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Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

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LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 29, 1978

Time: 8:00 p.m.

SUPPLY — EXECUTIVE COUNCIL

MR. CHAIRMAN, Mr. Warren Steen: Gentlemen, we have a quorum. We are on the Salary item under Executive Council. To the Government House Leader, it is my understanding that the Member for Transcona has one or two questions he wanted to ask you on the planning. He is not present at the moment. Maybe we can go on to the Member for St. Johns, on to the Premier's Salary, or pass it. The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, the Premier undertook to supply us with some information, does he have it now.

MR. LYON: I haven't at the moment, Mr. Chairman. We will undertake to produce those, Mr. Chairman, if not tonight, back in the committee or in the House at a suitable time tomorrow. They will have them tomorrow. It was a head count he was looking for, and then reconciliation in the case of the Member for St. Johns, reconciliation of . . .

MR. CHERNIACK: Mr. Chairman, just to clarify it. I was involved in asking about the count in Management Committee. I think the Leader of the Opposition was asking for the same kind of count for the executive staff, that is for the Premier's personal staff or office staff, and I assume that will come before the salary is voted on.

MR. LYON: I undertake to provide it whether the salary is voted on or not, so it's immaterial.

MR. CHE when IACK: Mr. Chairman, there is no question that he undertakes to provide it it will be provided, but it can't very well be debated if the committee is no longer seized of that item. So is there an expectation that we will have it before the . . . ?

MR. LYON: I should know that shortly now.

MR. CHERNIACK: Let's wait . . .

MR. LYON: We have the SMYs.

MR. CHERNIACK: I understand that, Mr. Chairman, but it is interesting to me to know what people were involved and how many. In any event, it will probably come and there is no use dealing with that.

I have a few other questions to ask. One is in relation to the Task Force and the Minister responsible for the Task Force. As I gathered from this afternoon's discussion there are still two people on contract working for the Task Force, although I gathered also that there is no Task Force, that there are no personnel left who are members of any Task Force so I'd like to get that clear before I go on.

MR. LYON: Well, the other thing I'd like to get clear is this. It was my understanding — I was absent at the time — that the Task Force had been fully debated and I don't wish to be participating in repetitious debate and thereby being offensive to the rule, but there are two people, as was indicated this afternoon by the Minister, still doing follow-up work on Task Force items, that is staff people. But insofar as the Task Force members themselves, that is the volunteers from the private sector and from the other disciplines who were engaged in the study. That work has been completed although some of the people are still available for consultation on a voluntary basis, of course.

As an example I think I used this afternoon, Mr. Riley does not have an office in the building any more.

MR. CHERNIACK: Mr. Chairman, the Premier made two points just now. One is that he doesn't want to be offensive to the Rules and I don't blame him, but on the other hand we are dealing now with his Salary and his position and I want to tell him that in my opinion the Estimates Review with the Minister responsible for the Task Force were not satisfactorily completed and were not developed to the extent of the questions that I am posing.

But, regardless of that, one thing that Mr. Spivak made clear was that his future role in Cabinet is in the hands of the Premier, and that he could not forecast just what he would be doing. He is here fortunately, so he can confirm that. But I mean that is well known. But the fact is that the role assigned to him as Minister without Portfolio, is, as far as I know, responsible for the Task Force, and I believe he is now a member of Management Committee. I don't know how much longer we continue to call him the Minister responsible for the Task Force, because I have the impression that as a Task Force, there is none, that the Minister said today, out of courtesy, there are responses that have to be made, or should be made, or are being made, to comments received from private individuals by the Premier, by him, and possibly by others. But I want to know whether there is an ongoing role today, tomorrow, yesterday, in connection with the Task Force.

MR. LYON: Mr. Chairman, the ongoing role and this is highly repetitious, I think it has been said three times and I am sure my honourable friend understands that there are two staff people still engaged in follow-up and research work with respect to Task Force work and further detailed work that is being done as follow-up to that.

The future role of the Minister without Portfolio, the Honourable Member for River Heights, as my honourable friend is well aware, is something that would not be a matter that would ordinarily be debated in the Committee of Supply.

MR. CHERNIACK: Mr. Chairman, I understand from what the Minister said that one of these people on staff, on contract I think was the term he used, is leaving shortly to continue studies somewhere, and that I gather means there will be one remaining person on contract.

MR. CHAIRMAN: To the Member for St. Johns, I believe the Minister for the Task Force said that that was his Executive Assistant who would be returning to school in the fall.

MR. CHERNIACK: So then I gather there are two additional people who are on contract working in connection with the Task Force.

MR. CHAIRMAN: Maybe the Minister responsible for the Task Force, who is here, can clarify the situation.

MR. SPIVAK: Mr. Chairman, I think the situation is clear. There is one individual on contract. There is another, my Executive Assistant who is on contract, and he will be leaving to complete his studies overseas.

MR. CHERNIACK: So I am right, now there is only one left, who will be working on the Task Force. I believe that is correct, I don't want to draw the wrong conclusion. There were two and there will be one leaving and I gather there will be one left on the Task Force on contract. I assume that is correct because I haven't been corrected otherwise. Then I would like to know, the Task Force has made a report, I believe it was a final report — is there a supplementary report expected that will be made public or is the work being done in connection with explaining features of the Task Force or making further investigations on behalf of Management Committee? Just what role do they have to play in the future?

MR. LYON: It is essentially clean-up work, finalization of Task Force activities, some requests that have been made for further amplification of detail that members of the Executive Council may require with respect to Task Force recommendations.

MR. CHERNIACK: Mr. Chairman, is the Task Force, such as it is now, dealing direct with Ministers or is it dealing with Management Committee?

MR. LYON: The Task Force is dealing with the Executive Council through its co-chairman, the Honourable Minister without Portfolio.

MR. CHERNIACK: Mr. Chairman, could we now stop calling him co-chairman since there is no other chairman. It might be a help for us to clarify just what role he has. He is no longer a co-chairman. I assume, and I didn't know he was continuing as a chairman. . . .

MR. LYON: He was the co-chairman.

MR. CHERNIACK: Oh, yes, that's clear.

MR. LYON: I think we could take judicial notice of that, if not even political.

MR. CHERNIACK: I'm not sure that I'm prepared to take judicial notice of anything. I think that it is clear that we are in a legislative process where in the Estimates review we are trying to visualize the future of members of the Executive Council and the roles they play.

MR. LYON: I think it is clear, Mr. Chairman, that we are filling in some time until some other support comes in, but that's my view. The Member for St. Johns may have another view.

MR. CHERNIACK: Mr. Chairman, not only do I have another view, but I'm really not much interested in the Premier's view. I can tell you. . .

MR. LYON: Well, the feeling is mutual, so it's. . .

MR. CHERNIACK: I can tell you, I have about 10 items that I would like to discuss with the Minister and I would like to do it quickly. It would be very helpful if the Premier and/or his Minister gave forthright, brief answers and then we could proceed onward. But if they will not, then of course I will have to be stuck with this kind of discussion.

MR. LYON: Mr. Chairman, with respect, the Honourable the Member for St. Johns knows this well so I'm not even attempting to read him a lecture, but the Constitution and the future makeup of the Executive Council is hardly a matter for discussion as to who is going to be appointed to what portfolio and so on, with respect to the Minister in question or any other Minister, for that matter. I'm sure he is well aware of that, having been a member of the Executive Council.

MR. CHERNIACK: Mr. Chairman, I thought I had already said that. Really, I'm not that much concerned with the future of Mr. Spivak. I am concerned about the future of the Task Force, and if it has a future. I think now is has wound down to the extent where the Premier has said there is clean-up work. I think those were his words.

MR. LYON: That's right.

MR. CHERNIACK: Therefore, I'm. . .

MR. LYON: A finalization of their actions.

MR. CHERNIACK: A finalization. I did ask whether there would be a supplementary of further report. We have not had a report from the Task Force for several months now, it seems to me.

MR. LYON: I'm not aware that there will be any supplementary report.

MR. CHEIACK: Well, then I gather that the role of the Minister without Portfolio will be to continue to the extent that he is asked or the extent that it is necessary to advise the Members of the Executive Council as to any other ideas or proposals that they have to make, and that it is a job that is winding up.

MR. LYON: That is quite correct.

MR. CHERNIACK: Now we've got that and that's clear. . .

MR. LYON: We had that this afternoon, Mr. Chairman, with respect.

MR. CHERNIACK: The Premier may have had that but there was enough uncertainty to make it necessary, in my opinion, to clarify it. There is one person who is still on contract. May I inquire when that contract will be over, who it is and how much it is?

MR. CHAIRMAN: Perhaps the Minister responsible for the Task Force will answer that question.

MR. SPIVAK: Mr. Chairman, I don't have the details of the contract. That was given to the committee at the request of the Honourable Member for Selkirk, and those particulars are, in fact, in the records.

MR. LYON: They are in Hansard.

MR. SPIVAK: Yes.

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

MR. CHERNIACK: If that is the gentleman who was, I believe, the secretary to the Task Force, that is quite clear. The Minister gave full information as to the terms of the contract, I don't think that we knew or know when his contract will terminate.

MR. SPIVAK: Well, I can't give you the exact details. I think that can be easily obtained and given to the Minister.

MR. LYON: There was one extension on it, I know that, but I can't give the details.

MR. CHERNIACK: Well, Mr. Chairman, I am through with the questions I wanted to ask on the Task Force. Mr. Parasiuk is here.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: Yes, I don't know if this has been raised before and I don't want to be facetious in raising it, but I think there is some difficulty with the title given the Minister without Portfolio responsible for the Task Force. That automatically implies that the Task Force is still existing, and I don't know whether this has been raised, but I wonder if the First Minister would consider maybe changing his designation?

MR. LYON: I'm sure that something of that nature will happen in due course.

MR. CHAIRMAN: Item 1.(a)—pass — the Member for St. Johns.

MR. CHERNIACK: I wanted to bring to the Premier's attention that there was confusion in the minds of some of us while we were talking to the Minister of Labour relating to two people who were dismissed or set aside.

Firstly, there was the Civil Service Commissioner, who she said was — well, I would like clarification from the Premier — what was the change in status, and how was it arrived at, and what is the present status of the person, Mr. Duncan, who was formerly the Civil Service Commissioner, if I am using the title correctly, he was full-time, I think, Commissioner?

MR. LYON: Well, Mr. Chairman, my understanding of the legislation, I don't have it in front of me but it's clear from the reading of it, that up to seven commissioners can be appointed by the Lieutenant-Governor-in-Council, one of whom may be designated as the full-time commissioner. The present status of Mr. Duncan is that he has reverted from full-time commissioner, by order of the Lieutenant-Governor-in-Council, to part-time commissioner. The further complication, of course, in discussing Mr. Duncan's situation is that he is represented by Counsel, and for what purpose — whether he is started in action or not, I CAN'T HONESTLY SAY. I don't believe that that is the case, but some advice has been received through the Commission to the effect that Mr. Duncan wished the Commission to deal with his solicitor, that's the advice I have.

MR. CHERNIACK: I'm not clear myself whether he is now, today, a part-time Commissioner, because I had the impression from the Minister of Labour that he was no longer, because of some termination that took place last December, I believe, and that's where some of the confusion is.

And then I want to tell the Premier one more thing, that when she was pressed she said, "Well, I know nothing about it; the Premier was responsible in that connection," and that made it even more confusing, especially since it appears that she signed the Order-in-Council which demoted him, or reclassified him, so there is that confusion.

MR. LYON: In what respect; as to his status?

MR. CHERNIACK: Yes, because I think she said that he was no longer the. . .

MR. LYON: Insofar as I am advised he is still, as far as I am aware, by operation of law he is still a part-time commissioner, whether he chooses to act in that capacity is really up to him.

MR. CHERNIACK: Well, Mr. Chairman, is the Premier aware that there has been the statement made that he is not receiving notices of meetings?

MR. LYON: Well, in that connection arises the comment that I made before. The information that came to me through the Civil Service Commission was to the effect when he was asked to come to a meeting the retort apparently was made, and this is hearsay, that the Commission should deal through his solicitor, so really you would have to ask Mr. Duncan rather than me.

MR. CHERNIACK: No, no, Mr. Chairman.

MR. LYON: I can't be responsible for reporting what his. . .

MR. CHERNIACK: Mr. Chairman, I'm not too concerned about Mr. Duncan's position as I am with the fact that I know that the Act provides that a commissioner may not be dismissed without the approval of a substantial majority of the Legislature. I think that it is important to clarify that since he is, in the opinion of the Premier, still a part-time commissioner, that he is receiving notice, and if he wanted notices directed to his solicitor, it would be surprising that the notices are going to the solicitor. And I don't expect the Premier to answer now, he can't, obviously he doesn't know — well, he doesn't know whether or not he's getting notices to meetings.

MR. LYON: I am again under the impression, Mr. Chairman, that all of this was dealt with under Civil Service Commission, under the Department of Labour. If my honourable friend has some questions he wishes to ask above and beyond that, fine.

MR. CHERNIACK: Mr. Chairman, as I recall it, and I may be wrong, I haven't checked Hansard.

MR. LYON: I wasn't here, so I'm. . .

MR. CHERNIACK: Well, I haven't checked the record; I didn't bring Hansard, but my recollection is that the Minister of Labour said, "I will not discuss this anymore, it is the Premier's decision and his responsibility, and you will have to ask him." Now, I believe that's what she said, Mr. Chairman.

MR. CHAIRMAN: The Minister responsible for the Task Force.

MR. SPIVAK: I think it's fair to say that that was after a discussion, it just did not happen immediately, it was after a discussion, in which point she established the position that she was not prepared to proceed. And she did I think, give the Committee a fair amount of information. The Premier wasn't in attendance at that meeting, he's not aware of the information that she gave, and I think to that extent most of what had been asked in fact was discussed in Committee.

MR. CHERNIACK: All I wanted to find out is what are the facts of the present situation. I would be prepared to leave it if the Premier will undertake to have the record read of Hansard, whatever was said by the Minister of Labour, and then make a statement, in due course, as to what is the present situation and whether the information she gave is full and complete, all and that's really I'm pressing for at this time, is clarification.

MR. CHAIAN: The First Minister.

MR. LYON: Mr. Chairman, I'll be happy to take a look at the Hansard record, but I have already told my honourable friend, in the Committee, so far as I am of the information as to the current status of . Mr. Duncan.

MR. CHEIACK: Well, Mr. Chairman, I would leave it on the understanding that the Premier knows that I am under the impression, and others may be, that the Minister of Labour indicated that he was no longer a member of the Commission, and it's on that basis, that apparent contradiction, which should be clarified, and it's not in my concern to go back and prove that she said one thing

or the other. I would like the Premier to make a sort of definitive up-to-date statement as to the status of Mr. Duncan, and it's not the kind of thing that I would ask that should be debatable, I just would like him to undertake to clarify that.

MR. LYON: Mr. Chairman, I've given the picture, so far as I am aware of it, if there is any change in that I will certainly amend what I have said tonight. I will double check Hansard, make further inquiry about the status, but the latest information I had was to the effect — that is in the absence of a resignation that I am not aware of — that by operation by the Order-in-Council he was made a part-time commissioner rather than a full time commissioner, and that status obtained so far as I am aware.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: Mr. Chairman, I think the confusion arises because of the fact that there was an Order-in-Council, I think on October 24th or 27th, or sometime shortly after the government took office, reclassifying or changing the classification of the functions of Mr. Duncan. However, there was a letter that was sent by the department to Mr. Duncan on December 16th, 1977, conceivably on request, possibly as a result of the Legislative Council advising the department that that should be done, because we have not received the exact information in that sense and that the Minister I think undertook to provide us information to that effect but has yet not provided the letter of December 16th, nor the letter of the Legislative Council to the department — which she quoted from in the Estimates Review. But that letter of December 16th states that Mr. Duncan hereby receives \$1,500, or something like that, two weeks pay in lieu of notice, which is a termination letter. If you get a letter like that that says here's two weeks pay in lieu of notice one assumes then that you are being terminated. And the other complication is that if in fact Mr. Duncan was made a part-time commissioner on October 24th, or 28th, it seems rather strange that he would be getting a two-week pay cheque of \$1,500 in lieu of notice, on December 16th, and that's where I think the confusion does exist, as to whether in fact Mr. Duncan was a full-time commissioner up until December 16th. If he was a full-time commissioner what was Mr. Merlin Newton in the interim? And if he wasn't, if he was just a part-time commissioner, does that letter of December 16th constitute a termination notice? And if it is a termination notice, is this in violation of Section 4, subsection 4, of the Civil Service Act which states that a commissioner can only be terminated with the approval of two-thirds of the members of the Legislative Assembly? And I think that still is a confusion, I don't think it's been cleared up, and I think it should be cleared up in that the Act may in fact have been violated, possibly inadvertently.

MR. LYON: I'll be happy to take a look at the record as the Member for St. Johns has indicated. I haven't seen the letter to which the Member for Transcona refers, but I have given the Committee my understanding of the status arising from the Order-in-Council, which is a matter of public record, of the week of October 24th.

MR. CHAIRMAN: 1.(a)—pass — the Member for St. Johns.

MR. CHERNIACK: I move on now to another bit of confusion regarding the dismissal of the Deputy Minister of Labour. My impression was that the Minister of Labour said that he was dismissed because he sent files, certain government files, I guess, to a radio station, but then it appeared that this had happened at a later occasion, after his dismissal, and again the Minister said that she would not answer any questions but would leave it to the Premier to explain because he is the one who was responsible for the dismissal.

MR. LYON: Well, Mr. Chairman, the Deputy Minister of Labour was dismissed because of an incompatibility which was patent as between him and the Minister of Labour. I don't think that it serves any useful purpose to go beyond that.

MR. CHERNIACK: Mr. Chairman, I'm satisfied with the Premier making that statement. It is much more clear than the ones we have had up to now. I am wondering if the Minister would like to make a statement about his dismissal of the three Deputies the day or two before he was sworn in.

MR. LYON: Mr. Chairman, I think there has been some discussion, perhaps in the fall session, about that matter. That was the exercise of the prerogative of the Lieutenant-Governor-in-Council, which was exercised on the 24th of October with respect to the three people in question, one having submitted a letter of resignation, the other two were dismissed from their positions.

MR. CHERNIACK: Mr. Chairman, I don't recall that it was really discussed or that the Premier gave so calm a response. I have said before that I recognize the right of the Premier to dismiss a Deputy Minister. I criticize the manner in which it was done, but that is his handling of it. But I asked him for that because I don't think there was ever a statement made as to why they were dismissed and I don't believe that the Premier has to give a reason. All he has to say is, I had the right to do so, and I think he said that. I gather, then, he doesn't want to give a reason and I accept that.

MR. LYON: Mr. Chairman, my honourable friend can draw whatever conclusions he wishes. The statement I made stands, that the prerogative power which is contained in the statutes of Manitoba to make those changes was exercised in the case of two of them to dismiss them, and in the case of the third one, to accept his resignation after, of course, it had been asked for.

MR. CHERNIACK: Mr. Chairman, I'm sort of hoping that we're going to get the information about the staffing, so I would like then to move to the question of the finances, the deficit as at March 31, 1978. I would like to ask the Premier what is his latest estimate of the deficit for the previous fiscal year?

MR. LYON: Mr. Chairman, that information will be available to all Members of the House, I would imagine, within a fairly short period.

MR. CHERNIACK: Mr. Chairman, I recall that there was a public statement made with a forecast of a deficit of \$229 million — I think that is correct — with great dismay and shock back in the fall of last year, and that when the budget was brought down in this year, it was learned that there was some substantial reduction in that estimate, down to, I think it was \$181 million, something like that, and I'm just hoping that the Premier can give us some indication of where it stands now.

MR. LYON: I think it was indicated at the time, when there was some debate in the House about it and I'm sure there was debate when the Estimates of the Minister of Finance were before the committee, giving a day-by-day blow-by-blow account on what the expected deficit for a quarter, a half, a third quarter report, or a full year will be serves very little useful purpose. The point of having quarterly reports is to ensure that the best figures that are available are given in those reports. When the final report, which I expect will be unaudited, is made available, then we will all be apprised of what the figures are that are presented by the officers of the Department of Finance.

MR. CHERNIACK: Mr. Chairman, I don't have them with me but I think that the first estimate was as of the end of September.

MR. LYON: That quarter.

MR. CHERNIACK: Yes. I think the next estimate was when the Budget came down, when we were told of about a \$44 million or \$50 million reduction, which was some time in March, I believe. I stand to be corrected.

MR. PARASIUK: The second estimate was January 20 for the year ending December 31, 1977.

MR. LYON: For the quarter.

MR. CHERNIACK: So I would like to know, what is the policy, what will be done by this government in terms of not only filing quarterly reports, which I gather are reports of moneys expended, but forecasts of the year-end amount, which was done last October or November, something like that.

MR. LYON: Mr. Chairman, I had thought that the policy was clear, as enunciated by myself and by the Minister of Finance, that quarterly reports are now being prepared by the Department of Finance and are being issued some time after the close of each quarter, and that practice will continue. That is the policy.

MR. CHERNIACK: Mr. Chairman, these are not estimates or predictions of what will happen, but are only moneys spent to that date. Is that correct?

MR. LYON: The correct terminology escapes me but perhaps the Deputy Minister of Finance, who is here, can provide me with the right words for it. —(Interjection)— Interim unaudited cash statements with a projection according to the best information that the department then has as to what the year-end excess or shortfall of revenues will be over expenditures.

MR. CHERNIACK: I want to make sure that the Premier is clear on what he is saying is going to happen, because I did not know that there were expectations that there would be quarterly projections of the department's best information, or may I say, guess, of what would happen at the end of the fiscal year. I thought they were only going to be unchecked, unaudited statements of actual moneys expended, and received of course.

MR. LYON: I think, Mr. Chairman, rather than speak as to my recollection of the reports, the reports are matters of public record and they speak for themselves. The information they contain speaks for itself.

MR. CHERNIACK: Mr. Chairman, I was asking for policy because . . .

MR. LYON: Well, there is no policy when you are doing an unaudited statement. It's not a question of policy so much as it is a question of what the figures say. The policy is to provide quarterly reports. The reports then speak for themselves.

MR. CHERNIACK: Mr. Chairman, that is so clear. The only thing is we don't the nature of the reports and the Premier isn't sure of the nature. The reason I say he is not sure is that he has given two kinds of statements that will be issued quarterly. One will be the actual receipts and disbursements, unaudited, quarterly. The other, he said, would be a projection, and I doubt very much if there will be a projection but if there will be, I think we should know that that is the policy.

MR. CHAIRMAN: The Minister of Finance.

MR. CIK: Mr. Chairman, the statement that was produced in November contained a projection based on the end of September results. The projection that was contained in the January issue of the December 31 date report contained the same projection as November. And you'll find that it contains also a paragraph in it that says that there will be changes to that projection or suggests that there are changes in it, but it doesn't put amounts on it. The year end report, March 31 year-end report, for which the books close on April 20th, will be a report that will be fairly close to the actual report and in fact is double checked. It's not an auditor report, but it's checked with the auditor to ensure that the same things are being taken into account as will appear in the Estimates, not the Estimates, but the Public Accounts that come out probably in October, that are the complete Public Accounts. But there hasn't been contained in it, other than the first report, there is not a projection, there is not an updated projection. The January report that came out did not contain an updated projection, it simply contained a November projection to the end of the year and had a paragraph in it which said that there were changes taking place, but it didn't put a dollar figure on it.

MR. CHERNIACK: That's right, Mr. Chairman, so I was right as to what has happened. Now, I'm asking, will there be any . . .

MR. LYON: Mr. Chairman, with respect, I think I was right too because what I was saying was that the report speaks for itself, and the report is a matter of public record. I don't know if my honourable friend receives one, we can certainly make them available to him, and they speak for themselves. I don't have a copy in front of me.

MR. CHERNIACK: Mr. Chairman, I know what the report said, and the report said exactly what the Minister of Finance said. It had the actual unaudited receipts and disbursements, and in November there was a projection of what would happen as of the end of the fiscal year, March 31. In January, there was an updated, unaudited statement of income and expenditures, and the same projection, and it was not a projection based on a new calculation, but just a reprint of the old. Now, we're going to get, not a projection, but an actual unaudited statement of income and expenditures as at March 31. All right. Tomorrow is June 30th, the end of the first quarter. What can we expect? What is the policy of the government in relation to the quarterly statement that will be forthcoming? And I'm suggesting — well, I don't know, I'm asking that question — and the Premier said it speaks

for itself. Well, we haven't got it yet, so what will be the extent of it, will it be only unaudited actual receipts and expenditures, or will it be a projection related to the forecast of the deficit which this government is predicting it will have at the end of this fiscal year.

MR. LYON: Mr. Chairman, my honourable friend makes his point a little bit clearer now. I was speaking of the fourth-quarter report, which will be out reasonably soon, I would expect, for the fiscal year which concluded March 31, 1978. My honourable friend is now asking the question, what will be in the first quarterly report for the current fiscal year, which will appear sometime some several weeks from now. So far as I'm aware, the comment of the Minister of Finance obtains, that is what will appear in it. The format is pretty well set, so far as I'm aware. So, if my honourable friend seeks that information, I say look to the previous reports, and he will find what will be contained. As to what the figures are, he, like myself, will have to wait until the figures are published.

MR. CHERNIACK: Mr. Chairman, I've tried to explain to the Premier that there are only two reports issued, two quarterly reports, one being a quarterly, and one being a January report, which I guess is a three quarterly report, and that there was only one projection made as of the September 30th information. Does he wish there to be, and will there be, a projection in this report that is due as at tomorrow, a projection to indicate the deficit and how it will relate to the budgeted deficit in the Estimates we are now dealing with?

MR. CRAIK: No, Mr. Chairman, we haven't included a projection, or will not include a projection for the year end.

MR. CHERNIACK: For next year end?

MR. CRAIK: No.

MR. CHERNIACK: For this current fiscal year end.

MR. LYON: If I can just interject this. I think the one factor that may be missing in this, is the fact that the provincial auditor is within hearing of my voice, and he can correct me if I'm wrong, the six-month report, as I recall it, was an audited report.

MR. CHERNIACK: The six-month report as to income and expenditures was audited, but it was clear to me, but it was not clear to the casual reader that the projection had no imprimature by the provincial auditor. He did not give any sort of approval.

MR. LYON: That's right.

MR. CHERNIACK: That was internal in the department. Now, I gather from our little discussion on what was said by the Minister of Finance, that there is no policy and no intention to make projections for the end of the fiscal year, only the actual income and expenditures, and that therefore only once, as far as I know, in the history of this province, was there a projection made of an expected deficit at the end of the fiscal year, which was not complete.

MR. LYON: Well there was one other factor of course, Mr. Chairman, which I'm sure my honourable friend is not unaware of, that the new administration, when it came into office, asked for a report on the current state of the finances of the province, and in the course of that report, the projection was received as well. And that event, I'm sure, didn't go unnoticed in my honourable friend's life. There was a change in government, and it was the new administration asking for an up-to-date report on the state of the finances of the administration which it took over.

MR. CHERNIACK: Mr. Chairman, that makes a good deal of sense, made a good deal of sense, and would make a good deal of sense, if the Premier will indicate that he is prepared to make public a projection as of next September 30th, and where we're going, because new government or old government, the people of Manitoba are still concerned with expenditures and deficits. And since this government is predicting a substantial deficit, a fantastically large deficit in this current fiscal year, I would like to know whether, let us say half-way through the year, I don't believe we can get it now, we will have a projection such as was made last year. Is that a fair request?

MR. LYON: I think the request is fair. The format of the quarterly reports, as developed by the Department of Finance and so on, is still being worked on to some extent, and I can't, in the absence of the Minister of Finance, answer my honourable friend categorically. I defer to the Minister of

Finance.

MR. CRAIK: As to whether or not there will be a projection in the June, the end of June report?

MR. LYON: Half yearly, or quarterly, or whatever.

MR. CRAIK: We haven't planned at this point in time for the June report to contain a projection to the end of the year. We expect the June report will be out by the end of July. A normal quarterly report will be roughly within the month, about a month after the month end. The year-end report takes longer, partly because you allow the extra 20 days, and secondly, it's a year-end, and you want it to be a little more complete and as close as possible to account for the items that the auditor intends to include in his report. So the year-end report comes out later, but the normal quarterly reports, will roughly be a month after the month end.

MR. CHERNIACK: Well, that's helpful, Mr. Chairman. May I ask, whether or not the government is prepared to do this year what it did last year, and that is, as at September 30th, half-way through the year, to have an audited statement plus a projection, just as was done last, I guess, November.

MR. LYON: Well, I'm like my friend from Transcona, I don't wish to be facetious either, and if my honourable friend can say that there is going to be another election and a change of administration, why that would be one item which would certainly have a bearing as to whether or not the administration receives an up-to-date report, and I'm not again, honestly being facetious, when I say that heretofore, up until the late fall of 1977, there were never any projections made by any previous administration — either that to which my honourable friend belonged, or earlier ones — as to what the current cash situation was, or the projected deficit, or anything of that nature. So we are ploughing new ground, as few other administrations are in Canada at the present time, and we are learning as we are going along. I think that the concept of a quarterly report is certainly not one that I have ever heard attacked by any person who is interested in having as good a disclosure as possible, of what the state of finance is of the operations of government.

MR. CHERNIACK: I think we'll find, and I favour a quarterly report, that it is not too meaningful to have these reports. Alberta's had them for some time, Canada has them, it's not a new thing, but it's not too helpful because of the seasonal changes that take place in the Incomes and Expenditures, and I suppose if the quarterly reports are made for a period of years, then one can reflect back on the trends that took place, and get some intelligent conclusions out of them. But I am pressing the Premier to undertake to try — to make an effort — to duplicate what happened last year. What happened last year was that the half-year, the September 30th half-yearly statement, that quarterly report, carried with it — firstly it was audited, secondly carried with it a projection, and as I say, I don't think that this administration, having set a policy which was understandable, should shrink from or hesitate to do the same thing in each year of its administration, and maybe as a good example for future administrations, to make these projections.

Now, frankly, again, I have some doubts about it, because we found a \$50 million change that takes place out of \$220 million, which is about a 20 percent change. in the projection. Nevertheless, it would become more meaningful, over the years, if we have these every year, and then are able to judge what their value is. We can't really judge it unless we have several, and I'm sort of setting a challenge to the Premier to see to it that it be done. There is no doubt that it can be done, because it was done. Now if it was worth doing, then it is worth doing again, that's my challenge to him.

MR. LYON: Mr. Chairman, we will always consider the thoughtful advice of the Member for St. Johns, having regard to his acumen as a Minister of Finance in the previous administration. We'll certainly consider his advice, and I know that the senior members of the Department of Finance, who are within hearing of his voice, have heard what he has to say tonight, and I'm sure that they will consider that.

MR. CHAIRMAN: The Minister of Finance.

MR. CRAIK: Mr. Chairman, I want to just indicate that not only last fall was there a new government took office, but there was a very substantial upheaval in September of the payments by Revenue Canada to the Province of Manitoba, with the vast reduction in the income taxes that the government was advised of September 16th of last year, of \$50 million, which did not improve to the end of

the year. And when the new government came in, as has been said before, we had not been advised, although we had questioned it prior to October 11th, and it had been indicated to us and to the public of Manitoba, that the financial situation of the province was the same as had been indicated in the Estimates indicated earlier in the year — for the current year. We weren't told and the people of Manitoba were not told, prior to October 11th, that there was a \$50 million shortfall on Revenues, that had been indicated to the province prior to October 11th.

So, not only was it a new government faced with the situation of grasping ahold of all of this, but also being apprised immediately that there was a \$50 million shortfall on the advisement of the Federal Government, confirmed at a Finance Ministers' meeting on October 7th — reconfirmed October 7th — before the election. And a statement by both the former First Minister and the former Minister of Finance, upon questioning, gave no indication of this happening.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, firstly, dealing with the First Minister. You notice he said that the senior members of the Finance Department are within hearing, and that they will take into consideration what I have said. It's really not their job at all to decide whether or not to have a projection — it's up to the Premier and it's up to his Minister of Finance to make that decision, and if they make the decision, then staff will do it. There's no question about it but staff won't do it unless so instructed. My challenge was not to staff, but rather to the political leadership to undertake to do that.

Having said that, I now understand from the Minister of Finance that there was a September upheaval in income — a substantial reduction in income — and he is now accusing the previous government of not making the announcement or not making the statement. It seems to me, formerly he accused them of losing the money. Am I wrong about that? That there were accusations made by the First Minister and by his Minister of Finance that the NDP Government was responsible for this substantial reduction in income — does he want to challenge my suggestion that that's what they said?

MR. CRAIK: Mr. Chairman, my comment was that the First Minister was asked prior to the election on October 4th, publicly, what the state of affairs of the finances were of the province, and he said the same as were indicated in April or whenever the Budget came down. He referred to the date of the Budget, and said the deficit was approximately whatever the amount was projected last year, and either he did not know, or did not say, what the real fact was, and that was that a month earlier — not quite a month earlier than that — the province had been advised clearly, by Ottawa, by Revenue Canada, that there was a shortfall income tax of \$48.6 million.

