on the information that we asked for and be able to file it right away, and if he wishes to present the other information to the House he can do that whenever he wishes?

HON. W. PARASIUK: Mr. Speaker, when this government accepted their Order for Return, and I must say that the record of the New Democratic Party Government, in terms of following order, returning and providing information, is 10 times better than the Conservative Government's record was from 1977 to 1981. We indicated, Mr. Speaker, that it would be best for the people of Manitoba to get an understanding of the context in terms of what money was spent for consultants to help governments get potash. We indicated some time ago that that's how we would provide the information, Mr. Speaker, and I'm surprised that the Member for Turtle Mountain now is somehow afraid of finding out what he should have known three years ago.

MR. SPEAKER: The Honourable Government House Leader.

HON. A. ANSTETT: Mr. Speaker, just further information for the Member for Turtle Mountain. When the Order was accepted, it was accepted subject to certain conditions as stated by the Minister of Energy, but also subject to conditions with regard to commercial confidentiality.

Education - Science

MR. SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Mr. Speaker, I'd like to pose a couple of additional questions to the Minister of Education regarding the state of quality of education and Science within this province. Mr. Speaker, I'm wondering if the Minister can inform the House whether

or not the Department of Education is funding, in part, the symposium to be held at the University of Manitoba, I believe on August 13th to 17th, the International Chemistry Symposium, at which time the great architect of social chemistry within this nation, Prime Minister Trudeau, will be the keynote speaker.

MR. SPEAKER: The Honourable Minister of Education.

HON. M. HEMPHILL: Mr. Speaker, I'll take that as notice and provide that information.

MR. C. MANNESS: Mr. Speaker, I'm wondering, seeing that the Minister also appears to be one of the speakers at that symposium, whether or not she can find out how much the department is directing towards funding that particular event. I'm wondering if she could also inform us how Mr. Trudeau speaking at this particular event, funded I believe in part by her government, will address the concerns of 60 percent of the people in this province who have genuine concerns regarding the quality of education in our high schools.

The Gasoline Tax Act - charges

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, I have a question for the Minister of Finance. Can the Minister advise whether or not charges are still being laid under The Gasoline Tax Act in an effort to prosecute people who have improperly used coloured gasoline?

MR. SPEAKER: The Honourable Minister of Co-operative Development.

HON. J. COWAN: Yes, Mr. Speaker, the Minister of Finance having had to leave the room for a meeting, I'll respond as Acting Minister and what I can indicate to the Member for Turtle Mountain is that we will take that question as notice and get the answer to him as soon as possible.

Herbicides and pesticides, use of

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Mr. Speaker, I have a question to the Minister of Environment. The Minister of Environment is proposing regulations to be imposed on the municipalities for the application of pesticides. Are one of the regulations that he's planning to impose that before any pesticide is used, that the municipality will have to give 90-day prior notice to the use of that pesticide?

MR. SPEAKER: The Honourable Minister of the Environment.

HON. G. LECUYER: Mr. Speaker, the draft regulation that is out for consultation right now is just that, a draft regulation out for consultation to the various agencies of government and municipalities. Copies are available, including one for the member opposite if he wants one,

and we're open to receive comments from all of these interested parties. What will the final regulation contain, Mr. Speaker, is too early to project at this time.

MR. SPEAKER: Order please. The time for Oral Questions has expired.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

HON. A. ANSTETT: Mr. Speaker, I'd like to move the motion for the House to go into Supply, but before doing so I believe there may be a disposition, Sir, to stay in Committee of Supply through Private Members' Hour. So before I move the motion, I would ask if there would be leave to dispense with Private Members' Hour today?

MR. SPEAKER: Does the Honourable Minister have leave to dispense with Private Members' Hour today? (Agreed)
The Honourable Minister.

HON. A. ANSTETT: Thank you, Mr. Speaker. I would therefore move, seconded by the Honourable Minister of Health, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented.

MATTER OF GRIEVANCE

MR. SPEAKER: The Honourable Member for Elmwood.

MR. R. DOERN: Mr. Speaker, I rise on a matter of personal grievance.

Mr. Speaker, the House, I believe, is beginning to draw to a conclusion and there is of course a resolution on the Order Paper which will shortly limit Private Members' Hour, and with Speed-up just around the corner there will be few, if any more, opportunities for members to discuss proposals of considerable interest.

I wish to once again raise with the government what I believe is a matter of the utmost importance and urgency, and that is for them to give some guarantee or assurance to this House that they will introduce a procedure for constitutional amendment. Mr. Speaker, I believe that their failure to do so raises a lot of concerns on this side of the House and in the general public in particular. Because what they are saying to us, in effect, is "trust us," and I don't think there's anybody on this side of the House who will ever again trust the government when it comes to the introduction of a constitutional amendment. They should attempt to divorce themselves from the whole psychological and political developments that occurred in the province in the past year and look objectively at a procedure that could be introduced that would satisfy not only the members of this House but the members of the total community.

Mr. Speaker, I note with some amusement the fact that the government is no longer very interested or big

on the question of referendums or plebiscites, because it wasn't very long ago that the Minister of Government Services, who was then the Minister of Municipal Affairs, rose in this House in March, 1983, and responded to a question from the Member for St. Norbert. And the Member for St. Norbert at that time put the following question, on Page 788. He said, "Mr. Speaker, I have a question of clarification. Could the Minister indicate whether or not there is included in this bill, Bill 21, authorization or the power for a municipality to hold a referendum on nuclear disarmament or on any other question."

That was the question and the Minister, the Hon. A. Adam, said at that time, "Section 92 does deal with that. It doesn't specifically state any question that a municipality wishes to deal with, but that would be one of the items, I presume, if a municipality wanted to deal with that question, they could put that question or any other question that they feel they would like to have an opinion on." Then he concluded by saying, "I might add, Mr. Speaker, since it was announced, that there would be a change in that particular section." Then he said, "My phone has been swamped with commendations and compliments for having changed that section." — (Interjection) — Well, I think it probably was. The Minister probably got a flurry of phone calls commending him for his interest in the democratic process and his interest in plebiscites and referendums and an expression of popular opinion on matters of interest.

Could the Minister indicate where he received those compliments and kudos from? Was it his family or his friends or the media? He did receive some compliments and I have no doubt of that.

Unfortunately there has been a change of heart, and unfortunately whereas the government — (Interjection) — well, the Minister says there hasn't been a change of heart. Perhaps he is still interested in the opinion of the people of Manitoba as expressed in plebiscites and referendums. I mean, all of us are interested in public opinion and all of us are interested in public opinion at election time, but some of us are interested in the opinion of the people of this province on matters of great importance or matters that could be potentially divisive. I think there are times when plebiscites and referendums should be introduced.

None more so, Mr. Speaker, first and foremost, than on a Constitutional amendment and I am saying to the government — (Interjection) — well, the Minister didn't get any calls on that. He probably got a few calls from Ste. Rose on the government's proposals to amend the Constitution. — (Interjection) — No, he didn't receive any feedback. Well, then I would recommend to him that he go home to his constituency and talk to some of the people and get some feedback because most of us, we got calls and one of my colleagues to the right, she received calls on your behalf, and I'm sure answered those calls in your best interest. You probably couldn't have said it better. Maybe other members received calls, on behalf of government members who may or may not have been answering their telephones. — (Interjection) —

Mr. Speaker, the Member for Turtle Mountain received some on behalf of the Member for Inkster. I certainly received an earful one day from a gentleman from Inkster right outside the building, on the front steps

of this building. I don't remember his name, but I remember remarking that in debate in the House, that some gentleman — (Interjection) — no it wasn't Sid Green, no. He may be the object — (Interjection) —

MR. SPEAKER: Order please.

MR. R. DOERN: Mr. Green may be the next MLA and he may receive the calls, but he was not the one who was registering the complaint.

Mr. Speaker, I say to the government several things. One is: they themselves indicated a year ago, quite forcefully, that as a matter of policy and a matter of legislation, that they wanted to amend The Municipal Act to allow the municipalities of this province to canvass opinion, to take opinion, to allow people to register an opinion on matters of public importance. The municipalities - 23 of them - did that on October 26th last year. The government also was elected on a slogan of "we listen." That was their slogan. That was their Premier's point - that he was a man who listened to the people. There should be no problem whatsoever with the New Democratic Administration supporting plebiscites or referendums on matters of public importance.

Mr. Speaker, I have tried in this House to raise this matter. I proposed a motion which was out of order. I intend to reintroduce that next Session. I don't see any point now in trying to reintroduce it because I don't think there's adequate time to do that in this Session. By the time it gets on the Order Paper, comes up through the system for debate, the Private Members' Hour will be finished, but I certainly intend to reintroduce a similar motion in the House.

In terms of the proposal that I suggested, in terms of a proposal that the government should consider, they should consider on Constitutional Amendments a new procedure other than the one we presently have which is that by a simple majority vote, the Province of Manitoba can recommend to the Federal Government a change in its legislation in regard to the Constitution. That's not enough, Mr. Speaker. That isn't good enough. I would say that the government should only proceed if - and only if - it has the support of the majority of Manitobans. That cannot necessarily be demonstrated in a vote that took place in 1981.

We all know the system. I understand the system. We live and die by the parliamentary system, but the government surely cannot argue, surely cannot contend that it has at this time the confidence of the people of this province, either in general or specifically on this particular proposal.

In a way, Mr. Speaker, we already had a dry run and we had that dry run in this House in the sense that a plebiscite was held. There were 175,000 people voted against the government proposals and some 52,000 voted in favour. So you had 225,000 - 230,000 people express their opinion and it was because of that that the government withdrew its legislation.

Mr. Speaker, I say that we have, in effect, experimented with the very system that I'm proposing. The government had a majority and the government could have rammed its legislation through, but there was a plebiscite and because of the plebiscite the

government decided not to proceed. It's that kind of a proposal that I'm saying that the government should formalize. That kind of a procedure that the government should introduce into this House. Take that as a first step. Take that as a first run, but those are the political facts of the matter, Mr. Speaker, that because of the fact that the people of Manitoba gave an expression of their opinion, the government did not proceed. Now, the government has a different line and that is of course that it is because the opposition blocked them with bell ringing that they had to give up.

Well, Mr. Speaker, I can't give the exact medical analogy, but that's like treating the symptom rather than treating the disease. It's dealing with only the manifestation of a problem rather than dealing with the problem itself. We know that all that has been accomplished this Session, in regard to amending the Constitution, is that they have taken away a weapon of the opposition, the ability to ring the bells.

Mr. Speaker, I'm saying to the House Leader and to members of the government that that is not solving the problem. I warn the government, as well, that they should not, in their wildest dreams, consider the re-introduction of that legislation, because they now would have an easier passage in the House because the opposition couldn't ring the bells.

You know, there are some on this side, Mr. Speaker, and I say to the Member for Fort Garry who, when he spoke in debate in the Chamber on this general question, said - and perhaps said to me personally, I shouldn't quote him personally, but it's perfectly consistent with what he said publicly - he said, in effect, that the government wouldn't dare re-introduce this legislation.

But you know, there's another theory, Mr. Speaker, and that is that sometimes when people are desperate, they will do wild things. Mr. Speaker, the Member for Fort Garry makes a logical point that no government, realizing it would stir up the public and suffer serious political defeat, would introduce a measure. But there is another theory, and that is that if a government realizes it is going down to certain defeat, that it might then do things regardless of the consequences. That's a very dangerous thing, and that was pointed out to me by a friend of mine, that if the government decides that political defeat and oblivion is their fate, they may then resurrect these proposals and say, regardless of the outcome, meaning, well, we don't care anyway, we're going to slam this in. We'll do it as "a matter of principle" and that would be a dangerous thing, Mr. Speaker. That is a concern of the public, and it is a concern of mine that we should not have to worry or be concerned about the government bringing in the same proposals or some new version thereof, on the grounds that they could get it through because the opposition could only debate the matter for a number of weeks and then closure could be introduced and then the bills may ring, but the vote may be held whether the opposition is here or not. So I think that is a real concern.

I simply say, Mr. Speaker, in concluding, that the public stood behind the opposition in their endeavours to block this legislation and I read just one line from a letter written February 13th, in the Winnipeg Sun, saying "Keep bills a-ringing until NDP wakes up." — (Interjection) — Yes, those were the - it was the sound of music - and this line said, as follows. This is from

somebody named Eileen Roberts, and she said, in her letter, "Please keep the bells ringing until Howard Pawley realizes we won't submit to blackmail." Those were her words.

I say, Mr. Speaker, that it should be difficult, it should be uncommon, and it should be rare that a constitutional amendment comes before this House, and the procedure for the passage of such an amendment should be difficult and should be complex. It should never be a simple matter for any government of any stripe to bring in a constitutional amendment and ram it through the Legislature. That must be, of necessity, a rare, complex, and difficult procedure.

So, Mr. Speaker, I simply conclude by noting that there was talk of a package, that there was some indication given by the House Leader and the government, that we would not be dealing with bell ringing in isolation, that we would be dealing with a procedure for amending the Constitution, and I say to the government that that is still outstanding and that I, for one, will not rest until this government, or its replacement, brings in a procedure for amending the Constitution that includes widespread public participation and discussion.

Thank you, Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: May I direct the attention of honourable members to the gallery, where we have 16 adults and 46 students of Grade 5 from the George Fitton School under the direction of Mr. Thickers. The school is in the constituency of the Honourable Minister of Employment Services.

On behalf of all of the members, I welcome you here this afternoon.

QUESTION put, MOTION carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Burrows in the Chair for the Department of Business Development and Tourism and the Honourable Member for River East in the Chair for the Department of Co-operative Development.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - BUSINESS DEVELOPMENT AND TOURISM

MR. CHAIRMAN, C. Santos: Committee, please come to order. We are now considering Item 3.(a)(1) Tourism, Travel Manitoba: Salaries; 3.(a)(2) Other Expenditures; 3.(a)(3) Grant Assistance - the Member for River Heights.

MR. W. STEEN: Mr. Chairman, I would like to start by asking the Minister a few questions about the Whiteshell area and the Mantario concerns. And that having been down into that Big Whiteshell this past winter and having met with a few of the tourist operators and so on, they seem to express a great concern with the Department of Natural Resources new parks concept for that area of leaving out motorized boats for travel and fly-in fish camps, etc., that the persons who are located in that area that derived their livelihood from tourism and have

in some cases fairly substantial investments into lodges and tourist camp operations appear to be very concerned that they are not going to have the same livelihoods in the future because of the Parks Branch ruling out motorized boats and fly-in fish facilities, or the ability to fly into these camps. I would like to ask the Minister if there is anything that he or his department can do to ease the tension on some of these camp operators in the Mantario area?

MR. CHAIRMAN: Mr. Minister.

HON. S. USKIW: Mr. Chairman, I'm aware of the matter that the member raises. It is a matter of concern, no question, because it does involve the viability of the various people that have established operations in that area some number of years ago, and some of those of course are not able to continue to operate as of last March, I believe it was. It is an area, though, that is beyond the jurisdiction of this province, and any role that we have played in it of course is to hear out and meet with the various people, that is, our staff, and we have to monitor the disturbance that has been created by the Whiteshell fly-in. But we really don't have a mechanism to deal with them directly in that they are the clients of another department, and this probably is a matter that should be more properly debated in the Department of Natural Resources.

MR. W. STEEN: I appreciate the Minister's answer, and I can tell him that I did sit in on that aspect of the Department of Natural Resources Estimates and it was debated at some length. I also feel from a tourist point of view that he as Minister and I as critic have an interest on how the operators are going to be affected. If we, as government, are spending money to lure American fishermen to Manitoba and yet the other arm of government or another arm of government, the Department of Natural Resources, is making it more difficult for tourism to take place, especially when you think that it's existing tourism, it's not an area of wilderness that is undeveloped. It has been developed for tourism and has been in that state for some years. I recall talking to one of the operators and he says, yes, there are three families that derive their income from our operation.

If we are going to be handicapped by the Department of Natural Resources so that we can't have motorized boats on the lake for fishing purposes, we can't have the fly-in facilities to get our customers and clients into the lake, we're only going to be able to earn enough income from this operation to feed one family and not three as has been the case in the past.

So I am trying to put forward a position on behalf of the tourist operators. I recognize and realize that we should have some areas, perhaps, of wilderness trails for the persons that want to go trail hiking and the real true so-called outdoorsman. But surely, we can live together - the naturalists is what they call themselves - and I'm told there are only a handful of them that are real sticklers for banning motorized equipment from the Mantario area. I would hate to see some of these operators go under because of a few dozen people in Manitoba that want to create naturalist trails and so on.

I hear the Member for Inkster barking in the background about hundreds and thousands, but in talking to members of the Naturalist Society, they say it's a few dozen who are sticklers for having their own way and not being capable — (Interjection) — and willing to live with the others and so on.

MR. CHAIRMAN: Order please.

MR. W. STEEN: I would hope that the Minister, when he's dealing with his colleague, the Minister of Natural Resources, will stick up for the operators that have been there for the years in the past and would do his best to try and limit these areas of wilderness trails to a size that sort of meets the demand. I would totally disagree with the Member for Inkster on what the demand is because I've been led to believe by people who are members of that association that it's only a few dozen that say that they can't live with the camp operators and get along with them.

HON. S. USKIW: Mr. Chairman, I don't know what we can gain by continuing that debate, because it is an area that was debated in the department that had jurisdiction over that question. The Department of Natural Resources is the landlord of the land base that is publicly owned in Manitoba and has established a certain policy in that particular part of the province, and all agencies, public and private, of course, then have to conform to that policy. So, I don't know that there is anything productive to be gained from having that discussion a second time around in this committee. I presume the member has made the point to the other department.

We have tried to assist, that is our department has tried to assist, some of those people that have been dislocated by way of offering new location possibilities to them and things of that nature, but we are certainly not in a position of determining policy for the Crown asset that is there. That is the responsibility of another department and a decision has been made.

MR. W. STEEN: Mr. Chairman, I'm glad to hear that the Minister says he has met with the concerned operators, and that his department will do everything within their power to assist them on relocation. I thank him and his department for taking those steps and would encourage the Minister and his department to continue to monitor the situation on behalf of the tourist industry and from that point of view.

I fully realize that the Department of Natural Resources has the authority. It's one thing for them to have the authority, but on the other hand, hopefully, the Department of Natural Resources and the Department of Tourism are both working in the same direction and that is to make Manitoba a better Manitoba. Particularly when one considers that the Minister responsible for Tourism's constituency likely entails a portion of the Whiteshell, he would have an interest in that part of the province.

Unless, Mr. Chairman, one of my colleagues has anything further to add, I was asked by the Member for Emerson if I would bring this to the Minister's attention from a tourist point of view, which I have done, so I would say that's all as far as that aspect, unless one of my colleagues has anything to add.

MR. CHAIRMAN: The Member for Lakeside.

MR. H. ENNS: Mr. Chairman, I appreciate the Minister's correct observation that the jurisdiction of the land in question that my colleague has been talking about in the Whiteshell is in the Department of Natural Resources, but I think the issue that we're trying to raise is that surely the department that the Minister is responsible for, Tourism in this instance, has a very important role to play in developing the accessibility and the land use in particularly this area in question.

Without getting into debate with the Member for Inkster about this subject matter and being familiar with the area, having had the privilege of enjoying many years of camping in that area and not having any continuing interest in that I add, before the Member for Inkster charges me with conflict of interest, but knowing that the geography of the area in question, served as it is by our major Trans-Canada Highway, served as it is by our major costs that we have publicly and privately encouraged in that area, whether it's townsites like Falcon, the infrastructure in roads that have made lakes like Crowduck, Mantario, Moosehead, Whiteshell, Sheep Lake, all the little lakes that have been now placed in a very restricted area in terms of tourist access is something that I think ought to worry this Minister.

I have no objection if we want to do that hiking and that setting aside specific areas of land that satisfy the naturalists. I think we're particularly blessed in Manitoba that we're not under the pressure that other jurisdictions in other countries in the world are; we do have, thank God, a reasonable amount of wilderness to preserve. I would have, for instance, and indeed had faced this same question as the last Minister of Natural Resources in the previous administration, but quite frankly would have not acceded to this request. My direction to the department would have been to have looked harder at the newer Nopiming Park for setting up the kind of wilderness areas that we have finally settled onto in this area.

But I raise a bigger question. My understanding is that this is only one part of it. We're talking about the same thing at Spruce Woods. We're talking about the same thing at Grassy River Park in the North and in the Flin Flon area, and there are different concerns. In the northern park, economic concerns become the greater concerns. It happens to fall in one of the better mineral bearing zones of the province, so you have all kinds of concerns from the prospecting people, from the mineral people, from the mining people, which I'm sure the department is aware of. But in places like the Spruce Woods and Whiteshell, these are parks that are meant to be seen and meant to be enjoyed by as large a number of Manitobans firstly, Canadians secondly, and then, of course, whoever else wants to come and pay us a visit during the tourist season.

So I ask the Minister just to kind of keep a steady hand on the wheel, and not let some of his colleagues get carried away with this hiking business here.

The map that they've got, obviously it wasn't produced by the Tourist Branch advising tourists to dispose of human wastes in shallow trenches 10 cm deep, at least 15 metres from water; I would have thought the Tourist Branch would have handled that matter a bit more delicately.

All in all, I would say to the Minister that he should take a firmer grip on his department and recognize that he has a responsibility in tourism, not the Member for Inkster.

MR. CHAIRMAN: The Member for Inkster.

MR. D. SCOTT: Thank you. I'll try to get a firm grasp on the proper issues here. It's tough to follow an act like the Member for Lakeside gives us all the time, but in dealing first with land policy, which the Minister is quite correct, is not the responsibility of his department.

When the Member for Lakeside was the Minister of Natural Resources, it was a time when we actually started the movement towards, or not started, but continued the movement towards the master plan in process and that is now accepted not only in Manitoba, but in other jurisdictions across this country and more and more throughout the world.

Tourism, I must say, has many aspects to it. The aspect of tourism that the opposition only sees unfortunately in dealing with our wilderness areas is the fishing industry or the hunting industry. It goes far beyond that. There are many people who are looking to go especially from large urban centres such as Winnipeg, and people are brought in or are coming in from other provinces and south of us from the U.S., who are looking for a good wilderness experience, looking for an area where they can go out and partake in their activity. These are tourists that are very valuable to us as well.

To write these persons off, I think, is totally erroneous on behalf of any government, when it's talking about tourist policy. There are different levels of tourism, different types of tourism, and you don't exclude one type to the benefit of all the others. What we're doing, in what the example of the Mantario Wilderness Centre within the Whiteshell Park is, is saying to tourists throughout the country and throughout the world that here we are preserving an area for a unique type of tourism; that we can have people come here and enjoy what they are looking for in a natural environment and not be disturbed by the other forms of tourism which are taking place throughout the rest of the province. We're not talking a huge tract of land here. As a matter of fact, it's only 12 percent of the Whiteshell Park and a very very small little jewel, I might say, of the shield.

If I could just, for the members opposite, it's my understanding that just through the Mantario Wilderness Education Centre there is in excess of 1,000 people a year go through that centre. That's nothing to sneeze at. During the summer months, when they have the Mantario Wilderness Skills Program working out of that centre, they bring in up to I believe 18 persons as a limit of its capacity per week into that centre from some time in late June right through until the end of August. That to me is a fairly significant amount of tourism in that area, if you want to speak of numbers. That does not count the number of persons who go in, do not make use of that centre, but just go in either hiking or most of them, probably three quarters at least, in the summer months are going in via canoe. You're talking, in total, there would be several thousand people using the area for varying lengths of time.

In the U.S. I had an example back in - I think it was - '77 or in '78 of going to an island in Lake Superior called Isle Royale, more properly called "Isle Royale." — (Interjection) — I'm not sure what the comment from Sturgeon Creek was, but it probably wasn't terribly complimentary. It isn't usually.

That centre — (Interjection) — There was very deep, very clear, very cold water and I'm sure even the Member for Sturgeon Creek probably would have turned purple had he gone swimming in the water it was so cold. He turns purple in the House without even getting in cold water, just hot water.

That island brings, I understand at that point, in excess of 17,000 hikers a year onto the island. It is a tremendous resource to the people of the United States of having that area where it is attracting that number of persons who come to enjoy a wilderness setting on a non-interruptive basis. I would hope that we would follow the lead that the U.S. Government set way back in the 1930s when they opened that island up and started it out as basically a hiking park, a hiking and a sailing destination as well. I would hope that we would follow that along in Manitoba of trying to target that particular area, yes, provide maps. Provide maps, as this map is, it's a map that does not deteriorate. When it gets wet you can put it up to dry off, it's not going to shrivel up. You can't burn it though. — (Interjection) — I wouldn't want to, you can try, Harry. Start right now and tell us how many calories it's got in it.

But in conclusion, Mr. Chairman, I want to speak on behalf of a great many Manitobans who see a tremendous worth in offering various and different types of tourism potential and opportunities in Manitoba, both for the citizens of Winnipeg, the other citizens of Manitoba and for visitors to our great province.

Thank you very much.

MR. CHAIRMAN: The Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Chairman.

I don't anticipate that we're going to resolve the issue here today but I think it's incumbent on members who represent areas which play an essential part on the tourism as well as the recreation make-up of this province to speak out somewhat on this particular line.

Tourism, Mr. Chairman, is something which the eastern part of the Province of Manitoba and especially the eastern part of my riding relies very heavily on it. The difficulty we have with the development of a wilderness area - and I'm sorry the member is leaving right now - is that you've got a situation developing where you have had camp operators, people who have provided fly-in fishing services and that type of thing, that have developed a livelihood over the last number of years.

Now, not to down play the wishes of the people who are the naturalists, who want some places left in a natural state, I want to say to the Minister that I feel that part that has been designated is the wrong area. If there is a wilderness area to be created, why don't you really take a wilderness area? Why don't you go up to the Manigotagan area, the east side of Lake Winnipeg, or even up towards the Hecla Island area? There's lots of wilderness area up there where there are no existing camp operators, where there are no existing people that will be adversely affected by this.

The Member for Inkster forgets one thing, that while he talks about tourism, the average person that wants to do what he wants to do is this type - and I hate to stereotype people - but we're all seen them. They drive up with their Volvo or their Renault with a canoe on the top, they unload their Granola bars and their distilled water and wheat germ into a little packsack, then they get into their canoe and paddle off. They don't spend a single dollar within that area. Now that's fine, that's what they want to do, but to the guy who's operating the hotel or the guy who's trying to make a living renting motorboats, Mr. Chairman, it doesn't work.

That is not tourism, per se, because what's happening there, it is a form of recreation and what we have seen happen in eastern Manitoba is that we have had a substantial area taken out of multi-purpose use, designated for a very very small segment of the population, and I think it is the wrong area to do that.

If the government intends to provide this type of facility, I would encourage them to do so. But to take an area like the Whiteshell which is prime, what I consider tourist area, and do that to that area, I suggest to the Minister, and he knows from the east end of his riding what effect that has on the camp operators and on the people who are flying in fishermen and the like.

What we've done here is we have really taken away the livelihood of some people out in eastern Manitoba and we're going to see - and I predict in that whole area - a decline in population because of that, and instead of having these operators being able to expand their facilities, many of them will have to reduce. Because the people that will be using the Mantario facility are not the type of people that will use the facilities of the operators, of the tour people, and people who are trying to make a livelihood out there; they don't use those kind of services.

So we've set aside a piece of the park and I would again urge the Minister to use his good persuasive powers within his caucus. I know that he's got enough ill battle on so many issues that he's got to fight with his colleagues on, but surely this Member for Inkster, who is a wilderness hawk, his influence in . . .

MR. H. ENNS: His wings could be clipped.

MR. R. BANMAN: Yes, his wings could be clipped somewhat and maybe his flight path could be directed maybe on a northern path more than eastwards towards the Whiteshell.

Thank you, Mr. Chairman.

HON. S. USKIW: Mr. Chairman, I don't think we should go back into the history of the master plan for the Whiteshell. That particular project, I believe, was launched by another administration for other reasons, perhaps.

I think one of the problems we have, however, is that we kind of get cornered into accepting from time to time someone else's mode, if you like, as being the more desirable one over others and there's always a conflict between various interest groups with respect to what should happen with resort areas.

One of the observations that I think it's fair to make is that we perhaps are too preoccupied with one corner of the province in making those decisions. I think we've

probably been at fault for many years in that respect. Three-quarters of Manitoba is a wilderness area; the one-quarter is populated. I think that's a fair calculation. There is probably a lot of logic in arguing the point that where we have already populated areas, we should not now depopulate or change the use of those areas, because of a particular thrust of a particular group. That's really what the members opposite are arguing about at the moment.

I believe there is room for a very thorough review of Manitoba resource potential for all needs that should be met. Given the fact that we have such a large geography with so much unsettled area, there shouldn't really be much of a conflict and perhaps some greater effort has to be applied in that respect to bring about a policy that is satisfactory to all particular interest groups in a way that minimizes the disturbance to the public as a whole. That should be the objective. To the extent that we achieve that of course is hard to determine, but that is really where I would want to pursue it as a department. But I have to tell you that with respect to decisions already having been made, those decisions were made essentially a year ago or more, so we're not in a position of having to go back on those decisions and start the process all over again.

The Whiteshell Study has been under way for some number of years. I'm not certain just whether I would totally concur or otherwise in the final package that was adopted had I played a role in it at the time. You know, that's a speculative point, but it is there, decisions have been made, and we have to live with those for the moment. — (Interjection) — Well, to the extent that they have affected people that have had to relocate and the relocations have taken place, it's pretty hard to change those things, they've already occurred. I do regret that for some people there is economic loss; that is a concern indeed. I have to say though that I have no area of maneuverability in that regard, since that is not my area of responsibility, and therefore cannot offer any particular hope other than to assist those groups relocation or whatever else that they might wish to do in the recreation, tourism area.

MR. H. ENNS: Mr. Chairman, dealing with another issue. I note, for instance, that there are no substantial increases in Salaries or Other Expenditures other than I assume normal inflationary costs. Grant Assistance in fact is down somewhat on Items 1, 2 and 3. I raise this only because I'm also aware that in dealing with the Estimates of the Department of Natural Resources there were no additional provisions for any contingency plans in terms of extra salaries or extra expenditures in their Parks Branch Department.

I raise this because we are of course aware that we will have two distinct bumps in our tourist industry this year; namely, the visit of Her Majesty, and of course the visit of His Holiness the Pope. I would ask the Minister, is the Department of Tourism preparing any special efforts to help direct the expected, very substantial, numbers of visitors to Manitoba?

I know of the arrangements of course at Birds Hill Park for the Pope's visit, but it would seem to me that the Tourist Department could expect, even though the visits are brief and short, but there will be a natural willingness on the part of many visitors to spend some

additional time in the province, to perhaps visit some of our facilities. It would seem to me only prudent to somewhere plan for the best possible reception of these visitors, so that when they come to this province that they have the feeling and experience that they are being efficiently and well looked after. It may be an opportunity where we have many visitors coming to this province for the first time to impress them with the facilities that we have, with the friendliness of our people - which I have no doubt will be exhibited - but more importantly on these occasions, particularly when under stress because of numbers, that information booths, information material, and the likes of that be there and in place to assist this very dramatic number of people that we expect. I appreciate it's a short visit, but nonetheless I would expect the Tourist Department to be involved in it.

Now, the Minister may say to me that arrangements are being made through the Jobs Fund, or through the Parks Branch, and that may well be, but it seems to me that from a tourist point of view it's a golden opportunity, particularly if the numbers are believed that upwards to 200,000, or 300,000, or 400,000 people are expected to come to us on the occasion of the Pope's visit that the Tourist Branch be particularly prepared to put it's best face forward and to impress many visitors, perhaps many of them for the first time who normally would not come to us, to return to us in other years.

So I ask the Minister, the Estimates don't indicate any facility to provide that additional service. I look forward to his replies.

HON. S. USKIW: Mr. Chairman, the Member for Lakeside perhaps is not aware that there is a special provision that has been approved for the two occasions which operations are housed in the offices of the Executive Council, and therefore we are not playing a direct role with respect to either of those two events.

What we are doing is attempting to facilitate information availability for travellers entering the province from other jurisdictions per se, out of province, out of country. The reception centres are going to have all of the information. We have a toll free line information package for whoever wishes to use that mechanism, and we are extending the length of the operation of the reception centres in light of the Pope's visit late in the fall.

So those changes have been made, but essentially the bulk of activities will be directed through and from the offices as established by the Executive Council.

MR. H. ENNS: Fine, I appreciate that.

I only have one comment you know, it seems to me though Mr. Minister that the, you know, the experts in handling the tourist trade reside in your department. I don't know what the expertise emanates out of the Executive Council. They may have trouble running Executive Council properly, never mind directing, you know, 100,000 tourists.

I would hope that the resources, you know, will be drawn from your department. Monies may be housed in Executive Council, but that the Tourist Branch will be playing a lead role in terms of the planning, the reception, and the necessary work that would be associated with these people.

HON. S. USKIW: Well, I think the other point we should touch on, Mr. Chairman, is that the tourism literature that is out is going to provide information with respect to both of those occasions, and also the inserts that are used by the newspaper media.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, the Tourism Estimates are on one line. These fellows in the Tourism Department have been doing that for years and getting away it. Mind you I didn't mind when I was Minister, but do you still have it structured in the Tourism Department in development, marketing and tourism information?

HON. S. USKIW: Yes, Mr. Chairman.

MR. F. JOHNSTON: Well, under the marketing, which the Member for Lakeside was referring to, can the Minister tell us what the budget is for advertising this year as far as the marketing is concerned?

HON. S. USKIW: Yes, the numbers are essentially identical to last year. We spent \$997,000 last year and this year it'll be 976 with one change and that is that we have the co-op advertising package, which is \$83,000, on top of that. So that's the joint advertising package with the private sector. So in total we're over where we were a year ago.

MR. F. JOHNSTON: Is there still within the Marketing Department awareness programs for the people involved in the tourist industry in Manitoba?

HON. S. USKIW: That comes under Destination Manitoba, Mr. Chairman.

MR. F. JOHNSTON: Well, then referring to the marketing and the subject the Member for Lakeside was on, the Member for Lakeside said that they hoped that all these thousands of tourists that we'll be having come to Manitoba will come back pardon me. Is there anything being done to encourage these tourists, these thousands of tourists that will be in Manitoba, to remain in Manitoba for two or three days to travel Manitoba, especially into the rural areas to assist the people in the tourism areas of the Province of Manitoba, which I believe there are seven, and what is being done working with the Tourist Industry Association and the department to try and have these people travel the province and spend more dollars? Every day a person spends in Manitoba is a real benefit to the tourist industry and there's going to be thousands of people in Manitoba.

HON. S. USKIW: Well, the new effort, Mr. Chairman, apart from the ongoing advertising that we do provide is the Telidon service that we're introducing this year, wherein we will have seven locations serviced in that way; all the reception centres, Eatons, and the Museum of Man and Nature, where people will be able to use that system for the first time to give them a complete picture of what is available in the Province of Manitoba both in events and facilities. We also have information kits that will be handed out and things of that nature.

MR. F. JOHNSTON: Is the department, when the Minister mentions in his opening remarks and refers to the information centres, are they opening up any new information centres? In other words, we had a trailer down near Morden and Winkler; we had just a little stand on the east side of Winnipeg. Is there any plans to have larger tourist information centres so people can rest a bit, maybe have a cup of coffee and have chats with our tourist information people regarding the province.

HON. S. USKIW: The only new facility that is being constructed is at Deacons Corner. Apart from that, all of the other facilities have been there for some time. There's a new trailer at Russell, Manitoba, but it's not a new facility. It's not a new location, it's a new trailer.

MR. F. JOHNSTON: Did we buy the trailer from a Manitoba trailer manufacturer this time?

HON. S. USKIW: Yes, Mr. Chairman. A good point.

MR. F. JOHNSTON: The other one was bought previously.

MR. CHAIRMAN: 3.(a)(1) - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, under the marketing program, I mentioned the Tourist Awareness Program. There is a program, but the funding comes under Destination Manitoba. Is that correct?

HON. S. USKIW: That's what we said. Yes, that's right, Mr. Chairman.

MR. F. JOHNSTON: The development section of the department, what are the specific plans for development of Tourism? We talked about marketing, we talked about kits, we talked about information services, but the people within the development department, that takes in the planning as well. Are there any specific plans? I know you mentioned your co-op advertising and your new information phone, direct line, and the other Telidon information. Are there any other tourism plans for assistance to develop more tourism in Manitoba?

HON. S. USKIW: Essentially, what we are doing is continuing on with the various Destination Manitoba programs. In the marketing end, or the development end that the member is interested in, we are involved in design, support, delivery of tourism awareness programs throughout the province, customer service program upgrading. We have 24 locations for a train and trainers' program for Destination area operators, skilled training packages. That whole package runs about \$1,150,000.00. That's total for Program 5.

MR. F. JOHNSTON: The Department of Creative Services, that worked within the Department of Economic Development and Tourism, I was informed that it has now been moved to the Queen's Printer. Is that correct?

HON. S. USKIW: Yes, that's correct. Mr. Chairman, I believe there are two people who were moved over to

the Queen's Printer. Those are of the technical side and the remaining group is within the department. Five are still within the department.

MR. F. JOHNSTON: What is the grant to the Tourist Industry Association this year in the Winnipeg group, and, of course, there are the seven associations throughout the province. They used to be on a specific formula for grants. Is that formula still the same?

HON. S. USKIW: Yes, the formula is the same and the numbers are the same as last year - \$189,400.00.

MR. F. JOHNSTON: Thank you, that's all I have, Mr. Chairman.

MR. CHAIRMAN: The Member for Virden.

MR. H. GRAHAM: Thank you, Mr. Chairman.

I just have a couple of questions dealing with the information that the department does provide. I'd like to know, is that information constantly upgraded, or once it's fed into the Telidon system, does it stay there, or how often do they upgrade the information?

HON. S. USKIW: Traditionally, it's an annual change, Mr. Chairman, but with Telidon services we are able to update it on a current basis; it's an ongoing process so that as new information is made available, it's fed into the Telidon system, so we can be very current on that system.