MR. CHAIRMAN: The First Minister.

MR. LYON: To deal with the second branch, Mr. Chairman, of what the Member for St. Johns said, as to ascribing responsibility for the situation — the deficit situation — as we found it when we came into office.

I, for one, remember at the press conference, when the half-yearly report came out, making it clear that the shortfall in revenue, because the question I believe was asked and I'm going from memory, the shortfall in revenue contributed, that was a Federal short-fall in revenue which contributed to it, and that that properly could not be attributed to the provincial administration, which we had succeeded. But there was an additional amount in the current revenue which was well above and beyond the expenditures that had been forecast by the then Minister of Finance back in his Budget, and for that the former administration had to accept responsibility, yes. But not for the fact that federal revenues had diminished.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Well, that's clear now, and the First Minister says it was clear before, so that's fine; that that \$50 million, or 48 point something was not attributed to the fault of the previous administration, and when the Minister says, they have to be responsible for the shortfall in provincial revenues, surely he means they have to accept the same responsibility that the Federal would have to accept for wrong predictions of what would be the revenue?

MR. LYON: Well, I was referring more particularly, Mr. Chairman, to overexpenditures which were running extremely heavily at that time, as we found out on the six-month report.

MR. CHERNIACK: All right. So now we come, Mr. Chairman, to a deficit which was predicted last

November of being substantially higher than it turned out to be, . . .

MR. LYON: Well, we don't know that yet.

MR. CHERNIACK: I know, — whatever the statement was that the Minister of Finance said, where he talked about an approximate \$50 million reduction in the deficit — we don't know what it will be and we expect we will find out fairly soon. I think the Minister of Finance said maybe next week. That will be helpful of course.

Mr. Chairman, I would like to ask the Premier if he's aware of the fact that he is budgeting, that they're budgeting for a very substantial deficit and that I believe that it will be substantially in excess of even the budgeted deficit. Can the Premier give us an idea of what the deficit for this current fiscal year is being budgeted on?

MR. LYON: Well, Mr. Chairman, as my honourable friend knows when Supplementary Supply is brought down, and he and the world will know, as we know, as we will know at that time what that figure may be and what effect Supplementary Supply will have upon that figure.

I make this brief comment upon the state of the expected deficit in Manitoba this year, now being computed on a combined basis, that notwithstanding the fact that the expenditures of the province of Manitoba have increased by the smallest percentage of any province in Canada this year, we are still facing what my honourable friend described earlier as, and these are approximations of his words, "an extremely heavy deficit in Manitoba." And I was glad to have him underline the one side of that ledger, and I'm underlining the other side of the ledger, which is that, with the extreme restraint that has been applied on government expenditures, we still have what I regard, and what he regards, as a substantial combined deficit in the province of Manitoba, which all of us must work against. So I'm not making any predictions as to the state of that deficit at the present time, but I'm merely telling him that even with the restraint the province is still well in the hole, and it's going to take some considerable action, and the considerable acumen on the part of all of us involved in government and I include the opposition in this as well because we are all involved in government — to make sure that we get our books back into a better state of balance as soon as possible, because all of this in turn, is contributing to national inflation, which is the scourge of the most helpless in our society, the worst scourge of the most helpless in our society.

MR. CHERNIACK: Mr. Chairman, I have to comment that a worse scourge to me is the unemployment situation where people are walking without jobs, without incomes, and are there, to a large extent, because of the policy of this government.

Mr. Chairman, unemployment is not something unique to Manitoba but certainly the government of Manitoba, today's government of Manitoba, has created more unemployment by the very stringent methods that he is talking about and that is a basic difference in philosophy between us. I'm not saying this in any pejorative sense, I'm saying that their policies have been such as to remove opportunities for job creation as compared to the previous government, and they think that that's right, and I think that's wrong. And, what do we say, they say that the fact that you say your right and I say I'm right doesn't say that either of us is wrong. It's a matter of opinion.

Now, the Minister talks about the stringent measures that are taken, and they certainly are astringent, but the same time the Premier and his party have actually cut down on revenues to a substantial extent, and that is their philosophic approach, and although I quarrel with why they are doing it I recognize that they are doing it and have a right so to do.

What I was talking about on the deficit is that there is now before us a projected deficit of \$114 million. There will be Supplementary Supply in the millions, I don't know how many million, and there is something that we learned of more recently, an additional \$30 million of expenditure, which is not shown anywhere except in a statement which we got out of the Minister of Finance, — when I say got out of him, it took us awhile to have him agree to file a statement which showed an expected expenditure of \$30 million in Capital which are not recorded in the Current Estimates at all, Current and Capital Estimates at all. So that adding \$30 million to the 114, is \$144 million, plus whatever Supplementary Supply will be, and I point that out because it was not revealed when the Minister made his statement when he filed the Estimates, when he said that the total spending, total combined spending for the province in this fiscal year will be \$1 billion, and the number of hundreds of million dollars that are shown in the Estimates that are right in front of the Premier at this time. So that there is another \$30 million, which I assume he is aware of, and was aware of all along, I would have to assume that as Chairman of Management, if for no other capacity.

MR. LYON: Well, Mr. Chairman, my honourable friend and I would be trenching upon the same quicksand of legislative debate if I were to try to rethrash the old straw that my honourable friend is rethrasing tonight which he thrashed on at least one or two other occasions in the House, and he obviously either didn't listen to, or didn't want to accept the explanation that was given by the

Minister of Finance with respect to extra Capital funds. But all of that will be made clear in the course of the transitional period that we're going through in the combining of Current and Capital accounts, and the carry-forward which still seems to stick in his mind, and which he is talking about tonight again. It's an item which I had thought had been settled, or explained, to everyone's satisfaction. That will all be made clear in the course of time, and then we'll determine as to whether he was right or whether the statements made by the Minister of Finance, which I happen to believe, are right. We really are, Mr. Chairman, I'm suggesting, thrashing old straw that has been thrashed at least three times in the course of the debate. —(Interjection)— I'm not through. You know, we're talking about the salary of the Premier of Manitoba, not the Minister of Finance.

MR. CHERNIACK: Mr. Chairman, I'd be surprised to think that the Premier is hiding behind his salary as compared with that of any of the Members of his Executive Council. I have to remind him, Mr. Chairman, in case he forgot, that he's Chairman of Management Committee which has more overall responsibility for the Budget, in my opinion, than does the Minister of Finance.

MR. LYON: Indeed.

MR. CHERNIACK: Indeed he has.

MR. LYON: I said "indeed" with a question mark.

MR. CHERNIACK So that I am in the right ball / park, I'm in the same ball park, and I think that even in the same thrashing field when it comes to looking at the straw.

Now, I want the Premier to know one other thing, that the \$30 million which was revealed to be expected expenditure in this current fiscal year, and thus belies the statement made by the Minister of Finance when he said that the total combined spending in this fiscal year will be, whatever figure is in the Estimates Book, that he was in error. I'm not even saying that it was deliberate, I'm not saying that he deliberately avoided telling us about the extra \$30 million, but I believe that he must have known about it as I should assume the Chairman of Management Committee would have known about it, that when challenged with that, his answer was, and now I'm informing the First Minister who may not know the answer so I'll give it to him, his answer was that there will be so much unexpended moneys that are now being asked for that will eat up or balance out the \$30 million of extra expenditure. And I wanted him to know that that was stated, and I want to know whether he accepts that as being a proper budgeting report, to budget for an expenditure in excess of what is expected to be spent?

MR. LYON: Well, Mr. Chairman, in this very room, I believe when the Minister of Finance was away on the last issue that the province negotiated in Switzerland, I explained some of that same information, I thought to the satisfaction everyone else. The Minister of Finance subsequently debated it in the course of his Estimates, and in the House, so I'm really not going to engage in what is thrashing old straw and something that my honourable friend will not be convinced of until he sees the audited figures, which will be available to him if he has patience, in due course, and he can fly whatever kites he wishes at the present time, but I'm really not interested in his estimation of what he thinks the Estimates say or should say. We're aware of what the situation is. The audited reports, in due course, will make that determination.

MR. CHERNIACK: Mr. Chairman, may I ask the Premier, and the Chairman of Management Committee, either one can reply, whether or not it is correct to say that the government is expecting to expend, or budgeting to expend, \$30 million more than is shown in the Estimates Book in front of him?

MR. LYON: Mr. Chairman, that question has been answered a number of times and I don't intend to engage in repetitious debate.

MR. CHERNIACK: Mr. Chairman, it could have been answered with a "yes" or a "no", and that's not a debate.

MR. LYON: Well, neither answer would satisfy my honourable friend and that's it.

MR. CHERNIACK: Mr. Chairman, I'm sorry the Premier doesn't have the floor at the moment. Mr. Chairman, I think there is an avoidance of accepting the fact that there is going to be \$30 million more spent, budgeted to be spent. I think the explanation which is being given, that it will not add to the deficit because there is expected to be an underexpenditure of what's budgeted,

is an explanation which can be given. I think also one should say that through the history there have been occasions when special warrants have been issued with additional moneys being required, so that we know that never can the final figure be what is now budgeted. But it would be helpful if we had an acknowledgement of the statement that there is expected to be \$30 million in Capital Expenditures previously authorized to be spent this year, in addition to the moneys spent there. If the Premier can't answer that I'll accept the fact that he can't answer that.

MR. LYON: Well, Mr. Chairman, the Premier, and the Minister of Finance answered it weeks ago, and I don't intend to engage in this debate any further.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: Thank you.

MR. CHERNIACK: I have one more.

Mr. Chairman, is the Premier aware that there has been money spent for this year's program, out of last year's supply? And that's an unfair question. He may or may not be aware, I'll spell it out for him.

Apparently Urban Affairs spent something like \$200,000 or in that neighbourhood, out of last year's money for this year's expenditures, I believe in connection with Assiniboine Park.

MR. LYON: I'm aware of the extra amount that was set aside, the extra \$200,000 I think it was, for Assiniboine Park.

MR. CHERNIACK: Something like that. Mr. Chairman, I point out to the Premier that that money is being charged as a deficit for last year and yet it is this year's program, and here they're talking about a combined expenditure for this year.

MR. LYON: When we get in the Public Accounts next year we'll see whether my honourable friend is right, or whether the Minister of Finance has been right, as I know he has been.

MR. CHERNIACK: The Minister of Finance has not denied this statement, that there was money spent out of last year's funds for this year's program. I wanted to ask the Premier, is there any more money of that nature that was charged to last year's expenditures and deficit that will be for this year's program?

MR. LYON: The questions have all been answered, Mr. Chairman.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: Mr. Chairman, I'm going to raise questions again regarding what type of report to expect, in that I thought I had it clear in my mind what reports we would be receiving on a quarterly basis as a result of my attendance at Public Accounts committee meetings Review and attending the Estimates of the Minister of Finance, and I thought that we would be receiving quarterly statements which were exactly the same as we had received for the quarter ending September 30th, 1977, and that for the quarter ending December 31st, 1977. I had not realized and I really hadn't perceived that the projections hadn't been updated for December 31, 1977 because the press release which you put out announcing that December 31 quarterly statement said that the projections remained unchanged, which is not the same as saying that the projections are the same ones as existed on September 30. I got the impression that they had been updated and that the projections remained the same as projecting that type of deficit and I remember looking at that press release with some care.

Again, since I do expect that we will probably have a Public Accounts committee meeting some time in the future and since I also expect that there will be these quarterly reports coming out, one in the near future and one possibly on, say, October 20 or October 30, when I don't expect the House to be sitting, I would just like to be sure of what I will be receiving. I will be receiving the statement of expenditures and revenues to that date, plus a projection of what the year-end statement will be. If that is correct, then I think that we will probably be able to establish a pattern over a number of years, and you have indicated that looking at expenditures and revenues is not just a function for the government, it's a function for all Members of the House. In order to do that, because you do have these seasonal variations in expenditure and revenue, it is important for the Members of the House, I think, to get a very good idea of what the seasonal variations are. They will only be able to determine that if they do get those projections in June and September

and December. Once we start getting that for a period of two years or so, we will start determining a pattern and if there is something unusual that arises, then it will show up in those projections. Undoubtedly that will give us an opportunity to ask questions or, since you will be issuing them, it will give you an opportunity to explain why there is that variation. But unless you do give the projections out on a systematic basis, at systematic intervals, it will be virtually impossible for anyone receiving those projections, or those quarterly statements, to really make much sense of them. That's why I understood the Minister of Finance, from his previous statements, to indicate that the quarterly statements would be exactly the same as the ones we had received to date. If that is the situation, fine, I am happy with that and we had an opportunity to discuss that in Public Accounts Committee and the Finance Department Estimates.

But today we seem to be getting another story and I just wanted a confirmation as to what we will be receiving in, say, August, with respect to the June 30th statement and in October with respect to the September 30th statement.

MR. CHAIRMAN: To the Member for Transcona, I believe that the Member for St. Johns asked almost the identical question and just has had it answered by the First Minister and the Minister of Finance. I was under the impression that the Member for St. Johns was satisfied with the information he received.

MR. PARASIUK: No, I sat in and listened on those and I didn't get a chance to enter into debate, and if you can recall, as soon as that answer was given by the First Minister, I stuck up my hand to ask a question. I stuck up my hand to ask a question because I had previously received other answers. I'm not debating this as any great policy issue; I'm just debating it as a matter of fact — what type of information will we receive so I know what to expect when we get it, so I don't get up three months from now and say I've been done wrong. I don't want to say that. I just want to know what we will be getting and I don't think that that is unfair in the light of the fact that we were under the impression from our Public Accounts Committee meetings that we would be receiving exactly the same quarterly statements as we had received in the past.

MR. CHAIRMAN: Well, perhaps the Minister of Finance will repeat his answer from earlier.

MR. CRAIK: Mr. Chairman, I said that the June report, we hadn't planned on including any projection. The September 30th report that was done last year was a very extensive study, including the Auditor and probably a lot more information was accumulated and generated and analyzed than would normally be done in an ordinary quarterly report. It is still possible that the later reports, the end of September report, could contain a projection. We had not planned on the June report containing a projection to the end of March 31, 1979.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, if I may just interrupt, I wanted to correct you. You said I asked the question and I appeared satisfied. I did not receive the assurance I was asking for and could not receive it because it was not given, so I then ended by challenging the Premier and the Minister of Finance to do that. For the record, I don't believe they undertook to do it; I think the Premier said, well, the senior member of the Finance Department is hearing it and will consider it, and I said it's a political decision.

So I'm just correcting you and saying that I was not really satisfied. All I was satisfied was that I gave a challenge and it remained unanswered. It may or may not be dealt with.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: Mr. Chairman, my comment is that I assumed that for internal management purposes, the Department of Finance will be doing these projections. I know that the September ones are always done.

Now, it is a matter of whether in fact the government will continue with its precedent of making these public. That is all I am asking. I know the department does them, so I would expect that without too much difficulty, those same figures that the Minister of Finance no doubt will receive on October 20 or 30 or whenever he receives them, could easily just be put down on another piece of paper and attached, as they were last year, to the document that he will be receiving with respect to the quarterly statement as of September 30, 1978. That is my only comment.

MR. CHAIRMAN: 1.(a)—pass — the Member for St. Johns.

MR. CHERNIACK: I am guessing that the Premier doesn't have the information which he . . .

MR. LYON: Yes, somebody from Management Committee is on his way over and the information should be available later on tonight. I undertake, for the third time, to provide the information to the Committee.

MR. CHAIRMAN: Is that satisfactory to the Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I never questioned whether or not the Premier would produce the information. I haven't the slightest doubt he will, but there are questions that I would like to ask in connection with that and it makes it awkward that the Premier doesn't have the information. There seems to be an effort to pass his salary and therefore complete his Estimates. We have yet to deal with Legislation. Could we not leave his salary and deal with Legislation, then come back to it?

MR. LYON: . . . let's make some progress, that's all.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: Can I just raise one more question before we proceed? I would like to ask the First Minister, as the Chairman of Management Committee, whether in fact every department expenditure of over \$25,000 still requires approval of Management Committee? Is that still the practice?

MR. LYON: Yes.

MR. PARASIUK: I'm sorry that the Minister responsible for the Task Force isn't here because I would like to inform him that in this respect I agree with his Task Force's recommendation that that not be continued and that the accountability be more squarely fixed on the Ministers. So I just pass that on, Mr. Chairman.

SUPPLY — LEGISLATION

MR. CHAIRMAN: All right. If Members of the Committee will turn back a couple of pages to Page 3, Item 1.

MR. CHERNIACK: Mr. Chairman, there is one point I want to raise.

MR. CHAIRMAN: I didn't read them off.

MR. CHERNIACK: I'm sorry. No, I'll tell you, it's an item that doesn't appear here and I just want to refer to it to the Premier.

MR. CHAIRMAN: This is under Legislation?

MR. CHERNIACK: Yes. I could have asked it under his Salary, it's not too much of a problem in my mind, and that is that these Estimates of Legislation include the Provincial Auditor and the Ombudsman, both of whom I believe are servants of the Legislature. I thought that the Legislative Counsel is a servant of the Legislature and it never occurred to me before to inquire as to why he comes under the Attorney-General's Department rather than under the Legislation section. I am wondering if the Premier, who has rather extensive experience in the Legislature, could give an impression as to the role of the Legislative Counsel vis-a-vis the government as compared with the Legislature. I don't know if he wants to deal with it now or under some other aspect of his Estimates.

MR. LYON: Well, it comes under Legislation, Mr. Chairman. I'm going strictly from recollection from my years as Attorney-General, and my recollection is that the salary did reside in that department at that time, but that is only a recollection. There may be some within the hearing of my voice who can correct me. I think it has always been there, which doesn't sanctify it particularly, but his position of course, by virtue of, I believe it's the Rules of the House, his position is outlined in a section or two of the Rules of the House which state his responsibilities in that he is an officer of the House. I haven't got the rules in front of me but, again, they can be read by anybody. I can't really answer the question as to why they don't appear —(Interjection)— Well, there is the

suggestion made that he does — which is true of course — that he does occupy the dual role. While he is the Chief Legislative Counsel for the Legislature, he is also the Chief Legislative Draftsman in that sense for the government as well. But it's an interesting observation, Mr. Chairman.

MR. CHERNIACK: I have something that made me think of it. As the Chief Legislative Counsel, I believe that he is responsible for the preparation and presentation of bills of all kinds, that is the government bills, Private Members' Bills —(Interjection)— Yes, private public bills, and that therefore that role is not a double role, but is actually the role of being involved in planning legislation. Now, I also know that he is available to give advice, interpretive advice, to Members of the Legislature on legislative matters and I want to know whether he is responsible to the Attorney-General or to the government in any respect other than he is on call to the government to draft legislation and I believe it is a longstanding understanding that the government would have priority on the use of his time for legislation, over private members. I can't conceive that a private member could come to him and say, "Draft me a bill" on something which will take many many days of his work. I know that he has to be selective and favour the government's needs.

But I want to know whether he is under the instruction of the Attorney-General in any way? Does he serve him or respond to him?

MR. LYON: Again, Mr. Chairman, I'm going from memory but his first responsibility, of course, in the dual capacity, is to the Legislature. In my recollection I don't recall the Legislative Counsellor ever having complaints from any Member of the House, government or opposition, that they were not served by the Legislative Counsel with respect to private bills or public bills brought in by a private member. So that extent, I think his priority, of course, is to serve the Legislature and all 57 members of it.

The hard fact of life is, of course, that the government, in our tradition and practice, generates most of the legislation. So to that extent, the bulk of his time would be spent — the vast majority of his time — drafting government legislation or overseeing the drafting of it with his staff.

I don't know that that adds anything to the picture. That's the situation as I have seen it evolve over the last 20 years.

MR. CHERNIACK: Mr. Chairman, my view of it is exactly that described by the First Minister, but it occurs to me to wonder whether, as the Attorney-General now has to take responsibility for all work done of a legal nature by people in his department, I do not think that he is responsible for the Legislative Counsel and I do not think that he is either accountable for the Legislative Counsel's work, except for staffing, nor is he entitled to instruct the Legislative Counsel in any way as compared with his right to instruct any member of the Attorney-General's legal staff.

MR. LYON: Well, Mr. Chairman, I suppose this would bear to some extent upon the person who is designated in the Legislative Council as being — or in the Executive Council, I should say — as being responsible for the carriage of government legislation. More often than not, that person is the Attorney-General and to that extent, the Attorney-General very often acts as a conduit from the Executive Council to the Legislative Counsel with respect to the drafting of legislation. That's just a reflection on what past practice has been, to my knowledge, but insofar as his strict accountability, again I'm going on recollection, I can recall when the Legislative Counsel was a person other than the present very capable Legislative Counsel, but adjustments in his salary were initiated by the Attorney-General — I'm going back years ago — and the Order-in-Council was presented to Cabinet by the Attorney-General of the day and was approved by Cabinet with respect to adjustments from time to time in the salary. He has to be responsible to some member of the executive branch of government for that kind of important housekeeping purpose, among others.

MR. CHERNIACK: Okay, Mr. Chairman, I still agree, I still agree with everything that the First Minister said. I point out that I assume that it still prevails that the Minister of Finance is involved to the same extent, as described by the Premier, with the Provincial Auditor. I think that the Minister of Finance is one to whom or through whom the Provincial Auditor reports to the Legislature, and I think the Ombudsman reports through the Attorney-General, and I guess that's what made me wonder to see and I don't remember previous Estimates — I haven't looked them up to see whether the Ombudsman or the Provincial Auditor have ever been under any other department — but let me now make the point.

The reason this occurred to me, Mr. Chairman, was that there was an Order for Return requested for an opinion, for the filing of an opinion given by the Legislative Counsel to a government department or a Minister, and the Premier objected to that on the basis that legal advice is confidential, and it would be contrary to public policy to issue that. I wondered whether he was

not treating the Legislative Counsel in the same way as he would treat an officer, a law officer of the Attorney-General, who, I believe, whose opinion would be clearly interred within the department and not a matter for public review. And my concern was not that issue at all — I don't even remember what that issue was — but my concern was that the Legislative Counsel should continue to be what the Premier and I describe him to be, and that's a servant to the Legislature and to members of the Legislature, and therefore that it seems to me that he ought not to be treated in the same way as any law officer or private lawyer who is consulted by government and gives an opinion. And that's why it seems to me that he belongs in the Legislation section of the Budget, so that he may report through the Attorney-General or through the Premier, but that clearly he ought to be defined just like the Provincial Auditor and the Ombudsman to be a servant of the Legislature.

MR. LYON: Well, Mr. Chairman, I think there are two distinctions that could be made in the statement that the Member for St. Johns has just made with respect to his deeming the position of the Legislative Counsel to be totally analogous, as I understood him to say, to that of the Ombudsman and of the Provincial Auditor. I would think that, upon reflection, he would want to perhaps change that analogy, because the Provincial Auditor and the Ombudsman, unless my recollection is hazy at this hour of the night, receive from the Legislature their unique positions by virtue of an Act of the Legislature. My recollection is that the position of the Legislative Counsel as a servant of the House, derives from the Rules of the House, but there is a duality in his role, as was indicated earlier. With one hat, he serves the House with respect to the drafting of legislation; with the other hat, he gives drafting advice to the Executive Council, which my honourable friend is well aware, from time to time, and he gives opinions on matters from time to time to the Executive Council, or to individual members of it, and in that capacity he is acting in the second part of his dual role as legal advisor, if you will, to the Crown. Now I cite this as only a hypothetical example.

If we were to follow through on my honourable friend's analogy whereby he suggests that any opinion given by the Legislative Counsel should be callable in the House, then he would have to say that he could then file an Address for Papers, or an Order for Return, or whatever the case may be, asking the Legislative Counsel to show — and of course this is hypothetical — the first draft of Bill No. such and such, that he gave to the government, or the second draft, or did he, in fact, draft a bill dealing with such and such, and if so, would that be produced. And I would think that automatically then my honourable friend would see that that kind of information is of a confidential, internal nature, and that reflects on the second part of his dual role, where he acts as a legal advisor in a legislative sense to the Executive Branch of government, as well as his other function, which is to service members of the House with respect to bills that they may need, and to give them advice from time to time. I don't think that my honourable friend — using the other side of the equation — would agree that a government member should be able to file an Order for Return asking for the first draft of a bill that the Legislative Counsel gave, for instance, to a member of the opposition. I don't think that my honourable friend would agree that should be done, and hence he can see, I think, in clear perspective, the duality of the role of the Legislative Counsel.

MR. CHERNIACK: Mr. Chairman, I did not want to give the example I gave, lest we get side-tracked into discussing an Order for Return.

MR. LYON: Which has already been voted upon, not voted upon, but settled or disposed of.

MR. CHERNIACK: Well, that's not the point. Mr. Chairman, what I'm getting at is that it seems to me that the Legislative Counsel, who is available to give advice to any member of the Legislature — give a legal opinion — and who is available to draft legislation for any member of the Legislature, should be treated in such a way that none of his opinions are available to the public or to other members, other than those to whom he gives it, just like . . . Well, let's see that through. I think that it should be clear, and it so happens that the present incumbent commands so much respect that I don't think anyone would dare to dictate to him, but maybe this is a good time to raise it, when his prestige is so high, to say that no Legislative Counsel, I think, should ever be put in a position where it is conceivable that a Minister of the Crown is his superior in any way. And when the Premier describes a dual role, I'd rather think it is not a dual role, I think it's a single role, and I would say that, if he gives an opinion, and he should give opinions, that those opinions should be protected maybe in The Legislative Assembly Act. So it's not that I want his opinions to be available, but rather I want his opinions to be protected because he is an officer of the Legislature. And if he has the dual role, I think it should not be one — I think it should be clearly a responsibility he bears to the Legislature itself, because I don't think he should ever be thought to be giving an

opinion which may be dictated to by a political superior, because I don't think he has one.

So the point is not whether his opinion should be made available under Orders for Return, but rather that none of his opinions should be available to anybody other than the person who requests it — just like any practising lawyer is honour bound not to give information about his client's affairs — and I think that the Legislative Counsel's client is the Legislature and the members of the Legislature, and not the government. So I'm challenging the concept of a dual role, I'm saying he has a single role, but that because, as the Premier said, most of the legislation is generated by government, I think that he has to pay attention to that as being a priority.

Now, I'd like to suggest that that should be the case, and I don't know whether the Premier disagrees with me. So far, he and I haven't disagreed on the role, but now I'm postulating the independence, the greater independence of the Legislative Counsel.

MR. LYON: Well, Mr. Chairman, I certainly subscribe to what the Member for St. Johns says with respect to the present Legislative Counsel, and may I say to his predecessors, as well, because the custom and tradition that has built up with respect to their handling of their assigned roles in a single or dual capacity, or whatever, has been without blemish for so long as I can recall.

I would correct one piece of terminology that I used earlier, I think I used the terminology of "purporting to quote from the Rules that the Legislative Counsel is a servant of the House." Section 92 of the Rules says, "The Officers of the Assembly are, the Clerk, the Clerk's Assistant, the Law Officer of the Legislative Assembly." So there is a different title actually. He is the Law Officer of the Legislative Assembly, he is also the Legislative Counsel, but by virtue of being Legislative Counsel, he becomes, in the custom and tradition that has built up in Manitoba, the Law Officer of the Legislative Assembly at the same time. He is appointed by Order-in-Council, and there is no two-thirds requirement on his . . .

MR. CHERNIACK: He can be dismissed without . . .

MR. LYON: That's my understanding, although I haven't looked at the statute. I'm not aware that there is any statutory . . .

MR. CHERNIACK: I'm under the impression The Legislative Assembly Act may refer to him, does it? Just the Rules.

Mr. Chairman, therefore I am prepared to leave it with a strong recommendation to the Premier and to the Attorney-General, that they should consider that the independence of the Legislative Counsel should be greater informed than it is, and that it would be reasonable to suggest, I mean advantageous to the system that we operate under, to clearly put him in the — to bring in legislation if necessary — but to put him in the Legislation section of the Estimates, and the reports could be free to the Premier or to the Attorney-General, but to clearly define that he is not a servant of the Attorney-General, which is what it appears to be when looking at the Estimates.

MR. CHAIRMAN: Can we go on, to the Member for St. Johns, with the Legislation Section now? Can we go on with it?

MR. CHERNIACK: If you need my permission, you've got it.

MR. CHAIRMAN: Well, I'll tell you, I've never been caught between the Member for St. Johns and the Premier for twelve minutes before when you've been agreeing. I've been lost for the last twelve minutes.

MR. CHERNIACK: There were times when we had no problems.

MR. CHAIRMAN: Right. 1.(a) Members Indemnities—pass; 1.(b)—pass; 2. Retirement Allowances (a) Allowances and Refunds—pass; 3. Members' Allowances (a) Constituency Allowance—pass; (b) Living Allowance—pass; (c) Committee Allowance—pass; (d) Mileage Allowance—pass; (e) Secretarial and Research Assistance Allowance—pass; (f) Speaker's Expenses—pass; (g) Speaker's Per Diem Allowance—pass; (h) Deputy Speaker's Expenses—pass.

4. Other Assembly Expenditures, 4.(a) Leader of the Opposition's Salary—pass; (b) no appropriation on that one; (c) Salaries—pass; (d) Other Expenditures—pass; (e) Legislative Printing and Binding—pass. Resolution No. 1: Resolved that there be granted to Her Majesty a sum not exceeding \$601,200 for Other Assembly Expenditures—pass.

5. Provincial Auditor's Office, 5.(a) Salaries—pass; (b) Other Expenditures—pass. Resolution No. 2: Resolved that there be granted to Her Majesty a sum not exceeding \$1,228,900 for Legislation Provincial Auditor's Office—pass.

Item 6. Ombudsman (a) Salaries—pass — the Member for St. Johns.

MR. CHERNIACK: Is it a continuing practice — I may have overlooked it — for the Ombudsman to appear before a committee of the Legislature? It seems to me that he has done that in the past. —(Interjection)— I believe he came, I think he appeared before a committee of the Legislature and gave a report.

MR. LYON: I'm informed, Mr. Chairman, that he does not appear every year. He files his report each year, and according to the information I received on the occasion of his reappointment, when a special committee was struck for that purpose, from all members of the House, he appeared before that committee.

MR. CHERNIACK: No, Mr. Chairman, I think he also appeared to deal with his report, on one occasion. I say one, because I seem to recall one.

Well, Mr. Chairman, may I invite the Premier to look into precedent, and to look into his own mind, and see whether or not there should be an opportunity to have a direct discussion with the Ombudsman by a committee of the Legislature.

MR. LYON: Mr. Chairman, as to previous practice, I would certainly defer to the Member for St. Johns, who was here during a period when I wasn't here, when the Ombudsman was first appointed and so on. I don't, from my own recollection, recall what the practice is, I've heard a suggestion and we can take that under consideration.

MR. CHAIRMAN: 6.(a)—pass; 6.(b) Other Expenditures—pass. Resolution 3: Resolved that there be granted to Her Majesty a sum not exceeding \$146,700 for Legislation, Ombudsman— pass. That concludes Legislation.

SUPPLY — FLOOD CONTROL AND EMERGENCY EXPENDITURES

MR. CHAIRMAN: To all Members of the Committee. We start on Page 79 now, which is almost the end of the book. We're at Resolution 116, Flood Control and Emergency Expenditures. There is an item of \$300,000.00.

The Member for St. Johns on Resolution 116, do you have any questions?

MR. CHERNIACK: Mr. Chairman, I'm just wondering, in light of the disaster we've already experienced, whether there's an indication that we now know that there will have to be Supplementary Supply or a special warrant under this item.

MR. LYON: No, Mr. Chairman, we don't know that. As I've tried to make it clear in the House, there's been no determination made about aid to the victims of the recent tornado, and that determination will not be made until such time as the assessment is in of the total damage, the amount of that damage that is uninsured and determination then will have to be made as to whether or not any provincial aid and any formula will be considered.

MR. CHAIRMAN: Resolution 116-pass. Resolved that there be granted to Her Majesty a sum not exceeding \$300,000 for Flood Control and Emergency Expenditures—pass.

SUPPLY — CANADA-MANITOBA GENERAL DEVELOPMENT AGREEMENT

MR. CHAIRMAN: Resolution 117, Acquisition/Construction of Physical Assets —pass.

MR. CHERNIACK: That's under the Development Agreement, Mr. Chairman, is that right?

MR. CHAIRMAN: Yes. Canada-Manitoba General Development Agreement. DREE.

MR. CHERNIACK: Is this something new or is this ongoing, Mr. Chairman?

MR. LYON: Just for purposes of explanation, Mr. Chairman. Item 2, that is part of the \$2 ½ million industrial agreement that has just been signed with Ottawa. The amount shown here results from deducting \$426,800 from the \$2.5 million, and that \$426,800 is contained in the Estimates of the Department of Industry and Commerce.

MR. CHERNIACK: Mr. Chairman, then the answer I assume, to my question, would be that this

is not an ongoing program, but it's a new program?