MR. H. GRAHAM: I'd like to ask the Minister then if he would mind correcting some misinformation that was put out. The Strathclair Fair this year: Strathclair is not on Highway No. 6, it's on the Yellowhead. Anybody that tried to get to Strathclair by going up No. 6 would end up in a little bit of difficulty.

MR. CHAIRMAN: Thank you.
The Member for River Heights.

MR. W. STEEN: Mr. Chairman, through you to the Minister, if he doesn't mind, I have a series of questions from his opening statement the other day, and if I could I wouldn't mind dealing with Tourism as a total package when we pass both (a) and (b) as one.

I would like to start by talking about the tour bus market. He mentioned the other day that it's showing a growth of some 13 percent. This, to the Minister, has always been an area that I have felt that Manitobans have not got their share in the past, and I can cite an example of being in Duluth, Minnesota, last summer and seeing four buses on a tour that came out of Toronto. They came around the north shore of Lake Superior and then they returned back through the states from Duluth, Superior, and back home. There are these natural routes that these tour bus operators like. They don't want to be away from home for more than four to six days and sometimes it's difficult to get from Toronto to Winnipeg and then back and do it in six days and see what they want to see in the Province of Ontario.

I would like if the Minister could give me some indication: are we being successful in talking to tour

bus operators, both in Ontario and in the northern states, about including Manitoba and Winnipeg onto more of their routes, and is this 13 percent increase a one-year shot because of some happening? This year, certainly, I guess with the Queen's visit and the Pope's visit, there should be extra tours coming just at that specific time.

So, I would like the Minister to comment on that aspect of tourism marketing.

HON. S. USKIW: Yes, I'm advised, Mr. Chairman, that we have two people who work on that particular area specifically, working with bus companies and various travel groups throughout the continent. We are going to have some special effort provided for the Papal and Queen's visit in that respect. So, it's an ongoing process and it's our feeling that the growth factor generates a fair amount as a result of our promotional activities.

MR. W. STEEN: I would imagine at this time next year we will be asking the Minister how the Telidon system worked in its first year and he and his department will be able to provide us with some statistics as to how successful it was. I notice that other provinces are embarking on such a program and I think it's well worthwhile entering into such a proposition.

Another area that I'd like to ask the Minister some questions about is the rural destination areas attractions program that he cited. He talked about the Ukrainian Folk Arts Centre and Museum in Dauphin and made reference to the Harbour Front Improvements Park - to the park area in Gimli and so on, some new facilities in Flin Flon, Snow Lake and The Pas and the north and that.

Can the Minister go into a little bit more detail as to what is the department actually doing in the way of facilities to some of these particular areas? What is actually being built in Dauphin? Is it a museum and is the government cost-sharing it with the Ukrainian people in the Ukrainian community and the Town of Dauphin, or is the government paying for the whole thing itself? I have seen the Harbour Front Park at Gimli on a number of occasions. I think it's an excellent improvement. Is it the province that's paying the whole share?

HON. S. USKIW: Mr. Chairman, with respect to the Ukrainian Folk Arts Centre and Museum at Dauphin, the initial phase is a \$3.2 million venture of which the province has approved a half-a-million dollars to date under this particular program under Destination areas.

MR. W. STEEN: My question to the Minister is, how many years do they expect to phase this project in over?

HON. S. USKIW: My understanding is that it's ultimately a \$20 million venture. It's probably a decade in development that's going to take place.

MR. W. STEEN: The Gimli Harbour Front Park is that one that's being jointly shared cost-wise with the people in the community or is it total provincial funds?

HON. S. USKIW: The total in the Gimli area is \$426,000 of which we're putting up \$247,000.00, and that's completed.

MR. W. STEEN: Another area that I'd like to move on to is an area where the Minister made reference to the Tourism Awareness Program and specific manpower training programs. Then he mentioned the Manitoba Hotel Association and the Manitoba Restaurant and Food Services Association and so on.

Does the department get involved at all with the training at Red River Community College of the two-year certificate course in hotel management?

HON. S. USKIW: We play an advisory role there. We have one person that sits on an advisory committee.

MR. W. STEEN: An area that I would like to see the Minister and the department perhaps expand its interest, and I don't think it would cost us very much money, is working with those two associations - the Hotel Association and the Restaurant Association. I find many Winnipeggers and Manitobans say that when they cross the Canadian/U.S. Border and they're down into the Grand Forks, Fargo and Minneapolis area that they seem to be of the impression that the persons that are supplying the services, whether they be at the hotels or in restaurants and so on, always seem to be somewhat more courteous than our own people that are providing the services up here.

I think that if government along with the associations, because it's their members that are carrying out the services to the public, if we could point this out to them more often and get this tourism awareness and get this so called "Friendly Manitoba" feeling being pushed forward and being promoted far more than it has been in the past.

Does the Minister have a comment along those lines? I know when he spoke at Portage at the tourism meeting he recalled returning from United States himself and unfortunately he had that great flight that seemed to stop every 250 miles to pick up some more milk cans, but I'm sure that the Minister has travelled in the States as often as any member of committee and I'm sure that he would say that from his experiences that the people waiting on you in restaurants just seem to be a little friendlier and a little more aggressive down there. I would like to see us Canadians become a wee bit more aggressive and friendlier when we're providing the services to our people that are visiting here.

HON. S. USKIW: Mr. Chairman, I appreciate the point that the member is making. I think one observation that still has current value is that they do give more coffee away down there than we do here. One is able to still get two or three cups for the price of one in many places in the U.S., but apart from that I think we have upgraded our system a fair amount in the last several years. We did have a departmentally run awareness program some time ago, but it has been decided, and in conjunction with the wishes of the industry, that the industry develop its own awareness program to which we lend support. We have put together, I believe, a manual. The do's and don'ts sort of idea for the industry and we are working very closely with the private sector in trying to improve the quality of service that we have to offer here in the province. We hold workshops, seminars and it might be of some interest to members to know that our chefs are -

Canadian Cup was won by the Manitoba chefs. That should be of some interest. They're going over to Frankfurt to compete in that part of the world, so we are making some end roads and scoring on a least some occasions with respect to our abilities to cater to this kind of an industry.

MR. W. STEEN: Another thing I'd like to point or make comment about, although the Minister and his staff are very much aware of it, is a program that was started a few years ago when our Canadian dollar was so much different than the American dollar that our good restaurants have a card near the cash register where it at least indicates to our American visitors what the exchange rate would be. Naturally with our dollar being as low as it is today, this is something that should be continued on, and through the Restaurant Association and the Hotel Association really embark on doing everything within our power to convince these people that are members of these two associations to have these cards available in a spot within their facility that is easily seen and to encourage our American tourists to come to Manitoba.

HON. S. USKIW: Mr. Chairman, the industry has taken on, very aggressively, that question and promoted the idea of providing a 30 percent bonus on U.S. dollars. Portage la Prairie, I believe, took the lead in that respect. We also are in the process of setting up an exchange system at Emerson. We have tendered for that service and we should be making an announcement fairly soon.

MR. W. STEEN: In another area that I'd like to ask the Minister a question, he talked about the new federal Industrial and Regional Development Programs and then goes on to mention that a total of \$3.4 million in loan assistance has helped \$12.2 million worth of capital development of the private sector in accommodations and attractions, can the Minister give some examples of where some of this money has been spent? What types of facilities or even name the facilities that have been receiving monies from this, so as a Manitoban and as I travel throughout the province I can appreciate better facilities as a result of government assistance?

HON. S. USKIW: Mr. Chairman, did the member want a regional breakdown or specific projects or just examples?

MR. W. STEEN: What I would like the Minister to do, if he wouldn't mind, is that perhaps at a later date he could provide me with the information, the list and so on, so that I as his opposite can peruse it between now and next year and appreciate how government is assisting the private sector. The reason why I specifically wanted to ask for it is myself and a few of my colleagues will be participating in the Grey Owl Golf Tournament this weekend. A neighbour of mine who operates a restaurant at Clear Lake or Wasagaming was telling me that a Winnipeg lawyer bought the Wasagaming Lodge and has received substantial government assistance in upgrading this lodge and that I'm going to have my eyes opened up when I see it this weekend, that it's been substantially modernized and upgraded. So I was just wondering if this was monies from the

provincial area that's gone in to make such an improvement.

HON. S. USKIW: Yes, it's money from Destination Manitoba, Mr. Chairman. We've had 78 applications that were approved in '83-84 for rural areas, about \$2 million in total.

MR. CHAIRMAN: The Member for Thompson.

MR. S. ASHTON: Thank you, Mr. Chairman.

I'd like to take this opportunity to thank the Minister for his support for a Destination Manitoba grant that was recently finalized in my area, that being for the Mystery Lake Ski Complex of the Thompson Ski Club. It was a \$178,000 grant. I know in previous sittings of this same committee I lobbied the previous Minister and she certainly gave it her full support. We're very pleased with that in Thompson.

I did want to indicate for the record that not only is it going to assist in the expansion of the ski facilities in Thompson quite greatly; also, as the Minister I'm sure is aware, there is a proposed hotel expansion under way and that will add about 30 new suites. One of the factors in that certainly is the expansion of tourism potential through such things as the Mystery Mountain Ski Complex. — (Interjection) — As the member indicates it's the Mystery Lake Hotel. In fact, I understand Destination Manitoba is also involved in that expansion as well which I'm very encouraged to see. I can indicate from conversations with other constituents that it certainly appears that it won't be the only hotel expansion that we might be seeing in the next period of time. I think there's a real sense in the North that we have a great deal of tourism potential which is untapped and grants and programs such as this will help us tap that potential.

In fact, what I would like to say also perhaps at this time is that I would hope that we would continuously review the application and the criteria for the Destination Manitoba Program, because as everybody realizes the destination areas do not include a good part of the North, and I think that there are some significant areas of tourism potential in my own area, around Thompson, which should be included as destination areas. As a matter of fact, if one looks at it, I think one will find that it's not just Thompson, it's a whole series of areas in the North, such as Churchill, for example, and other communities which do have tourism potential.

So I guess I'd like to thank the Minister for his support for tourism thus far in my area, but also signal perhaps that I'll be lobbying further hopefully for some changed criteria to the Destination Manitoba so that even more projects in my constituency and other constituencies will be eligible.

MR. CHAIRMAN: 3.(a)(1) - the Member for River Heights.

MR. W. STEEN: The Member for Thompson just brought back to memory a question that the Member for Pembina asked me to ask, and that is the ski resorts at La Riviere. Were there grant applications from the ski resorts there and were they successful in receiving any grants?

HON. S. USKIW: Yes. Apparently they have, Mr. Chairman, yes.

MR. W. STEEN: What, received grants and received monies?

HON. S. USKIW: They did. The member must be referring to Holiday Mountain.

MR. W. STEEN: Right.

HON. S. USKIW: Yes.

MR. W. STEEN: All right. With the undertaking that the Minister will supply me with a list of successful grant applications, monies and so on, as far as I'm concerned, Mr. Chairman, we can pass the Tourism section without the Horseracing Commission. We can pass 3.(a) and 3.(b), please.

MR. CHAIRMAN: 3.(a)(1)—pass; 3.(a)(2)—pass; 3.(a)(3).

MR. D. SCOTT: On anyone of them, it doesn't matter, I just want to pick up if I could on . . .

MR. CHAIRMAN: Let me call 3.(b)(1), then you can do it on the next one.

3.(b)(1), Canada-Manitoba Tourism Agreement: Salaries; 3.(b)(2), Other Expenditures - the Member for Inkster.

MR. D. SCOTT: Okay, fine, I just want to pick up once again on the service that we have in our restaurants and the eating industry. I'm wondering if there's been any consideration to work alongside T.M., the Tourism Association of Manitoba, towards establishing some sort of a rating system so that the operators themselves would be kind of like self-governing and setting up a restaurant indicator measuring system, one star to five star or however, like they have for instance in some other countries. France, in particular, has that and you have an idea what kind of restaurant you're going to from the sign outside, also with guidebooks and one thing and another that are available. There's one thing that they would certainly be considering but it's something I find not just here in Manitoba, I must say it's other jurisdictions. I'd like Manitoba to get a bit of a jump I guess on this. I judge the condition, or a lot of restaurants I quite frankly judge partially not just on the food and the service but the maintenance of the building and in particular in the washrooms. So many of them are very poorly maintained and you wonder when you go in after the meal to clean up whether or not you're going to come cleaner or dirtier at the end of it. It's partially I understand the responsibility of the Department of Health as well for the sanitary aspects, but certainly the tourism industry itself I would think would want to have a fairly significant role and play a larger role in promotion and self-policing of the quality of maintenance standards that they have in there, in their washroom facilities and restaurants, in general.

Could the Minister inform whether there have been any talks with the Tourism Industry Association of Manitoba on providing or moving towards a grading system? I say that they should do it, because I don't

think it's the government's responsibility to get in and do this necessarily. It's something that they will benefit from and that they should be working with in co-operation through themselves to promote tourism in Manitoba.

HON. S. USKIW: Well, Mr. Chairman, the member perhaps isn't aware, but we do have a classification system for accommodations.

MR. D. SCOTT: Yes.

HON. S. USKIW: What we don't have is the restaurant side and there are discussions under way with the industry with respect to that. I think the initiative really should come from the industry and we should be part of that, but we shouldn't be imposing it on the industry. We've also assisted in developing a code for them, so there are discussions in that regard.

MR. D. SCOTT: So the province is actively engaged in encouraging industry to move towards setting these standards?

HON. S. USKIW: Yes.

MR. D. SCOTT: That's very good, Mr. Minister, thank you.

MR. CHAIRMAN: 3.(b)(1)—pass; 3.(b)(2)—pass.

3.(c)(1), Manitoba Horse Racing Commission: Grant Assistance - the Member for River Heights.

MR. W. STEEN: Mr. Chairman, on the Manitoba Horse Racing Commission, I would say that I'm led to believe from the outset that the Minister hasn't had the Horse Racing Commission under his jurisdiction for too long a period of time, and that many of the difficulties that the Horse Racing Commission are currently facing were difficulties that were there well before he became the Minister.

I see that his department is giving a news release out right now. Does the Minister wish to read the news release into the record?

HON. S. USKIW: Mr. Chairman, it probably isn't necessary to read the press release. But, what it in essence suggests is that we, indeed, have made some changes with respect to the membership of the commission. We are appointing two new people to replace the chair and the vice-chair. It's our hope that by doing this, along with other things, that we are going to be able to restore, shall we say, confidence in the industry in Manitoba.

The commission that was there up until this point in time did have to wrestle with a lot of problems and difficulties because of the previous ownership situation and the viability problems that were evident at the time. We hope that's behind us, well we know it's behind us now.

But, resulting from that particular interlude, very stringent regulations were introduced in order to respond to a tough situation of the time. We think perhaps now is the time to take another look at that, given the fact that we do have a very responsible and

credible operator in place, one that has had a great deal of experience in the industry. It's our hope that by helping to put on a new face on the industry in Manitoba that it will help offset the negative effects of competing areas that are about to take place.

We believe we have to put together a package that is promoted by government and industry together, a lot of good will is important in that regard and we want to set the stage for a very healthy industry in Manitoba for the benefits, naturally, that accrue from the operation in the tourism field.

We've had many discussions with various components in the industry, the owner of the track, the horsemen, and we believe that what we are doing now is going to achieve the ends that I have just described.

Minneapolis is going to be our competition in about a year's time and it's time that we, in fact, set aside all of the so-called differences of opinion and argument and try to work out a solution that is acceptable to the province and to the industry so that we are out there beating the drum for a healthy horse-racing industry in Manitoba.

MR. W. STEEN: My first question to the Minister would be, right from his announcement, the new Chairman, Mr. Chisvin, who is a senior partner in MacGillivray and Company and he's also the Chairman of the Manitoba Liquor Control Commission, the Minister makes reference to the fact that there have been difficulties at the track, not only from the ownership of the track, but now competition from Minneapolis coming in. Does he not feel that perhaps we are stretching Mr. Chisvin a little thin by asking him to take on the difficult task of being chairman during a problem period as well as handling the Liquor Control Commission chairmanship, as well as, perhaps, trying to carry on a practice of chartered accountancy?

HON. S. USKIW: Mr. Chairman, that's a fair question. We have discussed that with Mr. Chisvin and we're advised that he has ample time available to himself. His role in the business firm is quite light by comparison to what it was over the years, and he is in a position to take on additional responsibilities.

I might add, however, that it is intended that this be a short-term appointment. It is intended that his appointment will take us through the sort of reorganizational period with respect to the operations of the board and with respect to the review of the regulations. Once we're satisfied that the industry is functioning in a reasonable manner, we probably will then appoint someone else and relieve Mr. Chisvin. It is not intended to be a permanent appointment. It's a trouble-shooting appointment, in other words, is what we're suggesting for the moment.

MR. W. STEEN: Might I ask the Minister what was the thinking or the reasoning behind changing the reporting date of the annual and Auditor's report with regard to the racing commission?

HON. S. USKIW: Mr. Chairman, I'm not even certain as to that. That decision was made a year ago, and indeed, was debated in the Estimates of one year ago. It was concurred in by the Provincial Auditor. The

Provincial Auditor recommended, apparently, that a 15-month report would be reasonable and they proceeded on that basis long before there was a change in Ministerial responsibility. It's history as far as I'm concerned, and I'm not sure of what importance it is to him to raise it at this stage.

MR. W. STEEN: To the Minister, I can certainly see that the Provincial Auditor cannot audit all branches of government at the same time, and most practising chartered accountants try to have their clients stagger their year ends so they can keep a fair and equitable workload for their accountancy practice. Perhaps this is one of the reasons why it was recommended that the year-end date be changed. I'm told that if a person wants to change their year-end date and the period is going to be greater than 12 months, that normally it's customary to put out an interim report to cover the period that is greater than 12 months. But perhaps the Provincial Auditor feels that an interim report isn't necessary.

I just would like to point out to the Minister that the 1979 report was tabled on February 28th of 1980, two months afterward; the following year it was January 9th, just nine days into the year; and the following year it was only 15 days into the year. Here we are going well over 15 months.

Another area with the racing commission that concerns me is that their expenditures have grown and grown at a very rapid rate. If we go back about five years, we'll see that they were spending something over \$100,000 a year to operate; and now, as of the last report, they're over 400-and-some-odd thousand, and we don't know what they will be this year because the report hasn't been published.

There's a sum of money in the Estimates, and I want the Minister, if he will, to take a look at why the rapid growth in the expenditures of operating the racing commission. I'm told that a few years ago, by Order-in-Council, that the honorarium paid to commission members was increased and that perhaps this was justifiable. But I'm also led to believe that rather than just the chairman attending the Canadian Racing Association meetings, that now the whole board goes to the meetings. Last year the meetings were held in Vancouver and the complete board went out to the meetings for a four-day conference.

Well these things are going to start to cost a lot of money and the legal fees with the Racing Commission have increased dramatically over the last few years. Old-timers from the board tell me that when Mr. Halter was the chairman, that he was a practising lawyer and many times these small legal items that had to be attended to from the Commission, he did them, and he did them free of charge, because he was a member of the board and being paid a honorarium to be a member of the board.