MR. LYON: A new five-year program.

MR. CHERNIACK: And therefore I would also ask whether there's any money being expended under this item for previously authorized carry over of previous capital authority?

MR. LYON: My information is no. This is a new agreement with new terms of reference applying to it.

MR. CHERNIACK: Mr. Chairman, I was not talking about the new agreement, I'm talking about an old agreement, whether there's any expenditure in this year that is not revealed here that is being done under any previous agreement which is expended out of moneys that were previously voted for capital authority and have not lapsed?

MR. LYON: We can take that as notice, Mr. Chairman, and undertake to advise the members of the committee as to whether or not there was any carry over of any sort.

MR. CHERNIACK: Mr. Chairman, this brings us back to the questions of the previously authorized capital moneys which are being spent in this current year, but are not being revealed in the Estimate. I want to ask the Premier, what is the intention of the government in relation to all moneys previously authorized as capital authority and which are unexpended and are not now committed under this \$30 million, what is the intention in regard to that?

MR. LYON: Mr. Chairman, I'm sorry for the delay. I think that's referring back to my honourable friend's earlier question which I suggested to him with respect, has been answered a number of times.

MR. CHERNIACK: Mr. Chairman, I am not aware, I am not aware that it has ever been answered as to what is happening to the moneys previously authorized, voted by the Legislature, which are not yet committed or expended. I understand that there is a stated intention not to use those funds, and I therefore want to know what's going to happen to that authority. The obvious answer would be that they will lapse, but I haven't heard that answer yet, and I want to know, how do they lapse, and when will they lapse?

MR. LYON: Mr. Chairman, I recall it being answered a number of times. Under the new combined system it can be and the expectation is that it will be written off. The methodology for that is very probably by way of Order-in-Council. That is the information I have.

MR. CHERNIACK: Mr. Chairman, I wasn't sure that it could be done by Order-in-Council, but now that I'm told that it could be done by Order-in-Council, and in the words of the Premier, "it can be", but I want to know, will it be?

MR. LYON: That's my information.

MR. CHERNIACK: Is it the intention of the government to lapse all moneys authorized that are not included in the \$30 million of which we are aware? Can we say that we know that the government intends — and why it hasn't done it yet I don't know — to lapse all authority that is not committed in that \$30 million?

MR. CRAIK: I've forgotten the exact figure. It's \$37 million or \$38 million. The committed carry forward capital is \$30 million, the remaining uncommitted carry forward that was available is about \$37 million, and there's Order-in-Council powers to lapse it. Since we said that after this year, after the former programs from last year were carried forward and paid for out of the carry forward capital, all capital lapses at the end of this year. So the intent would be to lapse that capital. We've stated that.

Now, if the Member for St. Johns questions it, he has it on the record now, several times, that the uncommitted carry forward is roughly \$38 million, and all he has to do is, you know, ask a year from now, and double check to make sure that that \$38 million is there and make sure that it's been lapsed.

MR. CHERNIACK: Mr. Chairman, I marvel at the fact that we're not told that it has not already been lapsed. Why has it not been lapsed, Mr. Chairman? What is the reason for failure to lapse

it, since it is the stated intention, confirmed by the presentation of these Estimates, that henceforth they will be voted on annually, and we were told that out of all the unexpended authority, uncommitted authority, available for many years preceding this year, there's \$30 million that will be spent this year. I have to ask the Premier, or the Minister of Finance, why hasn't it been lapsed? Is there a reason that it is being held back. The obvious reason would be that there is still the thought in the minds of government to use some of that authority for purposes not yet revealed, and I think it is fair to ask. Now that we've learned about the \$30 million, what about the rest of it? If it's going to be lapsed next year, why isn't it already lapsed now or tomorrow?

MR. CRAIK: Mr. Chairman, the important thing is that the amount that we've indicated is in fact lapsed. There is a logic to the carry forward this year, of the programs that were committed by the government last year, and most of them will be exhausted by — well the \$30 million at least, will be exhausted in 1978-79. So there was some logic in saying, we'd lapse capital as of the end of the 1978-79 year. The auditor's report, in any case, / A/ always, I believe, shows the amount of capital and if you're concerned about this carry forward even the \$30 million you refer to A always shows up in the the auditor's report in given year. The amount of carry forward traditionally, of capital that has been applied, committed carry forward, even pre-dating the former government, was never shown, although the amount that was actually used, does show up in the Public Accounts.

I've said this to the Member for St. Johns in particular before, that that is the reason for doing it. And last year, the committed carry forward was approximately \$43 million, which doesn't show up, and didn't show up in either of the projected deficits for last year. Had we used the technique of including carry forward capital in projections, the deficit originally projected from last year, would have been some \$43 million or so higher.

I don't know how often we have to say it. It's on the record, over and over again, and that's all there is to it. As far as the remainder, uncommitted portion of the capital carry forward, there is again, Order-in-Council powers to be able to lapse that. We've said that that is the amount that is uncommitted, and if that is not the case, you've got good grounds to come back and say, well, you used it. We don't intend to use it. We voted the amount of capital under Schedule B that we expect to use, and there will be Supplementary Supply in the House shortly for what we see at this point as being any other requirements to the end of the year.

MR. CHERNIACK: Mr. Chairman, the Minister of Finance is right. He has made this statement time and time again, and I understand it. It took a while, but I do understand it.

Mr. Chairman, the one statement I haven't got is the reason for not lapsing the uncommitted, unexpended capital authority from previous years. The government has said, this is the transition year. This is the year when we are changing the system. This is the year when we're carrying forward \$30 million without reporting it from previous authority.

MR. LYON: Without reporting it?

MR. CHERNIACK: Well, without it being recorded in the Estimates. Let's get it clear. The Premier should know, Mr. Chairman, that the . . .

MR. LYON: The Premier does know.

MR. CHERNIACK: The Premier will also wait till I'm through I hope. Mr. Chairman, the Premier should know that the only way that we got the figure \$30 million, was because when we got into the Agricultural Estimates, the very first Estimates, we found that there was money about to be spent by the Department of Agriculture, which was not shown in these Estimate figures in spite of the fact that the Minister of Finance had stated that the total anticipated combined spending would be, and I have the figure right here — at least I should have it right here, \$1,648,657,800.00. It's only when we found out that the Department of Agriculture was going to spend some \$2 million-plus dollars in excess of what was shown in these Estimates, that we started to press for, and after a period of time, we finally got a statement showing \$30 million from previous authority that would be spent in this year.

We were also told, and I didn't remember the figure, but the Minister of Finance said just now, that there is some \$37 million, \$38 million roughly, of additional authority, uncommitted authority available, and he said it is not intended to use it. And I have to ask the Premier, why it is that you have announced clearly that you don't intend to use it at all and you say you have the authority to lapse it in Order-in-Council, why don't you lapse it so it becomes clear that the new system is a new system and that you're not relying on the old system to make available funds that you claim you don't want to spend other than through the current Estimates?

MR. LYON: Mr. Chairman, I started off to say earlier that the Premier is aware that we're thrashing old straw again, and I don't intend to participate in it.

MR. CHERNIACK: Well, Mr. Chairman, it is an easy way out to decide that there is old straw being thrashed. The Premier being the person who knows apparently about how one thrashes straw, is refusing to deal with this matter, claiming it was dealt with.

MR. LYON: A thousand times.

MR. CHERNIACK: The fact is, Mr. Chairman, it wasn't a thousand times, it was never stated, no reason has ever been given, to my knowledge, as to why this money isn't being lapsed. And the fact that it isn't being lapsed, raises the question as to why is it being kept. Is it being kept available for purposes that the government may want to use it in the future in spite of their statement they don't? And if it is so clearly possible and the intention is clear to lapse it, the question I have asked — now, that may be old straw, I have asked it more than once — why wasn't it lapsed? I never had an answer, never ever, not a thousand times, not once.

MR. CHAIRMAN: The Minister of Finance.

MR. CRAIK: The only way, and I don't really think it's going to work, either the Member for St. Johns has a mental block about it, or he deliberately does not want to try understand what is being said, but would he not realize that the practice. We said from square one that this year was a transition year, we were going to start lapsing capital at the end of 1978-79, and that includes any amount of unused capital authority, uncommitted capital authority in 1978-79. Would he not accept the fact or recognize the fact that he himself, in the former government, carried forward sometimes uncommitted capital authority in excess of \$100 million, in excess of \$100 million, from year to year, and never had it committed but simply flowed it through? And in the final year of his government, not he, but the former government carried forward last year a committed amount of \$43 million plus an additional amount that still carried forward into this year.

Now, there is nothing inconsistent about what we're doing. We said from square one, we are going to flow last year's committed capital into 1978-79, but for new moneys committed in 1978-79, we'll show it in the budget, but those that were committed in 1977-78, will flow through until most of that has run out and at the end of 1978-79 it's cut off. And it's a perfectly logical move as far as we're concerned anyway; it seems to make logic to some people, but every time . . . and I think that the Member for St. Johns understands it, but I think he's just decided that he's going to try and create another one of his diversions and try and persuade somebody there's hocus-pocus going on, and it's just as straightforward as all get-out. And I tell you, that if there is \$38 million at the end of 1978-79, which we fully intend that there will be, that it will be less by far than the amount of uncommitted capital authority that has traditionally been carried forward by the former government.

MR. CHEIACK: Mr. Chairman, one of the easiest ways out of getting to deal with a matter, is to refer to things like one of his diversions, to say, well, that's one way I can get out of giving an answer.

Mr. Chairman, the Minister of Finance suggested I have a block about this. I would suggest to him that maybe he has the block, because he is confusing two systems, one which was formerly in place for many years, continued by the NDP government from the previous Conservative government, which may have continued it from the previous Liberal, I don't know. That was a system which this government has stopped and changed, and I am not quarreling with their change, I am not quarreling with the decision to go into combined Estimates, but when the Minister of Finance says, it is our intention to lapse all authority at the end of this fiscal year, let me tell him that I believe that it is not his intention, it is the law, that presenting these Estimates the way he is doing it, will automatically lapse all items in these expenditures unless they are going to have some kind of change from previous matters where they will continue the authority in any portion of these current Estimates.

As I understand it, these Main Estimates of Expenditures now combine the current and the capital, and that if they are treated as they have in the past, they will lapse automatically, automatically, no decision of Cabinet. The only decision of Cabinet, as I understand it, that has to be carried out is to carry out the claim by the Minister of Finance and his Premier that they intend to lapse the uncommitted moneys. Now, they have told us that they are going to spend \$30 million previously planned and that there will be an excess of money which I think he said was \$37 million or \$38 million uncommitted. I have to ask him again and again, why don't you lapse it now, why are you waiting, is there a reason? Are you unsure, are you uncertain about your expectations? Why are

waiting for something to happen in the future when your stated intention now is that you will not use that authority, therefore you have to lapse it; it won't lapse unless you do it? And I have to say that I am not creating a diversion, and I am not raising — I forget what other term he used — hocus-pocus, or something. The fact is if you don't intend to use it, why are you keeping the authority; why aren't you lapsing it? And the answer I'm getting is, well, we intend to lapse all authority at the end of the year. If I am incorrect, because I see no reason not to have lapsed it early in this work his way around somehow, so that his point of view, whatever it may be, and it escapes me, would still be expressed. So, at the risk of not aping his tactics, I merely say pass.

MR. CHERNIACK: Mr. Chairman, the Premier is finally . . . You know, he's kept his cool for a long time today and now he is reverting to his own form, and doing that by calling my statement an impolite answer. Mr. Chairman, all I want is an answer, and all I want to put on the record is that I have not had an answer as to why it is not being lapsed now. I have heard an answer from the Minister of Finance, we intend to lapse it at the end of the fiscal year, and I have said again and again, if you don't intend to spend this additional uncommitted money, why don't you lapse it now or why didn't you lapse it up to now? That's a simple question, and it has never been answered.

MR. LYON: Mr. Chairman, with respect, my honourable friend argues against himself because he repeats that the Minister has said that it will be lapsed at the end of the fiscal year, and then he says he has had no answer. Now, really, why are we playing these kindergartenish games? Does he want to put on a demonstration of his forensic skill, fine, let him hire a hall, but let's not waste the time of the Legislature.

MR. CHERNIACK: Mr. Chairman, it so happens I don't have to hire a hall. I have the right to ask questions here until and unless the Premier decides to respond. . .

MR. LYON: You haven't got the right to offend the rules. . .

MR. CHERNIACK: Mr. Chairman, the rule is that I can ask a question. If I could be shown, Mr. Chairman, —(Interjection)— you see, the Premier just can't control himself anymore, it's only five minutes after ten, or seven after ten, and he's lost his cool completely. You know, his problem is, Mr. Chairman, his problem is that he would like to run —(Interjection)— Let me point out, Mr. Chairman, I have asked the question as to why, and I have received an answer as to when, and I am beginning to think that maybe the Minister of Finance and his Premier are just reluctant to admit that they should have done it already, because if they can't give an answer as to why they are delaying it, then the next question is, what purpose do you need to have the money there for a continuing nine months from here on in. If you don't need it, if you've got your capital requirements into these Estimates before us, why can't you lapse it now? The Premier thinks I was answered when I was told, we will do it at the end of the fiscal year. If he thinks that that's an answer as to why, then . . . Well, Mr. Chairman, I know he knows better than that.

MR. LYON: Pass.

MR. CHERNIACK: I know that, and I know now that the Premier has decided that not having a . . . Well, he's not answering, and, Mr. Chairman, I have to say that it could be a simple answer if there was a rationale behind it. I have to say there's no rationale behind it.

MR. CRAIK: You've got it, and you just can't hear it.

MR. CHERNIACK: Mr. Chairman, will the Minister of Finance say that he's given me why, if it hasn't been lapsed? Will he say that he has given me that answer?

MR. CRAIK: Yes, I gave it to you.

MR. CHEIACK: Why it hasn't been lapsed?

MR. CRAIK: I gave it to you. I gave you when it was going to be lapsed.

MR. CHERNIACK: Yes, did you say it hasn't been lapsed now? —(Interjections)— Mr. Chairman, I think that that is . . . You know, I have to thank the Minister without Portfolio responsible for the Manitoba Housing and Renewal Corporation who has come in here and honestly given an answer. The fact is that the Minister of Finance has just agreed that he has given me a when. He has not

given me an answer as to why and he doesn't claim any more that he has answered the question why. The Premier claims that I have been answered, but the fact is that I have not been answered, but we had to get the Minister without Portfolio to come in and say, because he doesn't want to, and if that is the answer, if the answer —(Interjection)— I'm sorry, maybe I'm even giving him credit for something he didn't do. I heard down the end of the table, somebody who stated, that he doesn't want to.

Mr. Chairman, regardless of what may have been said at the end of the table, I think if the Minister of Finance said, "I don't want to do it," without giving an answer as to why he's not doing it, at least I would know that he has, in a stubborn way, made a decision and is going to keep it regardless of reason, but he has not yet said that. All he said is, I'm going to do it, I'm going to do it nine months from now. And my question is, why not now, why does he need that time?

MR. LYON: Because there is no point, there's no point.

MR. CHERNIACK: And you see, Mr. Chairman, there's no point. Here the government is sitting with a power to expend some \$37 million, \$38 million, which it said it's not planning to do, and it says there is no point in lapsing it when they make the statement that they intend to lapse it.

MR. LYON: It's a year-end adjustment, as my honourable friend knows quite well, Mr. Chairman.

MR. CHERNIACK: The Premier knows very well that there is no such thing in the past of a year-end adjustment to a capital authority lapsing. The fact is that by law current authority lapses at the end of the year. Because of the change that this government made this year, they say they are not going to use previous authority any more than the \$30 million that they admit they are now going to use.

I have to say that the only conclusion I could come to is their refusal to do it may be either they don't understand why they should do it, which is not too credible, or the fact that they still want that authority to sit on the books in case they want it. Now, Mr. Chairman, they don't need it. They can always pass a Special Warrant for unexpected money. —(Interjection)— The Minister of Finance just said that's right, they don't need it.

The question is, why don't they lapse it to reassure us that they will not again authorize the expenditure of money as they did for \$30 million worth of money that we had to find out about through pressure, pressing Ministers to get that amount out. Now, I say again, and there's no use pushing this —(Interjection)— Yes, I am right, because I find that the government is stubbornly refusing to give a simple response to what I believe is a reasonable question. Why are they not lapsing it now? They are only answering it by saying there is no point. Well, there is no point in not lapsing it now if they don't intend to use it.

Mr. Chairman, their refusal to answer is an indication of either arrogance or lack of understanding or — I don't want to postulate — the possibility that they really want to keep that authority there in case they want to use it in the future, without lapsing it until nine months from now. Because there has been no reason given to me or anyone else as to why they are not doing it now.

MR. CHAIRMAN: The Minister of Finance.

MR. CRAIK: Mr. Chairman, the Member for St. Johns has repeated the same thing over again. Let me tell him again, just so that when somebody reads this Hansard, when he is passing it out, the decision was made to lapse the Capital at the end of 1978-79. I gave him the logic for doing it. The uncommitted carry-forward Capital will be lapsed there and there will quite possibly be some committed carry-forward Capital to be lapsed then as well. It's never going to work out right on the cent; it could be something less.

Now, why would we want to use two different dates to lapse the Capital? Why should we pick two different dates; why not make it all the same date? So that, Mr. Chairman, is the logic, the reason for doing it all at the same time, which is the end of 1978-79. I indicated to the member the reason, in part, for carrying it forward was that carry forward is primarily for programs that were initiated in the previous year and carried forward into the next year. It has always been the same. Most of those programs we wound up by the end of 1978-79; the remainder that aren't will be rebudgeted at that point, but it will be a small amount to show up in next year's Estimates.

MR. CHAIRMAN: Resolution — the Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, seriously, this is the first time I think I have gotten an answer that has some rationale to it. Mr. Chairman, I understand now that any moneys — now there is a figure of some \$30 million that we find is going to be spent this year from previous authority. I gather that the Minister of Finance says any moneys that are needed beyond that figure to complete that program will be budgeted afresh next year. Yes, he is nodding his head. So that's clear.

Now, he is also saying that if there is money not expended, less money spent than that \$30 million-plus, or the exact amount, then that would have to be lapsed. Therefore he is saying since there may be some small amount that would have to be lapsed if there is not the full amount expended, we'll do it all at once, and lapse some \$37 million or \$38 million additional to whatever small moneys are left over at the end of that time. But there is no reason that he can think of for using any of that uncommitted \$37 million or \$38 million in this coming year? That's correct?

MR. CRAIK: It's on the record; I've said that. How many times do you want it on?

MR. CHERNIACK: All right, Mr. Chairman. Now what the Minister is saying is because there may be some dribbles of money underexpended from the \$30-odd million which is committed, he refuses to lapse the \$37 million or \$38 million now, but wants to wait for another nine months. That is what I understand is the reason he has given and I believe it's the first time he has given it. I don't agree with it but I can understand that that is . . .

MR. C: . . . matter IK of opinion, it was implicit in everything I have said.

MR. CHAIRMAN: Resolution 117—pass. Resolved that there be granted to Her Majesty a sum not exceeding \$2,073,200 for Canada-Manitoba General Development Agreement—pass.

SUPPLY — GENERAL SALARY INCREASES

MR. CHAIRMAN: The next page. Page 80, Resolution 118 at the bottom of Page 80. General Salary Increases—pass — the First Minister.

MR. LYON: That, Mr. Chairman, is just a guesstimate. of course. Negotiations are under way and hopefully nearing completion and if any additional amounts have to be added, of course they will be usually by way of Special Warrant.

MR. CHAIRMAN: Resolution 118—pass. Resolved that there be granted to Her Majesty a sum not exceeding \$8,000,000 for General Salary Increases— pass.

SUPPLY — EXECUTIVE COUNCIL

MR. LYON: Mr. Chairman, if you would revert to Item 1.(a) under Executive Council, I have some figures which I think meet the request of the Leader of the Opposition. I wouldn't know whether they will meet the request of the Member for St. Johns, but he is here and he can take a look at them and if he wants any additional information, I will be happy to provide it to him. There are wo of these that I can pass over. I would ask the Member for St. Johns if he could endeavour to insure that the Leader of the Opposition gets one of them. We can have more copies made if they are needed.

MR. CHAIRMAN: Table one with the Clerk and give the Member for St. Johns two copies.

MR. LYON: These show the SMYs which were dealt with this afternoon, as well as the occupied positions as at March, 1977, October 1977, March 1978, and June 1978, to give comparative figures on the number of SMYs and the number of occupied positions.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, just for clarification, in looking at this now, it says MCC Staffing at the top, and then it says Executive Division. Is that Executive Division the Premier's office separate from Management, or is that within Management.

MR. LYON: No, that's all MCC.

MR. CHEIACK: As I recall it, I was asking a question about the MCC and I think the Leader of

the Opposition was asking about the Office of the Premier.

MR. LYON: You may be right in that recollection.

MR. CHAIRMAN: The First Minister gave that information after the Leader of the Opposition left, remember, about the reduction of two.

MR. LYON: I think he was interested to know, Mr. Chairman, if there had been any substantial change and I was under the impression that he was satisfied, but I'll just get the figure. I gave these figures this afternoon, Mr. Chairman, that they are still SMYs, they are not actual people. Twenty-four SMYs, the Premier being one, the Executive and Special Assistant to the Premier being two, managerial support, one, administrative support, 20, for a total of 24. Now, we can get the actual number of people that that involves.

MR. CHERNIACK: That's for this current fiscal year?

MR. LYON: Right.

MR. CHERNIACK: Mr. Chairman, I would like to know how many of these are Civil Service, how many are appointed by Order-in-Council, which I presume are political appointments, how many are on contract or term?

MR. LYON: Well I know, off the top of my head without having the detailed information that hopefully will soon be available to us, but one Executive Assistant appointed by Order-in-Council — I believe the title is Senior Officer 1.

MR. CHERNIACK: That's the Order-in-Council?

MR. LYON: That's an Order-in-Council.

MR. CHERNIACK: And that's the only one?

MR. LYON: Plus the Executive Assistant.

MR. CHERNIACK: I presume Mr. Bedson . . .

MR. LYON: Mr. Bedson is still there.

MR. CHEIACK: Yes, but I mean that would be by Order-in-Council, I assume.

MR. LYON: Yes, but he's in an established position. His position has not changed.

MR. CHERNIACK: I think they are all in established positions, I assume. So there are 24. I think the Premier said it was a reduction of two from last year.

MR. LYON: Yes, that's my recollection, a reduction of two SMYs.

MR. CHERNIACK: How much of a reduction in personnel?

MR. LYON: Two vacancies.

MR. CHERNIACK: So there is no reduction whatsoever in the staffing of the Premier's office?

MR. LYON: In SMYs, no . .

MR. CHERNIACK: I gather in SMYS, yes, but in actual personnel, no.

MR. LYON: In SMYS, yes, but in actual people, no.

MR. CHERNIACK: Mr. Chairman, I was just looking at this Management very quickly and trying to relate it. It seems to me that there is a reduction in Management Audit Services of four people but that overall, there is a reduction of only one person from the occupied positions of October,

1977 to the present. No, I'm sorry, three people.

MR. LYON: Three people, 78 to 75.

MR. CHERNIACK: That would be four in Management Audit Services, but there are some other adjustments in other portions. So the reduction is in three people but the 75 apparently includes two people who have been seconded and I think one of them was transferred to Finance.

MR. LYON: Mr. Chairman, I am advised that the reduction in three is corised as follows: one on maternity leave, one retirement, and one change of position. I am informed the secondments are still funded — the secondments we spoke about this afternoon are still funded out of the MCC.

MR. CHERNIACK: And included in the 75. So we have one on maternity leave, one retirement . . .

MR. LYON: And one change of job.

MR. CHERNIACK: That's probably the Finance, although that's not important to me. Well, then, there is really no appreciable change in the staffing of the MCC and I believe that the Premier said earlier that there is no change — I think he said no real change in function or requirements, work being done by the Management Committee of Cabinet.

MR. LYON: I believe what I said, to repeat myself, Mr. Chairman, was that I can only speak for the functioning of the Management Committee since the 24th of October, but I am not aware of any fundamental change in functioning except that it seems to always be overloaded and I don't know that that is a unique situation, either pre or post October 24.

MR. CHERNIACK: Mr. Chairman, of course the Premier . . .

MR. LYON: I mean overloaded with work.

MR. CHERNIACK: It's good he said that, Mr. Chairman. I wasn't sure what he meant but I wasn't going to raise that.

He would know what he found when he came into office and he would know that he has not made any changes. I realize he didn't know just what went on before he assumed the Chairmanship, but he did not make any change from what he found. I gather that is the correct assumption, from what he said.

MR. LYON: That's a generalization. I think to be accurate it would have to said there were probably some changes in procedures made, sure, but fundamentally it operates under the terms of reference that were established some time ago.

MR. CHERNIACK: Mr. Chairman, the Management Committee Secretariat then is involved in budget assessment as well as in the — in the Estimates assessment, rather — before they are completed.

MR. LYON: The Management Committee was involved in the preparation of these Estimates.

MR. CHERNIACK: And the review of the programs of the various departments?

MR. LYON: Yes.

MR. CHEIACK: And then has the ongoing responsibility of supervising and reviewing current expendiures and various types of contracts, I think in excess of \$25,000, and I assume also employment of civil servants.

MR. LYON: That part, yes, some of the personnel functions that were in Management Committee on the 24th of October stil remain there, although my honourable friend will be aware of the suggestion in Task Force, and elsewhere, that there should be some movement of some of that function back to the Civil Service Commission.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, is the Management Committee Secretariat responsible for a review of the Task Force reports?

MR. LYON: The Management Committee will be making input with respect to the Task Force Report, yes, but so will other line departments of government and so on. Ultimately the Cabinet will have to make determinations as to changes.

MR. CHAIRMAN: 1.(a)—pass. Resolution No. 4: Resolved that there be granted to Her Majesty a sum not exceeding \$636,100 for Administration—pass.

Gentlemen, that concludes the Estimates that come before the First Minister. Committee rise.

SUPPLY — TOURISM, RECREATION AND CULTURAL AFFAIRS

MR. CHAIRMAN, Mr. Abe Kovnats: I would direct the honourable members to Page 75, Main Estimates, Department Tourism, Recreation and Cultural Affairs. We are on Resolution 110, Clause 2. Tourism and Park Resources Division, (a)(1)(a) Salaries—pass — the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I wonder if the Minister could give us the information as to the staff man years when he came to office, the vacancies and his request for this year.

MR. BANMAN: Mr. Chairman, the amount for 1977-78 was 49.18. The request in this year's budget is 46.18. That means a reduction of three. There are in process two SMYs and there is a vacancy of nine.

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

MR. McBRYDE: Mr. Chairman, what was the vacancy when the Minister came to office, and are any of these positions not permanent positions but staff man years to cover off casual help?

MR. BANMAN: Mr. Chairman, I have not got exactly what the vacancies were this year. The staff, I understand, is compiling it to meet the request for the order for return that has been put in, and I haven't got it right now. The staff, like I said, is compiling it for that return.

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

MR. McBRYDE: Mr. Chairman, the other question I asked, were any of these positions to cover off casual staff or are these all permanent departmental staff?

MR. BANMAN: These were all permanent, Mr. Chairman.

MR. McBRYDE: Mr. Chairman, the assistance for regional parks, what section would I look for that under?

MR. BANMAN: Mr. Chairman, that is not contained in the budget.

MR. McBRYDE: Mr. Chairman, since this is the Management Services section, I wonder if the Minister could indicate whether there was some assistance given in the past or whether it was just a proposal that some assistance be given for regional parks. What was his reason for not including that in the budget, and how will the regional parks survive without that kind of assistance?

MR. BANMAN: Mr. Chairman, I understand that that particular program, there was some funding that was given to regional parks in 1975 and 1976. There was no funding for it last year and we have not made any funding available this year. I know that there are a few municipalities throughout the province that have asked for some assistance with regard to that. I am looking at the situation right now, to try and acquaint myself more fully with that particular situation but, as I mentioned, there was no provision for it in the last year's Estimates and there isn't in this year either.

MR. McBRYDE: The organizational chart we have shows this section quite a ways down the chart. I would assume that it has a little more priority than it appears pictorially. I wonder if the Minister could indicate whether there is an ADM in charge of this section, or what is the situation? Has

there been senior staff changes since he took office?

MR. BANMAN: Mr. Chairman, the Director of Parks reports directly to the Deputy Minister. There was an ADM in that particular facility who is not there anymore.

MR. McBRYDE: Mr. Chairman, could the Minister explain why the ADM is no longer there.

MR. BANMAN: The Assistant Deputy Minister took an early retirement.

MR. McBRYDE: Mr. Chairman, earlier on before the supper break I asked the Minister if he wanted to elaborate any further or give any more information or any more details and to answer more fully some of the questions asked by members of the opposition in relation to the Whiteshell Development and Mr. Jarmoc's proposal for a condominium development there. I wonder if the Minister wishes to deal more fully with that subject at this time.

MR. BANMAN: Mr. Chairman, I made a statement to the Legislature with regard to that. I have also stated that there will be no major developments in the Whiteshell Provincial Park per se until our group has completed the studies dealing with a master-plan concept. That master-plan concept will then be made available to the public for public input, and up until that particular thing happens, there won't be any further development.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Chairman, I wonder if the Honourable Minister could care to estimate the operating costs of the least expensive provincial park that is operating presently in the Province of Manitoba. What would be the lowest operating costs and which park? —(Interjection)— If the Minister could deal with some of the other questions and perhaps one of his officials could get an answer for me.

MR. CHAIRMAN: The Honourable Member for East Kildonan, Elmwood, I'm sorry.

MR. DOERN: I only represent half of East Kildonan, Mr. Chairman.

MR. CHAIRMAN: I apologize to the honourable member.

MR. DOERN: But I also only represent half of Elmwood, but nevertheless I am the Member for Elmwood.

Mr. Chairman, I wanted to ask the Minister if he could provide an opinion for us in the Chamber on the following point. I guess about a month we had a request by Mr. Jarmoc himself, now the famous or infamous Mr. Jarmoc, who requested some time with any members of the opposition who would be interested in discussing his proposal with him. At that time in a series of questions and comments I asked him whether he could indicate how much money he had spent on the development of his proposal, and the answer that he gave to me at that time was that he spent, up until a month ago, \$250,000.00.

I asked him to clarify where that money was spent, and he indicated that he had spent some \$100,000 on the development of a road; that he had spent of the remaining \$150,000, money for fees, legal fees for architects and engineers and fees for research in a development of his concept and proposal. He also showed us something, which I'm sure the Minister is quite familiar with, namely, a detailed pattern of development in the Big Whiteshell, of cottages and lake front and some land that he wanted to propose giving to the province in exchange for something else, etc. etc. So he clearly had spent some time in the development of his concept and then, of course, the question became: Why would anybody spend \$250,000 in a development of a purely speculative proposal?

It would seem to me, Mr. Chairman, that either the man was not all there or else he was, in fact, all there and was simply developing a concept in line with an agreement, or an understanding, or an undertaking, or a commitment, a verbal commitment, or a written commitment of a proposal that he had discussed with the government. And given that he had once worked for the Provincial Government, had been an employee, appeared to understand the system, it would seem that he was acting on the basis of a commitment — to put it in its weaker form — or an undertaking on the part of himself and the Deputy Minister of the department, or the Minister of the department, or both. Because nobody in their right mind is going to just spend that kind of money unless they have enormous amounts of capital with which they just loosely play.

If he was a well-known citizen of some substance with millions of dollars of backing and a big

family name in business, then I could understand it. If he was Al Golden, then I don't believe anything that he says in any event, so I don't take seriously any proposal of a free \$15 million, \$16 million arena because we all know that that certainly can't be. None of us are that naive.

So I assume that Mr. Jarmoc unquestionably had meetings with the Deputy Minister, or senior personnel, with the Minister, came to a conclusion based on a proposal that he made, got a feedback, was told or given assurances that he would be able to proceed with his particular proposal. And on that basis, he claims, that he invested \$250,000.00.

Now that figure may be high. I'm not prepared to accept his figure without examining it, but whatever the accurate figure was and I suspect that it's between \$100,000 and \$250,000, he spent that money. Now, I would like to ask the Minister if he can indicate on what basis that money was spent; on what undertakings or commitments he gave, or his senior staff gave. And I would like to also ask him this, which intrigues me more than the others. If the proposal is shot down, or if the proposal is not allowed to proceed and Mr. Jarmoc is stymied and blocked, what happens to the amount of money that he spent? Will the Minister, if he stops the project, be prepared to pay all of the out-of-pocket expenses that this gentleman made on his behalf and on his company's behalf, and possibly on behalf of some unknown backers that we are unable to discover or uncover? Will he be prepared to pay out these moneys, and is he not obligated in fact, legally obligated, maybe morally obligated, to fully refund or pay those expenses plus others that I'm sure any half-decent, half-trained lawyer would incorporate into his list and sum total of other expenditures for concepts, time spent, mental anguish, public embarrassment, whatever else would be added into the final bill?

So I suspect that in the end, if the project is stopped, that we may find that we, namely the Conservative Government, will be presented with a bill in excess of \$250,000.00. So I ask the Minister if he could comment on some of those points.

MR. BANMAN: Mr. Chairman, first of all to answer the Member for Inkster. The staff informs me that it would be pretty hard to break down the exact operating costs, except that the Duck Mountains or the Assessipi Parks would be the two least expensive. They also inform me that the cheapest park we run is the one north of Beaver Creek. It is a wayside park that cost \$840 to maintain through the year. But it would require some work to find out which it is, either the Duck Mountains or the Assessipi Parks.

Mr. Chairman, further to deal with some of the points that the Member for Elmwood made. First of all, let me say, that with regard to my involvement in that particular situation as far as the Jarmoc situation is concerned, that I was informed by staff and I believe that to be factual that at no time did we issue anything else but a permit to build a road.

At the time the permit to the road was issued, he was told that he was not allowed to commence any construction of any kind before ministerial approval and the proper channels were followed. So we issued a road. That, Mr. Chairman, is not an unusual thing to happen. I have checked back and there has been several instances where easements were issued to somebody that was building a road to his or her own property across Crown land at their own expense. Again, filing the sort of caveat on that, that should the government wish to take that particular road over, there would be certain compensations to the person that was building the road.

So that is the position I have taken. The staff have negotiated with the gentleman. As I mentioned in my brief, the negotiations or the contacts had been started sometime in September and, as far as I am concerned, the gentleman has built a road and that is at his own expense, and there is no further obligation on the part of the Crown.

Now, we can get up in the Legislature and argue that. The Member for Inkster is a lawyer. He might not agree with that, but that is the position we have taken and we feel that is the position that right at this time.

MR. CHAIRMAN: The Honourable Member for Elmwood.

MR. DOERN: I'd like to ask a couple of follow-up questions. Is the Minister indicating then, that he feels that in the event of a lawsuit and in the event of an action by Mr. Jarmoc that the Provincial Government will have no obligation, legal or moral, whatsoever in regard to Mr. Jarmoc; that if in the event of a lawsuit our position, your position, will be that no commitment was given and that there is no financial obligation on the part of the province to the extent of one penny, or more?

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

MR. DOERN: And is the Minister telling us that, in effect, that when . . . He himself I gather met with Mr. Jarmoc and his Deputy met with Mr. Jarmoc, and I gather that, was there not any discussion

of the condominium development; did Mr. Jarmoc not say to both of you that he planned such a development, that he expected to get provincial approval, that he hoped to get provincial approval, that he sought provincial approval, and that he outlined all his concept in all of its glory to the Minister and the Deputy, and then the Minister or his Deputy said, "Yes, that's very interesting, but all that we will do at this point in time is give you approval for the road. So, you see, you put in the road at your own expense and then, you know, you pay your money and you take your chances, and after that then we'll decide, then we'll decide whether or not you are given a concurrence in terms of the right to proceed." Is the Minister telling us that, in effect, they gave no commitment; there was little discussion and that Mr. Jarmoc simply left, understanding that all he could do was build a road in which he invested \$100,000 and then invested an additional \$150,000 in studies, working towards development?

I mean, is the Minister really trying to sell us on that point? That this man was so naive and so green in terms of business ability —(Interjection)— so Inkster in terms of business ability — that he went out and spent all that money being told flatly by these people, that he had no real prospects. Because I want to tell the Minister, that that is not the impression that Mr. Jarmoc gave to me and it's not the impression that he gave to my colleagues; namely, that he indicated that he had an understanding, or he clearly understood, or he was given assurances, or he read the Minister and the Deputy to indicate to him that he would be able to proceed. And is the Minister indicating to us right now, that he flatly stated, and his Deputy flatly stated to Mr. Jarmoc, that all that he was getting was the right to build the road? They gave him no encouragement, in fact, they literally discouraged him from proceeding with this project. Could the Minister clarify that point?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, to the member opposite, who was a Minister at one time, there are different people who come through with different proposals when dealing with governmental matters. We were willing to look at this proposal, and as far as my involvement in the particular matter was, is that my understanding throughout the whole thing was that he was receiving permission to build a road, and that was all.

Now dealing with the exact concepts, the exact diagrams, and stuff like that, I have not studied them, and that was not involved at the meeting when I met with this particular gentleman. He outlined, to my recollection, basically what he had in sort of a vision as near as what possibly could happen there, and I am always willing to look at whatever somebody has, but that doesn't mean to say that that automatically is a rubber stamp to go ahead with that particular thing. So as far as I am concerned, we have issued a permit for the gentleman in question to build a road, and that's the way the matter sits right now, and until the study is done with regard to the Whiteshell master plan and we have had public input from different people, then we will be able to see exactly what direction we will take.

MR. DOERN: Well I would then ask the Minister whether he feels any uneasiness or whether there are any doubts in his mind concerning this project in this regard, that his people met with Mr. Jarmoc, and they gave him a message, a clear message, that he should not expect anything, any approval to go beyond building a road. But Mr. Jarmoc contends and argues that he was in fact given a very clear message, that his prospects were extremely good and probable rather than possible, and that on that basis he went out and spent some quarter of a million dollars, and that in a court of law, and I don't want to start practising law because it's not my field, but given those two positions in front of a judge, one says they didn't give an indication, the other says that they did, presented with the evidence of all this money spent in apparent good faith, that Mr. Jarmoc may have a very strong case to fully recover his moneys.

And I say to the Minister, is he telling us that when Jarmoc came to see him, I just wonder what went through the Minister's mind, did the Minister say to himself that he was dealing with a naive businessman, or did the Minister think that he was dealing with a very wealthy businessman? I just wonder if the Minister could indicate what his reading of Mr. Jarmoc was in terms of why a man would come and ask whether he could build \$100,000 road to nowhere. Did the Minister, for instance, caution him, did he tell him quite flatly that he couldn't count on any assurances? Did he warn Mr. Jarmoc of the danger of spending money, because I just would like to know what the Minister thought, and what he said, because Mr. Jarmoc is indicating that he got a positive response? Did the Minister give him a negative response?

MR. BANMAN: Mr. Chairman, first of all let me say that Mr. Jarmoc was informed when he got the permit to build the road that that permit had nothing to do with his own personal property. In other words, he was building a road from a government PR to his own property, and that he

was informed in writing at that time that it had nothing to do with his own property.

Secondly, Mr. Chairman, the other thing that should be pointed out is that shortly after we took office, this proposal had been in the mill for a while dealing with staff, and let me just say that in dealing with it, I was dealing with departmental officials, and as I mentioned before, I was assured that all the gentleman could do was build the road, and given those grounds, those are the grounds we acted on.

Now as far as dealing with the different proposals as the member mentioned before, I was not aware of those proposals, that was being dealt with at staff level. I come back again, before anything could happen according to The Parklands Act, it has to receive ministerial approval, and that approval would have to have been taken from the Cabinet and receive direction there.

MR. DOERN: Mr. Chairman, I have a couple of more questions at this point, and then I'll turn it over to my colleagues who also want to make a number of comments here.

I would only say this to the Minister, that I suspect that unless he can substantiate the fact that he cautioned Mr. Jarmoc about spending money over and above a road, unless he gave him some clear indication of that, that the lack of being able to substantiate that may cost the taxpayers of this province a quarter of a million dollars, because he himself, well he himself —(Interjection)— don't be silly, he spent \$250,000 on a flyer, is that what you're telling us? He's a businessman, he just blew a quarter of a million bucks on a speculative proposal, eh? —(Interjection)— You know, Mr. Chairman, I find right now that I'm defending the business community against an attack by the backbench. They're saying that Manitoba businessmen are so stupid that they just go around recklessly throwing away a quarter of a million dollars on a proposal, just on sort of a completely wild prospect. I don't believe people are that dumb. I don't believe that people who are making investments, someone like this who is starting out on a business career would wildly, would wildly throw that kind of money away; I don't believe it.

Mr. Chairman, a couple of points that I want to ask the Minister about is again on the standard of the road. I have never been able to understand whether or not some minimum requirement of road construction is required on this road, whether he can build this road to any standard he likes, or whether he in fact was asked to provide a minimum standard. I would like to know that, in the event that the road is someday taken over by the province, or whether he can throw down trees, shrubs, gravel, anything he likes, and at some point, allow people to travel that road.

The other question I would like to ask and then I'll turn it over to my colleagues, is in regard to public hearings. I would like to know if the Minister plans on holding full public hearings in regard to this proposed condominium development, in regard to opening up new lots in the Whiteshell, in regard to allowing greater numbers of people to access that particular lake, because I know that the people around that lake are quite concerned about overcrowding, and about being able to continue to enjoy what is a very beautiful summer resort?

MR. BANMAN: Mr. Chairman, in developing a preliminary master plan what we have asked for is input from all Manitobans dealing with it, whether it be the Greenpeace, the Sierra Club, the Naturalist Society, or any other concerned citizens. The Whiteshell District Cottage Owners Association are in the process of making representation to us. That will be taken into consideration in the development of this master plan. Once it is done, it will be published and we will then ask again for public input from these different groups. I have met personally with groups such as the Manitoba Parks Coalition, which encompasses a number of these groups, and I am sure at that time when we do come out with a master plan, that these groups will be in consultation with the staff to advise them of what they feel is the best route for us to take, and we have said that we will solicit that public input, and I do ask people to do that.

Dealing specifically with the road, Mr. Chairman, there are certain criteria which have to be met in the road construction, and I understand that particular road has not been completed. There are such things as a minimum 18 feet road width that have to be adhered to, the right-of-way can't be wider than about 50 feet, the brush that is taken off of there is supposed to be piled up and burned, and parks officials will be monitoring that as far as those regulations are concerned.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I want to deal with another subject related to what I asked the Minister earlier in connection with the operational costs of running the park, and you have indicated that there is one, just a wayside picnic stop, I suppose, that costs you about \$800 a year, and also indicated that there was Duck Mountain, and I believe Asessippi, which is hard to divide the operational costs. But would the honourable member know the approximate costs of the Duck Mountain and the Asessippi Parks, the yearly operational

costs?

MR. BANMAN: Mr. Chairman, we can try and divide that up, but because of the sort of zoning that has taken place — in other words the administrative staff, field staff for the western region — it's pretty hard to say that they've spent X number of hours on Asessippi and X number of hours on Duck Mountain, because they are working on those parks together, so it's a pretty hard figure to arrive at.

MR. GREEN: Could you give me the total for the two of them, rather than dividing it.

MR. BANMAN: Mr. Chairman, I'll get the figures for that particular Westman region. As the member will appreciate, the Whiteshell, which has the largest concentration of cottages and cottage sites, is the most expensive area to run, and the areas where there are fewer facilities will be cheaper to run, but I'll get that Westman figure for him.

MR. GREEN: Mr. Chairman, I don't want the honourable member to be precise. I'm looking for the fact that the parks are operationally \$250,000 a year, or \$500,000 a year; the figures in approximate ranges. I'm just trying to find out what a medium-sized provincial park would cost the province to run. While the members are looking, I want to indicate that there is some contradiction on the part of the Conservative Party. I'd like the Member for Pembina to recall that the other day, the Minister of Finance felt constrained to sign an agreement which had been initialled by civil servants which had to go to Cabinet, and that agreement was a very, very weighty agreement. It wasn't dealing with \$100,000 road, it dealt with the future of the Province of Manitoba and the Minister of Finance tried to give this Legislature to believe that that agreement was signed, sealed, and delivered, and the Conservative Party could not have done anything about it. Now we have an agreement which Cabinet approval is not required for, but which is signed by a deputy minister, giving a person the right to proceed and the Conservative Party takes the position, or the government takes the position that it's not binding on them.

Mr. Chairman, I don't want to prejudice the government's case, it's my money they're dealing with, there has to be some fairness to citizens and yet there has to be protection of the public purse and if the thing goes into a lawsuit, I don't intend to try to prejudice it one way or the other, and I can't. But I do say to the honourable member that I think that there is some room for a gentleman to say that he feels aggrieved and to go to court, and the best evidence of that is the Minister of Finance. The Minister of Finance got up and said we had no choice but to sign an agreement which admittedly needed Cabinet approval. Now I think that the first statement is false. The Northern Flood Committee document was not required to be signed by the Conservative administration, and they can't foist responsibility for the signing of that document in its present form on the previous government. They, as a matter of fact, made that agreement far less satisfactory. However, I am not going to go into that, I merely want to point out to honourable members that as between Monday evening and Thursday evening, they suddenly find it very easy to turn themselves inside out, because it happens to suit their purposes. I wonder if the Honourable Minister has any ballpark figures that he could give me at this time.

MR. CHAIRMAN: Order please. If I could direct the honourable members to the Speaker's Gallery directly in front of me, where we have 12 members from a group called Les Voies d'Acadie. Bienvenue.

I would ask the honourable members to join me in welcoming this group to our Legislature. The Honourable Member for Inkster.

MR. GREEN: M. l'Orateur, je pense que pour moi aussi c'est necessaire de dire bienvenue aux Acadiens qui sont nos invites parce que c'est necessaire toujours de montrer que Canada est un pays bilingue et ici au Manitoba nous n'avons pas la necessite d'une loi de donner le droit de parler francais dans cette Assemblée Legislative. Bienvenue aux citoyens de Nouvelle Ecosse.

Translation: Mr. Speaker, I think I too should welcome our Acadian guests because it is always necessary to emphasize that Canada is a bilingual country, and here in Manitoba we do not need a law to give us the right to speak French in this Legislative Assembly. Welcome, to the citizens of Nova Scotia.

Does the Minister have a ballpark figure for me in English, or in French?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, the total cost of running the Westman region, is \$1.3 million. That would include Duck Mountain, Assessippi, Spruce Woods, Turtle Mountain, Norquay, which is just outside of Portage, and Lynch's Point, which is north of Portage.

MR. GREEN: A total of \$1.3 million spread out of approximately six parks, so if we're talking \$200,000 per park operational . . . now I know that that is not correct, I'm merely making a fast calculation, and that does not include of course, the capital cost of the park, the land value. For instance, if one was to sell Assessippi, or was to sell any of those parks, then one would be talking millions of dollars, and the Member of Tourism, being the businessman that he is, would say that in addition to the actual operating capital costs if we were to sell them and calculate the operating costs on the basis of the interest value of the dollar that you are losing by keeping the park, then we'd be well over half a million dollars. Now I'm being I think, minsscule, because the land values would be much higher than millions of dollars per year, or am I incorrect in that? Certainly, we are talking more than \$500,000 a year if we include that figure.

MR. BANMAN: Mr. Chairman, this is the cost of operation and maintenance; does not consider any of the expenditures that have either taken place on the fixed assets, such as concessions or that type of thing. Also, it does not indicate the type of return as far as park entrance fees, and camping fees, and stuff like that. I should point out that we are only recovering in the total park system about 28, 29 percent of our total costs of operating and maintenance.

MR. GREEN: Well, Mr. Chairman, I think that it would be fairly safe on the basis of the Minister's figures, to indicate that a provincial park of a medium nature, would cost well over half a million dollars a year land cost of the park ne took the — if o and added interest to that, and even took in the revenues, that we're talking about well over half a million dollars a year. As a matter of fact, I've used a figure I am certain that is demonstrably low.

Mr. Chairman, on that basis, I have what may be a new and imaginative suggestion for the Minister as to how we could operate a provincial park at a cost I am fairly certain of not more than \$250,000 a year, and it would be a wonderful different kind of park, Mr. Chairman. It would be a floating park that uses Lake Winnipeg, Mr. Chairman, and demonstrates to people in the midwestern United States something unique about Manitoba, that one could have, Mr. Chairman, an ocean liner type cruise in the heart of the continent, at a cost, Mr. Chairman, which is lower than the cost of any other provincial parks that we are operating. And this cruise, Mr. Chairman, could take people from all over the country, and all over the province.

Mr. Chairman, I'm suggesting to you that approximately 115 or 100-120 people per day could make active use of this park, that there would be employment provided for the people who worked on it and did the service employment and did the feeding, Mr. Chairman — that it would purchase foodstuffs, including can goods from that wonderful free enterprise firm, Morden Fine Foods, would improve the viability of that firm, and would be, Mr. Chairman, a rival for the bluenose attraction which the Conservative Government in the province of Nova Scotia — you know, the Conservative Government in Nova Scotia, Mr. Chairman, they're a very bright government — could see opportunity. They could see possibilities of the ocean, how you could use the ocean and recreate the bluenose ship to travel in the ocean at a cost of well over \$300,000, Mr. Chairman. We could do it cheaper. —(Interjection)— What's gone? You mean to say that we had this, and got rid of it? Mr. Chairman, I am astonished, I can hardly believe my ears. You're telling me, Mr. Chairman, that we —(Interjection)— you didn't tell me, he told me — that it is being suggested, Mr. Chairman, that this facility, which costs less than the average provincial park, which is completely unique, which takes Lake Winnipeg, the largest inland lake west of Lake Superior, between Lake Superior and the Pacific Ocean, which provides an attraction, Mr. Chairman, to midwest United States people, who sometimes never see a body of water, which is more than a mile either way — mind you, maybe that's an exaggeration — but they never see a body of water where they cannot see the shoreline from the middle of the lake, and given, Mr. Chairman, a little bit of time, a little bit of effort, I am sure that this could be an outstanding tourist attraction. And it could be had, Mr. Chairman, for an operational cost of \$250,000 a year.

I believe that the capital cost would be about \$2 million that you'd probably have to spend about \$2 million to construct such a facility, but it's less than the capital cost of the Agassiz Park. It's less than the cost of the other parks that the honourable members are making, so it could be had for about \$2 million. If we could have it for \$250,000, Mr. Chairman, it would be a wonderful thing, but I don't know where you could get such a thing for \$250,000. I don't think anybody would be crazy enough to get rid of such a thing for \$250,000 if they had one, but if you could get it for \$250,000 — I'm not even suggesting that, I'm suggesting that it would probably cost about \$2 million,

Mr. Chairman. Mr. Chairman, it would cost about \$2 million, and I'll tell you —(Interjection)—

A MEMBER: He can go to the scrap dealer probably and get it for you wholesale.

MR. GREEN: There is one available, Mr. Chairman. Well, I'll tell you something, Mr. Chairman. Now, I'm going to be quite serious, the honourable members have had their fun. They've shown that they can dispose of things. I would give Cholakis right now, a \$50,000 appreciation, and spend \$300,000 for the purpose of having the kind of facility on Lake Winnipeg. Yes I would, and the honourable members will spend more. The honourable members on the other side are going to spend a million-two each year to finance private schools —(Interjection)— that's right, and they'll spend a lot more. That's just for starters in this great year of restraint.

Nevertheless, Mr. Chairman, let's get back to the subject. I suggest to the Honourable Minister that Manitoba could have a golden opportunity to have a tourist attraction on Lake Winnipeg which would give, not only facilities, which would attract people in the United States in the very dry section, which is very close to us, Mr. Chairman, but they could do it very inexpensively, and at much less cost to what the other provincials parks are costing.

Another thing that could happen, Mr. Chairman, is that this facility could be used as seminar activities, for the labour unions, for the Chamber of Commerce, for the Teacher's Society — I understand that that is kind of facility that they look for and that they will use. It has another advantage, Mr. Chairman, it could link Winnipeg with Hecla Park, which I say, Mr. Chairman, I say that Hecla Park could be the golf capital of the west, maybe of Canada. It is one of the finest golf courses in this country, and there could be golf tours arragged between Winnipeg, strictly for golf. You have to understand golfers, they're all a little bit crazy. They will spend the money and they will go there, and you will have that facility loaded at least once a week with a golf tour, once the idea caught on.

So I tell the Honourable Minister, at a very low cost, much less capital cost than the present parks that he is running as a complimentary to those parks, and with less operational costs — I would think, Mr. Chairman, that it is even possible, given good management, given a period of time, that the operational costs would not be even \$250,000 a year, that it could actually pay for itself and even wipe out its capital cost.

So, I put this modest proposal forward to the Minister as a unique, imaginative park within the tourist system — we could equal the sagacity of the Conservative Government, Mr. Stanfield's government in the province of Nova Scotia, when they built the Bluenose, and we could have the same type of facility as the Conservative Government who publicly run the Celtic Lodge in Nova Scotia.

Mr. Chairman, we really didn't do justice to what I heard honourable friends on the other side talking about luxury lodges, the Celtic Lodge, publicly owned, run by the Nova Scotia government, is one of the most luxury hotels in Canada. Hecla, unfortunately, doesn't compare with it. But we had to think smaller and start off smaller. We're not as smart as the Conservatives were in Nova Scotia. So I put this forward as a modest proposal to the Minister for a unique, imaginative Tourist Park in the Province of Manitoba which would cost less than the Provincial Parks he's got already.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Well, Mr. Chairman, let me just say very briefly that the member is working on speculation. He says, "If we could run it for \$250,000.00." Last year, Mr. Chairman, we lost \$324,000 and the auditor said that that would be fairly accurate considering the previous statements, so we're not quite sure what we lost.

The other thing that should be pointed out is that, if he is dealing with a park — let's take Norquay Park which is just outside of Portage here — there was something like 30,000 vehicles that entered it this year, so if you take a rule of thumb of three and a half people per vehicle that means that we've got over 100,000 people using that facility at a cost of maybe somewhere in the upper limits of \$200,000.00. If you're looking at operating this particular venture, the boat, we have calculated that on the number of passenger days there, we were subsidizing every passenger that travelled that boat last year to the tune of \$35.00 a day. So if a couple came from the United States and spent five days on that boat, we were subsidizing them to the tune of \$35.00 a day. That means that we were spending \$350 to bring a tourist here from the United States. That's like putting them up in the Holiday Inn. We might as well go ahead and advertise in the papers, "Why don't you come to Manitoba? We're going to pay for your room at the Winnipeg Inn or at the Holiday Inn because it's going to cost us \$35.00 a day to put them up.

Now, this could be a fantastic idea if you could get a quarter of a million people travelling on this boat every year. You'd bring your per person cost right down because that would mean that

at \$324,000 that would cost \$1.50 subsidy to have 250,000 people on this boat. Now, that's a fantastic idea, but the fact remains that over the last number of years, if you look at the projections of this particular enterprise, what happened is that the increased costs were constantly climbing, the deficits were going up because of increased costs, and the passenger load on this boat was declining. In other words, the usage was going down. Now my honourable friends opposite had a number of years to try and straighten it around. Knowing the good sort of entrepreneur that the Member for Inkster is, he couldn't turn it around. Mr. Chairman, looking at the projections, if you do the graph, on the one hand you've got the costs going up, you've got the passenger load declining — I just couldn't see anywhere where those two lines could ever meet, and I was not about to subsidize every passenger day on there. If a person travelled on there one day — to pay a \$35.00 a day subsidy to anybody that was going to travel on it. And that's the basis on which the decision was made.

Now I think it's much better if we can use this money to upgrade some of our facilities, such as Birds Hill Park where we've got a lot of people close to Winnipeg that want to go and enjoy those facilities. We can use these quarter of a million dollars much better, to a greater benefit to the population of Manitoba than subsidizing somebody \$35.00 a day for travelling on a cruise ship.

MR. GREEN: Well, Mr. Chairman, you know, the Honourable Minister identified the story with the Lord Selkirk which indicates my subtle camouflage didn't work. I mean for some reason I couldn't hide the fact that I was talking about the Lord Selkirk.

The Honourable Minister talks about subsidizing tourism in the Province of Manitoba. Mr. Chairman, he's spending \$14 million subsidizing tourism in the Province of Manitoba — \$14 million is his Tourism budget, and he is not counting in the \$14 million the capital cost of the property which is subsidizing Tourism, which would be, Mr. Chairman, I would say \$100 million which this property could be sold for if the Minister applied the same rules. —(Interjection)— Mr. Chairman, the banker over there doesn't want to listen. You want to sell the Whiteshell Park — I'll tell you, Mr. Chairman, you'll get over \$100 million for it and you can stop subsidizing the people of the province who use it \$10 million a year for the use of the Whiteshell Park. The Honourable — pardon me? —(Interjection)— Well, Mr. Chairman, on the basis of the Honourable Minister's calculations, on the basis of the Minister of Tourism's calculation, this is the white elephant. Do you know what you could sell this building and land for? Several hundred million dollars. We could move out, rent the space in an efficient restraint-oriented building, and would not be costing the taxpayers of Manitoba \$20 million a year. Oh, the honourable members, they stop that calculation the moment it comes to something that they see is ridiculous.

Now, Mr. Chairman, the Honourable Member for Emerson, who is an expert on what is ridiculous and is the epitome of what is ridiculous, doesn't deal with it that way — doesn't deal with it that way when it comes to the Convention Centre. Why has there been no screams? Do you know what the present capital cost of the Convention Centre is? Do you know? Have you any idea? No. It's over \$30 million. It was built for \$23 million. Since it was built, which was six or seven years ago, it's lost money every year without calculating interest of \$2,500,000 on the capital cost. It was built, Mr. Chairman, at the instance and instigation of the Liberals and Conservatives who sit on City Council who had a majority and decided that that Convention Centre would be built. —(Interjection)— Well, Mr. Chairman, I was beginning to feel a bit sensitive that maybe I wasn't saying the right thing about these jibes, but the Member for Minnedosa has put it into perspective, that he says that the people on City Council are not politicians. I leave that remark where it sits.

The fact is, Mr. Chairman, that the Convention Centre has cost the people of the Province of Manitoba over \$30 million in capital and in excess of \$3.5 million per year in operating expenses on the basis of the capital that has been spent. Mr. Chairman, if you're going to calculate the way the Honourable Minister of Tourism is calculating for the Lord Selkirk, then Assiniboine Park is a disaster because, do you know what Assiniboine Park could be sold for? Do you know how much we subsidize people by maintaining Assiniboine Park in terms of the capital cost and the operational cost? Mr. Chairman, let's face it, that every single project that the public has available to it is based, not on the fact that there is a revenue and expenditure return, but is based on the fact that it provides something for the people of the province.

With regard to this particular facility the Minister has chosen to use some bad years — there were some good years. That the Selkirk project, Selkirk Navigation, which incidentally, it might come as a surprise because I've heard it so many times that even I'm beginning to believe it — it might come as a surprise to the Member for Emerson that Selkirk Navigation was a private enterprise company, financed by whom? Does the member know who financed Selkirk Navigation? —(Interjection)— No, he doesn't, Mr. Chairman, he laughs at it as a joke. The joke is on him. Selkirk Navigation was a group of free enterprise, financed to the extent of \$50,000 by the Conservative administration of 1968. They built the boat. They built the

boat and they lost \$750,000 because the boat, under private enterprise, genius management, financed by the largesse of the Conservative Government, went broke under private enterprise.

A MEMBER: How come you got sucked in?

MR. GREEN: Mr. Chairman, we didn't get sucked in. What happened then was that we realized on our security, because these private enterprises couldn't pay their debts, and we were left holding the boat and we —(Interjection)— Well, Mr. Chairman, we made this judgment call which I believe was right. Mr. Chairman, we said that we can sell this boat at the highest bid, which was approximately \$250,000, it may have been \$225,000, but we'll try and run it, and at worst it will be a tourist facility in the Province of Manitoba, which will pay the annual operating costs. And I suggest to you, Mr. Chairman, that if we had sold it for \$250,000 at that time, that the Conservatives would have been screaming. They would have said, "Yes, we put \$750,000 in it, but it's a good thing, and you should keep it. You should keep it, it's worth \$250,000.8 That's why we put up the money, because we knew if they didn't pay, we'd have a mortgage on \$250,000 and we keep it," and that's what they would have said.

So, we didn't, and we ran it, Mr. Chairman, and the honourable member uses the figures of \$250,000. There were losses of \$80,000, there were losses of \$120,000, there was a profit of \$60,000, there was a profit one year, or maybe \$60,000 is not the right figure, but there was a profit. And there were losses, several heavy losses in the last several years, and what we said is, that it's no use thinking in terms of being able to run this as a commercial enterprise, we'll turn it over to the Department of Tourism, and we'll run it as a park. And my honourable friend says that we're subsidizing every American tourist to the tune of \$35.00 per day. I suppose if you calculated that on the roads, and calculated that on everything else, you'd find that you are subsidizing a lot of people and a lot of things.

The question is, is this a facility? Does it provide the kind of recreational opportunity in the Province of Manitoba, which is distinct, different, and worthwhile carrying on? And I say, Mr. Chairman, that the judgment of my honourable friends, who originally financed this project and lost the people of this province \$750,000 in so doing, that the judgment of my honourable friends was incorrect, and it was coloured by the fact that they needed to say that they were getting rid of things. They needed to say that the government was getting out of business, and the Development Corporation didn't offer that much opportunity. There were very few businesses that were losing substantial amounts of money. As a matter of fact, if you took the balance of them, there were more making money than losing money, and therefore they had to try to indicate that Selkirk Navigation was one of these businesses — although the Minister knew full well that it had been taken out of the statement of the MDC and put into the Tourism Branch — he had to show, we're selling businesses. And for some reason, they succeeded in getting the impression in the government's minds, that this was one of the New Democratic Party ventures, which is the biggest lie.

You know, it's a peculiar thing with the Conservatives, they get so excited that they did the same thing twice. They bought an advertisement showing the New Democratic Party signing blank cheques. And the Member for Emerson will be interested in this, one of the blank cheques that they showed the New Democratic signing was Columbia Forest Products. They had come so strong in their minds to believe that we were the ones that did these things, that they bought an advertisement showing Columbia Forest Products as a New Democratic Party project, when it was fully financed in its initial stages and right to the end, until we cut it off, by the Conservative administration. And you know what they had to do, Mr. Chairman, they had to withdraw this wonderful advertisement from television, because it was such a terrible embarrassment to them. So they did that with , Columbia Forest Products because in their minds, they think that if they do it, it must make money; if we do it, it must lose money.

So they take things like Prairie Foundary, they take things like Columbia Forest Products, they take things like Selkirk Navigation, they take things like Dents, they take things like Churchill Forest Industries, and they tried to say that it was somebody else's, because they cannot face the fact that they were the ones

who started these operations. And that's why Selkirk Navigation was sold, because the Tories believed that they had to make an immediate announcement that they were selling something, that they were getting the government out of business. The ship, as we were running it, was not a business. Your Deputy Minister will know that it was run by the Department of Tourism, that it stayed on — well, it was a disaster of the Conservative administrations.

Mr. Chairman, it lost, if you will take the calculations, if you will take the calculations that my honourable friends are so anxious to make from time to time, \$750,000 was written off in 1969. Interest on \$750,000, compounded, is \$75,000 a year, plus the \$750,000 in capital, far more money was lost by the province on Selkirk Navigation as a result of the Conservative administration than as a result of the New Democratic Party administration. And I put that to the banker, \$750,000 capital in 1970, interest on that capital every year, compounded every time you add the interest.

Nonsense eh? Well, Mr. Chairman, I will ask the Provincial Auditor to calculate those two figures, and see whether I am not right or wrong. —(Interjection)Yes, no wonder you're not a bank manager any more, because you won't admit those figures, and that was the Conservative geniuses who lost that money, and the Conservative geniuses —(Interjection)— Mr. Chairman, the honourable member wasn't in the House when I indicated what happened in 1969, and if the honourable member was anybody of any importance, I would repeat it, but since it is the honourable member, I'm not going to repeat it. He can read it in Hansard, if he can read.

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

MR. BLAKE: Mr. Chairman, I don't want to particularly enter this debate, but some of the accusations and the statements that the Member for Inkster has been thrwring around tonight, really do bear I think, some at least passing recognition, because that's about all he will accord to the member in the backbench on this side in any event.

I happened to be in the town of Selkirk in 1968 when the Lord Selkirk was being proposed and was being built, and there was a tremendous amount of enthusiasm in that free enterprise group, that put their money where their mouth was, and they were borrowing money from my particular institution to invest in that venture that looked like a reasonably good tourist attraction, but it so happened, Mr. Chairman, when they had some experience, when the boat was finally built and they had some experience in the operation of that vessel, that it was an utter financial disaster.

The bar lost money, the only bar in Manitoba that ever5555 lost money was the bar on the Lord Selkirk, and you don't have to be very bright to figure out what's wrong when the bar starts losing money, that the deal is not making a go of it, and you might as well get rid of it.

It didn't take very long, Mr. Chairman, for those fellows, who had invested \$5,000, \$10,000, or \$20,000 — and they were customers and clients of mine, and friends of mine, or members of the New Democratic Party, and there's lots of them in Selkirk, and members of the Conservative Party — they all invested in that venture, because they thought it was a good thing for Manitoba, and it might help Tourism, and might make things go. But it didn't take them very long, Mr. Chairman, when the First Mate and the Second Mate, started landing into town on the weekends, and telling what was going on with the staff problems, the operation problems, and whatnot, that it was an utter bloody disaster, and there was no way that that ship would ever make money unless they started hauling freight which they were told in the first place. If you are going to build a boat of that size, you haul freight on Lake Winnipeg or forget it, but the people who built it didn't listen to that advice, they went ahead and built a passenger boat. I don't think, Mr. Chairman, that that advice was ever heeded to because the venture was really of a scale that couldn't be supported with the amount of passengers that they could generate through the tourist trade.