Now they farm the legal work out. Two years ago, they had a Winnipeg lawyer who billed them \$13,000 for a report and the report was never acted upon. They changed the executive director two years ago, perhaps it was a personality clash between the then acting director and the chairman of the Racing Commission at that time. The executive director of two years ago was a graduate chartered accountant that had been

a horse owner and knew the horse game, as it could be said, and being a practicing chartered accountant, he had the business experience to be on there. He was replaced by a person from Ontario who didn't have an accounting background and therefore couldn't do most of the accounting work. They increased the staff members from two secretaries to three secretaries. The former executive director told me once that he had a difficult time keeping one secretary busy out there. He couldn't believe it that they would have three secretaries for the executive director.

In a nutshell, Mr. Minister, with the costs of operating the Racing Commission tripling over a few years' period, I might tell him that there's approximately 1,000 thoroughbred races in a season or 100 days of racing, at 10 race cards per day, that if he had took the \$300,000 extra money that was being spent on running the Racing Commission and you divided it by 1,000, we could increase the purses by \$300 per race. It's the Manitoba horsemen that are having the difficult time, at this time, because the purses haven't been increasing over the last few years and the costs of being in the horse racing business have been skyrocketing.

Another area of interest perhaps to the Minister perhaps is that 35 percent of the wagering at the track is done by personnel who work at the track or own horses. It's not uncommon to see a horseman who has a favourite horse running in a race to be a substantial bettor on that race. All horseman, I am told, believe that their horse is the best and therefore their horse is going to win and they are heavy bettors.

So I say to the Minister, I am hoping from his announcement this afternoon, of Mr. Chisvin embarking on taking a total review of the track, keeping in mind that Minneapolis next year will be having a track. In the past a great deal of tourism dollars to Manitoba has been people from the northern United States from as far away as Minneapolis and I would say, from here on in, that anybody who would reside in Fargo, North Dakota, it would be easier for them to travel to Minneapolis to their track than up to Winnipeg, in spite of the fact that our dollar has a lower value.

So these are some of the areas I would hope that the Minister would pass onto Mr. Chisvin and that the Minister would himself take an active part, in trying to see that this track is maintained in Manitoba, because it is a major tourist attraction and the horse-racing business in Manitoba is big business. There are in excess of 400 persons earning their living at the track and the track has got a big payroll, and Manitoba nor Winnipeg can afford to lose those 400 jobs.

So government has got to get in and work very closely with the track people, and as the Minister has said, we have a new owner that appears to be a good operator, one that genuinely wants to see that the track is a success. Therefore the Racing Commission is going to have to work closely with the track people in upgrading the facilities, helping them. Perhaps some of these interest-free loans or loans that the Tourism Department has, that they reduce the interest rate from the normal market rate, can be made available to the track people so they can upgrade their facilities.

I'm told that this year, two of their barns are being upgraded and replaced with new barns. Well I have been through the barns, and so on, and many of them

have been there from the time the track was built 25 plus years ago.

So with those comments, I would hope that the Minister would work very closely with the track people, because it's a great industry and it's one that we can't afford to lose.

HON. S. USKIW: Well, Mr. Chairman, the announcement that we have made today emanates from the fact that we've already gone through that process with all of the components in the industry and all of the interest groups. For the benefit of the Member for River Heights, the industry employs 1,200 people at the track, not 400. It is indeed a major employer in Winnipeg and we recognize that importance, and it is for that very reason that we are making some changes, hoping to pick up on the strengths that are there and to build on them, and to work in harmony with all of the groups within the industry.

I've never believed in the idea of a very harsh approach to regulation and it's my hope that we will be able to come up with a relationship with the industry that will require less of that and more co-operation. That's the footing that we are trying to lay here with this new beginning. We believe that the industry is going to be a very important component in Winnipeg for the indefinite future and it's a matter of propping it up wherever it is weak, and we think that we are well on the way to doing that.

I believe that credit should be given to the owner of the track in that that particular individual who not only, through his operation, stimulated a fair amount of economic activity in the province with the operation of the track, but indeed has a computer business that is one of the sidelines that was developed there, that he offers to all of North America and beyond, and which employs Manitobans. I think that's a great asset to him and indeed to Manitobans who are fortunate to be employed through that industry. I think there are some 100 locations or so that he has developed in North America and it's a good example of a good Manitoba entrepreneur doing what is good for himself and what is also good for the economy of Manitoba.

So we recognize the quality that we have in the management there and we want to work with it and we recognize the importance of the other groups in the industry, the Thoroughbred Association and the harness group. I believe that several months down the road, we will look a lot better than we do at the moment.

MR. W. STEEN: Mr. Chairman, I just have a few questions to ask the Minister. Does he know whether Mr. Chisvin has a working knowledge of the racing industry? The reason why I ask that question is that the last two persons appointed, I'm led to believe, had never been to the track prior to their appointment and that they didn't know the language of the race-track and just weren't the type of people, business people, to adapt and work closely with the horse racing industry.

HON. S. USKIW: Mr. Chairman, as everyone knows, the skills that the individual has, has to do with his accountancy practice, but notwithstanding that he has had a good insight into Assiniboia Downs in a professional way. Alongside of him of course is also

the other appointment which has knowledge with respect to the racing industry and between the two I think we have a fairly good group as chair and vice-chair. Of course, we have the other members of the Commission that will provide the continuity. I think we've got a good mix there that should be able to augur well for the future of the race-track and the industry.

MR. W. STEEN: Mr. Chairman, I'm hopeful that the Minister is correct that Mr. Chisvin will be an ideal chairman and has the business experience and the finesse to be a good successful chairman because the last two persons that acted in this role were virtually disastrous.

MR. F. JOHNSTON: Mr. Chairman, what is the estimated handle for the betting this year in the thoroughbreds?

HON. S. USKIW: The handle is 39 million for the thoroughbred and 18 million for the harness.

MR. F. JOHNSTON: We were up as high as about 53 million at one time on the handle for the thoroughbreds. The standard-breds handle has been moving up steadily; the thoroughbreds have been moving down. I know the Minister has just outlined a program hoping to get that handle back up. Is the formula the same for the payment to the owners and breeders in both standard-breds and thoroughbreds?

HON. S. USKIW: Mr. Chairman, there's been no change in the formula. We're still at the same level as we were.

MR. F. JOHNSTON: The province still takes out the same percentage of the handle as it always has?

HON. S. USKIW: Yes.

MR. F. JOHNSTON: The figure in the Estimates of \$3.5 million takes in the purses and it takes in the payments to breeders and owners. That money comes out of the percentage that the province takes from the betting. Does the Minister have a figure of the budget for the racing condition for '84-85?

HON. S. USKIW: Do you want it item by item or total?

MR. F. JOHNSTON: Total will be fine, but if the Minister would . . .

HON. S. USKIW: The gross budget is \$556,052.00. We're talking about the operations now, we're not talking about the grants and so on.

MR. F. JOHNSTON: No, that's the operations, salaries. If the Minister . . .

HON. S. USKIW: What we're voting is the net here, because there are receipts as well, so there's a projection of 119,000 of revenue so our vote requirements are 436,000 this year compared to 385,000 last year.

MR. F. JOHNSTON: Okay. 186,000 this year, 385 . . .

HON. S. USKIW: 436 this year.

MR. F. JOHNSTON: 436.

HON. S. USKIW: Against 385 last year in round figures.

MR. F. JOHNSTON: Mr. Chairman, some of the other members may have a question on this, but this is a draft of the Manitoba Regulations under the Horse Racing Commission for thoroughbred racing. This is probably one of the largest regulations I have ever seen and probably did create a lot of the problems that were spoken of and the Minister has said that he has undertaken to have a complete new look at it with the negotiations with the track.

Has Mr. Chisvin, or has he been directed to take a look at these regulations from the point of view of changing them to have a more smoother operation between the Commission and the owner of the race-track? These regulations put the owner of the race-track in the position of practically having to get permission to come into his own track. In Manitoba the race-track is privately owned. I know it's probably one of the last or is the last that's privately owned, but the Minister has stated that the owner of the race-track is a very knowledgeable person and has been successful running the race-track. When he had it, the handle was up around \$54 million, \$53 million, and it has dropped considerably. In order for him to do that, I think he's got to have more leeway than these regulations present to him.

HON. S. USKIW: Mr. Chairman, if the member would care to read the last paragraph of my news release I think I deal with it in principle there. I concur with the Member for Sturgeon Creek that the least regulation the better, because one has to respect the fact that someone has invested a great deal of capital in that operation and is entitled to a fair degree of latitude as a business person in that industry. What is essentially important for the province is of course the protection of the public so that the industry remains clean, so we don't have the wrong kind of influence coming into the operation of the track. That's the only important area for regulation by and large. We also have, to some degree, concern ourselves with the overall relationships within the industry; that is, the horsemen have a role to play and there are two associations. All of that has to be looked at but, yes, I respect very much that the person in question who owns the track has to be treated in a reasonable way so that we don't create a disincentive for the continued operation of that industry.

MR. CHAIRMAN: 3.(c)(1) - the Member for Virden.

MR. H. GRAHAM: Thank you very much, Mr. Chairman. I read the news release of the Minister here. If you read it carefully it would almost indicate that there appears to be a change in direction that the Minister is trying to bring forward by announcing his changes. I think, perhaps, we should go back a bit in history. We know that the Assiniboia Downs did go through a very difficult period. In fact, I believe at one time the province had to actually operate the track itself, did it not?

HON. S. USKIW: Yes, I believe that's right.

MR. H. GRAHAM: And when the province did that, did they set up a company or something to run it? Was it actually set up as a company? I think it was Winnipeg Raceways, was it, that operated it?

HON. S. USKIW: Yes, a Crown corporation was established under the MDC.

MR. H. GRAHAM: The name of that was?

HON. S. USKIW: Winnipeg Racing Limited was the name of the company.

MR. H. GRAHAM: Could the Minister indicate who the head of that was?

HON. S. USKIW: Yes, it was managed by Mr. Grant. The track itself was operated by Jim Wright, or managed by Jim Wright, rather.

MR. H. GRAHAM: Did Mr. Allan Chisvin have anything to do with Winnipeg Raceways?

HON. S. USKIW: Well, I gather not, but I'm not certain about that. The staff believes he was not at the time.

MR. H. GRAHAM: The staff believes he was not involved?

HON. S. USKIW: That's right.

MR. H. GRAHAM: In that period of time, did the Crown corporation actually make money while it was operating? I believe it did.

HON. S. USKIW: I'm told there is an audited financial statement that shows a modest profit at that period of time.

MR. H. GRAHAM: I just wanted to know, we do know that it was possible. In this release that this Minister has released, the Minister says that we have come through a most difficult period, that's why I raised it, and Assiniboia Downs has been brought out of difficult circumstances to its present viable state.

HON. S. USKIW: Right.

MR. H. GRAHAM: I hope that's true, and we do have a good operation. Is it the intention as I perceive from reading through this that the intent that the Minister perceives in the operation of the Racing Commission will be a greater involvement in the operation of Assiniboia Downs, or a lesser involvement?

HON. S. USKIW: Mr. Chairman, perhaps I should repeat what I said earlier and that is that my own personal philosophy, and I hope I can apply it there, is that the less involvement and the less regulation, the better. But, keeping that in mind, we must also protect the public interest. It's a matter of the fine line between the two, but not in the sense of government wanting

to be involved in the racing business or through ownership.

MR. H. GRAHAM: Mr. Chairman, in the Minister's news release, he only makes mention of Assiniboia Downs, but I believe the Horse Racing Commission has much broader jurisdiction than just the Assiniboia Downs, is that not correct?

HON. S. USKIW: Well, their involved with the whole racing circuit as a regulatory body, Mr. Chairman, provincially.

MR. H. GRAHAM: That includes all the provincial tracks that are held in the greater western circuit?

HON. S. USKIW: Yes.

MR. H. GRAHAM: It covers Carman, Portage, Virden and all those places?

Does the Racing Commission also supervise quarter horse racing.

HON. S. USKIW: Yes.

MR. H. GRAHAM: Mr. Chairman, I just wanted to make sure, because in his news release he has only referred to the operation of Assiniboia Downs.

HON. S. USKIW: Mr. Chairman, one clarification on the quarter horse racing. Where there is wagering, we have to be involved; if there is no wagering, then there is no concern.

MR. H. GRAHAM: And where there is wagering, the Federal Government is also concerned.

HON. S. USKIW: That's correct.

MR. H. GRAHAM: Mr. Chairman, in those quarter horse races and in the other rural racing, are there also precautions taken to ensure that the horses are properly supervised and are not under influence of drugs at all? There are urinary tests taken at all of those meets as well, are there?

HON. S. USKIW: I'm advised that our veterinarian covers all of those circuits, Mr. Chairman.

MR. H. GRAHAM: Including the quarter horse?

HON. S. USKIW: If there's no wagering, I'm not certain whether that's a requirement. I would think that if there was wagering involved, it may be a requirement. It's probably a federal regulation.

MR. H. GRAHAM: I would think so, but I just wanted to make sure.

HON. S. USKIW: We can check that out to be more precise, Mr. Chairman.

MR. H. GRAHAM: Mr. Chairman, we have seen and I think the last few annual reports will show it, and we regret we haven't got last years, but there has been

a general, I think, decline in thoroughbred racing. I know there is a concern to try and bring that back up again, but I think there has been a very healthy growth in the harness racing industry and also in the quarter horse racing industry. I think that those are the fields where natural growth is occurring. Probably, those are the fields which we should be encouraging the most because it seems that we are trying to prop up - I shouldn't use that word - but we naturally should be trying to encourage increased thoroughbreds.

I would hope that the Racing Commission will not spend all of its time just looking at that one declining industry without doing the necessary work in the others which are experiencing natural growth. I would hope that the make-up of his Commission and the directions that are given to the Commission by the Minister will include that area, because all of Manitoba, especially rural Manitoba, does enjoy having the opportunity of seeing harness racing on the various racing days in different localities throughout the province. So I just ask the Minister to temper his guidance a little bit and I would hope that he doesn't concentrate all of his efforts just in the one area, because I think the other is very important to the racing industry in this province.

HON. S. USKIW: I don't think there is any point to argue that point. I think we agree on that. We do have two members on the Commission that have a direct interest in the rural racing side of the industry.

MR. CHAIRMAN: 3.(c)(1)—pass.

Resolution 30: Resolved that there be granted to Her Majesty a sum not exceeding \$8,862,800 for Business Development and Tourism, for the fiscal year ending the 31st day of March, 1985—pass.

4.(a)(1) Expenditures Related to Capital Assets, Capital Grants: Canada-Manitoba Tourism Agreement; 4.(a)(2) Canada-Manitoba Winnipeg Core Area Agreement, 4.(a)(2)(a) Small Business Assistance Program, 4.(a)(2)(b) Less: Recoverable from Urban Affairs - the Member for River Heights.

MR. W. STEEN: Just one question to the Minister. There has been a \$2,080,000 increase in expenditure here. Could the Minister give us a brief explanation?

HON. S. USKIW: Yes, if the member will recall, there was an announcement some time ago about extending Destination Manitoba one more year in order to expend all of the monies that were provided under that agreement, after which of course we will hopefully have a new agreement signed by next March of 1985. So what we're doing here is merely accelerating the program to use up the monies that are available to us and, of course, cash flow depends on the development of the projects themselves, but there's a bit of a speed-up in certain components of that agreement taking place.

MR. CHAIRMAN: 4.(a)(1)—pass; 4.(a)(2)(a)—pass; 4.(a)(2)(b)—pass.

Resolution 31: Resolved that there be granted to Her Majesty a sum not exceeding \$5,280,000 for Business Development and Tourism, Expenditures Related to Capital Assets, for the fiscal year ending the 31st day of March, 1985—pass.

At this point in time the staff is excused. We are returning to Item 1.(a) which relates to the Minister's Salary - the Member for River Heights.

MR. W. STEEN: Mr. Chairman, I will be brief and I would thank the Minister for his outline at the start of the Estimates. It was most helpful and it was explained the way it was written. Although it was lengthy, it did give a great account of what the department does.

During the Tuesday evening session and this afternoon, we've touched on a number of areas and I would just like to highlight a couple of them at this time and ask this Minister if he would continue to monitor them.

On Tuesday evening my colleague, the Member for La Verendrye, talked about the proposed new labour legislation and went into some depth about how large corporations like Safeway can hire professionals to look after themselves; but he cited the small grocery operator in the Town of Beausejour, for example, doesn't get the same type of professional protection as the major corporations. He did an excellent job in bringing this to the Minister's attention and I would just like to add to that and ask the Minister if he would keep in mind business development, when labour legislation is being talked about by government behind closed doors and being proposed to be introduced.

I made the reference the other day about taxation and in business development the word "taxation" is a very strong word, whether it be sales tax or the payroll tax, or just business taxes in general, or it be government grants to municipalities so that they can decrease or hold down the line of taxation of property taxes. As Business Development, the Minister has, at all times, got to be aware of the old word "taxation" and how it's affecting business. I would ask the Minister, at all times, to keep in mind - and I know that he's a former businessman himself - that taxation, if it's too high, it can cripple business.

Also in the area of tourism, I feel that there is room for the department to improve itself and that would be in working with the hospitality industry, through the Restaurant Association and the Hotel Association, to show those two associations that government is prepared to work with them and that they, as associations, can improve by having better members and their members having better employees.

I would also ask the Minister to monitor the Horse Racing Commission closely, because in 1984 he mentioned that their budget is going to be over .5 million to run the Commission. In 1980 it was only \$132,847, so we have had a very sharp increase in a five-year period in that budget, and as I pointed out earlier, if you took the \$300,000 of that .5 million budget, you could increase the purses by \$300 per race; and that the horsemen are difficult times, as many other business people are in this day and age, and that we must keep a healthy horse racing industry, whether it be the thoroughbreds or the rural Manitoba circuit.

As the Minister said, he corrected me when he said there were some 1,200 persons earning a living at the track, rather than the 400 I had cited. There are a lot of part-time jobs there and I imagine if you averaged it out somewhere, that of the number of persons that earn a 40 hours times 52 weeks a year, it would be

perhaps closer to 400; but it is a substantial number of people that are wage earners in Manitoba as a result of the horse racing industry. I think that the horse racing industry has had its difficulties over the last three or four years. I am hoping that Mr. Chisvin will be an experienced chairman and do the job that obviously wasn't being done by the last two chairmen.

So, Mr. Chairman, on that note, unless my colleagues have some closing comments, I would say that we passed the Minister's Salary and wish him well in the next 12 months in the hospitality industry, the horse racing field, and in looking after small business interests within the Province of Manitoba; and hopefully he will not be talking to deaf ears in Cabinet and in caucus when it comes to some of the areas that I have pointed out.

MR. CHAIRMAN: Before we pass 1.(a), the Minister has some closing remarks.

HON. S. USKIW: Just one point I want to make. I want to thank the members for their co-operation; but secondly, on Tuesday at 10:00 a.m., there will be a demonstration trailer with the Telidon equipment out in front of the building here for anyone that wishes to take a look at the operation.

So thank you very much, gentleman.

MR. CHAIRMAN: 1.(a)—pass.

Resolution 28: Resolved that there be granted to Her Majesty a sum not exceeding \$725,500 for Business Development and Tourism, Administration, for the fiscal year ending the 31st day of March, 1985—pass.

We are interrupting the proceeding of the committee and the committee shall reconvene at around 8:00 p.m.

SUPPLY - CO-OPERATIVE DEVELOPMENT

MR. CHAIRMAN, P. EYLER: Committee come to order.

We are considering the Estimates of the Department of Co-operative Development. Does the Minister have an opening statement?

Mr. Minister.

HON. J. COWAN: Yes, I do. Thank you, Mr. Chairman.

It is both a pleasure and a privilege to have this opportunity to introduce the Estimates for the Department of Co-operative Development for the upcoming fiscal year. As is customary, I'd like to use the occasion to provide some general comments on the overall importance of the co-operative sector to the provincial economy as a whole, and to outline the commitment of the government to its continued health and growth.

It is my privilege to have that responsibility as we open the Estimates for this department.

The co-operative sector in Manitoba provides a proven way for Manitobans to invest in the future of their community, and at the same time establish services that serve both co-operators and communities. The contributions of the co-operative movement throughout the history of the province and into its future has been well documented. From its early beginnings to the present day, people have found that collective action, through co-operation, gets results.

From the pools to day care co-ops, from community services co-ops to funeral co-ops, from credit unions to caisses populaires, from housing co-ops to fishing co-operatives, and the list goes on and on, as members opposite are aware, to include over 400 co-operatives from Churchill to Emerson. Over 400,000 Manitobans have found co-operatives to be a satisfactory way to invest in their future for tomorrow and to provide services for today. So there should be little doubt as to the general acceptance that co-operatives have earned from the members they serve and from society in general. They have spoken through their continued membership, involvement and support of the hundreds of co-operatives of which they are members. Nor should there be any doubt as to the tremendous impact that co-operatives, credit unions and caisses populaires have on the provincial economy. Indeed, they are a strong third force in the economy.

But co-operatives must exist within the same economic environment as does any business or financial institution. They must confront the same fiscal forces such as high and unstable interest rates when they appear, recessionary trends that sweep across the continent, and all the other circumstances that shape the economic climate from time to time. They must also make hard decisions as to closures, rationalizations, mergers, and expansions and other changes in organizational structures and levels of service.

They have done so, but with several major differences between the way they make decisions and the ways by which a large portion of other economic structures make decisions on similar circumstances. Firstly, because they are firmly rooted in the community that they seek to serve, whether that be a geographical community, or a community of economic or service interest, they are much more prone to base their decisions on the needs of that community rather than on the needs of parties that might be far removed. They are therefore more sensitive to local conditions and the impact of their decisions on them. So their decisions on how to shape and how to organize and rationalize their structure and their operations are based far more on local concerns with all the benefits that such a situation would for that community.

Secondly, because co-operatives do not always place the same value on profits as do private sector businesses and institutions, and it must be noted that profits and profitability are important to the co-operative sector, but they have a somewhat different view of them. Because of that, the element of profitability or the degree of profitability does not always play the same role in the review of their organizations that it would in other instances.

What this means in a number of specific instances is that a local organization can exist on a much smaller margin because it is not compared against other similar or even quite different in the event that conglomerates, enterprises, that may operate under entirely different sets of fiscal assumptions. So, again, there is increased sensitivity to local concerns and opportunities, more so than there might be otherwise. So while at the same time co-operatives provide investment opportunities and services and through them employment and economic grows, more importantly, they provide sensitivity to those concerns and greater stability to

the community as a result. Those are all worthy economic goals and ones which this government support and, I might add, every government, who recognizes the value of co-operatives, have supported in the past.

The real question then becomes: how can this or any other government best demonstrate the proper kind of support that would develop the type of climate that will encourage the growth of the co-operative sector? In order to answer that question, it is necessary to recognize the basic principles which are commonly accepted as those upon which the co-operative movement is based. They are six in number: open and voluntary membership being first, democratic control, limited interests on shares, return of surplus to members, co-operative education, and co-operation among co-operatives. These six principles guide co-operators as they develop and run their co-operatives. The Department of Co-operative Development perceives its role as a support to co-operatives as they seek to serve their membership under this umbrella of standard principles. We also seek to serve those who would wish to develop co-operatives in the future.

The structure of the department and the legislation and regulation which it administers has been carefully designed to provide direction and assistance that will enable all co-operatives to strike their own balance within the framework of those principles.

The department has two distinct mandates to enable to perform that function. Firstly, there is the Developmental Branch which assists individuals, groups and established co-ops as they develop and maintain the many co-operative enterprises that are a part of our economic mosaic. Through this branch we offer a large number of consultative and management services to both new, existing and developing co-operatives on issues ranging from initial incorporation to the disbursements of assessments. This is done in a number of different ways. Often a co-operative either through its board or its membership will request assistance of a specific type. When dealing with a request of this sort, departmental staff will work with the co-operative to review possible responses to their stated needs. Advice ranging from possible structure changes to how to apply for other forms of assistance will be provided to that organization.

I must confirm and reiterate as has been done in the past by a variety, almost all Ministers who have had this portfolio, when doing so the department recognizes the independent structure of the co-operative and their responsibility to make decisions in the democratic form that apply to them. How and when they use that advice, therefore, remains a decision that will be duly and democratically taken by the co-operative itself.

As well, there may be certain general situations that may be facing the co-operative sector as a whole that will result in outreach efforts by the department to provide unsolicited information that can be dealt with by the co-operative in a similar manner.

The developmental staff also assists many new co-operatives through their initial phases by working closely with them as they review options that are available to them. There are too many specific activities in this section of the department to outline them all at this time; however, I would like to highlight some of the

changes that will be taking place during the course of this fiscal year. We will be developing and are now in the process of developing new informational materials that can be used by both government staff and leadership within the co-operative movement that we believe will increase awareness of the co-operative option and how it can be put to use by individuals in groups wishing to start new co-operative enterprises or improve upon the ones they have. This package will include both printed and audiovisual materials.

We are working with other government departments in a liaison fashion and the co-operative sector to identify potential opportunities for co-operatives to provide services and materials to the Provincial Government. Basically what we will be doing is outlining the tendering process to them in assuring that departments know of their desire to compete on equal footing with other providers of services and goods.

We are also keeping co-operatives, credit unions and caisses populaires advised of government programs that might be of assistance to them on a regular basis. We will continue the increased emphasis on staff development that was initiated in the past. This effort, along with the development of informational materials, should allow for a more efficient use of existing staff resources. We have also organized a co-operative relations function within the Development section that has resulted in general contact with the co-operative sector as a whole and should ultimately result in the fine tuning of our programs that will assist both the department and individual co-operatives through a more targeted and efficient provision of service.

In respect to the Regulatory Branch of the department, the overall objective has been and continues to be concern with ensuring that both regulations and legislation that apply to co-operatives, credit unions and caisses populaires is understood and fairly implemented. Specific changes in departmental activity in this area include the development, production and distribution of a discussion paper on The Credit Union Act. That is in the final stages of development and we will be circulating among the credit union membership and population over the next number of months for the intended purpose of bringing legislation forward in the next Session. I will be forwarding a copy of that discussion paper to members opposite for their review and comment once it is available.

A review of the regulatory requirements that apply to the co-operative sector for the purpose of reducing paperwork, identifying and eliminating duplication and streamlining the process is also being undertaken.

A continuation of the Special Examinations Program for credit unions and caisses populaires is continuing. A reduction in the provision of audit services to well-established and healthy co-operatives by departmental staff has been undertaken and increased co-operation with the different elements in the credit union/caisse populaire system to ensure that existing strengths are built upon and possible problems are identified and resolved is being emphasized.

Special note should be made of the development of the legislation, and I will be prepared to discuss that once the discussion paper is in hand. It arises of course as a result, in part, of the 1982 loan to that system and our desire to work with the system to make it the most efficient one possible.

Shortly thereafter, in respect to a 1982 loan, a committee comprised of representatives of the Credit Union Central, the Fédération des Caisses Populaires, the Stabilization Fund, Le Fonds de Sécurité in the department was struck. That committee has been discussing the basic principles that should be addressed in the context of the new legislation.

We will, as I indicated earlier, be meeting with credit unions after they've had an opportunity to review this in a series of regional and individual meetings to consider their input and to make any necessary changes to the legislation.

We are looking forward to receiving those comments of the members of the system on the work that has been done to date. It would also be appropriate at this time to mention that the credit union/caisse populaire system and individual organizations have undertaken extensive activities that have resulted in improvements in the system. The department will continue to work with them to build upon the improving conditions through ongoing consultation and discussion as part of our developmental and regulatory activities.

I want to mention three specific areas of activity within the department which members may wish to discuss regarding new activity. One is a focus on utility co-ops in rural communities to provide water and sewer systems. This is an initiative that was undertaken a number of years ago in a preliminary fashion and has found considerable favour among many small communities in rural Manitoba that allows them to provide water and sewer systems that were not available to them previously through use of the co-operative model. We are quite pleased with the acceptance that has received and want to acknowledge the work that has been done by those many communities in making this happen in this fashion. We, of course, will be continuing to work with a number of communities to provide for further utility co-ops where appropriate.

We believe this effort will provide an incentive for rural communities that will enable them to provide the type of services that will allow for the population in that area to find greater benefit in staying within their own home communities.

The second area that we will be addressing over the course of next year is that of worker co-ops. Worker co-ops, of course, are institutions that have been recognized in other jurisdictions far more so than they have in the North American experience. The Federal Government has in the past number of months indicated a desire to look into this particular area.

The Provincial Government has been undertaking some reviews of its own and I hope to be able to discuss this in more detail over the course of the year as we develop a strategy to identify opportunities within the Manitoba economy for worker co-ops and at the same time to deal with any barriers that we find to exist that would prevent them from becoming fruitful.

The third item is that of curriculum. I have provided to the critic - and may I take this opportunity to welcome the Member for Roblin to the post of critic of Co-operative Development. I look forward to dialoguing with him over the next number of months and years in our respective positions. I know he has the best interests of the co-operative and credit union/caisse populaire system at heart.

The area of curriculum is one which has been an area of considerable debate in the House over a period

of time. I have forwarded copies, as I indicated earlier, of the new curriculum material to the Member for Roblin-Russell. I know he has spoken on this issue in the past. Unfortunately, I haven't given him a great deal of time to review them and I look forward to his comments as he has that opportunity, but I will point out to him that the curriculum that he has in front of him is substantially different in many areas than was the curriculum which was discussed in this same Chamber several years ago. I'd be prepared to discuss what those changes have been with him if he has questions on that.

We are pleased that the curriculum is now available to the schools. Again, it is a matter of a school division's wishes as to whether or not it will be presented in that area, but we believe that it is of significant value to the schools, that it is a well done document and does provide educational opportunities to students and we are confident that it will be used extensively.

I've also forwarded supplementary information to the critic and one of his colleagues on the department, a booklet that has been prepared in a very detailed way. I will have copies brought in for the rest of the members of the Chamber. We believe this will expedite some of the questions in the Estimates process and would be pleased to review the use of it and the design and the development of it with members opposite to determine how it might be more effectively formatted in the future.

Having said that, and taking more time than perhaps I should on the introduction of these Estimates - but this is my first opportunity to do so, I felt it important to make a philosophical statement - I will commend these Estimates to you, Mr. Chairperson.

I would like to thank staff at this time for the hard work that they've done over the past year and especially over the past few months in trying to prepare this material so that we can have an informed debate on the Department of Co-operative Development as part of the Estimates process.

MR. CHAIRMAN: The Honourable Member for Roblin-Russell.

MR. W. McKENZIE: Thank you, Mr. Chairman.

Mr. Chairman, I very briefly thank the Honourable Minister for those comments and the Introduction of his Estimates. I look forward with keen interest to going through the Estimates for the year ahead with the Honourable Minister. I sincerely hope that we can keep the debate about co-ops and credit unions on the level that it deserves in this Chamber.

For many years it seems that the members opposite have some belief or they think they have some God-given right that only the NDP can talk about credit unions or co-operatives in this province. It's gone on all the years I've been here, for some strange reason, Mr. Chairman. I have been involved with co-ops, credit unions all my life. I was on the Board of Directors of the CCSM when I was first elected to the Legislature. I was on the Central. In our own credit union I think I'm number four as the membership list.

It's interesting. You go back over some of the comments. I was reading the First Minister's comments here in the speech that he made and he alleged that we had no soul over here as far as co-ops and credit

unions are concerned. The Honourable Member - I think it was from Lac du Bonnet - he came out with some statements here about when the Honourable Member for La Verendrye was the Minister and he said the Province of Manitoba could surely afford more than what providing these Estimates of Co-op Development, etc., etc. And then the Member for Brandon East, he ties in and he says, I don't know of any other government department as small as the co-op, and really went after the Member for La Verendrye. He goes on to say we shouldn't even pay for a Deputy Minister. Those kind of remarks are, I don't think are called for when we're dealing with the co-operative movement. It's a very, very important facet and sector of our economy which the Honourable Minister said plays the third highest role in the sale of goods and services in our province. I have no qualms about that, so I hope as we go through the Estimates we'll keep the plane up. It's a very important matter that we're going to discuss - the credit unions, the caisses populaires and all the various co-ops that are functioning in this province. I hope that we as members of this House and the Minister and his staff jointly can help make them bloom the way that they should in our province.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Would you like to start without your staff?

HON. J. COWAN: Well, they'll be coming in at the start.

MR. CHAIRMAN: Item 1.(b) Executive Support: (1) Salaries - the Member for Roblin-Russell.

MR. W. McKENZIE: Mr. Chairman, I note that, I guess it's the Minister getting a full salary. The increase is from 9,800 to 19,600 so it would be rather than a half salary, it's a full salary.

HON. J. COWAN: Yes, that's correct.

MR. W. McKENZIE: Mr. Chairman, I note that the Executive Support, there is a drop there of some \$13,000.00. Has there been a staff reduction or could the Minister explain?

HON. J. COWAN: I'm sorry for the delay, Mr. Chairperson, I was working from a different page here in my book.

The staff is the same as the member can see on Page 6 of the Supplementary Supply. I'll just indicate to him that it was an Executive Support of five last year and it's five this year. I can give him further detail if he feels it's necessary.

MR. CHAIRMAN: 1.(b)(2)—pass.
1.(c)(1) Financial and Administrative Services: (1)—pass; 1.(c)(2) - the Member for Roblin-Russell.

MR. W. McKENZIE: I wonder can the Minister provide some information? A year ago there was an expenditure of some \$5,000 regarding Other Expenditures. The 42,100, I guess those are the expenses that were listed, such as transportation, telephone. Is that correct?

HON. J. COWAN: Mr. Chairperson, if I can reference the member to Page 18 of the Supplementary Supply,

he'll see the Other Expenditures at the bottom of the page and just very quickly, the \$5,000 which is added is Employee Educational Assistance. One of the issues that I didn't address in my opening remarks is that we will be doing some extensive training or continuing the training which was started previously with staff so as to enable them to better carry out their duties. That's not to say that they aren't well qualified and well trained staff at the present time, but rather as an indication of a changing society out there with changing needs that are being felt by the staff. In order to ensure that we are using the most effective and up-to-date methods, to ensure that we are well aware of the types of changes and how to respond to them, you'll see \$5,000 for Employee Educational Assistance and you'll see nothing on the other side for last year.

Dropping down one, you'll see a \$31,000 item which is word-processing related. It's trying to bring the operation up-to-date with the inclusion of word processors, so that we could get more information of a more personal and direct nature out to the co-operatives and that we can move the type of written work which is instrumental to any department, through the department more quickly.

That is the type of expenditure, the second one, that you will not see reoccurring over a period of time, but you do have an initial hump where it appears to be a major increase and it is very expensive to bring it in. After that you start to gain efficiencies out of it.

MR. W. MCKENZIE: I ask the Honourable Minister is the processor in place already or are you just in the throes of purchasing it?

HON. J. COWAN: We're upgrading the equipment right now. We have some and we're in the process of putting in new stations and buying some more equipment. I would hate to give a figure as to what percentage complete it is but we hope to have it complete this year.

MR. CHAIRMAN: 1.(c)(2)—pass.

Item 2.(a)(1), Co-operative and Credit Union Development Regulation, Co-operative and Credit Union Development Services: Salaries - the Member for Roblin-Russell.

MR. W. MCKENZIE: Mr. Chairman, I have a few questions. I wonder can the Minister advise the committee how many credit unions are functioning in the province today and how many caisses populaires?

HON. J. COWAN: Yes, I can get that information for the member. There are 103 credit unions, and there are 29 caisses populaires that are presently functioning. I believe that number has remained relatively stable over a period of time with some deletions due to mergers and amalgamations.

MR. W. MCKENZIE: How many caisses populaires again?

HON. J. COWAN: 29 and that has remained a fairly consistent number.

MR. W. MCKENZIE: Can the Minister give me an indication of the assets of credit unions?

HON. J. COWAN: The total assets in general numbers as of present, are about \$1.5 billion.

MR. W. MCKENZIE: Liabilities, Mr. Chairman, such as the Loans Office?

HON. J. COWAN: I have to beg your indulgence. The Member of Ste. Rose is trying to update me in a current situation in his own constituency there. I'll have to get that information, a figure for the member and get it to him in one moment.

MR. W. MCKENZIE: Could I have the total membership of the credit unions and the caisses populaires, please?

HON. J. COWAN: We can give you the figures as of December 31, 1982 if that is sufficient. The total members of the credit unions was 287,000; and of the caisses populaires is 30,000, for a total of 317,000.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNESS: Mr. Chairman, . . .

MR. CHAIRMAN: Could you take your earphone off your microphone?

MR. C. MANNESS: Mr. Chairman, I believe the Minister gave the answer previously to my colleague but I'm sorry I didn't hear it. How many active co-operatives are there in Manitoba? Are they itemized or broken into any sort of groupings? I'm thinking specifically of farm supply co-operatives and I'm sure there are many different classes. I'm wondering if he could just give us that breakup?

HON. J. COWAN: Yes, again I'll give the member December 31, 1982 figures if that's okay, and I can update them if possible later on.

By the type of co-operative, we have them broken down into general areas. There's one communication co-operative; 75 community service co-operatives, that would include community clubs, day cares, etc.; there are eight employee or worker co-operatives, these are those that are registered as legal entities; there's two financial co-operatives which is really the CCS, and the Federation; and there's 79 general supply retail stores, wholesales, etc.; 22 housing; 54 processing and marketing, that's fisheries, elevators, agriculture, etc.; 4 transportation; 10 utility, for a total of 255.

MR. C. MANNESS: Mr. Chairman, I would address my question to the category of general I suppose, and the Minister indicated there were some 79. I suppose my history within the co-operative movement certainly would fall right within that area. Could the Minister indicate the number of 79 given for the year end '82, how that compares to sometime previous to that, let's say four or five years? Does he have that information?

HON. J. COWAN: I don't have that information broken down into the different categories. What I can give the member is a breakdown of the total number of incorporations over a number of years, on a year by year basis, if that would be helpful to him.