And as the Minister has pointed out, you are actually paying the hotel bill for a stay in Winnipeg, for every person who ever travelled that lake. And it is unfortunate, because at the time it captured the imagination of the people who were the investors, who were willing to throw out a few dollars, and it looked like a good deal, but that romantic little story wasn't sold to the people across the line. They can travel in the South Pacific or on either ocean within two or three hours of an airplane ride, they don't have to come to Manitoba to ride to Norway House to hear the loons whistle, they can do that for \$200 or \$300; they don't have to stay for twenty-one days on a boat, and nobody stayed that long on the Lord Selkirk. You took a four-day cruise up the lake and you were back home.

Mr. Chairman, I just don't think we should go through the harangue and the criticism for having sold this boat. The Member for Inkster admitted that they could have sold it when they were saddled with it for a quarter of a million dollars, and that would have been a smart business deal. But no, they have to prove to the world, like they've tried to prove with Hecla Island, as the former Minister, who isn't here unfortunately to hear these Estimates said, if we hadn't built Hecla Island, we wouldn't have got \$4 million or \$2 million from the Federal Government or whatever it was from the Federal Government. You know, you have to spend \$8 million to get \$2 million. That's the type of arithmetic the members on that side use. You've lost a Federal Government grant of \$2 million because you didn't spend \$6 million of the taxpayers' money in Manitoba.

Well, Mr. Chairman, that arithmetic doesn't upset me too much. And I've told the Member for Selkirk many times, they can cry all they like, and there is a handful of people in Selkirk crying about the sale of the boat, the rest of the people know that it was an utter disaster, and that the best thing that can happen to it is to be sold, and they are rid of it. Because it can't survive . It's a wonderful boat, a beautiful facility and a great attraction, but I don't think the taxpayers of Manitoba could have afforded to run it for another year, and the members opposite just have to accept that. From time to time, over the next 20 years, we may make mistakes on this side, and they can decry us and ridicule us for it, and they probably will because the Conservatives are prone to make the odd mistake from time to time either. But they have to admit that the boat was an

utter disaster and there is no point in trying to prop it up and try to convince the people of this province that it was a terrible thing that we sold that vessel. It was a damn good business move that we sold it, and we unleashed the taxpayers of another million dollar loss over the next two years, and you might as well accept that, it's a fact, and it has happened, and you are not going to get any votes by crying about it, and we aren't going to get any votes by saying, "Look what we did." It was a bad deal all around, and let's forget about it. We built it, you buggered it up, and we finally got rid of it, and we're all happy, so let's just forget about it.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Well, Mr. Chairman, let me say that I find the Member for Minnedosa much more attractive when he doesn't talk like a banker, particularly with reference to his last few paragraphs.

Now, Mr. Chairman, I'm not going to prolong the debate. I think that I will have made whatever point I can make. I tell the Honourable Member for Minnedosa that if you calculate it on the basis of trying to make money on the boat, that you're absolutely right. If you calculate it on the basis of the fact that there is a buffalo standing on this — or two buffaloes, which are — (Interjection) — Both male, well, that was a Conservative mistake. If there was one male and one female, we would have many buffaloes. The fact is, they stay too, that's right. The fact is if you calculate the cost of that statue — that one right over there behind you — and figure out how much we have lost on it, you will come out to a horrendous figure. —(Interjection)— Well, Mr. Chairman, the honourable member says it isn't right, the only thing that I can say is that it is right.

The Conservative Government in Nova Scotia don't calculate that way with the Blue Nose — they don't. They consider that it has value —(Interjection)— Well, so then they consider that it has value. That's right. But on the balance sheet of the province, if we use my banker's method of calculation, you'd have to call the Blue Nose a disaster — a disaster.

Now, Mr. Chairman, I have only two points to make to the honourable member. One is that they didn't put their money where their mouths were, they put our money where their mouths were — that's the difference. They put up some, but we put up the big share, and they were the ones — it was like the Kasser deal — he put our money where his mouth is. It was our money, and he was the rugged individualist, and that was what happened with the Lord Selkirk. There were New Democrats, Liberals and Conservatives — they gathered together a pool of money, and they created this disaster largely with public money, because that was the system by which the Conservative Government made money — excuse me — made disasters. That's the first point.

I want to tell the honourable member what the second point is, that we have another boat that cost a similar figure, and it doesn't even sail. The Nonsuch probably costs us \$250,000 a year, and it has never been in the water. It just sits there and people look at it. Now if you want to measure disasters by that kind of qualification, the Nonsuch is a disaster. —(Interjection)—

Well, Mr. Chairman, it doesn't cost us \$300,000 a year. The Museum costs us far more than \$300,000 a year. And you know, my honourable friends, whenever they are figuring our returns, they take the capital costs and they calculate interest. I like that, because that makes sense. Take the capital cost of the Museum, add 10 percent to that every year since it was built, add it on, make another capital cost out, you won't come much less than \$300,000 for the Nonsuch alone. And that's the way you are calculating this boat.

The honourable member has to appreciate that once you get into that area, you cannot use those calculations and that is why, and I told the committee members last year, we've taken the boat out of the MDC statement, and put it into Tourism, because we can't regard it as a profit-making enterprise. The only reason it wasn't done was that the bureaucrats couldn't agree as to what figure to use in which place, and we kept telling them, we don't care, get it out of there and put it into the other one. But they couldn't do it, I mean, they couldn't get the figures from one piece of paper to another piece of paper, because that's bureaucracy. And I blame them all. And they kept coming into our office with the big fights that they were having about how to transfer it from this page to that page, and Tourism doesn't want to take the whole capital cost because then it will be in their budget, and the MDC doesn't want to get up for less than capital cost because it will be a bigger loss in their budget, so we have this argument getting it from one sheet of paper to another sheet of paper. They can push paper, but they can't push figures from one sheet of paper to another sheet of paper. It was never intended to stay in the MDC budget, and we told the honourable members that several years ago. So, if you want to use those calculations, use those calculations, but I'm telling you that, in my opinion, the Province of Manitoba has missed a bet with a very very unique, imaginative tourist attraction that would cost much less money than some of the Provincial Parks that we are now running.

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

MR. McBRYDE: Mr. Chairman, I wanted to ask the Minister a few questions to try and clarify this section. The Minister did indicate earlier that the section we are dealing with, which the Member for Inkster has stolen from me, the section that we are dealing with was the source of advice and recommendations to the Minister — advice to the Minister on the proposed condominium development for which an agreement was signed with Mr. Jarmoc, and Mr. Chairman, I would like to understand the relationship between this section that we are dealing with and the recommendations of the Minister, and the Minister's role or the Minister's involvement in what took place. And, Mr. Chairman, I have, on a couple of occasions, addressed questions to the Minister, and I think he gave me a very general answer the last time, and that was, Mr. Chairman, I wanted to know how the Minister came to meet with Mr. Jarmoc? Was it at a tea party or was it on the advice of his officials that he meet with Mr. Jarmoc, or did Mr. Jarmoc barge into his office? Who set up the meeting, what was the arrangement of the meeting, and what was reviewed at that meeting? Was the whole development plan reviewed at that meeting, or was just the agreement reviewed at that meeting, or was there just a general discussion on how to build roads in the Whiteshell, at that particular meeting?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, the particular individual set up a meeting in my office, I met with the particular gentleman, and all that was discussed was his intention, that he was looking at developing some development on his own property — that was discussed at the meeting. It wasn't a long meeting, but having been in government for several weeks, I was meeting with a lot of people, and here was one gentleman who had a particular project that he had in mind, and I understand that — and I reported that to the Legislature — had been talking to departmental officials since the middle of September. I wasn't aware of that until I did the review, but be it as it may, I met with the gentleman, I met with a lot of people to discuss different things that they had proposals, but that doesn't necessarily mean that we're going to go ahead and implement everything when we just have a small discussion. So, Mr. Chairman, I met with him, it was in my office, and what I recall is we discussed his proposal generally, and we were willing to look at any proposals.

MR. McBRYDE: Well, Mr. Chairman, was the meeting set up directly by Mr. Jarmoc with his office, or did the officials set up the meeting and have Mr. Jarmoc come in and meet with the Minister — the officials that were discussing the agreement with Mr. Jarmoc?

MR. BANMAN: Mr. Chairman, I can't tell the member that. I met with the particular gentleman, he set up an appointment with my secretary, and that's it.

MR. McBRYDE: Mr. Chairman, when did the Minister first become aware that there was a signed agreement, and how did he become aware that there was a signed agreement?

MR. BANMAN: When the Member for Inkster tabled it in the Legislature, Mr. Chairman.

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

MR. McBRYDE: Mr. Chairman, until that time when the Member for Inkster tabled an agreement signed by the Deputy Minister, the Minister was not aware of an agreement. When was the Minister aware that permission had been given to construct a road to this particular property?

MR. BANMAN: Mr. Chairman, I can't answer that exactly. I haven't got the documentation on that to nail down the time and date of when that particular permit was issued. All I can do is refer to when the permit was sent out to the particular individual with the correspondence that was attached to it.

MR. McBRYDE: Well, Mr. Chairman, the other question that I asked the Minister on a couple of occasions some time ago, was whether or not the Minister was aware of who the financial backers of Mr. Jarmoc were, and whether he ever met with anybody who was the financial backer of this operation, as opposed directly with Mr. Jarmoc?!

MR. BANMAN: A simple answer to that question is no, Mr. Chairman.

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

MR. BOSTROM: Well, Mr. Chairman, to follow up on the last question by my colleague, can the Minister indicate if his departmental officials know who the financial backers are of Mr. Jarmoc?

MR. BANMAN: Not that I know of, Mr. Chairman.

MR. BOSTROM: Mr. Chairman, his Deputy Minister is quoted in the press as saying he knows who the financial backers are of the particular person we are discussing. Has the Minister not asked his Deputy Minister if that statement is not correct?

MR. BANMAN: No, Mr. Chairman.

MR. BOSTROM: Mr. Chairman, is the Minister not interested in knowing whether or not this man has any financial backing, since the government has signed a binding agreement with him to build 200 condominium units in the Whiteshell?

MR. BANMAN: Mr. Chairman, the member is saying a "binding" agreement; I think we went through that before when he wasn't in the House, and I think we dealt with the particular matter at that time.

MR. BOSTROM: Mr. Chairman, has the Minister brought new information to light in the sense of providing us with documentation on statements which he has made in the past alleging that there is Attorney-General's and other legal counsel advice to him indicating that this is not a binding agreement? Has he tabled that information in the House so that we may know for a certainty that he has in fact received such advice?

MR. BANMAN: No, Mr. Chairman, I haven't tabled that and the member will have to take my word for that.

MR. BOSTROM: Mr. Chairman, the member will have to take my word for the opposite opinion, that legal people have indicated to me that this is a binding agreement. In fact, in the conversations I had with Mr. Jarmoc, he indicates that his legal counsel is indicating to him that this is a legal agreement, and that he would have cause under this agreement to bring suit against the provincial government for all those costs associated with that project that he has incurred to date. He claims that he has incurred some \$250,000-plus in costs, which include the building of a road, planning and design of the property, and all the rest of it. Mr. Chairman, a layman's look at the agreement which we have a copy of, which the Minister claims tonight, contrary to what he has said in this House before, that he instructed his Deputy Minister to sign this agreement — that is what he said in this House before in answer to questions in the Question Period, Mr. Chairman, and now again in the House tonight he is saying that he didn't know about this agreement until my colleague, the Member for Inkster, tabled it in the House. The following day after that agreement was tabled in the House, the Minister came into the House and said, yes, he had instructed his department to sign this agreement. So, Mr. Chairman, now the member is going back on that statement. There have been many conflicting statements made about this whole agreement. Mr. Chairman, it sounds very fishy and the whole thing looks very fishy. The overriding concern that we have is that to this date, even though there has been so much public pressure against this agreement, and you can't seem to find any officials within the Department of Parks who are in agreement with this particular proposal, in fact, all of the information that has been received to date from the private sources and the public sources, indicate that everybody is opposed to this particular development. Why does the Minister not come straight out and say that this agreement, this particular development is not going to proceed, and put the matter to rest?

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

MR. McBRYDE: Mr. Chairman, I would like it clarified, because I asked the Minister when he was aware of a signed agreement, and now I am somewhat confused because Hansard, Page 77, the Minister says, "I did authorize my Deputy some months ago to sign an agreement in principle for a potential development, subject to the requirements of The Provincial Parklands Act and all water and environmental regulations."

Mr. Chairman, I would just like the Minister to clarify, when did he become aware that such an agreement existed, and the fact that such an agreement was signed, since he says he did authorize his Deputy some months ago, and, Mr. Chairman, this was on Wednesday, March 22, 1978, some months ago, to sign an agreement.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, I'll just say again that in any dealings that I had with staff, any so-called agreements or anything that was signed, I was given the clear indication by staff that the only thing we were doing was permitting the gentleman to build a road, and that's it. Then if the Member for Rupertsland says he has got other legal opinion, then it's a matter for the courts and if the gentleman wants to go that particular route, that's his prerogative. But this is the information we have, and we can stay here all night and argue about the legalities of it, but the fact of the matter remains that that's what it is.

MR. McBRYDE: Mr. Chairman, I don't wish to argue the legalities of it. I wish to understand what took place and to understand how this section of the Estimates we are dealing with, from whom the Minister gets advice, from what section he indicates where he got advice from in terms of the Jarmoc affair. Mr. Chairman, I don't think the Minister quite clarified it yet, because "I did authorize my Deputy some months ago to sign an agreement in principle for a potential development. . ." Mr. Chairman, was the Minister just not aware of the details of that agreement until the Member for Inkster tabled it? I'm not clear what he said earlier on. He was aware of an agreement but he wasn't aware of the detailed nature of it until the Member for Inkster tabled it, is that correct?

MR. BANMAN: Mr. Chairman, the Member for The Pas has been a Minister himself. We deal with many leases in the Provincial Parks; we deal with leases throughout the whole province. We deal with different development proposals. The staff is constantly looking at different proposals from different individuals who want to either build a lodge or want to expand their own facilities. That is going on. There is no way that one particular individual can be apprised of everything that is happening. But all I reiterate is that before anything would happen out there, it had to receive ministerial approval and that ministerial approval has not been given.

MR. CHAIRMAN: The Honourable Member for Rupertsland. The Honourable Member for The Pas.

MR. McBRYDE: . . . to understand the Minister. I thought maybe he didn't understand the detail of it. He said he wasn't aware of the agreement until the Member for Inkster tabled the agreement in the House, and then the next day he made a statement that said he authorized his Deputy Minister to sign an agreement. Now maybe the Minister meant that he had forgotten about the agreement until the Minister tabled it in the House. Would that be correct, that he had forgotten about it until the Member for Inkster tabled it in the House?

MR. BANMAN: Mr. Chairman, as I mentioned before, there are many documents that are passed through. I can't remember verbatim what was involved and I can't give a definite reply to that statement because I haven't got the factual date, times and everything in front of me. I just reiterate again to the member that there are competent staff dealing with this and as a result, when you come to dealings like this, you accept their particular analysis of the situation and that's what we are talking about here.

MR. McBRYDE: Mr. Chairman, I'm sorry to have to go on in some depth in this because, Mr. Chairman, the members on this side asked very long and detailed questions of the Minister and the Minister said that he would give us all this information in writing and then, Mr. Chairman, when the Minister did table his report after some considerable delay, there were many many questions that were not answered in his report. There were many many details that were not dealt with in his report and have still not been dealt with satisfactorily. So basically I'm going back to the original questions which have not been adequately answered by the Minister yet, in trying to understand exactly what took place in relation to the proposed condominium development.

Mr. Chairman, I still don't know . . . If you asked me to summarize what the Minister just said, I couldn't do it, because I don't understand his answer; I don't understand quite what he is saying. Would it be fair for me to say that the Minister just forgot about the agreement until the Member for Inkster tabled it? Would that be fair, that he couldn't recall it until the Minister tabled it, or am I misinterpreting the Minister?

MR. CHAIAN: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON: I have one question for the Minister, Mr. Chairman, and that would

be, how much has the Jarmoc episode cost the taxpayers of the Province of Manitoba up until this point?

MR. BANMAN: Mr. Chairman, that is hard to evaluate because there has been some staff time spent on it, as I mentioned, going back to September 15, and it's pretty hard. You would have to sit down and evaluate the time spent on the particular proposal by the different staff. It's pretty hard to come up with a figure.

MR. CHAIRMAN: The Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, just to follow up on that line of questioning, I predict that this particular agreement is going to cost the taxpayer plenty, because if the agreement is proceeded with, it's going to cost everybody in Manitoba the environmental cost of damage to that particular lake that this development is going in on. Mr. chairman, that is based on advice from the Minister's own department and I read from a memo which I have in my possession which was passed around his department, which were recommendations from senior staff in his department to his Deputy Minister. Mr. Chairman, the subject of the memo is "Development on Private Land, Little Whiteshell Lake," and it refers to Mr. Jarmoc and the private land that he owns. Mr. Chairman, the writer states as follows:

"After conducting an investigation into this matter, I am convinced that we should not grant an easement, nor allow the development to occur as planned. This recommendation is based on a number of factors:

"1. The capacity of Big Whiteshell to absorb use is at its limit, based on the lake alert methodology for determining a lake-carrying capacity, which is the best tool we have at our disposal at this time. Based on boating figures, the standards for boating use indicates one boat per 10 acres of lake surface. Big Whiteshell is 3,200 acres in size, allowing 320 boats. There are currently 385 boats on this lake.

"2. At the present time, we have no sound economic data to properly comment on the effect of any venture such as this in the Whiteshell. We can only suppose that a negative impact would be felt by other lodge operators in the area.

"3. The environmental impact of a development of this nature would no doubt be significant and could seriously affect the surrounding area.

"4. A condominium development could result in 200 individual owners to deal with rather than one, albeit they would likely form a corporation.

"5. Consideration the number of privately-owned parcels of land in the Whiteshell, this could establish a rather dangerous precedent in that private landowners could demand that we grant them individual easements."

These are my own words, Mr. Chairman, they would probably also want the right to develop as this individual is doing. I quote from the memo again, Mr. Chairman:

"As I suspect that Mr. Jarmoc will be seeking ministerial assistance in this matter, I am seeking your concurrence to deny an easement to him and, further, disallow the planned development. Alternatives would be only those currently in practice, that is, single family dwellings."

Mr. Chairman, this is a memo from a senior official in the Parks Branch and it is addressed to the Assistant Deputy Minister. My information is that that information was passed on to the Deputy Minister whose responsibility it would have been to inform the Minister, to advise the Minister what the senior officials in his department are talking about. This was dated, Mr. Chairman, the 7th of November, a week before the agreement with Jarmoc was signed. Mr. Chairman, the agreement with Jarmoc, in my opinion and in the opinion of many other people, gives this individual the right to proceed to develop 200 condominium units on that lake and it states it very clearly ' Mr. Chairman. It is a rather "Mickey Mouse" looking agreement; it certainly doesn't look like one that has been put together by the Attorney-General's Department or even the kind of document that is usually put together by a department in the government such as the Department of Tourism and Recreation. Mr. Chairman, it is a two-page document. It is a very "Mickey Mouse" looking document, as I say, but it is very clear in what it says, and I read from it.

It is an agreement between the Province of Manitoba and J. A. Jarmoc and it refers to his private land and it says:

"The developer agrees to construct or cause to be constructed:

"(a) An all-weather road from the southern terminus, a Provincial Road 309, to the above property;

"(b) Over a period of five years from the signing of this agreement, approximately 200 condominium units for recreation accommodation. Said units may be a mixture of multiple bedroom and studio accommodation;

"(c) Ancillary amenities such as boat docking, main lodge, sport facilities.

"2. The developer warrants that all construction shall meet or exceed applicable building, health and tourist industry standards." — a written-in comment here on the side which looks like it's initialled in the margin — "and comply with 8, 9 of the Parks Lands Act.

"3. The developer further guarantees a capital development value 50,000 in respect of the above undertakings and agrees to post a performance bond or other acceptable security in the amount of 1 percent of this guarantee at the request of the province"

And, Mr. Chairman, the most significant part of this agreement is No. 4 which says,

"The province agrees to permit the above described development and co-operate in the rapid processing of related documents."

Mr. Chairman, that is the most binding part of the agreement in my opinion and, Mr. Chairman, the legal people I've talked to claim that this guy would have a very good case in going to court. Mr. Jarmoc himself claims that his lawyer is advising him that he has a good case to take this department and this government to court. Mr. Chairman, the Minister may try to say that this agreement is not binding because he did not sign it, but this agreement was signed by the Deputy Minister of the Department of Tourism, Recreation and Cultural Affairs and, Mr. Chairman, when a Deputy Minister signs an agreement it's exactly the same as if a Minister signs it because a Deputy Minister has exactly the same authority as a Minister in signing government documents.

Mr. Chairman, it is in the Executive Organization Act of this government —(Interjection)— Well, it has not been changed, Mr. Chairman. It's clear that when a Deputy Minister signs a document it's exactly the same as if a Minister signs it, so what this agreement in fact gives is the Minister's approval, the department's approval, the government's approval, to construct 200 condominium units for recreational development on Whiteshell Lake which was strongly advised against by senior officials in his department, and strongly advised against by every private organization that has any concerns in the Whiteshell. I have not yet seen any one group come forward and say, "Yes, we want this proposal to go ahead." If the Minister has anybody that is giving him that kind of advice let him bring it out. I haven't heard any.

Mr. Chairman, I maintain that if this agreement goes ahead it's going to be very, very costly to the people of Manitoba because it's going to environmentally damage that lake. It's going to hurt the Little Whiteshell Lake, Mr. Chairman, where there is a very good wild rice harvesting area right now, where the Indian people of Manitoba take a valuable crop of wild rice off that lake every year. It's going to hurt that area because this development is right beside Little Whiteshell Lake and, Mr. Chairman, by the admission and by the advice of his own department this lake is already overcrowded, and they claim that it could have serious environmental impact if this kind of project is proceeded with. So, Mr. Chairman, that is the most costly alternative if this project proceeds — the most costly alternative.

But the only other alternative, Mr. Chairman, is for this agreement to go to court unless the developer withdraws. The Minister claims he has a letter where the developer has stated that he releases the government from its commitment. Well, Mr. Chairman, somebody is not telling the truth, because the developer has told us that he has not sent such a letter releasing the government from its commitment, and if the developer has not released the government from its commitment I maintain that he could take the government to court and the government is going to have to pay for its sloppy administration. It's going to have to pay because this person has a binding agreement which states the government must compensate him for the road he's built, and it also allows him to proceed with the development so he can claim damages.

Well, Mr. Chairman, the information I have is that the government is planning to move development in the Whiteshell beyond the point where that particular property is, and at some point in time the government is going to need that right-of-way where the developer is building his road. The road is a mess — from every description I've heard, that road is a complete mess. Whoever built the road for him pushed all the trees from the clearing and from the side of the road into the middle and poured sand over the top. It's not built according to any kind of standard and, Mr. Chairman, if the government has to pay for that mess, plus come along and clean that mess up and rebuild the road according to the proper standards, Mr. Chairman, that's going to cost. And it's going to cost because of sloppy administration, and, Mr. Chairman, I lay that responsibility on the Minister's shoulder because I don't believe that his department recommended that he proceed with this development agreement. I think he must have instructed his department to sign this agreement and, as I say, it's a very mickey mouse, quickly drawn up looking affair. It appears to have been drawn up very quickly and it looks to me from what I've seen that this Minister must have taken the full responsibility and told his department, "You go ahead and sign this agreement because this is the way we want to proceed. Mr. Chairman, if this is the way this government is going to proceed, it's not only sloppy administration, because here you're dealing with the environment, and when you're administering in such a sloppy manner and you have to deal with environmental issues as important as this one, it's more than sloppy administration, Mr. Chairman, it's downright irresponsibility, and it's irresponsibility of the highest order.

Mr. Chairman, you hear the pious statements of this public relations oriented government that we have across here, the pious statements about their concern and the pious statements of the present Premier about the environment being a trust for this generation to use and respect in order that it be preserved for future generations, and then you have this Minister of Tourism signing agreements which will renege on that trust and destroy the environment — and the area, I believe, even falls within his own constituency. Maybe it doesn't, but Mr. Chairman, nevertheless it's in Manitoba, and the questions that are raised I believe have to be answered, and there are many questions that should be answered. One question I'd like to ask the Minister, Mr. Chairman, is, does he have a letter, which he claims to have from the proposed developer, indicating that the developer has released the government from its commitment to him in this agreement as far as the building of the condominium units are concerned?

MR. BANMAN: Mr. Chairman, in dealing with this particular matter when this whole thing came up, I was on one of the local by-line shows. When the host asked me what kind of privileges the gentleman had — I was telephoned, and at that time I said that as far as I was concerned a particular individual had been given the right to build a road and that was all. That particular individual on the by-line show agreed with me that's what he had been allowed to do, is to build a road. Subsequently I did receive a letter saying that that was his impression of the agreement and that's where the matter stands.

MR. BOSTROM: Mr. Chairman, did he receive that letter from the individual, Joe Jarmoc?

MR. BANMAN: His lawyer, I believe, Mr. Chairman.

MR. BOSTROM: Mr. Chairman, somebody is certainly not being straightforward on this issue because the particular individual in question has told a group of individuals from my caucus in a meeting with us that he had not — a meeting he had requested with us to explain his side of the story, since we had raised this in the Legislative Chamber. Mr. Chairman, we gave him the opportunity to present us with his side of the story, and this individual claims that he did not write such a letter to the Minister releasing him from the agreement. If there is such a letter I wish the Minister would lay it on the table and table such a letter so that we would know clearly who is telling the truth in this issue. Will the Minister table that letter?

MR. BANMAN: Mr. Chairman, I believe there's an address for papers. I'm not sure if that letter was made out to me or to the Attorney-General's Department but there is a letter like that that exists and I'm not about to start tabling all kinds of letters.

MR. BOSTROM: Mr. Chairman, the Minister still seems to want to keep this issue up in the air, and that is certainly one of the outstanding questions as to whether this particular individual has written such a letter. He claims he has not. He claims he has legal advice from his lawyer that he has a binding agreement. He can take this government to court and if he does take this government to court he can recover the 200 and some thousand dollars he's already spent in design and planning work, in addition the cost for the road which he has already spent. So, Mr. Chairman, it is going to cost the government money, cost the people of Manitoba money for environmental damage.

There are some other questions which I believe are pertinent since we still do not have the full information about this. One question I would like to ask is if the Minister could give us a better explanation as to why this particular individual received this approval so quickly after he was sworn in as a Minister in the new government, and given the fact that the departmental officials were recommending against it?

MR. BANMAN: Mr. Chairman, as I mentioned, the individual received permission to build a road across Crown land and that was all, thato. the former Minister has done the same thing. He has signed several documents which allowed people to build roads across Crown land to their own land.

MR. BOSTROM: Mr. Chairman, there may have been documents allowing people easements in the past but they certainly did not give them blanket agreement to develop on Crown land which would cause serious environmental damage. And why would this clause be in there to allow him to develop 200 condominium units if all they were giving this individual was the right to build a road? Why did the agreement not just state only that? Why did they also say there that they were allowing him to build 200 condominium units if all they were going to do was allow him to build a road? Mr. Chairman, this individual has proceeded on the basis of this agreement to do certain planning works which are presumably costing him thousands of dollars, and which presumably will cost the

province thousands of dollars at some point when he decides to take them to court.

Mr. Chairman, with the amount of work that has been done so far by this department — and they've had several weeks or months now since this was first brought up in the Legislature to work on the master plan, or the management plan as the Minister calls it — is the Minister any closer to telling us at this point in time whether or not there will be any development on that particular site where the government has already made this development agreement with Joe Jarmoc and Associates, or whatever?

MR. BANMAN: No, Mr. Chairman.

MR. BOSTROM: So what the Minister is telling us is that it is still possible that there will be a development of some sort on that particular site. That's what I understand from him.

MR. BANMAN: No, Mr. Chairman, the member opposite is saying that there's going to be a development on that site.

MR. BOSTROM: Mr. Chairman, the Minister is not prepared to say there is not going to be. Mr. Chairman, I asked the Minister a direct question, if he can say clearly, is there going to be any development on that site? Or, can he say clearly at this point that there will be no development on that site? Because that is what people are asking him to say and, Mr. Chairman, the groups that have got together which call themselves a Coalition for Park Planning have brought this out in a submission to the Minister in which they've asked him clearly to state one way or another, preferably to state that there will be no development on that particular site given the serious environmental concerns. Now, can the Minister tell us clearly that there will be no development on that site?

MR. BANMAN: No, Mr. Chairman, I cannot.

MR. BOSTROM: Well, Mr. Chairman, what people are still going to suspect is that some type of development will be proceeding on this particular site, and/or this government will be making other deals with this particular individual to allow him to move his development to some other area so that he will not be suing them. In either case, Mr. Chairman, it will be costly to the Province of Manitoba, the people of Manitoba.

Mr. Chairman, I would like to ask him some questions, further questions on this issue, and it's related to the Whiteshell Review advertisement which he has put in the newspaper. In his replies which they received on this review, was there any indication from the replies they received that people desired more intensive development on that particular lake?

MR. BANMAN: Mr. Chairman, there was a general feeling among many of the letters that there were some more cottage sites and campsites required in the Whiteshell. This is an area in the Whiteshell.

May be also point out that some of the letters went ahead and said, "Why build anything at the Big Whiteshell. Why don't you expropriate some of the property around George Lake from the private individuals and build your condominium there?"

So, you know, a lot of the stuff has to be weighed and once we have it all compiled and documented then we will be able to have a more precise look at exactly what we did receive and what direction we will go.

MR. BOSTROM: Mr. Chairman, is the Minister weighing his Park Management Plan on the basis of the information he receives in reply to these advertisements in the newspaper called the Whiteshell Review?

MR. BANMAN: In part, Mr. Chairman, and we've also had many presentations from different concerned groups. The group that met with me, the Parks Coalition Group, was composed of the Greenpeace, the Sierra Club, the Naturalist Society, Wildlife Federation, and different ones and they have presented that particular brief to me and they've also individually presented briefs to the Committee that is looking at the Whiteshell Management Plan right now.

MR. BOSTROM: Mr. Chairman, could the Minister tell us who it is that prepared this particular Whiteshell Review advertisement which was placed in the newspaper. Who designed it for his department?

MR. BANMAN: Mr. Chairman, a number of people in the department that are undertaking the review.

MR. BOSTROM: Mr. Chairman, the reason I raise that concern, or that question, is that concerns have been expressed regarding the way in which this Whiteshell Review advertisement was put together and the kind of response that this particular advertisement seemed to beg for in terms of the way it was worded, the way the questions were worded, and the quotes that I've heard from various people that are experts in the advertising field, is that this particular newspaper ad really gives no alternative to people. In fact it's weighted in favour of the more intensive development idea and it does not allow for people to express their opinions regarding really the true way they wish the park to be developed. In fact, Mr. Chairman, it's been alleged that this particular advertisement is deliberately designed for more use and, Mr. Chairman, those who are familiar with this kind of advertisement have claimed that this particular kind of ad is an insult to the intelligence because of the way it's designed to solicit a response that the government seems to want to hear, and that is that they want responses from people indicating that they want more development, and the people who would want to express a different opinion do not have the opportunity to do so, or at least not encouraged to do so as a result of looking at this particular ad. It's very strange and coincidental, Mr. Chairman, that the very areas that this ad seems to be focusing on are the particular areas that fall within the area of the Whiteshell Park that were zoned for more natural use area by the very same Parks Officials that are now working for this particular Minister who worked, Mr. Chairman, from 1971 until 1975 with consultation from various groups, from different departments within the government to put together a master plan for the Whiteshell Provincial Park. They identified areas that would be best left in their natural state, and it seems very strange, Mr. Chairman, and coincidental that this particular government is designing ads which beg for responses that are exactly the opposite to those particular designations that were established by the previous plan.

And, Mr. Chairman, it seems to follow the pattern that the way this government is operating, and that is to take everything that was brought in by the previous government, whether it was good or otherwise, they want to take all of that planning, or whatever was put in place, and throw it out, not even consider it. Mr. Chairman, in this particular case they would seem to want to throw out all of the good ideas that have come up in years of research and planning and design for the Whiteshell Park and start from scratch with some kind of a management plan which is not even a recognized terminology in Park Planning in North American Society, Mr. Chairman. Those who are knowledgeable about planning for Recreational Development do not even use the terminology that this Minister uses and, Mr. Chairman, he seems to be not looking for professional, honest opinions from his staff as to what should be happening in these particular parks; he sets out the terms of reference himself and says, "Look, I don't want you to give me information that more development is not desirable. I want you to come back with advice and recommendations that there should be more development, and I want you to design advertisements which we'll put in the newspapers which will solicit responses telling us that we should do more development."

Mr. Chairman, these are not my words. These are the words of people that are knowledgeable about designing advertisements to elicit responses from people and, Mr. Chairman, they're very critical of these advertisements that were put in the newspapers by this government for the very reason that these advertisements really are not soliciting real true opinions from people, they're soliciting a very narrow kind of response and one which is directed towards more intensive development.

Mr. Chairman, this Minister and this government seems to have this peculiar preoccupation with the Whiteshell as if they must go willy-nilly into the Whiteshell and develop it. Mr. Chairman, they seem to want to go into the Whiteshell Park. For some reason this Minister, or this government, has this preoccupation where the Whiteshell must be more fully developed, and they use arguments like the people want more cottage lots, therefore we must put more cottage lots into the Whiteshell. Well, Mr. Chairman, that's not a valid argument because there's lots of areas in Manitoba where more cottage lots could be developed without putting intensive condominium development on a little 5 x 3 lake in the Whiteshell. There's hundreds, thousands of cottage lot locations in Manitoba where you wouldn't be imposing any environmental damage on our parkland or our forest land, our lakes and rivers.

Mr. Chairman, I'm concerned that this government, or this Minister at least seems to be so preoccupied with development in the Whiteshell that they're going to take every little lake in the Whiteshell and plug it so full of cottages and so full of people that everybody will suffer, and that is the concern that people are expressing. They're saying, "Let's have some rational, well thought out planning," and they're asking this Minister through resolutions that were passed at public meetings and through discussions they've had as joint groups that are concerned about the environment, they're asking the Minister to take a look at the zoning plan that was established by the previous government and at least use that as the basis, at least use that as the basis for a new plan for the Whiteshell Park.

But, Mr. Chairman, that's not the way that this Minister is going to operate. He wants to just take that plan after it's been worked on for four years and just throw it out, give it the back of his hand and set up a little task force of people that, as far as we know, are not necessarily that expert in Park Planning, come up with a Management Plan as he calls it — his new terminology — and whatever they come up with, I don't know, they may establish some used car parking lots in the Whiteshell of condominium units on every 5 X 3 lake, or whatever, certainly not according to any kind of rational, well thought out plan. Mr. Chairman, that is the concern of people in this province and people who are using the Whiteshell at the present time.

I attended a meeting at the Health Sciences Centre just after this Jarmoc affair was brought to light, and there were hundreds of people out at that meeting, Mr. Chairman, and they were representing groups from all over Manitoba. They were representing various interest groups in Manitoba. They were representing the cottage owners in the Whiteshell. They were representing campers in the Whiteshell. They were representing people who wanted to have lots in the Whiteshell and, Mr. Chairman, they were unanimously opposed to this Jarmoc condominium proposal — unanimously. Even those people that want to have a cottage lot in the Whiteshell, who want it so badly they can taste it. They want a cottage lot in the Whiteshell. They wanted one there for years. Mr. Chairman, those people are opposed to this Jarmoc thing for the very reason that the people in the Parks Department, the officials in the Parks Department were opposed to it because it's environmentally dangerous — that's the over-riding concern, it's environmentally dangerous.

Mr. Chairman, the way in which this government is operating it does not seem to be too concerned about environment. It doesn't seem to want to take into consideration those key issues —(Interjection)— Well, Mr. Chairman, there are Caribou in that general area, and that is one of the concerns of the people that are worried about more intensive development. Mr. Chairman, they are concerned that there should be some areas of Manitoba that are left in a natural state. Now I'm not one of the people that would argue that every lake in Manitoba should be left in a natural state, but I think there should be some rational, reasonable, common sense kind of planning and not a type of planning that's based strictly on a dollars and cents notion of let's try and get as many cottage lots into this lake as we can. Let's try to make as many dollars out of land development as we can. Let's try to give our friends an opportunity to put up condominium units, or whatever, and Mr. Chairman, that kind of development is going to be destructive to the environment. That kind of thinking, that kind of non-planning, non-concern, that kind of dollars and cents — and it should be dollars and senseless kind of development where the only concern is the almighty buck and there's no concern for what's going to be the long-run implications, the long-run implications of putting these things in place.

Mr. Chairman, just as an alternative, as an alternative to the willy-nilly development of the Whiteshell and the environmental damage of the Whiteshell, there are hundreds, there's in fact thousands of potential cottage lots within an easy driving distance from the City of Winnipeg, in fact, within a comparable distance to the Whiteshell Lake, and these were pointed out to the Minister. There is no need to have this massive push for intensive development in the Whiteshell when you have thousands of alternatives and they've just pointed out some of these. Some of them I'm familiar with myself, Mr. Chairman, because they are in my own constituency, and although there are people in my constituency that are also concerned about over-development, they are willing to accept reasonable, well-planned, common sense kind of development.

And, Mr. Chairman, there are areas on the east side of Lake Winnipeg, there are areas around Lac du Bonnet, there are areas around the Grand Beach-Ironwood Point areas, there are places along the Assiniboine and Whitemouth Rivers, all of these within a fairly reasonable driving distance from the City of Winnipeg. In fact, if identified, Mr. Chairman, approximately 3,600 to 5,000 potential cottage lots, and what are we talking about here in this condominium affair in the Whiteshell; we're talking about 200 lots — the equivalent of 200 lots — we're talking about 200 condominium units, that if proceeded with, will admittedly be environmentally destructive to that particular lake. It will hurt the Little Whiteshell Lake, where the wild rice crop is a valuable resource, it may even destroy that resource, and, Mr. Chairman, it will be environmentally damaging to the big part of the Whiteshell where people are already suffering an overcrowded condition with the boats on that lake.

Mr. Chairman, this Minister, after all of these presentations to him, is still not prepared to get up in this House and say, definitely no, we're not going to proceed with this Jarmoc development, definitely no; that's what we want to hear, and, Mr. Chairman, that's what a lot of people in Manitoba want to hear. They want to hear this Minister and this government have the courage to stand up and say no to this wild idea, that there should be 200 condominium units on a little 5 by 3 lake, and when this Mr. Jarmoc came to see our group in caucus when he wanted to make his presentation to us, we heard him out. It was not necessarily an undesirable concept in itself, but we told him clearly that that was not for that particular lake. We could never agree to that concentration of development on a small little lake in the Whiteshell. Mr. Chairman, there are already 170 cottages on that lake —(Interjection)— 180, all right, there's at least 180 cottages on the lake. There is

hundreds of day users on the aake from various campgrounds around the area.

Mr. Chairman, it's simply madness, and based on all of the information that is now available to this Minister, he should be able to get up and say, definitely no, we're not going to proceed with that development. He can act like a responsible Minister after handling this whole affair so irresponsibly and so sloppily — I mean, we can understand that he could make a mistake, he's admitted he's made a mistake in this issue but, Mr. Chairman, I hope that he will not continue to follow this error to its ultimate conclusion and allow this development to proceed. Mr. Chairman, I'd like to hear from the Minister, and give his opinion on this.

MR. CHAIRMAN: The Honourable Minister of Highways.

HON. HARRY J. ENNS (Lakeside): Mr. Chairman, I rise at this time because, you know, the facade that the honourable members opposite are painting on this particular issue really should be torn down right about now, because it does remind me of the first month that I came into politics when the then members of the —(Interjection)— No, they were then opposition, and we were then government. And members of the New Democratic Party found themselves in that uncomfortable position of having to defend the establishment and the fat cats, and in this case it was a few, a handful of — well I could say even multi-hundred thousand dollar vegetable growers — and the Conservative government and I, as Minister of Agriculture at that time, was trying to make it possible that the little vegetable growers along the Assiniboine River, along the Red, could continue selling their vegetables. —(Interjection)—

Well, ne, I will not repeat the same speech; I will now bring it up to 1978. The fat cats now on the Whiteshell are my brother, the Judge John Enns, Sidney Green, a member in this House, Yude Henteleff, that sit there very nicely and protective of the Whiteshell Lake and don't of course want to be disturbed. Well, Mr. Chairman, everybody has a dream of sitting on a lake, preferably all by himself. And I have had the privilege just this last little while to have flown over a good part of Manitoba, and so it does give you some perception of the bountiful supply of the resources that we have. They're not unlimited, and I'm the first one to acknowledge that, but when you listen to the Honourable Member for Rupertsland, my God, you'd think you were in the State of Arkansas, and you had one salt water hole, where a few people could dip their feet in.

The truth of the matter is that out of a population of a million people, 6,000-odd are privileged to have cottages, and that has hardly changed in the last eight years, and they are of the privileged class, and that is the class that you're standing up and fighting for. What the Conservative Party says is, look, we want to make it possible for a few more ordinary Manitobans to get a cottage lot; we want to prevent what happened just yesterday, when my father-in-law, who sold his cottage yesterday — it was a modest cottage when he built it 15 or 20 years ago — but I would daresay he made what you would term an unconscionable profit, because of the artificially imposed rationing of cottage lots. —(Interjection)— Well, you know, that's not what you're speaking about, you are talking about not trampling on the environment, you're talking about not despoiling anything, and far more important, your record — I haven't got the figures — but your record shows that in terms of campsite facilities, they have remained virtually the same for the past eight years. In terms of cottage-site development, they have increased from some 4,000 to 6,000; 2,000 additional cottage sites in eight years of New Democratic Party government. That's how you expressed your concern about making available to more Manitobans, Manitoba's own rich heritage, Manitoba's own resources.

Well, Mr. Chairman, I don't intend to speak at any great length. I only want to indicate to the honourable members opposite, that again, they have found themselves on the side of an issue that the majority of the people of Manitoba are not going along with. But that's their problem, and I really shouldn't be lecturing them, nor should I be encouraging them to change their path, because after all, politically speaking, that's precisely where I want the New Democratic Party to stay. I want the New Democratic Party protecting the interests of the doctors, the lawyers, the few millionaires that own their cottages in the Whiteshell presently. That's the image that I want, and that's the image that the New Democratic Party is doing a good job in presenting for themselves in the debates and discussions, as they attack the Minister of Tourism and Recreation. So let that be understood, and let that be on the record. What this government and what this Minister is trying to do is make it possible for a few more Manitobans, hopefully, hundreds of more Manitobans, hopefully thousands of more Manitobans, to enjoy the natural resources, to enjoy the life that we in this province can provide for them, thanks not to this government, thanks not to the Conservative or the New Democratic government, thanks to providence that we live in this kind of a province, that has those resources and that we can address ourselves to the proper development of those resources.

Now, Mr. Chairman, I welcome the opposition that the members opposite choose to raise on this point, but I know that when I can forecast to constituents of mine or to constituents anywhere, to Manitobans anywhere in the Province of Manitoba, that the availability of cottage lots is going

to increase, that the price of cottages, built and developed cottages is going to decrease and not appreciate, and not appreciate as they have been doing unconscionably in the last number of years because of this virtual freeze, this virtual freeze that has taken place in the last eight years.

Well, Mr. Chairman, we'll sort out the little roads here and there, we'll sort out the kind of developments that ought to and will take place, but, Mr. Chairman, I welcome the general tenor of the debate, the general tenor of the opposition that members opposite are throwing up to this Minister, because what they are saying of course is, we don't want too many ordinary Manitobans enjoying Manitoba's resources; we want to maybe squeeze them in around a few day parks and day facilities which are fine, and most of them were put there by a previous administration, whether it's facilities like Birds Hill Park or others. But, Mr. Chairman, most Manitobans as they drive through the lakes, as they drive through the Whiteshell, they are not prepared to accept the fact that perhaps a relatively handful of environmentalists or people with very very vested interests, who are often in the forefront and are the militant edge of this group, and I just mentioned some of them, when they want to protect their little vested interests on the lake, 160, 170 people on a lake that could accommodate 400 or 500, well, I'll let the Honourable Member for Rupertsland shake his head, but I'll let him be on the side of the 180 that are there, but we are a party of the future, we don't look to the past, I'll go on the side of the 400 that are looking for them.

A MEMBER: The little guys.

MR. ENNS: I'll go on the side of the 400 that are looking for them, and that essentially, you know, in simplistic terms, I grant you, is what the position of the Minister is, and the direction of the department, I hope, and I will encourage will take, because, Mr. Chairman, and\$ particularly for members of the north, particularly the Member for Rupertsland, the Member for The Pas, who weekly flies over the length and breadth of this province, flies over more lakes than the average Manitoban has ever seen, knows that we have all kinds of areas that we can set aside for total wilderness park concepts if we want to and have. But have your fun with the Minister on this particular issue, but you are losing the bigger battle and the bigger war, and that is with thousands of Manitobans that look forward at reasonable cost to be able to build a cottage and to be able to enjoy a weekend on one of our lakes.

And of course the pressure is going to be on the Whiteshell, because the infrastructure is there, the highway systems are there; we have just spent multi-millions of dollars in four-laning to that particular area. —(Interjection)— You know, the Honourable Member for Rupertsland says, why pick on the Whiteshell? Well, there happens to be very good reason for picking on the Whiteshell. The public has invested in millions of dollars in providing the traffic arteries in that direction. We haven't got that same money elsewhere. —(Interjection)—

Well, Mr. Chairman, I'll let the honourable members carry on this debate, ad nauseam, as they have, but I couldn't just sit by and not remind the honourable members more out of compassion and some sympathetic understanding because they are fellow politicians as I am, and we are honourable friends, and it would grieve me if there would not be at least a half a dozen of them come back after the next election, because you know, I would miss some of them, and I am now trying to give you a little bit of advice that would stand you in good stead in 1981. Because in 1981, there will be three and four additional thousands of people that will be enjoying cottage sites in the Province of Manitoba, and they will remember who provided them.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. J.R. (BUD) BOYCE: Mr. Chairman, that's one of the things I like about this House, you know, unless you sit on that side of the House you're an authority on nothing.

But the Minister of Highways is quite correct. They don't look to the past because they're incapable of it, they're buried in it. But by his own arithmetic, when he says that we built or made available 2,000 cottage lots in eight years — at that rate it's about 250 a year — there should be a quarter of a million because a 100 years of history of their particular type of government of not only looking them in the past but staying in it.

But, Mr. Chairman, that isn't why I rose. I was really shocked at the . . .

A MEMBER: It took the Conservative Government until 1958 to build the first road.

A MEMBER: The first road.

MR. BOYCE: Really on that particular point, there's not much debate between the present Minister of Highways and myself. I think Walter Weir should be credited in the Roblin government for developing an excellent road system. I think most members of the House who are familiar with

the efforts of that particular individual will give credit where credit is due. It is regrettable that he became Leader and got the knife in the back, like most Leaders in the Conservative Party.

But nevertheless, that still isn't why I rose, Mr. Chairman. I was shocked at the Minister's presentation at the moment. I hope that the people in the Whiteshell read his remarks.

MR. ENNS: Yes, I will send it to my brother, the judge.

MR. BOYCE: Yes, you do that and you remind your brother, the judge, when he . . .

MR. ENNS: And I'll send one to Sid Green and one to Yude Henteleff too.

MR. BOYCE: . . . when he didn't have a pit to hiss in, and he built that cottage down there.

MR. CHAIRMAN: Order. Watch your language in here.

MR. BOYCE: The fact is, Mr. Chairman, I am quite familiar with a number of people who do own cottages in the Whiteshell that helped develop that particular area in the 1950s, and they built these cottages, these people who at the time were aspiring young doctors just out of graduate school and working their way into life, and they were the ones that developed that area more than the government. It was the people who, through sheer guts, —(Interjection)—

You know, the tactics of the Minister of Highways, to try and divert attention with his —(Interjection)— I sat here and listened to the word that you would use in this House, but not myself, without interrupting you.

But, Mr. Chairman, his whole tactic is to try and divert attention from the fact. What my colleagues are raising — now we have the great bank manager, who runs that great financial institution, the Royal Bank out in Minnedosa, who demonstrates his prowess in the financial world. —(Interjection)— Well, tell him to keep his mouth shut when I'm on my feet.

A MEMBER: Because you yap all the time.

A MEMBER: You've got as big a mouth as anybody.

MR. CHAIRMAN: Now, now gentlemen, order, order.

MR. BOYCE: I have got as big a mouth as anybody. People chirp at me and I'll chirp back in kind. —(Interjection)— I will and I'll take as long as I want.

In trying to use all these different types of tactics, such as chiding from their seat and the rest of it, they are trying to beg the question. The question before the House is the manner in which this government proceeded in this particular case, in the Jarmoc affair. One of the horror stories that they're involved in perpetrating on the people of the province of Manitoba. That there may be some future development of the Whiteshell, this may be the case, but it is the manner, and the questions that my colleagues have been asking up to this point in time, will not be diverted by the contributions of the Minister of Highways. And when he tries to drag his red herrings across the debate I think that he really doesn't contribute that much to an understanding of what is going on. But I just couldn't sit in my seat and let him use that particular occasion to try and cloud the issue. And I repeat, as I sit down, that I hope the people in the Whiteshell who, when they built their cottages in that particular area some 20-30 years ago, in the 1950s when it was developed, so it would be 20 years when they built these cottages, how soon the Conservative Party deserts them, through their own efforts become successful. They make a place in the province that they should have some reason to believe won't be overdeveloped by the, you know, the crass intrusion of commercialism into this area, that the Conservative Party, when there's a buck to be made, and the buck, we've heard it tonight, that the Lord Selkirk, which was an extension to the park system as far as we are concerned, rightly or wrongly, maybe you people will decide differently, but to try and . . .

MR. BLAKE: Bloody disaster./

MR. BOYCE: A bloody disaster, a bloody disaster, the Member for Minnedosa chirps from his seat.

Well, by the same token, Mr. Chairman, they can't see you know. They have their minds so bent that anything that we do is wrong. We want to start a small airline, for example, to alleviate some of the problems in transportation that the major carriers can't fulfill, terrible. But when the Alberta government takes over PWA. Oh, that's different. If they do it it's all right, if we do it it's wrong.

And that's what I mean, they are so blinded that they really can't see.

But, Mr. Chairman, the people of Manitoba are seeing through the fickleness of Conservatism, as represented by this government, because their intention is to do anything to try and hold onto power, and they're really not interested in the problems of the people of this province.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, I'm pleased to see the Member for Lakeside, the Minister of Highways, is still in the House. Mr. Chairman, I'm sorry he didn't give us his full story on the vegetable growers because, Mr. Chairman, —(Interjection)— I'd better be careful here, Mr. Chairman, because usually, Mr. Chairman, I stay in to listen to the speeches of the Honourable Minister of Highways because what they lack in quality and information and in depth is made up for by his performance. And, Mr. Chairman, that's usually why I stay in the House, to stay here and watch the Honourable Minister of Highways perform.

Now, Mr. Chairman, the Minister of Highways, Mr. Chairman, says that perhaps in flying over the North we see that there are all kinds of resources to be developed. And I think what happened, Mr. Chairman, that he was working away at his desk there and he didn't really hear what the Member for Rupertsland was saying. Because what the Member for Rupertsland was saying is that, "Why, why build a condominium development on a three by five lake when you have all those other resources, all those other lakes, in which to build facilities?" Why build this kind of intensive development on an already overdeveloped lake. And, Mr. Chairman, the Minister's right, he's flown over certain parts of Manitoba, I've flown over certain parts of Manitoba, and you hardly even notice the three by five lake, Mr. Chairman, it's so small in relation to all the lakes available that one little three by five lake isn't that well noticed. And, Mr. Chairman, that is exactly what my colleague, the Member for Rupertsland was saying, and exactly the point that the Minister of Highways missed.

Mr. Chairman, I'm not sure if the Minister of Highways missed that point, or whether, Mr. Chairman, the Minister of Highways deliberately missed that point, because, Mr. Chairman, the Minister of Highways has a certain function on the government side of the House, as he had when he was in opposition, and he carries out that function very well.

Mr. Chairman, what the Minister of Highways wanted to do was to divert our attention from the issue before us, was to get us to deal with his comments which were inaccurate, and he wants us to go into all the inaccuracies about the number of cottage lots developed, the number of campsites developed, the number of new park areas developed, that are available, Mr. Chairman, to the common people of the province. But, Mr. Chairman, the Minister of Highways stands up, and to hrm the common people of the province of Manitoba are those that have \$40,000 to spend on a summer condominium.

Mr. Chairman, the common people of the province of Manitoba have trouble enough getting that money to buy their own house. But, Mr. Chairman, what the Minister of Highways is doing, what the Minister of Highways wants to do, is to defend the right of those common people that want to buy a \$40,000 condominium on an already overcrowded lake. Mr. Chairman, that is the issue he wanted to sidetrack us on, but Mr. Chairman, I think that what we have to do is not to be distracted by the Minister of Highways and his diversionary tactics, but get back to the horror story before us, Mr. Chairman, to get back to the bungling of this particular Minister, and the horror story of the Jarmoc affair and the condominium development that this Minister still will not say will not proceed, and to try and understand, Mr. Chairman, how this bungling happened, how we got into this bungling situation, Mr. Chairman.

MR. CHAIRMAN: Order please. Order please. I think that we've lost a little decorum in this committee meeting and I guess it's my fault and I'm just going to give warning at this point that we are going to stick to the subject. We are going to give the courtesy of listening to the members who are debating, and we are going to not repeat on the same questions. The Honourable Member for The Pas.

MR. McBRYDE: Thank you very much, Mr. Chairman. The questions that I wanted to address to the Minister in regard to this situation, so that we can understand what took place, so that we can understand whether or not it's going to take place again, or have some idea whether or not it's going to take place again, and we really have no assurance that that will not be the case. Mr. Chairman, there were a number of questions that were not dealt with yet by the Minister, a number of questions, Mr. Chairman, that need to be answered if we are to understand what took place. Mr. Chairman, one of the key questions that the Minister has not dealt with, and has been unable to deal with, is the question of when, and for what reasons, did the Minister instruct his Deputy Minister to sign an agreement in piinciple with Mr. Jarmoc? Did the Minister see the November

14th agreement before he approved it? Mr. Chairman, we've not got an adequate answer to that question.

Mr. Chairman, there was another question put to the Minister, on Friday, March 23rd, 1978, by the Member for Inkster, which is on Page 105 of Hansard. Mr. Chairman, the Member for Inkster asked, "Mr. Speaker, I'd like to direct a question to the Minister of Tourism. I wonder if the Minister can assure the House that the transfer of Walter Danyluk, a long-time civil servant, who worked under previous Conservative administration, had much to do with the development of the Whiteshell Park, that his transfer out of Tourism had nothing to do with his objection to desecrating the Whiteshell Park development through the permit to construct a 200-unit condominium."

Then the Minister replied, "Mr. Speaker, as I mentioned yesterday, I'm reviewing the whole matter. My Deputy Minister will be returning at the beginning of April and we will be sitting down and discussing the particular matter and reporting back to the House."

Now, Mr. Chairman, if there's been a report on this particular matter I would ask the Minister to refer me to the exact source, because I can find no report on this particular question, and, Mr. Chairman, nor have I received an answer to the other question that I just put to the Minister in terms of his knowledge of the agreement.

So, Mr. Chairman, I wonder if the Minister could deal with those particular questions as he indicated to this House that he would deal with those particular questions so we can understand and clear up this particular Jarmoc affair.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, first of all, as I've mentioned, I don't see every document nor am I involved in every negotiation with people who bring in proposals. I would just reiterate again that as far as I was concerned, any agreements or anything that would be signed were dealing with exclusively the right to develop the road and that any further proposals that the gentlemen would have, would have to be made and receive Ministerial and Cabinet approval and that's the premise that I was operating under.

Dealing specifically with an employee that has been with the department for many years and has done a very good job, as far as the parks in the province is concerned, he was going to be used in a different area. The gentleman has taken early retirement and, as a result, is not with the department any more.

MR. McBRYDE: Yes, Mr. Chairman, I think that that gives us some indication of what took place although the Minister didn't directly deal with the question.

Mr. Chairman, I think the crux of the matter is in the Minister's first answer when he said, "That was my assessment of the situation." Mr. Chairman, my colleague, the Member for Rupertsland, and other colleagues and myself over the course of the past couple of months, and again this evening, have shown that the Minister's assessment of the situation was incorrect, that it was a wrong assessment of the situation, that the Minister bungled this situation, that the Minister took wrong action. Mr. Chairman, the Minister is still not willing to explain how he got into the position of taking such incorrect action, of bungling this situation. Mr. Chairman, I don't expect that we'll ever get a clear answer from the Minister in that regard.

Mr. Chairman, I would like to address a couple of questions to the Minister I'm sure my colleagues have some more on this particular incident, but I would like to address a couple of questions to the Minister that are not related to this situation. I would like to ask the Minister, what is the present situation, the present status, the present degree of development, of the Hugo Bay on Clearwater Lake at The Pas?

I would like to ask the Minister if there are any funds within this section or other sections of his Estimates that deal with providing facilities along the new road constructed between Highways No. 6 and No. 10 near the community of Easterville, whether there are any proposals for wayside parks or other types of parks for campsites within that area?

Mr. Chairman, I would like to ask the Minister, on behalf of my colleague from the Churchill constituency who is on his way to that constituency this evening, whether or not the proposed development at Granville Lake near Leaf Rapids is proceeding, ; and what is the present state of that development whether there is an intention to carry out the one-time proposed development at Cochrane Lake and whether the Minister would care to elaborate on his colleague, the Minister of Northern Affairs' statements about possible tourist developments in the communities of Ilford and Lynn Lake, and whether he has any knowledge of those two projects that the Minister of Northern Affairs spoke of.

Mr. Chairman, those are simple questions that the Minister could deal with. I don't believe he has dealt properly and fully with the Jarmoc questions and I'm sure my colleagues will be pursuing

those questions further with the Minister.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, I have several of the answers and the rest I will try to get for the gentleman opposite.

First of all, the Hugo Bay — apparently it is complete except that there is some sewage installation being planned for this fall.

The Easterville — there is a request for a land reservation dealing with that particular road.

The Lynn Lake Campsite is, I understand, in the process of going ahead and there has been money allocated, I think \$50,000, for the development of that particular casite.

I'll check on the Ilford, Cochrane and Granville Lakes for the member.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, is there any use being made of the Hugo Bay site this tourist season? Maybe the Minister would like to check the land reserve on the new road from No. 6 to No. 10 near the community of Easterville, because certain sections of that are being held because of a land exchange still outstanding with the Chemahawin Band at Easterville. There are some Reservations along that road for purposes of wildlife protection, for certain possible archeological sites, etc., but there are a number of areas that are not under reserve and there have already been some plans prepared for possible campsites and wayside parks. Maybe the Minister could more fully update himself with that and let me know if any of those proposed projects are proceeding.

MR. CHAIRMAN: The Honourable Minsiter.

MR. BANMAN: Mr. Chairman, as the member mentioned, there are some problems with regard to the land reservation. Dealing with the Easterville problem, I understand that there is discussion at the staff level trying to resolve those problems.

The Hugo Bay Campsite is not being used this year. It is not, I understand, in operation. The one at Granville will be going in some time at the end of July, and at Cochrane Lake, I understand we'll be putting in a boat launch there this year.

MR. McBRYDE: Mr. Chairman, on the new road between No. 6 and No. 10, near the community of Easterville, are the three or four sites that his departmental staff were looking at for possible development under reserve? Because if they are, I wasn't aware of any reserves in that particular area. If in fact they are not under reserve, will any work be proceeding?

MR. BANMAN: Mr. Chairman, I understand that the sites we are looking at are Crown land, but what is happening is, they are doing a complete plan of the area dealing with some concession-type stands, maybe a gas station and stuff like that.

MR. McBRYDE: Mr. Chairman, maybe I'll just ask the Minister if he would take the question as notice and come back. The area that he is talking about, where certain requests have been made for land and concessions, certain restrictions of development within the area of land to be transferred are very near No. 10 Highway or near the junction of the Easterville Road where it leads to the new road, but as you travel west on the new road, that is where most of the area that his department was looking at for possible sites. I believe there were about three possible sites in that section that were not under reserve. So maybe the Minister could just take the question as notice and get back to me on whether there is a possibility of proceeding with any of those sites.

MR. BANMAN: We'll take that as notice and see if we can't get more detailed information for the member.

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

MR. PASIUK: Mr. Chairman, I rise to speak on this point because I think that a large number of questions relating to the Jarmoc development haven't been answered, some very simple ones: Did Jarmoc actually pay for the gravel? It was not in the agreement. It was in the agreement that he wouldn't pay for the gravel, then it was crossed out. We asked a normal question: Did he pay for it? The government can't answer that question. It still hasn't answered that question even though the question was asked about three months ago. Very surprising, very suspicious,

Another question: Is the road that Jarmoc built, which the province through that agreement would assume if in fact it decides to do any development of its own in that area — is that road usable, is it a good road? We understand that a lot of trees have been used as the base for that road. Those trees rot. Is it a good road? We have asked those questions but we haven't had the answers, if Jarmoc paid for the road or not, and paid for the gravel, and I can recall the Minister taking this as notice a long long time ago. But those weren't the issues that I wanted to raise. The issues that I wanted to raise were the larger ones concerning the policy regarding development. The Minister has conscientiously avoided dealing with them and answering them. The point is that there is a demand for cottage lots; there is a demand for cottage lots in the province and the key policy question which I think he has to answer is, how does the government intend to satisfy that demand in the fairest, most equitable way? Will the lots that are developed in the future on Crown land or in provincial parks be made available to the public through the traditional lottery system which allows the fairest and most equitable access to Crown recreational land? That's a fairly straightforward question. I'm asking the Minister specifically, is that the policy of the government? Will it be continued? Is that the way recreational lots will be made available to the public of Manitoba? Could he answer that question?

MR. CHAIRMAN: tt06The Honourable Minister.

MR. BANMAN: Mr. Chairman, the system which we have been using, which has been in place for a long time where a government does develop on Crown lands, has been one of a draw system. We have sold several lots that way. We have also sold some of the cottages and the log cabins that were built up at Grindstone Point. If there will be some private development dealing with Crown lands, we will have to develop that policy as we go along, but right now what we are doing is following the policy of putting up the lots for sale, attaching a certain development cost on it, and then drawing for those lots.

MR. PARASIUK: I thank the Minister for that answer. I would also like him to consider the following, however. Wouldn't it be logical to assume that you would develop your policy regarding the disposal of lots developed on Crown land or in provincial parks before you gave any private developer an agreement to develop that land? Surely that is going to be a very very important question. It strikes me as being the most important question that has to be raised when you look at something like this, if you indeed want to provide fair and equitable access, because the problem with the Jarmoc development — which is the only case that we have had put before us of what the government was intending to do — is that if you look at the numbers provided with respect to that development, you are talking about \$40,000 or \$50,000 condominiums and those are really out of the price range of the people who presumably the Minister of Highways was talking about. Surely that is the group the people in this House are talking about. We also want to make sure that people have fair and equitable access to those lots.v\$

Now, if Jarmoc had proceeded with the 200 lots and they were for sale for \$40,000 or \$50,000, because that's the money he would require in order to pay off his \$7 million development, which are the figures that we were getting from Jarmoc and other people as to what the development would consist of — if you were going to talk about \$40,000 or \$50,000 condominiums, that's out of the price range of most people. That is a development precisely / . W for fat catse're against that development and, despite what the members on that side are saying, they are for that development and that's the clear, undeniable fact.

Secondly, we still haven't received an answer from the Minister as to how those lots would have been disposed of. They were going to be disposed of through a private sales system. They would be disposed of through a private sales system, and I'm glad the issue was raised in the Legislature because that particular development which would not be of benefit to the average Manitoban, has been stopped.

Now, the other issue is, how will any of the lots that are developed on Crown land or in public parks . . . I would prefer that this be done publicly but the Minister has a mandate to be the Minister of Parks. If he in fact utilizes the private sector to develop or service some of those lots, will he guarantee to the members of this House that when those serviced or developed lots are made available to the public, they will be made available through the lottery system which is the fairest way, where people will actually put their names in and draw lots? That's been done with some lots around Grindstone Point, that's the concern that people have with respect to these proposed lots, because the Minister talked about the possibility of six or seven private developments and immediately the general public asked the question: How will we get access to those lots? How do we get them? Do we get them through the fair draw system? Again, I would like the Minister to guarantee that that will be done. Surely that's a priority question, that's a question that one has to make a decision on before you sgn agreements or make tentative proposals with private

for the development of Crown land or for the development of any land in public parks.