In 1977-78 there were 14 incorporations; '78-79 there were 5; '79-80 there was 1; '80-81 there were 3; '81-82 there were 15; '82-83 there were 15; '83-84 there were 13, and we're projecting - and this is a projection only - somewhere in the neighborhood of 20 to 30 for this year. We have 51 different groups that are actively looking at co-operatives right now and are at different stages of development.

MR. C. MANNES: Well, I take from that answer that's in all areas of co-operative concerns. The Minister has talked about new incorporation. I would suppose then he would also have a listing of dissolutionments over the last number of years too, and I think that's the point that I'm trying to come to. I know within my area there have been a significant number of farm related, farm supply co-operatives that have gone by the wayside, and consolidation is taking place in no small measure throughout the Co-operative Development as it serves the rural community. — (Interjection) —

I'm sorry? Well, Mr. Chairman, the Minister asks what kind of tractor I'm driving. I suppose that is somewhat relevant to the whole subject. I will tell him though at times I do pull a co-op discer, so that maybe makes him happy.

Mr. Chairman, my question to the Minister. Where does federated co-operatives find itself today specifically in terms of being the major wholesaler, the major player, in the whole co-operative movement as related to particularly rural supply co-ops? I know, of course, as the Minister indicated in his opening remarks, the system is autonomous by its nature. But nevertheless these are trying times in most respects of rural communities but too many members are seeing whatever paper equity they had associated with their own local supposedly autonomous co-op, gradually and quickly being eroded. So I guess I ask the Minister this specific question, what is the status of federated co-ops today specifically as it relates to Manitoba Supply Co-op?

HON. J. COWAN: The member had asked a number of questions. One in respect to dissolutions as well. So I'll give him the same figures for the same years. In '77-78 there were 3; '78-79 there were 36. I might add that in '78-79, and in '83-84 there was a general push within the movement as a whole aided by the department, to try to identify those co-operatives that should in fact be dissolved so as to provide for the efficient operation of the regulatory branch. So that was one year where that happened and you'll see it happens again. In '79, 82; in '80-81, 5; in '81-82, 5; in '82-83, and this is the year I referenced earlier, 46; and in last year, 6.

The member also asked for the type of new co-operatives, new development projects that may turn into co-operatives, we hope they will. There are 51 in various stages; 1 producers; 3 agricultural; 1 fishery; 1 health clinic co-operative; 1 communication or TV; 7 housing; 9 service; 18 utilities and I mentioned earlier that was one of the areas that we were very pleased with the type of response we've received from the communities where there's obviously need that cannot be met through the co-operative model; six workers, four retails.

Now in respect to the second question regarding federated co-operatives, one federated itself is sort of the central agency. It's doing quite well, I understand, as one measures the health of any co-operative by certain criteria, it seems to be in a fairly healthy state this past year. I think what the member is referencing though is what happened in many of the rural areas, what happened with Red River Co-op and a number of other co-ops as they, like any other economic institution or business, had to confront some very difficult times. We did have a series of rationalizations and closures there that will have a profound impact on the communities that they served. They'll have that profound impact because we happen to believe that in operating they have a profound impact and they are of benefit to the community and, therefore, if they were to close it would have a similarly profound impact.

As the member indicated and has been indicating in the Estimates here previously on numerous occasions, and the Member for Roblin-Russell referenced as well, co-operatives do have to face those circumstances. They do have to make decisions by their membership and they do have to close sometimes and it's regrettable when that happens, but it is a democratic decision on the part of the membership.

As a department, we will attempt to provide them with whatever advice and expertise we can, upon request. Sometimes we'll even go in and suggest that we might be able to provide advice and expertise if we see a situation that might be the type of situation where we could be of assistance. But we can't do anything beyond that, except to allow the co-operative to determine its own future, and sometimes that future is a bleak one. It will have the type of impact, which I know the Member for Morris finds regrettable, upon the community and, hopefully, when times are different, we will see opportunities that exist for those sorts of co-operatives again to provide services and benefits to the local communities through their organizations and their operations.

MR. C. MANNES: Well I agree, in part, with what the Minister has said, although my experience with co-ops, of course, certainly general economic times have a great impact, but also does the loyalty of members and probably even, more importantly, are the commitment by directors. But I would ask the Minister what jurisdiction his department has, specifically regarding, let's say, the equity pay out schedule of the major unit within the co-operative system, as I understand it, in the agricultural sense, at least, the pay out of equity system of federated co-operatives. Many of the small locals will tell you that some of their difficulty is that their only liquid assets are the shares that are held by Federated Co-op, and quite often when they are in some sort of difficulty these shares, which show up as a liquid asset on the balance sheet, in effect, are withheld from them by Federated to cover off some other liabilities.

I don't question that, but quite often these small autonomous co-ops who have had dealings with Federated or bought a significant portion of the goods which they in turn resell, find that virtually all of their liquid assets are tied up by another group. There is a fairly complicated formula for local co-operatives to be

able to gain access to what appears to be rightfully theirs.

My question to the Minister, specifically, does the department have any influence or jurisdiction in the setting up of these pay out schemes, not so much in the local co-ops, but specifically Federated Co-operatives?

HON. J. COWAN: Yes, the answer to that is that we have no influence whatsoever; we have no jurisdiction and, therefore - I shouldn't say we have no influence - the only influence that we could have would be by discussing concerns with Federated, if we felt that that was necessary. However, again we harken back to the fact that the co-operatives have jealously guarded their independence from government and they're somewhat resistant to that sort of influence and probably rightly so. So I would suggest that we have very little influence. We're prepared, always, to discuss issues like this, to carry messages, if necessary, but it is a matter that is up to the co-operative itself.

Now the matter of equity pay outs in this regard could be considered as part of the annual meeting. My understanding is that it is quite often considered as part of the annual meeting or, on occasion, considered as part of the annual meeting, and it's up to the membership to determine exactly how they're going to structure those pay out plans.

So I think we do subscribe to the principle that the co-operatives should be independent, should be democratically controlled, and that control should be over their day-to-day activities, as well as their long-range plans, through their annual meetings and other democratic functions, then I think we would have to suggest that our influence in fact would be negligible, if at all.

I also want to go back to the question previously and indicate that we talked only about those retail producer co-ops that have experienced some difficulty. Well again co-operatives are like other business enterprises in a lot of ways and, as some have failed, others have thrived. It's just as your small business in your rural communities; some of them have failed; others have thrived and it's the same with co-operatives. So I wouldn't want us to focus entirely on the failures, although that is an important issue and one that does have a profound impact on the community and the local area and the co-operative sector as a whole. I do also want to, at the same time, indicate that there are those that in these times are carrying on business in a very productive and profitable fashion.

MR. C. MANNES: Well, Mr. Chairman, I'm well aware of it and I'm glad to say that I'm a member and a former director of one of those thriving smaller co-ops, one of course who has seen that type of system of economic order working quite well. But I would ask, as a question of information to the Minister, what happens in cases where, over a period of successful years, and the Minister makes reference to the annual meeting determining how surpluses should be allocated, whether they're allocated to shares or they're allocated to rebate. But, in many cases, the surplus and the earnings are allocated to shares and taxes are paid on them, income taxes are paid on them; they're paid

and attributable to that particular year. Then, of course, the same thriving co-op may be presented with some very major economic difficulties in years following.

As a question, just for my own edification, I'm wondering what provision is made within the income tax to write off losses of income, where taxes already have been paid on? I'm talking about equity that has been allocated to shares? Is there a specific policy, or is that all taken care of under some section of the income tax? Does that fall into general areas of loss? Because I know of circumstances where co-op members have paid income tax on earnings, then of course were never there to realize it . . . inaudible . . . the co-op never paid out those rebates and dividends before it went broke and consequently the person who earned the equity never saw it.

HON. J. COWAN: I'm aware of the situation where when the dividends are paid back in such a way that it was a very good year, that there is a requirement to pay income tax on them. I'm not aware as to whether the converse is true, as the Member for Morris indicated. It is a difficult question. What I can do is endeavour to find out exactly what the procedure would be and respond back to the Member for Morris. I, myself, would be interested in whether or not there are provisions that would apply under those circumstances.

MR. CHAIRMAN: The Member for Roblin-Russell.

MR. W. MCKENZIE: Mr. Chairman, I have a series of questions that will all come under this section. I would just ask them and pass the whole thing, if that's in order with the committee.

The Stabilization Board, I wonder could the Minister give us the names of those that are on the board and the name of the chairman?

HON. J. COWAN: I have a handout which I'll forward over to the member. If other members opposite are interested, as well, we have a few that we can circulate, I believe. At the same time we'll do the other board, the promotion board as well.

MR. W. MCKENZIE: Can I ask the Minister then, Mr. Chairman, how many of the credit unions have moved into the computer system across the province?

HON. J. COWAN: I can't give an exact figure. What I can indicate is that there are a number of credit unions, a small number at that, that have their own system. As well, the system as a whole seems to be moving towards the introduction and the adoption of a general system-wide computer setup using one particular model and one particular firm. There have been increases - I can find out exactly how many and I'd have to respond back. We don't have that information with us today, but what we are aware of is there is a growing awareness on the part of credit unions and caisses populaires that they have to look to computerization as a tool of the trade and that fortunately they appear to be doing so in such a manner as to provide for a system-wide effort that will gain certain deficiencies in the economies. As to the exact number we can find those out over a period of time, I won't have them today, and provide them to the member opposite.

MR. W. MCKENZIE: At the same time, maybe the Minister can check out or advise the committee. I've had several phone calls about the debit card that's being planned to be utilized by a number of credit unions, the credit card, I suppose that will be provided. Is that a general practice that's going to be used by the credit unions across the province, that they'll use this credit card system or is it just individual credit unions that are planning to move into that field?

HON. J. COWAN: I think, as we enter into that field as a society, the need for those sorts of vehicles to access the automatic teller machines which are coming on stream will become more and more so. So they'll be going towards cards of that nature. Again, it's something for the system itself to determine and it's something for each individual credit union to determine as to how fast and how exclusively they will move towards those options.

I think we can say, basically, that you're going to see more of that sort of high-tech machinery in place and in use by the credit union/caisse populaire system in the future. They have to compete with other financial institutions that provide similar services and those are the types of consumer demands that they are confronted with at this time.

What we want to do, as a department - and again we have a role that is limited historically, but one which does have some responsibility - is to work with the system and to allow them to determine, on the basis of the best advice we can give them and the best advice they can get from other experts in the field, how they should enter into highly technical and highly complex field, and in what manner should they proceed through the development of those services.

MR. W. MCKENZIE: The one that I was referring to, specifically, of course, Roblin District Credit Union, I think decided at their last annual meeting to put the computerized system in in 1985 and the debit card system as well. So I have had a few calls. I wonder, can the Minister give me some advice as to what kind of protection credit unions have got across the province for robbery? We heard of another one today, Rorkton, they tied up the employees there for eight or nine hours, and that's not the first credit union. I don't understand, like the banks in the province, where there are guys walking in today and walking away — (Interjection) — It may be an inflation factor, but has the staff any protection, or are the funds that are taken, are they insured or how does the credit union handle these robberies?

HON. J. COWAN: Basically, it's like any other financial institution. They are going to base the type of protection they have for individuals on the experiences that they have as a credit union. Like banks, like stores, like households, there are going to be robberies from time to time, that's a fact of life. What is done, is there is bonding on the employees; there is insurance — (Interjection) — the Minister of Health has just asked me if I needed any help. I can indicate to him, if I were in a credit union when a robbery was going on, he's one man I'd want to have by my side - around me.

I know of some instances where a credit union, after having been robbed, put in new protective devices and

equipment. There are some instances where they put it in previously. Of course, if that's a possibility, they upgrade their systems and, again, it's like any other business organization or enterprise, they're going to have to determine what level of protection they want for their particular organization on their own experience. They now have the cameras in place in many of them and they have the other types of modern protective instruments and devices that other financial institutions have. Other than that I don't think I could be more specific. But, again, it would be up to the individual credit union and I was going to say, if the member had a question on any individual credit union I'd try to answer it. However, I don't know if we want to be talking in this sort of a forum about what sort of protective devices are in place in the credit unions and caisses populaires. But I can tell you it is an issue that has been considered by the movement as a whole, and they have taken action in many instances.

MR. W. MCKENZIE: Mr. Chairman, I was just wondering if the inspection staff of the Minister or of the Central, when they inspected these credit unions, would recommend to them that they'd better upgrade their security system or take a look at some of the new facilities, and a lot of them, on their own individual initiative, have no doubt carried out upgrading of their security.

Can I ask the Honourable Minister how many credit unions received charters last year and will be anticipating for the year ahead? Does he have any idea?

HON. J. COWAN: In respect to the first question, as part of the special examination program of the credit unions, we do take into consideration the security factor. So, if there is a problem area identified we would certainly sit down with the management and discuss that particular area. So, that is one instance where, specifically, that issue would be addressed.

There were no new incorporations of credit unions or caisses populaires in the past year. I don't know of any that are anticipated for the upcoming year, but that does not mean that there might not be those coming on stream. I know in my own constituency there is a group right now that are talking about the possibility of a credit union in that community. However, it hasn't gotten to the stage yet where it would show up on any of our lists, it's in a very formative period. So, I'm certain there are other groups out there that are doing the same thing and we may see more credit unions but I can't give you a specific number.

MR. W. MCKENZIE: I wonder, could the Minister advise the committee, regarding those that lost their charters last year, some of the co-operatives amalgamated or went together, were some of those charters turned in and could you give me an idea how many?

HON. J. COWAN: Yes, from December 1982 to December 1983, it's my understanding that it went from 139 to 132. So there was a merger or an amalgamation of 7.

MR. W. MCKENZIE: Thank you, Mr. Chairman. The inspection staff - I wonder could the Minister advise me how many inspectors that are on staff?

HON. J. COWAN: Yes, counting the Chief Examiner, there would be 7. There are 7 SYs. We have two vacancies which are in the process of being filled now.

MR. W. McKENZIE: I wonder could the Minister - maybe he can't help me - explain the role that these inspectors are playing? Is there any general problems that they face more than others when they're inspecting the books of these various credit unions in this province? The other one would be, how many times are they inspected, what, once a year or once every two years?

HON. J. COWAN: What we're talking about basically in this particular section is the Special Examination Program. So, I'll provide the details on that.

Of the number of credit unions and caisses populaires now, 12 have been examined with 7 examinations in progress at the present time. We're hoping to increase that number significantly, twofold or threefold, over the coming year. What we have been doing in the past year is developing a program and that takes time to get all the paper work and all the models, financial models and the different developmental work in place. So we have not done what would be considered to be a full years work yet, but this year we hope to be able to do that.

I'm sorry, I'd have to update that; 17 have been examined and 7 are in progress. Resulting from that we've had a number of remedial programs that have been initiated by the Stabilization Fund; and 3 more are scheduled to begin in May, so we've had 7 that have been done, 3 more are scheduled. I don't want to give the specific names of the credit unions or caisses populaires. I'd be prepared to discuss it privately with the member but I think that's the type of information that is better utilized in a statistical fashion in this form.

The scope of the examination process itself is to put in place a diagnostic review of the credit unions' and the caisses populaires' operations on a specific basis. We have the examiners go in. They assess a general performance of the operation for the purpose, primarily, of identifying the problem areas because those are the areas which you want to highlight and centre in on in order to be able to provide suggestions and recommendations.

It's comprehensive and deals with all aspects of the credit unions' and caisses populaires' operation including credit granting and deposit raising functions, management information systems, personal and human resource and marketing strategy. An examination report is then completed and presented to the credit union/caisses populaires and the Stabilization Fund and we make recommendations or suggestions for remedial action.

So that is the scope of the program at this time. We think we have in place now the appropriate system to enable us to increase the number of examinations that were done last year by a two or three full factor.

MR. W. McKENZIE: One of the members is wondering when we would deal with the Co-op Implements. That would come under the last item under Interest Forgiveness; would that be where the Minister would want to deal with it?

HON. J. COWAN: I'm free deal with any of them at this time, if that's acceptable to the members opposite. I think it provides kind of an even flow.

MR. W. McKENZIE: The reports of the inspectors, the auditing staff, do you get copies of those inspections? Does the Central - do they get copies of them as well?

HON. J. COWAN: The Central gets copies of them. I could I guess if I requested them. I have requested one sample when I first took over this portfolio to acquaint myself with what was in the program, but I have not looked at individual ones on an ongoing basis, nor would I anticipate doing so, but the Central does get a copy.

What they're primarily useful for is in helping to devolve what is called the PIP program, or the Performance Improvement Program; and that's where the management take a look at the areas that have been identified as areas requiring some work and set out a strategy and a plan and a particular time line on how to deal with those.

So we find that where we go in with a special examination and foul up where necessary with the PIP program, that there has been considerable improvement in the operations of those credit unions on an individual basis.

MR. W. McKENZIE: With seven inspectors now and there's two vacancies which the Minister says that he's filling in the near future and with the seven, they've been able to inspect about 25 credit unions in a matter of what, six months? So with nine on staff the credit unions then would be inspected every second year and for sure they would have a full audit of their records.

Is that a fair estimation of the inspection?

HON. J. COWAN: I'm going to have to clarify the numbers. I think it was my fault and I apologize.

There are seven inspectors on staff and there's a Chief Examiner which would be eight in total. Of that we have two vacancies right now. So we have six. In the first year of operation when we were developing the model, we did two examinations - not a full year and of course you were testing that model - it was sort of a pretest period.

Last year we did 15 in a full year, but again we were trying to work the model so that we could get the kinks out of it and make it more effective. So with that done, we hope that's been accomplished, we're shooting for in the area of 40 - and I would not want to be held to that next year if we don't reach it or if we exceed it - that's a target projection right now. We think it's achievable and it's realistic so we would be trying to do that. If that's the case, then once every three years one could have this sort of program; or we could get through all of them in three years.

I don't know if we're going to continue the program ad infinitum because if the program itself is done properly and if the PIP process is done properly, then you could probably cut down the time considerably that would be required for this sort of an examination program because what you're trying to do is improve the operations of the credit union or the caisse populaire on an ongoing basis.

I want to revert back to an earlier question as well. When I indicated that there were seven less credit unions and caisses populaires, I also wanted to say that it's our understanding that there may be a very

small number of mergers that take place in the near future over the course of the next number of months, or the course of next year.

We think that's probably got the system in pretty good health and you'll see the turnaround that has been experienced this year with the system continue on into coming years on an accelerated basis.

MR. W. MCKENZIE: I thank the Minister because that was one of the questions I was intending to ask. These inspectors, do they go through the loan portfolio in some detail and give the credit union an idea of what's going on because I think this is one of the key elements as to the future destiny of our credit unions. They need all that type of information and advice that they can gather because there are a lot of people at a lot of times that ordinary citizens who are devoting their spare time or whenever the board calls them to deal with these matters - sometimes they're extremely complicated and I suppose they have their own auditors they can fall back on - but I'm wondering if the Minister's staff does go through the loan portfolio with them.

HON. J. COWAN: Basically, as with any other examination program of this type, you go in and you take a look at the overall portfolio. You go through it in some detail to identify the areas where you really want to get into the fine detail, the problem areas specifically. So, yes they do do the whole portfolio and they then identify the areas where they want to do a more detailed type of work.