MR. BANMAN: Well, Mr. Chairman, to be fair with the member opposite, this is maybe one of the policy problems that the previous administration hadn't addressed itself to either, because if the member will check back, I think it's two years ago or a year ago that finally a subdivision was passed on private lands at West Hawk Lake and I think we were faced, at that time, with the same problem that he's got right now. There was no criteria for public draws or anything of that nature because it was on private land. So there was no set established policy on, private lands within the provincial parks. Very often it's a mine claim, there are several down at Star Lake and other areas. What has been allowed is, there's been one split allowed. If you've got 80 acres, you can split it once, and that was about basically the only policy that we had. So really we're operating in this particular area in a policy vacuum. This has come to light now and there will have to be some distinct policy set down dealing with this type of land so that not only the Minister but the staff, when people come in and request information will know how they can deal with this problem because I've got this land there, that they will have some direction and some guidance to deal with it. But in all fairness the member has to realize that this particular incident is one particular thing that happened, but it was happening before where people within the Provincial Park system were getting some land sub-divided — and I refer to the West Hawk one because I'm familiar with that one. It was a long dragged out thing. But that person did get it sub-divided and there was no criteria involved there that he had to have a public raffle or anything like that.

So there are certain lands and I guess primarily it came to attention in the Whiteshell area because of some of the claims that have been staked by different companies, but this is not a new policy that was implemented, it's sort of an ongoing thing and we're going to have to deal with it. I hope, after we've finished our review and come up with a fairly comprehensive management plan, that some of these things will fit into the areas and, if we say one area is wilderness area for a canoe route and it so happens that somebody's got land out there, unfortunately they won't be able to develop that area because that's a canoe route area and it's going to be a wilderness canoeing area and it's just not compatible with the usage described in that park.

MR. CHAIRMAN: The Honourable Member for Transcona.

MR. PARASIUK: Mr. Chairman, I wasn't attacking the Minister in my previous statements. I think it is a difficult policy area. I wasn't aware of the Whiteshell situation. Frankly I don't agree with a policy whereby someone who develops an anachronism, a little piece of land which is privately held in a public park, that anyone who develops that and sub-divides it, should in fact be selling it through a system which is not the same as other Crown lands in a public park that are disposed of or made available to the public. I think there should be a consistent policy and that should be one whereby people get access to that land through the lottery system, and I make that as a very sincere suggestion to the Minister who obviously does have to deal with this as a policy issue. I'm giving my preference, what I value with respect to public land, what I value with respect to Provincial Parks. I would like the Minister to give us what his particular value is with respect to Provincial Parks. Does he feel that land should be made available to the public through a lottery system the way I feel? I haven't heard what his particular preference or value system is on that. I think at the same time that we talk about facts and past positions, it's very important to state here in the Legislature what the value preferences are of people and that's the only way that you can get some indication. Can the Minister indicate?

MR. BANMAN: Mr. Chairman, the particular system system, the draw system, was established many years ago and I think it is an equitable system whereby no particular individual can tie up large blocks of land. This, coupled with the policy of requiring people to have a structure on there of a certain size and be in certain condition in a certain time frame, also eliminates a certain amount of the speculation involved with it. There's no way we're ever going to cut it out totally because a father can do it, a son can do it, and then they can go ahead and speculate and sell it later. But it does provide the opportunity for the average individual, and this is what we're talking about here today, to have a shot at trying to get a cottage lot in the province.

The lot price, I believe, should fairly well reflect the cost of development in that area. In other words, we should take into consideration the infrastructure such as roads going into the different areas and also any other infrastructures like wells or garbage sites and that type of thing that are involved so I don't think we have a problem there.

I would, however, like to say I also agree with the 21 year lease process — that the Crown retains it — except, and we've got a real problem here which we're going to have to address ourselves to. The former administration was made aware of it and it's a relatively, well, not a new problem, but it's an increasing problem in that there are about a thousand cottages in the Province of Manitoba

that are in two jurisdictions — they are within a Provincial Park and yet they are either within a local government district or a municipality — which means that these particular individuals are paying the \$85.00 or \$110 a year for their lease fees to the province and yet are paying maybe \$200 or \$300 for school taxes to the municipality. I have asked staff to sort this out, either to allow a rebate system if the municipalities are going to provide some of their own maintenance services, but I think it is inequitable for people to pay sort of double taxation in this particular area, and I refer to the Lee River area and that area. We are going to have to do something about that because it's not right for these people to be paying additional taxes where people are a little further into the park are only paying \$100, and somebody else is paying \$400 for the same type of cottage, with no bearing on assessment or value at all.

So that's one area that we are going to have to address ourselves to, whether we go to selling the property to the individuals or what we do exactly with it, we're going to have to look at it, but it is a complex problem which will require some detailed consideration.

MR. PARASIUK: Yes, again I'd like to thank the Minister for that answer. It gives me some assurance as to what the policy regarding a public park recreational development is. I also can appreciate the anomalies with respect to policies that develop when you have something that develops historically, like the provincial park system. We have a number of anomalies arising, as the ones indicated just now regarding school taxing, because it is a vexing problem and I don't have a particular position on that and I can appreciate the difficulty that the staff and the Minister will have in trying to establish something fair and equitable with respect to that question.

There is one other matter, however, with respect to the development of land for recreational purposes in provincial parks and that is that there had been created the impression that somehow the carrying capacities and utilization of this recreational property would not be determined by the Parks Department through its planning process, whereby it would establish some type of plans for whatever provincial parks it had jurisdiction for, and then possibly, if it did want to deal with private developers with respect to the private developer developing a particular chunk of land in that provincial park, that it would be done so within guidelines. The impression was created that the department was only acting in a response manner to proposals that were being put forward by the private sector. And I think that would be somewhat unfair. I think we have had a lot of municipal development that hasn't proceeded with well because of that. I think in a situation where the Crown owns the land, or in a sense has put in all the infrastructure at a subsidy, through a subsidy, because a lot of people who don't use parks in fact subsidize the infrastructure that exists in the iteshell for the 4,000 or 5,000 people who have the lots there or even have the campsites there.

So when you have something like that happening where you have a public good created because the public has invested money there, I think it is very important for the Provincial Parks Department to establish its guidelines for the development of that area.

Now, I know that some type of master plan existed previously. This development ran counter to that master plan. Now surely if the government has reassessed the master plan and wants to change it, it has that prerogative but it should make that public.

Secondly, I think it should make the public involvement in the development of that master plan, or the guideline plan, somewhat more participatory than it has been to date. I know that you put an advertisement in the paper asking for people's comments and what their preferences were. Well, frankly, a lot of people tend not to answer those ads or, secondly, the ads are structured in such a way that you are in fact trying to induce certain types of answers. And I had asked the Minister previously if he intended to have any public meetings on the matter. That is meetings where the public or various groups, individuals or groups, could come forward and see whatever proposals are being tentatively developed and provide informed, or in some cases uninformed comment on what is happening. It may turn out that that whole process of public meetings will be good not only for the department and the Minister but for those people concerned. And so far I don't think we have received a commitment from the Minister that such type of systematic process of public meetings would be held with respect to the Whiteshell Development or other park developments. And I can recall asking that question some time ago in the House.

MR. BANMAN: Yes, Mr. Chairman, we dealt briefly before with that particular thing. We hope to have some time this fall a preliminary master plan ready, which we will then make available for public distribution and ask for comment. The exact form, whether we will be opening meetings to the public or the exact form, I am not ready to say right now, but I would like to say that we have asked for public input from the different interest groups and we will follow that same procedure and hope that those groups will give them the benefit of their wisdom, once the particular management plan has been developed and we have made it public.

MR. PARASIUK: One final quick point in that. I assume you will be making the notices public for

that. I will probably be in contact with your office, because I have had a number of people phone me and inquire as to when they might get their chance to speak on this particular issue — just average citizens — and I'd like to be able to inform them that you are planning something like that, and I will keep in touch with your office to make sure that I am notified and so I can notify them.

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

MR. BOSTROM: Well, Mr. Chairman, I have a few comments to make with respect to the performance by the Minister of Highways, and I will only comment that the Minister obviously missed the whole point of what I was trying to make in the early presentation. As my colleague, the Member for The Pas, has pointed out that certainly we are not opposed to cottage development but we are opposed to over-development of cottage lots, or condominium lots, or whatever, on lakes, which will cause serious environmental damage. And if the Minister can indicate to us, any one group or any officials, even, within his department, that agree with the concept of this massive development on that lake, we may have some arguments to weigh against all of the ones that are opposed to it.

But so far, Mr. Chairman, no one has been identified either in his department or outside his department to be in favour of this massive kind of development on a lake which is admittedly small and fragile, in the particular Whiteshell Park that is very popular to all Manitobans, particularly those who live in the City of Winnipeg.

Mr. Chairman, what I pointed out to him, and which has been pointed out to him in the past, is that there are thousands of sites where cottage lots could be located where they would not be damaging to the environment, and certainly that the government should play a role, a very important role, in developing cottage sites in Manitoba. In fact, the performance of the New Democratic government over the last eight years has been a good one in terms of developing cottage lots for people.

Mr. Chairman, it should not stop there. In fact I would recommend to the Minister that he expand on that program of providing cottage lots, but don't do it at the expense of the environment. Don't do it at the expense of small little lakes in the Whiteshell that can't handle it. That's what we're saying.

Mr. Chairman, we have pointed out to him that there are at least 5,000 possible cottage sites within easy driving distance of Winnipeg where cottage lots could be located, without plunking down 200 condominium units on a little three by five lake in the Whiteshell. And that's our main point here and our position on this is very clear. We want them to not proceed with that development on that particular lake in the Whiteshell, and if the Minister of Highways wants to use that as an argument that we are protecting some big shots on the lake, that's a straw man that he has created; he built it up and he kicked the "H" out of it in here, but he really didn't convince anybody that that was the real issue. The real issue is not the protection of anybody who is on there now, but the protection of the environment, and that is the trust that we have as legislators and they have as government to preserve. That environment is fragile, and they have that environment right now entrusted to them to preserve for future generations.

Mr. Chairman, let that be on their conscience if they decide to proceed with a development like this, which will cause admittedly damage to the environment of that particular area.

In getting back to this particular agreement, Mr. Chairman, it is important to understand how this agreement came about, because it may set a precedent for future actions by this government as to how they react and deal with potential developments.

Mr. Chairman, I would like to ask the Minister directly who it was in his department who participated in the drawing up of this particular agreement that was signed between his Deputy Minister and Joe Jarmoc, who was the draftsman of that agreement?

MR. BANMAN: Mr. Chairman, the Deputy Minister was involved.

MR. BOSTROM: Mr. Chairman, is the Minister saying that the Deputy alone, by himself, without the assistance of other staff, sat down with this particular developer and drew up this agreement and then signed it on behalf of the Minister?

MR. BANMAN: I am informed, Mr. Chairman, other staff were involved.

MR. BOSTROM: Mr. Chairman, could he indicate which other staff were involved? Was it the Assistant Deputy Minister who directly reported to the Deputy and the Director of Parks? Who exactly were the others involved?

MR. BANMAN: Yes, Mr. Chairman.

MR. BOSTROM: Well, Mr. Chairman, how can he say that these other advisors to the Deputy were involved in drawing up this agreement in this form when they are on record as being opposed to the agreement and advising against any such agreement?

MR. BANMAN: Mr. Chairman, if the member opposite would care to read my statement that I made to the Legislature, I said there were some varying opinions within the senior officials of the department.

MR. BOSTROM: Mr. Chairman, is the Minister saying that the Assistant Deputy Minister, who at the time I believe was a Mr. Walter Danyluk, was involved in drawing up this agreement and was in agreement in recommending this particular agreement?

MR. BANMAN: Mr. Chairman, I'm not aware of that; all I've said is that there were some people that weren't in agreement with it, and the member can go back to the statement I made to the Legislature, there were some differences of opinion between senior levels of staff. Where they're dealing with the lake alert methodology, the member — I don't know if he's familiar with that particular lake alert methodology, but if you sit down, it all depends how you work it. If you work it the way Ontario uses it, the Big Whiteshell can use another 500 units on there, so it's a matter of who you talk to and when you talk to them, and what personal preferences are, and to that extent there is difference of opinions.

MR. BOSTROM: Well, Mr. Chairman, I don't know whether you would use lake alert methodology or whatever, but even common sense would indicate you don't put that many cottages on a three-by-five lake that's shallow, and where one area already has a wild rice crop which is fragile and certainly susceptible to damage by motorized craft. But nevertheless, Mr. Chairman, getting back to the point, I would like to know if the Minister can indicate if this particular issue had anything to do with the Assistant Deputy Minister, one Mr. Walter Danyluk, taking early retirement from the department?

MR. BANMAN: No, Mr. Chairman, I can't.

MR. BOSTROM: Mr. Chairman, the answer indicates that the Minister can't, but the question I asked him is did this issue have any bearing on the Assistant Deputy Minister's early retirement from the department?

MR. BANMAN: Mr. Chairman, I have never received anything from the particular individual saying that, and I have never had any correspondence or any words with him with regard to that.

MR. BOSTROM: In regard to this agreement, Mr. Chairman, since the Minister has indicated to us that his understanding of the agreement was only supposed to contain an agreement in principle to allow for road development, can the Minister explain to us why this agreement has such clear, explicit undertakings to allow not only the road but the development of 200 condominium units and the clause in here which is also rather explicit, that the province agrees to permit the above described developments and co-operate in the rapid processing of related documents. Can the Minister explain why these other clauses were in there if all this person wanted and all the Minister gave instructions to proceed with was an agreement to build a road?

MR. CHAIRMAN: Order please. I have asked the honourable members for a little co-operation on repetitive questions. That question, in my opinion, is repetitive, and I would rule it out of order unless the Honourable Minister would care to reply.

The Honourable Minister.

MR. BANMAN: Well, thank you, Mr. Chairman. I think we're coming back to it again; let me just say this, that there are competent people in the department, that were hired by the previous administration, have been civil servants for many years, whom we have confidence in, and that we have to let them do their job. And as a result, they are managing the affairs of many of these things. As I've said before, that I was given the impression — and that's the opinions I have had — that all we were doing is allowing the individual to build a road; that was my understanding of the whole thing. Whatever has transpired in between there is something that has been dealt with between staff and the department, or staff and Mr. Jarmoc, and as the member will appreciate, when he was Minister, there isn't everything that you know what's happening with regard to negotiations going

on every day either, and to that extent, I was not involved in those negotiations. We were willing to look at this proposal, and before it would go ahead it had to receive ministerial approval, and the gentleman in question was told that when he received his permit to build a road, that this did not in any way give him any authority to do anything on his own property, and if the member is familiar with The Parklands Act, there is nothing that can be done. No developments can take place until the Minister authorizes it.

MR. BOSTROM: Well, Mr. Chairman, there certainly is an intention here on the part of the government, and it's outlined in this agreement, to allow the developer to proceed, and the very clause that states that the province agrees to permit the development and co-operate in the rapid processing and development of related documents would indicate that there is an indication that the Minister is going to allow this to proceed, and Mr. Chairman, as I indicated earlier, when a Deputy Minister signs a document, it's exactly the same as if a Minister signs it, because a Deputy Minister is exactly that; he's a Deputy to the Minister, and he acts on behalf of the Minister in all things related to that department, and when this document was signed by the Deputy Minister, it's exactly the same as if the Minister signs it.

Now, Mr. Chairman, my question is a serious one, is the Minister telling us that the Deputy exceeded his authority and exceeded his instructions from the Minister in drawing up this document which gives the developer certainly the indication that the government is intending to give him more than simply the access across Crown land to build a road? Is the Minister telling us that the Deputy deliberately exceeded the Minister's instructions and drew up this particular document and signed it on the Minister's behalf?

MR. BANMAN: Mr. Chairman, to maybe draw a parallel to this, and there was an interesting debate here the other night and I don't know if the member was here, we had just the reverse situation where the Member for Inkster was arguing that the Northern Flood Agreement, which was signed on behalf of the province by the Deputy Minister of Northern Affairs, Mr. Carter, was not a legal document because the government and the Cabinet had not okayed it, so his colleague was arguing the other way around. Now, our legal opinion has been that this was an agreement, like a Letter of Intent, that we were going to deal in good faith, that's what the Deputy Minister was doing, and that we are not legally bound to come up with anything else except allow the gentleman to finish building his road, and the former Minister signed many agreements like that too, where he allowed easements across a certain property, and there was a clause in there, that whether it be upon payment of 50 percent of the value of construction, or 100 percent, that that road was no longer a private road; it became a public road. That was included in this agreement too. But the agreement, as far as we're concerned, is one which allowed him to build the road to his property and nothing more, and he was so instructed when he received the permit from Parks Department.

MR. BOSTROM: Mr. Chairman, the question still remains because it still has not been answered, as to why, if the government only intended to give this individual the access across the road, across Crown land to build a road, that could have been drawn up in a very neat, specific agreement, and there are agreements like that in the past, as the Minister has indicated; there have been agreements like that in the past. It could have been taken out of the government files, it could have been amended very slightly to give this individual that access across that property without drawing up this particular style of agreement, which is a new style in terms of drawing up government agreements. It's certainly not according to any standard government style of drawing up agreements where all the protections are drawn into it. In fact, Mr. Chairman, it's added here almost as an afterthought, and it's written in in pencil, that this will comply with Sections 8 and 9 of The Parklands Act. And that's why I say this is a very sloppy piece of work, and Mr. Chairman, it has absolutely no parallel to the situation we were discussing the other night with the Northern Flood Agreement, because those people were informed clearly and unequivocally that that agreement did not have the mandate of the government until such time as it went to Cabinet. They were clearly given to understand that, and in fact, did not dispute that fact, Mr. Chairman. So, the parallel is certainly no parallel with this agreement.\$

Mr. Chairman, to follow up on this, I'd like to ask the Minister, who are the financial backers of Mr. Jarmoc, and in his opinion, does he have the expertise and ability to carry out this project?

MR. CHAIRMAN: Order please. That's a repetitive question and I would rule it out of order.
The Honourable Member for Rupertsland.

MR. BOSTROM: It's only repetitive in the sense that we still haven't had an answer to it, so I suppose if the Minister is going to stonewall on that question, we'll just have to . . . Well, Mr. Chairman,

his Deputy is on record as saying that he knew who the financial backers were; that's in the newspaper reports of interviews with his Deputy. So, all he would have to do is ask his Deputy Minister who the financial backers are, and I would think that any government that signs this kind of agreement with an individual. . .

MR. CHAIRMAN: Order please. This has been discussed; it's been ruled out of order. Would the Honourable Member for Rupertsland please proceed on a different matter.?

MR. BOSTROM: Mr. Chairman, I will proceed with other questions which are along the same line, related to this agreement, and that have still not been answered, along with some of the ones that you're ruling out of order. One of them, Mr. Chairman, is why was the developer allowed to remove material from the borrow pits without paying for it?

MR. BANMAN: Mr. Chairman, as was mentioned by my colleague, the Minister of Mines, the particular individual will be billed for that particular road; it's not uncommon that after a person has taken so and so much aggregate out of a pit, there is an assessment is made. If the member is familiar with the area, there is a fairly large pit in that particular area and the amount of aggregate that is taken out will be estimated, has been estimated, I understand, by Parks officials and will be sent to the Minister of Mines' Department. They will then be billing the particular individual for the aggregate, and this is not an uncommon policy. If the member will care to check with other things, that this has happened in the past, and after the aggregate has been taken out, that the bills have been sent. The road, I understand, is not totally built, there's going to be more aggregate required, and as it's pulled out and used, the gentleman will have to pay for it, and that's been spelled out clearly by the Minister of Mines.

MR. BOSTROM: Well, Mr. Chairman, can the Minister indicate to us who in his department has been responsible for assessing how much aggregate has been removed in order that the bill can be made?

MR. BANMAN: Survey staff, Mr. Chairman.

MR. BOSTROM: Mr. Chairman, can he also indicate who in his department has been responsible for overseeing the actual road construction itself to ensure that it's built according to some kind of standards?

MR. BANMAN: I understand the Engineering Staff, Mr. Chairman.

MR. BOSTROM: Mr. Chairman, have the Engineering staff reported to him on the style of construction of the road, and the fact that trees were piled in the middle and covered over with sand which is certainly not according to any standard of government construction of roads.

MR. BANMAN: Well, Mr. Chairman, as I mentioned, the road is not finished. It has not met park standards and until that's done, until the road is completed and I guess it's settling right now because it's built through some fairly low land, until that is done we will constantly monitor it and make sure that the proper standards are put into place.

MR. BOSTROM: Well, Mr. Chairman, in view of the fact that when government engineers oversee the development of construction of roads they normally require that trees not be used in the roadbed of the grade. Given that in this case trees have been used in the roadbed, will the Minister's staff be requiring this individual to remove those trees and to build a road according to standards as is required in other areas of Manitoba when government staff are supervising road construction?

MR. BANMAN: Mr. Chairman, I'm advised that a certain amount of that on low traffic roads is an acceptable procedure and has been done in the past by the Parks Branch and this was no exception.

MR. BOSTROM: Well, Mr. Chairman, if the Minister is saying that this is according to the standards of Parks Department construction I'll have to take his word for it but, Mr. Chairman, I think that that sort of information will be checked out in the future and we may be coming back with further questions on this.

Getting on to another issue, Mr. Chairman, since we don't want to appear to be getting the satisfaction we desire from the Minister on this particular issue and there doesn't seem to be much

point in pursuing it. I would like to ask him a related question regarding his department's actions with respect to cottage development in Manitoba and it relates to the issue which was brought up in the press in the month of May regarding a proposed cottage development at Lac du Bonnet. This, I believe, would be setting a precedent in Manitoba in terms of how the government approaches cottage development. I would like to know what the Minister's proposed policy or adopted policy is regarding cottage development on Crown land by private developers and there are a number of questions regarding this.

No. 1 is, how does the government decide which developers will do the development on a particular piece of Crown land? How do they decide among all the developers in Manitoba that have expertise in this area who will be the one that will do a particular development? How do they decide what that person will receive for doing the development and thirdly, when the development is completed, how will the lots that are created by that development be apportioned to the public of Manitoba?

MR. BANMAN: Mr. Chairman, the member will appreciate that this is in its preliminary stage. It would be a pilot project to see what would happen. The land would still be vested in the Crown, in other words, we would be talking about 21-year leases. We would have certain control on the system of how they were marketed and the cost that they were put on the market by so that it's something that would be sort of a new concept. I understand some of the other provinces have gone into that which means that private people come forth with proposals for different areas. The exact workings of it we haven't refined but it's a concept which I think merits some discussion and merits some experimentation. This particular project, the Coppermine Bay proposal, would be a pilot one which we would monitor very closely to see what the lots could be marketed for and at what prices and how the system would work.

This particular development, as I mentioned, would be sort of a pilot project and we would have to go from there. The member mentions that there are a number of sites throughout the province where this type of development could take place. As far as cottage lot developments, I understand that this is a fairly good site for something like this, it will require some infrastructure, a road leading into there and some other sort of high cost items. But if the province can develop cottage sites without spending additional taxpayers money in this particular area and still have a control on, No. 1, not giving up the land, in other words, that it is still held by the Crown, and that these lots can come on stream at a fairly reasonable price to the individuals, then I believe that it might be something that we can all look at and look forward to having a pretty good relationship with a number of people.

Now, the exact workings, it has not been worked out yet what kind of an agreement we would be looking at. That would have to be, of course, dealt with with the legal people and also have to clear Cabinet but this would be a proposal that would be done on a pilot project basis to see how it works out. If it doesn't work out then we know that's not the course we want to pursue.

MR. BOSTROM: Mr. Chairman, I can understand that this would be a pilot project, this is a proposed pilot project. The Minister seems to be talking much more positively about it than he was when I was asking him questions earlier in the session. One of the questions I asked him at that time is if this site, this particular proposal would proceed, if the LGD of Alexander, which is the local government of the area, were to recommend strongly against it, I would still ask the Minister what his position is on that issue. I believe they have certain planning requirements and certain plans which they have been developing over the years with respect to that area along with related area in the near vicinity of the proposed site. I would ask him what his commitment is to the LGD of Alexander regarding their local decision-making. Will he be prepared to accept their decision on this as to whether or not it will proceed?

MR. BANMAN: Mr. Chairman, it has been made very clear, not only to the developer — and I stress that — not only to the developer but to the local government district, that the local government district would be required to approve anything, the subdivision, before it went ahead. To date there have been no subdivision plans formulated nor submitted for approval so, as the member can see, we're still in the very early stages. But if the Local Government District of Alexander, which this particular proposed development is being developed in, there is nothing happening because it's a local government district which would have to go through the municipal planning scheme, so this has been made clear to the developer as well as to the local government district. Before anything can happen it's going to have to meet y's with the local authority approval.

MR. BOSTROM: Mr. Chairman, for all the criticism I heaped on the Minister's head for the Jarmoc affair, I certainly want to congratulate him for taking this position in this area, that the LGD, which

is the local authority in the area, will have a say in whether or not this particular type of project will proceed. So that I certainly want to commend him for that action and hope that they will follow through with that and work in the future, as he's working in this case, with close consultation with local governments so that the government is not proceeding to make developments that will adversely effect the planning schemes of local governments around the province.

This particular LGD, Mr. Chairman, is one that has taken the planning idea very seriously and have attempted to deal with the whole issue of subdivision planning in a rational and commonsense way by establishing certain land use plans which they can use as guidelines in their deliberations and as a bench mark for them when they are having people come forward to them on a daily, weekly, almost hourly basis with proposals for subdivisions. I believe that that is a good way to proceed. The LGD must have some kind of a planning scheme so that development takes place in a rational way. It would be rather disastrous if the Provincial Government were to jump in there and put something in which would disrupt and make a mockery of their own planning scheme. So I commend the Minister for taking this action in this case.

I would like to know what his thinking is though with respect to future developments of this kind. Granted, this is a pilot development that is being developed on a basis of a proposal that came forward from recognized developers that have some expertise in land development. What does he see as the future procedures for this kind of thing? If a particular piece of Crown land is identified as a potentially developable site will he be looking to developers putting in bids for their services. That is, will he go to the market and request the potential or interested developers to tender and in that way get around this implication or suggestion that might be left that the government is dealing with people in a preferential way in terms of deciding which developer will do which work in what location. I think there's a real danger there and I think the Minister will have to look at that, and I'm wondering if he's already considering what type of policy would be a rational course of action here in terms of deciding on that one issue, who will do the developing?

MR. BANMAN: Mr. Chairman, as the member opposite has mentioned, the development and who can develop is a sensitive issue which is one of these areas where justice must not only be done it must seem to be done, and I'm afraid that I can't go ahead and answer that question right now because we haven't formulated any policies to that step. We haven't really discussed it and come out with any policy decisions with regard to that. Should we embark on a pilot project of some kind it would give us a good indication of whether we wanted to go ahead on any projects similar to that again if it didn't work out. So that at that time, if there was a positive response and there was a good relationship that was formed between the developer, the cottage owners and the Province of Manitoba, it might be a certain package that we would pursue. And then, of course, as the member mentioned, we would have to be careful that anybody that was interested in going ahead and had the expertise to develop something like this would be given an equal opportunity so that there was no preferential treatment given to anybody.

MR. BOSTROM: The other question I have, Mr. Chairman, is the one of how the pricing will be arrived at with the lots. I'm wondering if the Minister's staff have put together any preliminary projections as to what it will cost since government lots, Crown lot development, have been coming in on the market at approximately one-third or even less, 25 percent, of the private market price of lots. That is, government developed Crown lots have been sold at, or let out to people at the cost of development, at the cost to the government of putting in the roads infrastructure and surveying and what not. I understand they've been coming out at anywhere from \$1,000 to a maximum of \$3,000 where private lots of the same nature are coming on the market at a low of about \$6,000 and ranging anywhere up to about \$20,000 or more, depending on the location and the particular attractiveness of the lot in question.

MR. BANMAN: Well, Mr. Chairman, I think one of the problems we are facing now with increased costs is that we are going to have to make sure that our lots, that we do put on the draw system, that we go ahead and reflect fairly the development costs of that. I understand that it is close to \$300 to \$400 right now just for surveying a lot and we are going to have to reflect more accurately the cost to the Crown of the lots that we put on sale. In other words, it will have to reflect very closely the infrastructure costs and I'm afraid that the day of the cheap lot for a minimal amount of money is gone because it's costing \$300 to \$400 just for the survey plan to get the proper pegs put down. As a result, we will just have to be charging more just to bring back our initial cost.

So, dealing exactly with this, we have not worked out the nuts and bolts of this, it's still in a conceptual stage. As I mentioned, there have not been any subdivision plans forwarded that I am aware of or any submitted for approval and I'm sure the local government district and these people will be dealing with it.

The land that is in question is still vested in the Renewable Resources section, it has not been transferred to the Parkland Section so the thing is still very much in a planning stage and I'm afraid that I can't answer any detailed questions because they just haven't been worked out.

MR. BOSTROM: Just briefly, Mr. Chairman, I'd like to put on the record what I believe should be the role of the Crown in terms of cottage-lot development, and that is: That the province should act in an activist way in bringing lots on the market, and act as the governor of the source of supply, so to speak, or the amount of supply of lots coming on the market, so as to provide that necessary influence on the market to maintain cottage lots at a reasonable price. I believe that that has been one of the key and important functions of the department to date in bringing on enough lots at — perhaps not enough lots — but a fair number of lots so as to at least provide the opportunity for people to obtain a lot at a reasonable price, that is, anywhere from a few hundred dollars to \$2,000 or \$3,000, whereas the private market has been much in excess of that. I believe if it is only left to the private market to provide lots for potential cottage owners, that the price will skyrocket out of range of the ordinary person to be able to purchase a lot.

So, Mr. Chairman, it's very important that the Crown work in an active way, put on as many lots per year as they can, and put them on the market at cost so that the market will have at least that area, that source of supply, to relate to and everyone will not have to go to the private market and pay very exorbitant prices for cottage lots.

Really, if you look around the Province of Manitoba — and I certainly agree with that point the Minister of Highways made — that we have so many areas of Manitoba that are potential for cottage-lot development, and cottage lots are such a desired thing in the minds of many people in Manitoba that we really should be trying to meet that desire, given that we have the bountiful resources that we have at our disposal.

Mr. Chairman, this, I believe, can be accomplished over time without precluding private people from developing at a modest, reasonable rate. At the same time though, Mr. Chairman, the government has to take an active role — and I'm not sure that the direction the government is thinking of going here with the use of private developers to develop Crown land — that we will obtain the necessary end of putting lots on the market via the government at the lowest possible price — that is at cost — because, Mr. Chairman, it will all depend on what kind of a deal they negotiate with the private developer in terms of his cut of putting lots on the market.

I'm not opposed to the government making arrangements on a fair basis with potential private developers, to put Crown lots on the market; but I wouldn't want to see a system established which would bring the Crown lot price up close to or even with the present price of private lots, because, Mr. Chairman, that would give people no alternative whatsoever. They would simply be looking at one market for lots which would be at a very high range of prices and the ordinary person simply would not ever be able to afford such a luxury.

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

MR. BOSTROM: One more question before we leave this section, and that is, with respect to the management group or task force that the Minister has established to make up his management plan for the Whiteshell, could he indicate who are the members of that group and what their particular expertise is to be members of a management plan group?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, a gentleman who came in from the Planning and Priorities Committee is heading this particular group. We've seconded an individual from Parks Canada, who is sitting on it, plus some staff from the Parks Planning Branch that are local.

MR. BOSTROM: Mr. Chairman, what are their terms of reference? Did the Minister give them any specific instructions as to what he wanted them to plan or what he wanted them to come up with?

MR. BANMAN: Mr. Chairman, their instructions are such which they are conducting several things. They are compiling all the information on all the different studies that have been done throughout the years dealing with the whole Whiteshell area. They have undertaken quite a bit of aerial surveying and photographing to indicate which areas could possibly be feasible dealing with two, sort of, distinct areas, one which would be environmentally feasible, the other dealing with infrastructure feasibility. In other words, if there is a road that's 5 miles off of any existing road, it might cost \$3 million or \$4 million to put a road in there, so it wouldn't be feasible to do it.

So they are trying to identify which areas would be within the realm of financial reasonability,

then are going to try and compile a total master plan and make certain recommendations to the Minister of areas which they feel would be eligible for development, which then we will, of course, be making public and asking for public input.

MR. CHAIRMAN: (b)—pass; (1)—pass; (2)(a)—pass; (b)—pass; (2)—pass; (3)(a)—pass — the Honourable Member for St. Vital.

MR. WALDING: Mr. Chairman, this is rather a large item, some \$7 million, and I know that several of my colleagues do have questions on this particular section. I wonder if it would then be convenient to the Committee, to rise at this time. I move Committee rise.

MOTION presented and defeated.

MR. CHAIRMAN: The Honourable Member for Logan.

MR. JENKINS: Thank you, Mr. Chairman. This is the item that I asked the Minister when we started the Estimates, dealing with summer home permits, and given the tenor of this government has been one of restraint, I find it kind of in opposition to what they have been preaching. I find that summer cottage lot permits, or summer home permits, have been substantially increased for this current year — I'm talking about summer cottage lots in the Beaver Creek area, where one that I know of in particular the permit fees last year were around \$70.00 and this year we see that they have been raised by \$25.00 to a figure of \$95.00. And given the speech that the Honourable Minister of Highways gave us earlier this evening, where he accused members of this side of the House of being only interested in "fat cats", given the fact that even when we were government we raised these figures and I know that we raised them some years substantially — but I would say that since this is a government preaching restraint, that perhaps the summer permit home fees — I'm not saying they shouldn't have been raised, but I think that a \$25.00 hike in one year on a summer home permit is quite substantial, and I would like to know from the Minister, what is the criteria on which the department saw fit to raise these fees. And what are the services that the Department of Tourism and Recreation is providing in this area? Are they providing garbage collection? Are they providing sewer and water? Are they providing electric lights in these areas?