They test all the different aspects of the portfolio and then go in with the recommendations. That's really to identify the problem areas and that's important to the board of directors. It's also important to the management and the staff there. Further to that, they then go into the development of the Performance Improvement Program, and that's where the real work takes place with the staff. There are people working with the staff in a very comprehensive manner for a certain period of time and then they sort of phase themselves out; again, to allow the credit union or the *caisse populaire* to continue that independence that is so important and crucial to the movement as a whole and to the individual credit unions.

MR. CHAIRMAN: The Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Chairman, I have a few questions which I'd like to pose to the Minister. No. 1, we're seeing the interest rates rising again, and one of the major problems that a number of credit unions had last time around, they were caught in the trap of fixed mortgages, long-term mortgages at fixed rates. Some of the credit unions, and I'll use Steinbach as an example, write all mortgages on demand loan basis. Is that now generally the policy within the credit union system? In other words, are there still a lot of term with fixed interest mortgages around? Are the credit unions still writing them or are we all on demand now?

HON. J. COWAN: The member, of course, builds into his question the assumption that we're going back into high interest rates, and I share his concern because

if one looks at what's happening that could be a very distinct possibility. I also am certain that I share his desire that we not do that and, hopefully, we can avoid the problem. But if, in fact, high interest rates do become a problem again I think the credit union/*caisse populaire* system has learned from the experience of the past few years that there has to be a better matching process. A lot of work and effort has gone into developing procedures to avoid mismatches that do inflict that sort of problem within the system as a whole. There are a number of credit unions that are looking towards shorter term mortgages and demand mortgages, but there are still a significant portion out there that are the longer term.

That is not really the problem, the problem is making certain that the match is right. I tell you that because I've been told that and it's not my area of expertise. But I do know that in all the discussions I've had with the leadership within the movement that was one area that they identified as a problem that led them to the circumstances of the day, and one which they are intending to deal with, and I think have developed mechanisms to deal with in a comprehensive manner which includes the type of shift that the Member for La Verendrye indicated is taking place in some areas, but it's not exclusive.

MR. R. BANMAN: Mr. Chairman, I'm going to have a few comments with regard to a number of the things which I'm concerned about. I'm concerned about them because I am a member of a credit union, Mr. Chairman, that provides a substantial amount of funds to the Stab Fund and is paying a large amount.

That credit union has, over the years, been successful because they have adopted a number of practices which, in the final analysis, now point out to have been the right ones. Now, hindsight is a wonderful thing, but having learned from the past experience and some of the credit unions that really got into difficulty, some of the bigger ones in Winnipeg, the problem was fixed term mortgages. And, of course, the other one was the large commercial loans.

Now the credit unions traditionally can handle the small car loans, the house mortgages, and that type of thing, but what has happened is that we have had some pretty severe problems, and some pretty large losses, because of fixed mortgages. I identify that particular area right now knowing full well that wasn't the whole problem, but it was one of the trouble spots.

I would ask the Minister whether his department, in consultation with the credit unions, has established or is endeavoring to establish a policy where they do not provide fixed long-term money because up until I think this month you could go into the Royal Bank and the Royal Bank wouldn't even give you long-term money; they'd give it to you for a year, but if you said you wanted five year money on a commercial mortgage they wouldn't give it to you, you'd have to go to a trust company or some other banks to do it.

But that is one concern with rising interest rates and I share the Minister's concern. I wish they'd stay low but I think, Mr. Chairman, we have to be realistic, our dollar is sliding. That's going to put more pressure on the Canadian dollar; we're going to be in for increased interest rates and we're going to be in for increased inflation. Those three things are all going to happen.

So, given that set of circumstances, I'm concerned that there aren't credit unions out there that are tying themselves into five-year mortgages at 13 percent or 14 percent, and then later on having all the people that have recognized the problems with that having to pick up the tabs for those people doing that. So I say to the Minister that if that type of an approach isn't taken in co-operation with the credit union system there will be growing conflict within the system itself.

HON. J. COWAN: It's my understanding, Mr. Chairperson, that the problem which the Member for La Verendrye identifies is one as much of matching as it is of any one specific type of loan becoming predominant. What we are doing with the credit unions, again providing advice, and through our special examination program and recommendations trying to help them build better matches within their portfolio? There would be a problem if they had all short-term loans and long-term deposits; that has to be acknowledged. It's a very complex system, one which I have a great deal more to learn about, but my rudimentary understanding of it at this time leads me to believe that matching is the area that we should be addressing the most attention to at this specific time. Granted, one does not want to get oneself locked into long-term loans to any significant degree and I would agree with the Member for La Verendrye in that approach. At the same time we do have to work for the better matching of the portfolio.

He also indicated that the area that credit unions got into trouble in many instances was the large commercial loans. Indeed, that is a fact and has been historically demonstrated. We are working with the credit unions and the caisses populaires, and the Central, and the other elements of the system to insure that expertise is provided and a check and balance is provided on those larger commercial loans. So there is a Credit Committee of the Central that's in place now, and I hope that its work will insure that that problem does not become one of significance within the system, as a matter of fact, I'm confident that will be the case.

MR. R. BANMAN: Mr. Chairman, just a comment, I hope it isn't the checks and balances at the same time that were provided on the Sheller Globe loan because, if that's the check and balances that we're looking at at large commercial loans we've got problems.

But, Mr. Chairman, I want to just briefly comment on that. While the Minister talks about matching, and I know what he's talking about, but that area is of concern and I wish he'd monitor that closely because you can't have a lot of the better credit unions who have adopted a policy of writing everything on demand, and asking them then to pick up the tab for those that are writing fixed term mortgages at lower rates. You can't do that because it's going to ultimately cause the destruction of the system. These people are paying a lot of money, the good ones are paying a lot of money, they don't mind helping out their next door neighbour who's got a bit of a problem within the system. But if that continues to be a problem the next time, if we haven't learned our lesson from two or three years ago, then we've really got problems.

I caution the Minister on that because I know what the membership in my credit union is saying. It's not the Board of Directors or the management, it's the people are just getting annoyed with doing that. If they can see some benefit that's happening and they are not being asked to subsidize another one because of the system then it's fine, but if somebody inadvertently gets into a problem, fine; but to continue on a practice which has now proven to be a bad practice, I caution the Minister that will cause problems.

The other thing I'd like to have the Minister's comments on is, No. 1, I see, and I think people will generally recognize that we are in a period of - if you want to call it retrenchment - in which we're going to see a number of branches of credit unions close. There are going to be a number of amalgamations that happen, rationalizations. I wonder if the Minister could inform the House whether or not he feels that we will maintain the number of credit unions at very much the same level we have now or if he sees a further decline in the numbers in the next number of years while we're trying to go ahead and consolidate and strengthen the system?

HON. J. COWAN: To answer the first part of the member's comments, indeed, we will monitor closely the situation which he outlined in his remarks. I'm aware that he is a member of one of the more successful credit unions in the province and that he does have, not only a special interest in that particular credit union but in the system as a whole from his past experiences, and agree with him that no one particular credit union or caisse populaire, because of its success, should be subsidizing the rest of the system. That is to be avoided as much as is possible.

On the other hand, the system is a whole. It is a circle and it is based on one of those principles which I discussed earlier in my opening remarks and that is co-operation among co-operatives - credit unions and caisses populaires being co-operatives - so that what I believe we have to do is look to the lessons of the past, understand them thoroughly, develop mechanisms and programs and policies - and that's what we're trying to do - that will deal with them and will hopefully avoid having to repeat those lessons to any significant degree, and being able to anticipate new problems before they become significant problems is also a part of that process, and in doing so, build a stronger system. The credit union which he references, I think, could be very instrumental in helping to build that stronger system - has been in the past and will continue to be. His comments are therefore well received and we will look forward to, over the next number of years, monitoring carefully the situation and reacting quickly and positively where required.

In regard to rationalizations, amalgamations, mergers; there are going to be some. I indicated earlier to the Member for Roblin-Russell, that we'll probably see a couple more in the very near future, but I believe overall we've stabilized. It's been a difficult couple of years. Last year - and I have to keep pointing this out because I think it's important, and I do so without any sense of taking credit for it because I don't think it was a matter of any one person, one department or one institution that caused this to happen, but it was a

matter of the system recognizing the problems and working together. It is improving.

The credit union/caisse populaire, even with the mergers last year, had a good year in respect to the performance criteria that had normally applied to it. I think it has a long way to go. It's stabilized and it's building upon the base that it has now, so I would suspect that in the next year or so we'll probably see a similar number of credit unions and caisses populaires, and then I would suspect that we would see a slow growth. I'm projecting off into the future and I'm basing as much on personal optimism as any study of the facts and figures.

I believe the credit union/caisse populaire system has not reached its peak in this province yet, that it has a great potential which is still there and still available to it, and that there are opportunities for it. I think, as with any sort of system, it has reached the size where it has a firm foundation that will carry it into the future. Its growth should be structured in such a way so as to build slowly upon existing resources, not to stretch itself beyond its capacities to respond to different situations, and set and chart a path that will lead it to that sort of continued growth that makes it an even stronger part of the fiscal framework of the province.

I'm certain the members and the members opposite agree with me that that is a goal and objective toward which we should be working. I think it's one that's attainable.

MR. R. BANMAN: Mr. Chairman, I want to say to the Minister that it's nice to see, now that the government has had the chance to be in power for a couple of years, that he is not measuring the success of his department by the number of co-operatives and credit unions that are formed. That seemed to be the criterion of a number of the members opposite when they were in opposition and they measured the success of the department by the number of co-operatives, by total, raw numbers. I see that the Minister, from his remarks, is realizing that that is not necessarily the yardstick to measure the success either of the co-operative system in the province or the success of the department because in the final analysis, stability is the thing that we're all going to have to come to grips with.

The other area which I'm concerned about, and I guess many people are, and that is the real problems that the retail co-op system is facing. We've seen a dramatic decline in the retail co-op movement. If I were to speculate a little more, I think that is that the consolidations that have taken place and everything really leave one with a feeling that the overall retail co-op system is in a lot of trouble. I wonder if the Minister has, in his department, done any studies or any analysis of what he feels is going to happen to the system, No. 1. No. 2, I guess the basic question that one has to ask is whether - and I guess we all realize that the co-op system and the retail co-ops will not survive unless there is a commitment by its members to that particular co-op. What's happened now is that a lot of people have taken the approach that they have not, in a bad year, helped out the co-op system, they've rather moved on to do other things because they could buy maybe 10 cents or 20 cents cheaper somewhere else for that given year because the co-op had to make up for some of the losses the year before.

What's happened is that I see somewhat of a diminishing public attitude which is not as committed to helping the retail co-op system and therefore we've seen a number of closures in Stonewall. Red River has closed a number. We've seen closures in Brandon, and that wasn't all during the last couple of years. It's a slow thing that has happened over the last, I would say, 10 years, we've seen that slowly happen.

I'm wondering if the department has done any calculations or has it done any troubleshooting with regard to that area as to where the whole thing is going to end up, because I think that the retail co-ops really do have problems and do have their work cut out if they want to stay alive.

HON. J. COWAN: A couple of points. First, in respect to how one measures success of the department or the government in this particular field is a complex issue. I do consider the number of co-operatives and the growth in that number to be one criterion among others of success of the government - not particularly the department, but the government - in trying to set up an economic climate to the best of its ability and there are other influences as well to allow for that to happen. Certainly one would not judge the success on the basis of the numbers alone, but I think the numbers have to be a part of the overall package and criteria which are used to determine whether or not this field is growing. Whether or not this field is growing then becomes a matter upon which one judges the success of the government and department.

I don't believe that things are as drastic in respect to retail co-operatives as I would interpret from . . .

A MEMBER: Have you got any left up in your area?

HON. J. COWAN: . . . the member from La Verendrye's comments, although there have been closures, there's no doubt about that. There have closures and they have hurt. There have also been successes on the other side. Some of those retail co-ops are doing very well right now and Federated itself, as an organization, has had a fairly successful year. That is not to in any way diminish the comments from the member opposite. There is a problem out there and part of the problem is membership commitment to the process; part of the problem is the type of economic climate in which co-operatives and all other businesses have to operate. If you have a lack of commitment and a negative economic climate, you are going to have difficulties. If you have a negative economic climate, and as a matter of fact you don't have an increase in the commitment, because that's what it's going to take in some circumstances, you make have difficulties as well.

But there have been success stories as well as failures there. There have been some significant closures and they have had their impact, but let's not only look at that part of the picture. I understand that Federated, itself, is trying to assist in building that type of commitment through understanding and promotion, through their major Growth From Within Program. That's designed to encourage people to undertake that type of loyalty to the system and to improve the financial health of the system. So sales are up over what they anticipated to be this year and that has to be one of

the criteria that they use for judging their own success. So there are some reasons to be fairly optimistic that we've been through the brunt of it. It was bad when it happened, but we've gone through the valley and we're now starting to make up for some of those losses.

There are also other types of retail co-ops, the direct buys, for instance, that have been very successful as well. I think that's a model that has a great deal of potential in that it can provide many of the benefits that the other types of retail co-ops provided in the past, even more so, in that it does demand upon its membership a greater understanding of the process and a greater loyalty to the process, and not quite as convenient as the Red River Co-op was, or the other co-ops that went out of business were, but they do provide an opportunity for increased use of the co-operative model in a retail environment.

If the member wishes we can get him a copy of the FCL report which outlines the past year and also provides, I think, some description of what actually is a plan for the upcoming year, to build that type of loyalty which we both acknowledge is so important to the system as a whole.

MR. R. BANMAN: I'd appreciate a copy of that, Mr. Chairman. The other area that I want to touch on briefly - and the Minister provided some information in response to questions asked by myself and by the Member for Swan River - and that is with regard to CCIL. I would, however, like to add before I continue, that while the credit union in Steinbach has been a very successful one, we also have - and I don't want to minimize the effect that a lot of the smaller ones have had. I know, for instance, the Niverville Credit Union, who took over the Landmark Credit Union - Niverville, I'm sorry to say, used to be my constituency, but after redistribution I lost it to the Member for Emerson. Niverville, Mr. Chairman, has a very fond spot in my heart because I usually got about 87 percent of the vote there, so I was sorry to lose that particular town, but Niverville has in the past, because of good management, a good board of directors and people committed to the system, has done very well also. I understand that when they took over the Landmark Credit Union now, that they have amalgamated that into their system and it seems to be working out fairly well.

Having said that, Mr. Chairman, I mentioned to the Minister several weeks ago when he furnished us with some information on CCIL, that one of my nagging concerns from Day One, when we started dealing with that - and this goes back to I think the latter days of the, then, Schreyer Administration where the then Minister of Finance, Saul Miller, was negotiating with the Federal Government; then we took over and continued the negotiations on that original guarantee and loan up to the present day where we've got a fairly substantial loan guarantee and commitment within that company. One of the things that concerned me then, and I guess is even heightened at this particular time, is the fact that what's happening there is that I believe it will end up being a Crown corporation.

I point that out to the Minister. I feel that one of the things that have happened there, and it goes back to what we talked about earlier, is the commitment by the

members. That commitment, after CCIL got into some trouble, has really dwindled and we are now seeing something that, while nobody can turn around dramatically, we are seeing something happen which I guess none of us are very happy with, and that's to see that the general membership really is not in a way that it was previously - buying that equipment and supporting the company in a financial way - the way I think that many people hoped, when the original infusion of capital was put in, they would.

So I say to the Minister, I have a concern that this company will end up being a Crown corporation because of our heavy involvement in it. I hope that everything is done within the department, as well as with all the other levels of government involved. We've got our two sister provinces to the west involved in it; we've got the Federal Government which has a heavy commitment of money in it also. But my concern all along - and I repeat it once more - is that I don't think the mechanism is in place and that the commitment is in place for the membership to maintain control of this corporation. I have the funny feeling that it's going to end up being a Crown corporation and I hope the Minister keeps that in the back of his mind when he's dealing with this whole thing, because I don't feel that is necessarily the way this whole thing should end up and the way we would want it to end up. I don't feel comfortable with that.

I think we've seen - and I guess we could get into a philosophical argument - we've seen what happens when government controls it, in total, and I don't think that is the best way to try and save this company or even try to create the jobs in the area. So I say to the Minister that he might, unlike when I was there, he has a rather unique opportunity because, if there are some deals worked out with some other companies or whatever. The opposition is concerned about one thing, and that's to provide as much employment out there as we can. Whether it's one company or another company under a different name or something, as long as we can maintain the two important aspects: No. 1 is the jobs out there; and No. 2, the ongoing supply of parts and equipment to people who have purchased CCIL equipment, to be able to ensure them that if they're buying the equipment now there's always going to be some system whereby their investment will be protected.

MR. DEPUTY CHAIRMAN, H. Harapiak: The Honourable Minister.

HON. J. COWAN: Yes, I just wanted to thank the member for his comments and his suggestions. Indeed, we probably could have a bit of a philosophical debate about it, but there may be time for that under a different occasion. However, what I do want to indicate to him at this time is we will keep his comments, not in the back of our mind, but in the forefront of our mind when we review this situation and discuss it. I think they are helpful for the most part, I don't agree with all of them but, for the most part, they are helpful.

Secondly, I want to give him an assurance that this government has no intention of undertaking actions which would lead to the development of a Crown corporation under the present circumstances and at

the present time. We believe that the co-operative approach in this regard is one that can work and we'll do everything that we can do as a government to make it work.

MR. R. BANMAN: A final observation, Mr. Chairman, and it goes back to a few things I said earlier. In looking at the Estimates and looking at the number of co-operatives and the number of credit unions within this province, as the Minister indicated earlier, that while he wasn't happy with the total numbers - in other words he'd like to see more co-operatives and more credit unions - we won't argue that, but he also indicated that was not the prime criteria or prime yardstick in which to measure his department's activities.

I would also like to point out, Mr. Chairman, since there is a reduction in staff, that this Minister must feel that just because there are a few less people, his department will not be any less effective than it was before.

I point that out using the backdrop that I was constantly being accused and I think my staff complement was very much the same when I was Minister. At that time, Mr. Chairman, I believe if the Minister will check, there were certain people where there was joint utilization, so I guess we can talk numbers. But I think in global figures, we're not that far out.

He's reducing the staff this year by three, I believe and, Mr. Chairman, he is saying that by reducing his departmental staff complement by almost 10 percent, he is telling us that he can do the same work, the same job and maybe even a little better than before.

Now, Mr. Chairman, for the government to say that they can really do the same job with 10 percent less people and provide the same type of services, is a statement which I hold dear to my heart because in two years from now when we're charged with the responsibility of doing the job that he's doing, Mr. Chairman, I will hold this Hansard dear to my heart when one of the members opposite gets up and criticizes any Minister for trying to be a little more cost efficient, because in this time of deficits and everything, that is our job.

I just want to tell the Minister that this 10 percent decrease in staff and no cut in service is an example that will probably be a good reference point for us in a couple of years when we are charged with the responsibilities of government.

A MEMBER: Right on.

HON. J. COWAN: I just want to make a couple of points. One is, the staff even with the cuts, is significantly greater than it was a number of years ago.

In respect to cuts in staff reducing the ability to provide service, I think it does reduce the ability to provide service in some instances. I think what you have to do is attempt to make up for it in the way in which you provide those services and you can do that in some instances. You cannot do it in all instances.

I'm not pleased that we have to do the same amount of work or even more work with less staff. My staff aren't pleased with that but they are prepared to commit themselves to that process for the next year because

there are times when circumstances are such that you have to take on those types of decisions.

There are times when you cut staff and cut programming and cut activities and there are times when you increase it. What hopefully is done in those times is it is accomplished on a selective basis that identifies your priorities, what those priorities may be - and they differ from government to government - and allows you to continue on in addressing those priorities in the way and fashion which you feel is most appropriate and also allows for the most efficient use of your staff.

So in the event that in two or three years from now in a similar position standing on this side of the House, I should come forward with Estimates that ask for a significant increase in staff, I would not want this year's Estimates review to be read into the record of some indication of how we had shifted dramatically in our approach and the way in which we want to continue on in government for generations to come.

So this year is a difficult year. It's a hard year. I'm not pleased that staff are being cut but it was necessary and we do feel that we'll be able to continue on with the types of services which we are committed to for the co-operative movement.

There may be times in the future when this government, or any other government to take it out of the partisan ring because I'm going to take the Member for Roblin-Russell's comments to heart - to take it out of the powers and prospective - when any government decides that they may want to do more in this area they may have to come back for more staff, then that option is always open.

MR. R. BANMAN: One final question. Is the Minister saying that he is going to this year, provide the same services to the credit union, the co-op movement and the caisses populaires movement that he provided last year?

HON. J. COWAN: No. I'm assuming the next question will be, what are the differences? We are refocusing a lot of activities on direct contact, promotional activities, educational activities which is one area we're doing more in than we did last year. We're doing more in staff training hopefully to be able to get more out of staff, not to say that they aren't giving 100 percent now, but to have them be able to provide more with the same 100 percent effort through training and there's a portion in the budget that is put in place for that.

We're hoping through the use of technology such as word processing, to be able to be a bit more efficient in that area. So we hope to be able to expand in those particular areas.

At the same time, we are reducing some services; audit service is one. I know the member when he was Minister responsible, went through a series of Estimates debates on audit services in respect to providing them to different co-ops.

Unfortunately this year we've had to tell a number of co-ops that have had audit services provided to them in the past, that we are not going to continue providing that service to them because we just cannot do it under the present circumstances and we believe that there are circumstances where they can undertake

that activity through the use of their own resources and do it as well at an added cost to them, but we're trying to do it in such a fashion so as not to impose upon those that are not viable right now.

We will continue audit services to Northern fishing co-ops because it would be very costly for a private auditor to fly in there to do that sort of work. But in respect to some housing co-ops and some other co-ops, we are reducing audit services to them and there will be less contacts. So there are ramifications of reduction of staff. So we're not providing exactly the same level of service or the same type of service but overall, to the Member for La Verendrye, I think we are providing basic services that are required.

MR. DEPUTY CHAIRMAN: The Member for Roblin-Russell.

MR. W. MCKENZIE: Mr. Chairman, I have a few questions left. I hope we can wrap this up by 5:30.

The matter I was going to raise in the House - I noticed a number of the questions the other day about these documents blowing to the wind in behind that Inkster Boulevard building. I wonder if the Minister could tell me how he's cleaned it up, so that hopefully it doesn't happen again.

If, in fact, it may be that some kind of apology should be extended to these credit unions from across this province whose documents were flying all over the place and kids running around them, I'm sure they must be alarmed. Maybe the documents weren't that important but nevertheless they were very dear to the hearts of a lot of credit unions and personal people.

HON. J. COWAN: Yes, I appreciate the opportunity to be able to answer the member's questions.

I won't fall prey to the obvious pun as to where and how that answer is flowing. But, in fact, there was a serious situation in respect to the documents. I was called by the media at 10:30 on Friday evening, I believe it was, and told that the documents were in a bin, that they had been scattered and that they were flowing around, that the media had certain documents in their possession which they felt could prove embarrassing or they felt should not be in the possession of the general public. They were concerned. Upon receipt of that call, I immediately informed the Registrar of the situation and we talked to the general manager of the Stabilization Fund who had responsibility for the documents.

The general manager then sent someone to the site to contain the documents as much as possible and to make certain that they weren't scattered any further; also went to the Free Press and obtained those documents and guarded them until the following day, I believe it was, when they were taken away and buried in a landfill site. They then went back to that particular place where they were buried and made certain that there would be no way that they could escape.

There were a large number of files, from expired credit union accounts that were found unattended in large waste bins. As you know, some of them had escaped. So our concern, first, was to inform the proper authorities and make certain that the situation was taken in hand.

Secondly, we told those principal parties for whom there was a responsibility for the documents, that we wanted to address with them this issue, not from the perspective of why it happened, but how it happened and how we could best ensure that it wouldn't happen again because those sorts of documents should be protected and should not fall into the hands of unauthorized individuals. My understanding is the type of documents that were found were of the sort that they would not prove to be a serious situation in all instances but, nonetheless, one wants to avoid that sort of circumstance.

The Stabilization Fund will be meeting with staff. We've had a number of informal discussions but we'll be meeting with staff so that we can provide our advice on how to make certain that this doesn't happen in the future.

By the way, I can indicate to the member opposite that they felt very badly about the situation and are motivated to undertake those discussions without our problem. In other words, we didn't have to call them in. They said, let's sit down and figure out how to make certain it doesn't happen in the future and we want to do that as well. So we will be doing that. They have sent a letter to all the credit unions and caisses populaires advising them of the situation and suggesting that they have cleaned up the site and they have secured all the documents, to their knowledge, that have escaped and were available to be secured; and if the credit unions or caisses populaires received any further enquiries on it, they should contact the Stabilization Fund.

So the documents were stored there, basically, by the Stabilization Fund. They were supposed to be taken to be disposed. They had worked out a system, the system didn't have the necessary protections on it to ensure that this sort of a situation didn't exist. Unfortunately, it happened. Now what we want to do as much as is possible is to ensure that there are those protections and mechanisms built in to any further disposal activities on the part of this or any other organization of a similar sort to ensure that it won't happen in the future.

MR. W. MCKENZIE: Thank you, Mr. Chairman. Referring to the Stabilization Board, could the Minister tell me which of the members of the board are appointed by the Central, which are by Order-in-Council, and also the name of the general manager?

HON. J. COWAN: They're all appointed by Order-in-Council. I believe out of the five, two are recommended by the Central and the general manager would be Graham Lane - Oh, I'm sorry, the Staff Fund is Ron Desrochers. He was the individual whom you might have seen in the media in the last incident which we discussed. So that's the rundown. Three are appointed by the

MR. W. MCKENZIE: Which ones?

HON. J. COWAN: . . . I believe, and I wasn't involved in the appointment of this particular board so I may be corrected, but I believe that it was the bottom two on the list, Jeffrey Patrick and Ed Burr, that were

appointed upon recommendation of the Credit Union Central.

MR. W. McKENZIE: I wonder, can the Minister advise what is the present financial status of the \$29.5 million loan to the fund? Maybe he could also give us some idea of any interest that they have earned in the year past.

HON. J. COWAN: The loan itself is invested in the Government of Manitoba debentures, so it is quite secure. The interest that has been paid out to date, March 31, 1984, is \$7,654,451.88. That has been paid out to the fund.

MR. W. McKENZIE: The comments of my colleague, the Member for La Verendrye about Co-op Implements, of course, was one that I was going to raise but he handled it.

But the problems of Co-op Implements, when you realize the questions that were raised by my colleague from Swan River the other day about this chap Leonard Sweetser from Swan River, who was a long-standing member and had some \$1,800 equity in Co-op Implements and then had it reduced to the status of \$100, that type of information moves around the province and certainly isn't going to do the corporation any good at all.

Westman Media Co-op, Mr. Chairman, got into some kind of financial problems with the feds. Has that money been recovered, or do you have any jurisdiction over Westman Media? There were some dividends or earnings that they were to get from the Federal Government. I don't have the details of it. I am wondering if . . .

HON. J. COWAN: What I will have to do is look at that situation. I am not certain of any involvement of the Federal Government in regard to a specific situation, but I can certainly look into it and get back to the member on that. I know there has been some discussion about the operation of that particular co-operative in the past and the department is working with the Board of Directors in that particular co-operative trying to again provide the type of advice and expertise which we have. It will be up to them to determine whether or not they want to take advantage of that, but we have made the offer and we are prepared to work with them. I don't know as to the specifics of the issue that the member identified, but I will look into it.

MR. W. McKENZIE: They missed a deadline or something to apply for a grant from the Federal Government. They missed a deadline of some kind or other. It's okay.

Going through some of the Hansards, there was a Task Force Study, I think, carried out - was it last year, October, maybe it was '82 - on the options that are open to co-operatives such as Red River who are facing those problems, is that public information, that study that was done? I had an inquirer the other day wondering. I believe the former Minister committed himself to do a study of the problems that Red River was facing and the options that were open to them.

HON. J. COWAN: I think the concept of a Task Force is probably beyond what it actually was, although those

words may have been used in some situations, but basically it was a commitment by the Minister, my understanding, to work with the different groups to look at options that might be available in the event of the closures which did in fact take place, options such as a direct buyers' co-op, and that was done. I know in some areas those discussions are carrying on. I don't know of any specific actions that have resulted from them but, as the member is aware, I haven't been involved in co-operatives for a long long time and those initial stages sometimes move very slowly, but those discussions were held and the types of options that were discussed were that sort.

MR. W. McKENZIE: The Central, I wonder, could the Minister give us an idea as to how solvent is CCSM?

HON. J. COWAN: I am told very solid.

MR. W. McKENZIE: What are the reserves and are they are all with the Stabilization Fund?

HON. J. COWAN: There isn't an annual report and I will attempt to get a copy for the member. If he has specific . . .

MR. W. McKENZIE: Maybe I can get it myself. I don't have one.

HON. J. COWAN: Yes, basically, if you want me to make certain, and you may want to contact them directly because they can give you much more up-to-date information than I can, I am certain. I am extending an invitation on their behalf but I'm certain they don't mind, that they would be more than happy to discuss those issues with you directly. I just don't have that information in front of me.

MR. CHAIRMAN, P. EYLER: The Member for Inkster.

MR. D. SCOTT: I just want to get a couple of comments and questions in if I could.

First, he is welcome to join the participation in the review of the Minister of Co-op Developments Estimates, and I would like to give him a few words of encouragement and get him to go a little faster and a little further perhaps than maybe is normal and that may be possible, I am really not sure, given limited resources of the province today.

But I would like, first, to give a real push to the whole concept of worker co-ops. To me, worker co-ops, I think they have proven exceptionally successful in some of the jurisdictions in Canada. Within Manitoba ourselves, we have several small worker co-ops under way. In Spain, in particular in the Basque region, from what I've read and studied there, they are incredibly successful. As a matter of fact, I understand them to be one of the largest manufacturers in Spain, in particular in household products. They are the largest household consumer products manufacturer in Spain.

In my visits to both Finland and Sweden, they are both very much flourishing there. The largest oil company in Sweden is a co-operative; on the retail side, owned by not only its workers, but also its customers. To me it's a form of industrial democracy

and I think it's going to be basically the status quo in the workplace as we move into the 21st Century. I would like to see us get a head start there. The workers know the need for productivity, the need for getting into new markets, the need for growth within their firm for their own job stability.

If I could add another couple of comments of things that I would like to see the department move, new industries in particular, one that I think has tremendous growth potential in the province, particularly in the cities and this is in the area of recycling. We now have a proposed establishment of a group which I met with last week, to start a recycling council of Manitoba. I would like it if the Department of Co-op Development could participate with groups who are willing or interested in looking at the worker co-op model for establishing recycling industries. Most of them would be relatively small, I would expect, and a totally new concept of use of our resources.

Northern communities. We are moving ahead. It looks like we're going to be moving ahead with massive Northern development again with the Limestone plant, possibly even Conawapa. With a Northern Incentives Program, with a Northern preference for the workers there, I think it's quite essential that we have financial institutions with interests of Northerners at heart and it would certainly be an excellent opportunity for us, through the department, to assist the credit union movement to start establishing credit unions in communities that are going to have - as far as their history goes - incredible influxes of funds into their community.

It's very important, money management, as all of us well know, is basically the individual's ability to manage the money and to plan for the future is the cornerstone of much of our own individual prosperity, as well as the prosperity of our communities.

Finally, I'd like to say a few words on housing. I've been pushing for quite some time, trying to get people interested in moving into more co-operative housing projects. In my own constituency there is land that could certainly be well used for co-operative housing. We have, in Inkster, Willow Park Co-op which was the first housing co-op, I believe, in the whole country. It spawned Willow Park East, Willow Centre, which is a seniors' complex. The seniors' complex has a question for the Minister there. It's having a bit of difficulty now under a work order to replace all of the gas fittings and they happen to have gas cooking stoves in all of their units. It's going to be a considerable expense to replace the stoves they're going to need to replace and they want to replace the stoves out of the safety of their occupants because a lot of the older people, their noses aren't quite as good as ours, they become a little bit more forgetful than we are - and sometimes we're pretty forgetful - and may leave on the gas. I'm wondering if there's any kind of assistance that the Department of Co-op Development, in conjunction perhaps with the Department of Health or the Department of Housing or Community Services even, would be able to provide toward the replacing of the gas stoves and the electrical work that would have to go along with this, for Willow Centre.

HON. J. COWAN: I thank the Member for Inkster for his general comments and encouragement and look

forward to continuing discussions that we have on a regular basis on this area and the opportunity exists within the province for it; so I can give him that assurance, that we will be looking toward worker co-ops, utility co-ops providing services and assistance, although, again, the point must be made, it's up to the individuals who are going to form that co-op, the membership themselves, to do the work, to undertake the activities.

We can offer some general assistance and we'll be doing so. As I indicated earlier, worker co-ops is an area where we believe a fair amount of work and encouragement can take place and we're prepared to do that and will be doing that.

In respect to the specific situation, Willow Park, I'll have staff look into that. We are not aware of any specific requests for assistance and I don't know what would be available if there were a request, but certainly we'll have someone contact the board of directors of that co-op and advise them of this concern that's been expressed here.

MR. CHAIRMAN: The Member for Roblin-Russell.

MR. W. MCKENZIE: Mr. Chairman, just quickly. This statement that the Honourable Minister presented from the Credit Union Stabilization Fund Board, you've got Ed Buhr there as from Binscarth and that is an error. I think, from the release that was provided by the former Minister, he's from Altona, Gretna area. I think possibly the reason is, he replaced Mr. Turnbull, who was Binscarth. Maybe that should be corrected.

Can I ask the Minister, now that he's brought up the worker co-ops, which I was going to discuss, if they've had any assurance from the Federal Government that they're prepared to put some funding into the development of the worker co-ops, as a result of that Gander meeting?

HON. J. COWAN: As the member is aware, the Federal Government has, in the last Throne Speech, indicated an expanded approach in respect to co-operatives. They have a task force which has been undertaking discussions and dialogue with governments and co-operators across the province. They have a report which has been issued, I believe, or will be made - I think it's been made public, yes - and they do talk about the whole area of worker co-operatives in that report.

They, I believe, will be undertaking an initiative. As I indicated, we will be undertaking an initiative in this area as well and will try to mesh as much as possible the two initiatives, but at the same time, maintain the integrity of the initiative here in Manitoba so that it does address specific circumstances of the province.

I don't know as to exactly what forms of assistance or promotion they will have available. I'm looking forward to discussing this matter with them and encouraging them to provide whatever type of assistance is considered to be appropriate and again we have to recognize the structure of the co-operative movement and how much governments want to involve themselves so you don't get into the types of situations that the Member for La Verendrye and the Member for Roblin-Russell have referenced earlier on, but we will be doing that.

I think it is an area of great potential, great opportunity. I think it's pretty much an unknown in this jurisdiction as well as across the country and even in the North American experience. So there will be a need for reviewing very carefully that which will be done. I'm hoping that we will be able, in next year's Estimates, to talk about what we've managed to accomplish as a province in that regard and at the same time to talk about what the Federal Government has done on their own or in co-operation with the province.

We're prepared to work with them in a spirit of co-operative federalism.

MR. W. MCKENZIE: Mr. Chairman, earlier today the Honourable Minister raised the terms of review he's intending to undertake, make the changes to the act, The Credit Union Act. Can we expect the legislation next Session?

HON. J. COWAN: What we would like to do is to put a discussion paper forward in the near future, and I will be giving copies of that to members opposite and circulating among the credit union system. It is based on discussions that have been held with representatives of the Central and the department over the past of months - over the past year actually - and they put together the different principles and points which they feel should be addressed in new legislation.

What we want now is the active involvement of the membership and the staff of the individual credit unions and caisses populaires out there and the board of directors to take a look at that and provide their suggestions. The legislation would not come forward before the next Session, so it would not come forward as part of this Session.

MR. W. MCKENZIE: Mr. Chairman, I just have one or two more questions. The Co-op Loans and Guarantee Board - how many of the Northern fishing co-ops belong to that Northern Co-op Services Limited? I think it's a private organization. Maybe the Minister has no record of that.

HON. J. COWAN: The member is talking about Northern Co-operative Services Limited? Yes, I'd have to find out as to exactly which ones are a member of it right

now, but we are reviewing that operation, I can indicate that to the member, and looking at options for a continuation of the service in either the format that exists now or different formats. We want to acknowledge that there have been some concerns and suggestions expressed in the past about its structure and its organization. We're seriously reviewing that right now to determine how the type of service can be continued in the best interests of the co-operatives and the province as a whole.

MR. W. MCKENZIE: Well, a last question, Mr. Chairman, and it comes from the Co-op Loans and Loan Guarantee Board. The transfer of the title of the Leaf Rapids Fish Plant to the department, has that transaction been completed? The transfer of the Leaf Rapids Fish Plant from the board to the Department of Co-op Development, has that transfer been finalized?

HON. J. COWAN: No, it is my understanding it has not been finalized.

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

Resolution No. 44: Resolved that there be granted to Her Majesty a sum not exceeding \$1,262,600 for Co-operative Development, Co-operative and Credit Union Development and Regulation for the fiscal year ending the 31st day of March, 1985—pass.

Item 3., Interest Forgiveness—pass.

Resolution No. 45: Resolved that there be granted to Her Majesty a sum not exceeding \$4,774,900 for Co-operative Development, Interest Forgiveness, for the fiscal year ending the 31st day of March, 1985—pass.

Item 4., Co-operative Loans and Loans Guarantee Board. Wait a minute, there's no item there.

Item 1.(a) the Minister's Salary—pass.

Resolution No. 43: Resolved that there be granted to Her Majesty a sum not exceeding \$439,100 for Co-operative Development, Administration and Finance, for the fiscal year ending the 31st day of March, 1985—pass.

Order please. That concludes the Estimates of the Department of Co-operative Development.

The time being 5:30, it is time for the supper recess. I am leaving the Chair and will return at 8:00 p.m. tonight.