If these are being contemplated in this year, maybe that is the reason for the fee increase. But if there is going to be just the same facilities and services that were in place last year, then I find it kind of ludicrous, given the First Minister's stand on public spending and what it's going to cost the taxpayer — well, this is an indirect tax, there's no doubt about it — I'm not saying that it's not a good deal for the price, but nevertheless when we are faced with a hike of roughly 33 to 35 percent in one year, I think that a brief explanation from the Minister and the rationale behind the increases in the summer home permit fees should be forthcoming.

If we're going to see a \$25.00 increase every year, we're going to find that as the Honourable Minister of Highways has predicted, that there will not be summer permit homes or any cottage lots available for the ordinary "Joe" on the street. I think that the Minister owes it to this House to make at least some rationale of why in this area they've increased — they must have increased all across the whole park system. It can't be that there are extra costs, because we see that the maintenance of the Park Maintenance and Operation has dropped by — oh, I guess — \$29,000, \$30,000, somewhere in that ballpark figure.

So, the Minister can't on one hand say that it's increased maintenance, because it certainly isn't. His figures here don't give us that type of criteria. Is it that the Parks Branch is short of money and they're picking it up in this area to do something else? This is the area, as the Minister has stated, that deals with the summer home permits, and I would like some answers on that question.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, this is a problem that the previous administration faced and I guess one which we will continue to face no matter who is in government.

One of the problems that has happened is that the general purse, or the general public, has been supporting or subsidizing our parks in the Province of Manitoba, I guess, since they started. However, for example, back in 1968-69 the cottage owners and the people using our facilities bore about 52 percent of the costs of operations. That slipped last year down to 24 percent. It was a slow progression downward. And when we were looking at adjusting the fees for the cottage lots as well as fees for park entry and fees dealing with camping sites, we realized that we were going to have to try and recoup some of these moneys that were being expended.

So, as a result we did raise the fees. In checking back to submissions dealing with this particular

problem, the previous administration I think back in 1975, felt that they would like to, by the year 1980 or 1981, reach a system where the park fees as far as cabins were concerned, would reflect about 3 percent of market value. Now this is a slow process. The member will understand that you can't do it overnight. But because of the substantial increase in the price of cottages — for instance, a back tier lot which was \$50.00 last year is \$75.00 this year — we think that that is a very nominal amount of money to pay for leasing a cottage lot facility. We don't charge any school tax; we don't charge any other taxes involved with that, so we felt that was a very reasonable tax.

I mentioned before that there are certain anomalies where people who own a cottage in a municipality are forced to pay municipal tax as well as school taxes on their cottages, and if they're in a Provincial Park and not in a municipality, they are only paying \$75.00 for a back tier lot now, or \$100.00 for a lake-front. I think that's very reasonable. I think the previous administration realized that something would have to be done. I know my father, who built a cottage down at Falcon Lake when people could afford to build them for not too much money, I understand that the next door neighbour sold the other day — he built the same cottage — and sold it for something like \$50,000.00. Now if somebody has got a \$50,000 investment there and is going to be asked to pay \$100 this year in cottage fees, I think that's extremely reasonable and the majority of people, I think, are happy with that. I appreciate that if you are looking at percentage-wise it's higher than it was, but I should point out to the member that by doing this we have brought up the recovery in this particular section from 24 percent last year to 36 percent this year. We are hoping to recover a little more of that so that we get back to the situation where the general public is not subsidizing the Parks System to a greater extent than they did a number of years ago.

MR. CHAIRMAN: The Honourable Member for Logan.

MR. JENKINS: I'm not taking issue with the Minister. I think that there is some merit in what he says, but when he is talking about \$100 in summer home permit fees in the Whiteshell or Falcon Lake, as opposed to Beaver Lake or Beaver Creek and the facilities and infrastructure that are in place, I think we're looking at something quite radically different.

The one that I am referring to in particular, which happens to be one of my own constituents involved, his went from \$70.00 to \$95.00.

I also ask the Minister what type of services were in place at Beaver Creek. Is there garbage collection? Is there sewer and water? Is there docking facilities? What is in place in Beaver Lake as opposed to, say, Falcon Lake?

Now, the Honourable Minister said this cottage that he referred to, near to his father's, sold for \$50,000; I believe that's what he said. Summer home permit fees of approximately \$100.00. Well, I can assure the Honourable Minister that the summer home that I am referring to certainly would not be on the market at \$100,000 — no way. And really if you are looking at land values and at 3 percent, then there is something very radically wrong with the assessment of summer home cottage lots in this province, because if you are telling me that they are paying \$100 in Falcon Lake, as opposed to paying \$95 at Beaver Creek, I can assure you that perhaps you are talking about a summer cottage at Falcon Lake that is as equal or better than some of the homes that we have in the City of Winnipeg. The summer home that I am referring to is certainly not in that category, and I find it quite astounding when the Minister says that they are talking about 3 percent of what the value of the facility is.

I've been at both places and I want it right from the horse's mouth, and this is the Minister who is in charge, I want to know exactly what facilities and what that person is getting for that \$95.00, as opposed to what he would be getting for \$100 in Falcon Lake.

MR. BANMAN: Really, Mr. Chairman, all they are getting is the payment on a 21-year lease and any extra services such as garbage collection, of course, are extra. At Falcon Lake there happens to be not really garbage collection but they have put up cages because of a bear problem that they had out there, and people can drop off their garbage there. They get charged \$18.00 extra for that. There are pump stations at different locations, but there are really no other facilities that are involved in this. So that it would be very much the same as anywhere else except that there is a road, which is maintained from time to time. And of course the member is aware that it is not paved or anything, so we have got dust problems, and we have people asking for calcium chloride or oil treatment, which of course adds to the cost and brings up the cost.

But other than maybe a few pumps for water here and there, I think most of the cottage owners are using lake water for whatever they use it for, for dishes and that type of thing, but there are no basic services that are provided, and if there are, such as garbage collection, they have to pay extra for it.

MR. JENKINS: Another question that I asked the Minister when I first asked the question, are there

any electrical connections in the Beaver Creek Public Park?

MR. BANMAN: I understand not, Mr. Chairman.

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

MR. WALDING: Thank you, Mr. Chairman. I have been waiting to ask the Minister about the provincially-owned cottages — it might be log cabins — in the Hecla Island Provincial Park. I'd like to ask him if these are what is referred to in the copy of the Manitoba Gazette that he has kindly sent me over a few weeks ago, where they are listed as family vacation cabins, types A, B and C.

MR. BANMAN: Yes, Mr. Chairman, those are the particular ones. I might add that there is some work, I understand, being done to some of them. They were in need of repair from the outside and there is some upkeep and maintenance that will have to be done, requiring a fairly substantial amount of money.

MR. WALDING: Yes, Mr. Chairman, these listed daily rates for this season for the different types has been Type C, which is a 2-bed cabin, a daily rate of \$14.00; a 4-bed cabin is listed per day at \$18.00, and the Type A, which is a 6-bed cabin is listed at \$22.00.

Now, the rates for the same cabins were listed under Manitoba Regulation 85/77 of just over a year ago, and the equivalent rates then were \$11.00, \$12.00 and \$13.00 respectively for the 2, 4 and 6-bed cabins. Again, on a daily rate.

According to my arithmetic, Mr. Chairman, this amounts to an increase of 27 percent at the lowest rate, 50 percent at the middle rate and 69 percent at the highest rate for the 6-bed cabin.

Now, given that the largest cabins — the 6-bed — would be those catering mostly to families of some size, I'd like to ask the Minister what the rationale is for not increasing these rates on the same dollar amount and not increasing them on the same percentage increase but for increasing the lowest rate at the lowest percentage and the highest rate at a rather staggering 69 percent.

MR. BANMAN: Mr. Chairman, sort of the formula that was followed was a \$10.00 basic fee for the cabin itself and then they added \$2.00 per person. So that's where the figures were arrived at. We are constantly reviewing the figures. The \$22.00 figure, we are checking into that. If we feel it's too high and we're experiencing some difficulty with that, we will be monitoring it and we will be lowering it.

However, I should point out to the member that there is cleaning required for these particular cottages. If there is a family of six, I think a \$22.00 fee, with a stove and fridge being included in it, is not a way out of line charge, given the responsibilities that the parks officials have in first of all renting them out and then seeing they are properly cleaned and properly looked after. And as I mentioned, there will be some fairly large amounts of capital required to fix them up, especially from the outside because they have got some problems with the outside panelling. I was up there myself and had a look at them, and there are problems with them and they will have to be repaired.

So we feel at present that that rate . . . It might be a little high and, if it is, we are going to adjust it.

MR. WALDING: Yes, Mr. Chairman. I really wasn't prepared to give an opinion as to whether the rates are too high or not. I haven't seen them, so I don't know what the accommodation is and what comparable or competitive accommodation is likely to be. But given the remarks of the Minister of Highways earlier on this evening and the remarks from the Member for Roblin about how the Conservative Party is the support of the common man, and how they wish to help the common man and make these . . .

MR. CHAIRMAN: I think we have got a problem with the tape, and we will just replace the master tape and we will allow you to carry on. In the meantime, I would like to wish all the members a Happy Friday. I guess we're ready. The Honourable Member for St. Vital.

MR. WALDING: Thank you, Mr. Chairman. I wonder if the Minister would be prepared to take another look at these rates again, especially since they are presumably intended to be used by people who normally could not afford to own a cabin or to rent a cabin for a good term of time. Not only this, but there may be a number of people who are earning the minimum wage who would

like to get away for a day or two, or maybe as much as week, and find that the increase over what was asked for last year is likely to prove prohibitive. I would like to, again, give the Minister a couple of figures. You take the family with several children, who are likely to be going for a week, the rate that they paid last year for the Type A cabin was \$91.00, and finding that the equivalent this year — and I'm only talking about a week — is \$154.00. Now, that's an increase of some over \$60.00, Mr. Chairman, and for a family who might have to stretch every last dollar even to get away for a few days, an extra \$60.00 might well make the difference between being able to get away for a holiday and not get away for a holiday.

Again, I would urge the Minister to go back and take another look at it, and not ask himself whether 70 percent for an increase, in these time of supposed restraint, is not just a little bit too rich for a lot of people's blood.

MR. BANMAN: Well, Mr. Chairman, the member opposite will have to appreciate that last year it was \$13.00. I think that was a bit of an unrealistic figure. I am advised by staff that the cabins are 80 to 90 percent booked for the summer now already at these rates, and apparently the bookings have been going very well, so that the member can see that we are well on the way to having them booked.

We will have to, if we are trying to recoup some of our costs, reflect more accurately some of our costs. And this is one area where we will be doing that. For instance if — not necessarily a family — if a group of six people, six single people, come in and rent a cabin like that, that's \$3.50 each for a cabin per day, which I think is extremely reasonable. I can appreciate somebody that has a family and is trying to get away, that they might feel it's a bit high. But I think if you've got six people in a family, you've got your own cooking facilities in there and the costs of maintenance are quite high because of the kitchenette units and that that we have in there. They have got to be cleaned. The member can appreciate that. I think it's a fairly reasonable rate. If there are any problems, I can assure the member that we will have a look at it and adjust the rates downwards if we have any problems with that.

MR. CHAIRMAN: The Honourable Member for Transcona.

MR. PARASIUK: Mr. Chairman, I notice that there is a very substantial reduction in services here. We have got a reduction from \$8 million to \$7 million, and I think that one of the problems with with provincial parks is that the people who are in a particular provincial park always feel that they probably are being hard done by in terms of the level of maintenance service that they are receiving. I'm wondering if the Minister would undertake to provide a compilation — maybe that exists already — a compilation of what type of services are provided by the Provincial Parks Division in its park maintenance and operation program for the particular areas.

I know, for example, that I run into people at Grand Beach who point out that they feel that the people at Falcon Lake have a golf course and have a sand sweeper, etc., etc., etc. They give me a whole list of complaints. I'm not in a position to indicate whether in fact those complaints are justified or not or whether in fact there is a difference in the level of service provided at a place like Falcon Lake or West Hawk Lake compared to that provided at a place like Grand Beach where you probably have the largest number of people going to on a weekend, for example.

We have the example put forward by my colleague, the Member for Logan, where he indicates as someone who probably has a very rudimentary level of service, has to pay a lease fee of \$95.00, whereas someone who probably is getting A1 service, the best quality service at Falcon Lake, is paying a lease fee of \$100.00. So I think there are those discrepancies as well and I think it would be useful if the people of Manitoba could get a good idea of what type of public services are being provided at the various campgrounds and cottage lot areas in public parks. I'm wondering if the Minister would undertake to somehow provide that list if it doesn't already exist.

MR. BANMAN: Mr. Chairman, as the member can appreciate, we operate two golf courses, one at Hecla Island and one at Falcon. I know the people that the member refers to at Grand Beach, there has been some talk about a golf course in that particular area too. There have not been any plans or any drawings done with regard to that, I understand, as far as the department is concerned, and there has been some preliminary discussions with that and I guess some people have maybe thought that something would go ahead. We have not included any moneys in the Estimates for that.

One of the problems, I guess, that we face in some of these areas is — again we come back to the municipal problem — you have a lot of private development in there and you've got a municipal government involved to a certain extent which, rightfully or wrongly, ybe should be provided some of the services if we got out of the field or we should take over and then provide the services.

One of the things that I should point out to the member, and I guess it would apply to the area he refers to, we have at Falcon and at Hecla, but mainly at Falcon, the reason that there are more facilities such as lawn bowling, tennis, is that there is a large concentration of campground sites. In other words, there's also a large number of cottage lots which make the operations more viable than they would be in other areas. So that's one of the reasons.

But with regard to the Grand Beach, Victoria Beach, Ironwood Point area, because it is in a municipality and because there are different problems involved, the department hasn't got that actively involved in promoting that type of activity.

MR. PARASIUK: Mr. Chairman, I'll just expand a bit on this because I think that the past government didn't pay sufficient attention to it and I'm afraid that this present government won't pay sufficient attention to Grand Beach.

I think one of the reasons why people there have raised expectations regarding a golf course is that there is an old sign right in the middle of the Grand Beach campsite, and it was put up I think, sometime in 1967 which indicates this is where the golf course is going to go. Everyone has seen that and they've asked questions since 1967, you know, where is the golf course? Now, it may turn out that there shouldn't be a golf course there but I think in order to reduce the number of questions, it might be useful to at least take down the sign.

The second thing though is, that I think the greatest number of Manitobans use that beach. There are a tremendous number. I think most weekends they have to close it down. They just can't even let people come and sit on the beach. If you look at all the advertising that is done by the province, usually there are some sites taken from the Lake Winnipeg area, those are the nicest beaches in the province if not the nicest beaches in the country. But frankly, when they are being used to the extent that they are right now, I think the quality of the beach is going down somewhat.

I think you should consider putting in possibly one or two sand sifters or cleaners in there and frankly, I find it a bit disconcerting to have some of the old CNR types, who remember it when it was a CNR park in a sense, tell me that the quality of maintenance was better than it is now that it is a public facility. I don't know for sure, but that's the general consensus in the area.

So I think that given the fact that you have something in the order of 20,000 or 30,000 people going there on weekends, day trippers, —(Interjection)— No, right now, day trippers, and I think if you looked at your counts, that probably it would be in that magnitude. These are people who probably can't afford to stay overnight. They just go there on a day basis and I think that those people should be given some type of services so they have some alternatives to just frying on the beach.

I think that was a problem with the past administration and I think it could be a problem of continued low priority with this administration. So I raise it to your attention because I think it is something that should be reexamined in the light of useage. I think that if you started providing maintenance in relation to usage you would find that the maintenance would have to improve for that particular area.

I'm wondering if the Minister can indicate where the reduction in the level of services for park maintenance and operation will be taking place. As I said, the reduction is very substantial; it's \$1 million. There are some employment effects associated with these types of reductions and I'm wondering if the Minister is in a position to indicate where the reductions are in fact taking place.

MR. BANMAN: Mr. Chairman, there is a reduction of some 75 SMYs and that is taking a little from every area so that there isn't any particular area that has been hit harder than others. We feel that we will be able to maintain the system in the same type of condition as was last year.

I should point out that in some of the areas, for instance, in areas such as Moose Lake, several other areas, where we were having people sitting in booths collecting for park entrance, because of the low amount of money collected, we were paying out a lot more for labour than we were collecting. So, in areas such as that, Assissippi, I think there were about four or five different regions where we were not really offering that many services and where there was a problem in recouping that money; what we have done is we are not charging at those booths this year and as a result, what has happened it reflects in a cutting down of some staffing.

The other thing that I would like to point out is that we feel by trimming it somewhat that we can make better utilization of some of the STEP students. I think there was a problem that we had over the last number of years. The member will be familiar with the way that worked as the Youth Secretariat would call up the Parks' officials and say, "Here, we've got so-and-so many students for you. Place them." What was happening is — and I know being at Falcon Lake we would drive down the street and you would see five STEP students sitting on the garbage truck

, two were sitting on the back of the truck, two in the cab and one was running behind picking up garbage — there was, I think, a problem there of utilizing these people because we just didn't have enough supervisory staff to deal with it. We feel that we can maximize the usage of these particular students at this time.

I know I have been watching quite closely, especially in the Whiteshell — because I haven't had a chance to get anywhere else — and I think the service has been very excellent. There have been a few complaints here or there but I know we receive them every year. For instance, people always talk about the years at Falcon and West Hawk when we used to have the prisoner camp out there, the work camp, and they say the place just hasn't been the same. Those fellows kept the park in really good shape and after the prisoners left the park just hasn't been in the same condition anymore.

So I guess that's something that — there was a resolution in the House — maybe we could revert back to something like that. But on the whole, we have been very happy with the type of work that the personnel in the department have done. I think they have done an amiable job in picking up the slack and doing with a few less employees.

MR. PARASIUK: I can appreciate the attempt to utilize STEP students more fully. I think the Minister's example only confirmed my point where I suspected that there had been a bias in the Parks Department for lavish services at Falcon Lake and West Hawk Lake. I can assure the Minister that there are other parks in the province that don't get the same type of lavish service. So I hope that he will ensure that the level of service is balanced out somewhat.

Is this the appropriation where the lifeguards are provided for?

MR. BANMAN: Yes, Mr. Chairman.

MR. PARASIUK: I believe the Minister has increased the complement of lifeguards from 60 to 75. Is that correct?

MR. BANMAN: Yes, Mr. Chairman. If the member would like the figures: In 1973, we had 65; in 1974, we had 72; in 1975, we had 70; in 1976, we had 67; and in 1977 we dropped to 60. We have now hired 71 and I think there is one person who has been hired as a co-ordinator to deal with the problems of lifeguards and who will be also compiling information dealing with the work that they're doing and the different patrols that they are covering, so that they can provide the government with a report after it's all over.

MR. PASIUK: Am I correct in assuming that the Minister increased the level from 60, I think, to 75, after these Estimates were tabled, therefore, is there sufficient provision in these Estimates for those additional 15 staff man years or will he be bringing in Supplementary Estimates to affect this increase in the level of service?

MR. BANMAN: Yes, Mr. Chairman, we will have some surplus funds in some other areas but to deal with this particular item, we're going to have to probably bring in some Supplementary Supply.

MR. CHAIRMAN: 3.(a) — the Member for Winnipeg Centre.

MR. BOYCE: Just briefly, Mr. Chairman, as a matter of curiosity. Could the Minister advise where a project which was contemplated to operate a satellite out at Bannock Point for further development in the Whiteshell area, could he advise us where that stands at the moment?

MR. BANMAN: Mr. Chairman, I understand it's still there.

MR. BOYCE: Yes, I understand Bannock Point itself is still there, it was reconstructed after the fire. But what I asked about was that there were some plans to operate a satellite camp from Bannock Point. Is this still in the works or is it not?

MR. BANMAN: Yes I'm informed, Mr. Chairman, that there is a satellite and they're working up in the Nopiming Park area, doing some work up there.

MR. BOYCE: I want to thank the Minister for his answer. In listening to his arguments for the increase of rates for the rental of cabins, I find his arguments could be equally valid and I would ask him to perhaps prevail upon the Minister of Labour and her colleagues to raise the minimum wage — I wouldn't suggest that it should be raised 69 percent — but nevertheless if an argument

is valid in one case it should be valid in another. The minimum wage has been at that level too long relative to the reasons that the Minister used himself for raising the rates for the rental of cabins.

MR. CHAIRMAN: The Honourable Member for Logan.

MR. JENKINS: Well, Mr. Chairman, the Honourable Member for Transcona, my colleague, asked if the Minister would be able to give us a compilation of the services that are available at the summer campgrounds and whatnot, within the various provincial parks, and he didn't receive an answer to that. I will ask the question again of the Minister, if it just slipped his mind, or if he could give us an idea of the compilation of the services, such as my colleague, the Honourable Member for Transcona, requested for the provincial parks.

MR. BANMAN: Well, if the member is referring to services such as tennis courts, those have to be paid for by the users; there's an hourly charge for it, and I guess I could find out how many tennis courts there are.

MR. JENKINS: That's not the compilation that we were requiring. The ones we were requiring were where electricity was available, water, whatnot, you know, the things that are basic amenities to summer cottage homes, and as my honourable colleague, the Member for Transcona says, there is quite a variance in the facilities. Getting back to what the Minister said before, for his rationale for raising the summer home cottage fees, they were hoping to work up to a basis of 3 percent of — I don't know if it's land value or land value plus structure value — but I would say that the land values of summer cottage homes in the Whiteshell, Falcon Lake area are much higher than they are in areas such as Beaver Creek. And when we're looking at the basic fees, and I'm not talking about garbage collection or anything like that, I'm just talking about the land — the Minister can nod his head whether that includes the land value plus building value — is that what he's talking about, or is he talking just about land values? He's talking just about land values. Well then, I would say that the land values at Falcon Lake, given any assessment in this province, would be much higher than those in the Beaver Creek area. And when you get cottage lots in the Beaver Creek area, for basic, just summer cottage, no other services, of \$95 as opposed to \$100 in the Falcon Lake area, and the basic services that are there are much better than they are in Beaver Creek. All you have to do is go to the two places and have a look. And that is the compilation of services that we want to get from the Minister, if it is at all possible, because the Minister has already said, in answer to a question, there is no electrical services in that area at all. Well, they have electrical services at Falcon Lake and you go to Falcon Lake, you'd think it was a suburb of the City of Winnipeg.

We're talking about, you know, trying to make as many lots available to people, and I know people want different things in summer homes. I have one myself, and I pay — mine is in a municipality, and even including my school taxes, is less than what the Provincial Government is charging. Mine is in the R.M. of Gimli, and my taxes for the year, including school taxes and municipal taxes, is around \$85, and I'm getting a hell of a lot more facilities than my constituent is in Beaver Creek, including garbage collection, which I don't pay for, but pay for in the municipal services.

MR. BANMAN: Mr. Chairman, for instance, in the Falcon Lake townsite, where there are a few more services provided, those particular individuals pay \$160 this year, so there is a bit of a discrepancy, plus they would pay \$18 for garbage pickup and any other charges that would come into there. So, they are paying some more.

But, one of the problems with having just a blanket system, which has been here since — I guess going back many many years. This is the system that has been adopted and everybody has been treated equally. Now, if there is a system put into place that will deal with 3 percent of land value, I agree with the member opposite that certain areas in provincial parks are much more valuable than others, and that, hopefully, would be more equitable for everybody involved. But facing the present system that we have, that the previous administration inherited, that we inherited, we have not made any policy changes with regard to that, and this is the system that we have just carried forward. We will be looking at it, and as I mentioned before, there are certain anomalies in it, and we hope to clear them up, but it's a complicated process and it can't be done overnight, Mr. Chairman.

MR. CHAIRMAN: (a)—pass; (b)—pass; 3.—pass; 4.(a)—pass — the Honourable Member for Transcona.

Thursday, June 29, 1978

MR. PARASIUK: Could the Minister briefly indicate what this item consists of? I notice that he has a Policy and Program Development group and he's got some other Research and Data Services group, and what does Special Studies and Projects consist of?

MR. BANMAN: Mr. Chairman, this particular group is concerned with the problems of the forest tent caterpillar and with the Dutch Elm disease, and they're monitoring that, and that's their function.

MR. CHAIRMAN: (a)—pass; (b)—pass; (4)—pass; (5)—pass — the Honourable Member for Transcona.

MR. PARASIUK: Again, bi'm not sure what the Grant Assistance here consists of, a blank item like that, what is it?

MR. BANMAN: The Assiniboine Zoo.

MR. CHAIRMAN: (5)—pass; (b)(1)—pass — the Honourable Member for Transcona.

MR. PARASIUK: Again, this is Historical Resources. Is this dealing with the City of Winnipeg Market Square development and things like that? Could the Minister expand on this item a bit?

MR. BANMAN: No, not this particular item, Mr. Chairman. This particular group set up the program objectives to preserve, protect, restore, reconstruct and commemorate themes of significant historic value to the Province of Manitoba, and to co-ordinate in a manner, in order to get different groups that are involved in, and individuals that are involved in, different historical or restoration programs which have taken place in Manitoba, to help co-ordinate them and provide a co-ordinating body for these different groups.

MR. CHAIRMAN: (1)—pass — the Honourable Member for Winnipeg Centre.

MR. BOYCE: Could the Minister advise us where the Empire Hotel stands in this regard, whether they're still looking at it, or whether the best advice is to tear it down?

MR. BANMAN: I understand the purchaser has agreed to keep at least a minimum of 20 percent of the facade intact. That is the undertaking that has been worked out.

MR. BOYCE: That is quite an expensive project. Is the province participating in the retention of that 20 percent?

MR. BANMAN: The expense is being borne by the company.

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

MR. JENKINS: Mr. Chairman, through you to the Minister, we see quite a cut in Other Expenditures; in fact, it's cut over 50 percent, probably closer to 60 percent. Would the Honourable Minister give us a brief explanation of what caused this cut?

MR. BANMAN: Some of the difference in last year's appropriations versus this one is that the provisions for a contract salary have been transferred to a different appropriation, as well as the operating costs related to some archeological field work have been cut back. One of the things that we will be doing this year is trying to get some of the archeological work, some of the findings that have been catalogued or put away, get that itemized and catalogued properly, and published, so that we have a proper system there. Apparently, what was happening is that we were doing a lot of field work and this stuff was building up at the Museum of Man and Nature and some other places where we were keeping it, so we're going to have to try and catalogue that and try and get rid of that backlog, I think, before we start aggressive new diggings.

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

MR. BOYCE: I know the hour is late, Mr. Chairman, but it was the government's decision to prolong this, and I'll keep my questions brief.

Recently, there was apparently a significant find in one of the digs relative to the native culture, and it was reported in the press that they have cut back on this project. Mr. Chairman, I have for

years been a member of the National Geographic because I enjoy their magazine, it's just, the amount of moneys that are spent by other countries in digging into their past so they could better understand themselves pales into insignificance the amount of money that we have put into this field, and I just wondered exactly what is the government's attitude towards this important, I suggest, endeavour.

MR. BANMAN: That particular project was started last year, Mr. Chairman. I understand that there are something like 20 STEP students employed in that this year, and we have budgeted something in the neighbourhood of \$20,000 out of Capital for that particular project for this year.

MR. BOYCE: Is this \$20,000 in Capital in Uncommitted Capital from the former administration, Mr. Chairman?

MR. BANMAN: Partially, Mr. Speaker.

MR. BOYCE: I'm sorry, Mr. Chairman, I have to put in on the record; this is just but one more straw in the thatched cottage that the present government has built.

MR. CHAIRMAN: (2)—pass; (3)—pass — the Honourable Member for Logan.

MR. JENKINS: Yes, Mr. Chairman. Could the Honourable Minister tell us what the Grant Assistance is for and why it is approximately halved?

MR. BANMAN: Mr. Chairman, this deals with a decrease in funding to some of the local museums in the Province of Manitoba.

MR. CHAIRMAN: (3)—pass — the Honourable Member for Logan.

MR. JENKINS: Could the Honourable Minister tell us which local museums have been cut back, or is it just a general cut across the board? —(Interjection)— A general cut across the board. These are the local museums like the small towns and villages have in the province, is that what the Honourable Minister is referring to?

MR. BANMAN: Yes, Mr. Chairman, we are presently looking at, since some of the lotteries funds which have been building, we are looking at a program of maybe providing some more assistance to some of these through the Lotteries Commission. There hasn't been anything developed at present, but we are looking at that.

MR. CHAIRMAN: (3)—pass; (4)—pass — the Honourable Member for Transcona.

MR. PASIUK: What's the significance of no funds being put in for this item? Does that mean that the register is no longer being done or is it finished?

MR. BANMAN: Mr. Chairman, the funding was put in there last year to match some of the federal funding. The program, apparently, hasn't been started by the Federal Government and, as a result, we haven't provided any funds in the Estimates for it.

MR. PARASIUK: Presumably then this \$50,000 item is one of the items that will lapse, so therefore that is an unspent amount of money. It would be part of the lapsing package that we are given when the Auditor presents his report.

MR. CHAIRMAN: (4)—pass; (b)—pass; (c)(1)—pass — the Honourable Member for Transcona.

MR. PARASIUK: Mr. Chairman, through you to the Minister, the Minister has been saying that one of the big thrusts of the government and one of his big thrusts will be tourist development and promotion. In fact, in his introductory statement he indicated that this was a priority. How can he reconcile those statements with the evidence at hand before us, which indicates that this has received a 20 percent reduction in priority, in terms of funding?

MR. BANMAN: We are pursuing several different avenues dealing with tourism promotion. We are going to be working very closely with people in the private sector. Also with groups such as the Manitoba Tourist and Convention Bureau, the Manitoba Tourist Association and the regional groups. We have cost-shared different activities with them in order to maximize the return for our

In other words, we are not going in somewhere advertising and then somebody is following us right after and doing the same thing. We are going to try and get a co-ordinated effort. One of those particular areas was the promotion that was put down or brought to Minneapolis, which was a fairly successful one, where the industry and everybody participated and we weren't the only ones involved in it. We played a role in that one also. So that's one area of concern.

The other thing is I think is if we are going to attract and want to attract tourists to the province, the best way to do it is word of mouth. We can do a lot of advertising and spend a lot of good dollars on advertising, but if somebody comes here and is not satisfied with the type of service they get, with the accommodations, if they pull in — for instance, a tourist that is coming into Manitoba and pulls into anywhere in the Whiteshell this weekend won't find a campsite. We've got problems there. That's why I mentioned in my opening remarks that we are going to have to tie in the Parks Branch very close with the tourist promotion, because it goes hand in hand.

So we have embarked on several programs. Members have probably seen the Fair Exchange Program which we embarked on where we are encouraging entrepreneurs in the province to go ahead and make sure that they provide a share exchange rate to people that come in from outside of the province, namely, our friends to the south. We can all remember when our dollar was worth a little more and you would go down to the states and you'd give them a Canadian dollar and they would just take it at par, even though it was worth three, four, five cents more. You might not say anything at that particular time but you go away and it sort of frosts you. We're trying to make the business community aware of the fact that we want these people to come back, we want to treat them fairly, and, as a result, have them go back home and tell their friends that they had a real good time in Manitoba.

I think that is one of the thrusts that we're really going to have to make the public in Manitoba, the people involved in the service sector, the people that come into contact with our tourists, whether it be in restaurants or whether it be in the hotel accommodation or even somebody offering a lesser service to the tourists, to make sure that we really live up to our slogan "Friendly Manitoba" and that these people go back and say, "We had a wonderful time in Manitoba. If you are planning a vacation why don't you go up there?" That is the type of thrust that we're after, instead of maybe just a hard sell advertising campaign.

So in an effort to try and get the whole tourist industry in the province working together on a concerted effort and also trying to make the public in Manitoba aware that tourism is a large industry in the province and that we should treat it as such and treat our visitors to the province in a friendly way.

The other thing, we have been talking about cottage sites and stuff like that, one of the problems we face in Manitoba is that we are one of the — as I mentioned in my opening remarks — one of the worst ones for heading south or going somewhere else in the wintertime and our tourism deficit is, I think, a little higher percentage-wise than the rest of the country is. In other words, we are adding even more to the tourism deficit.

So there should be a concerted effort to try and keep Manitobans, as much as possible, spending their dollars at home here and encouraging them to do that. That's why I think if we can develop more campsites, more cottage lot sites, people will spend those extra dollars in either developing a cottage or maybe even buying a camper and trying to spend a few more of the weekends here, instead of going to Grand Forks or to Fargo, or somewhere else.

MR. PARASIUK: Mr. Chairman, I was prompted by the last remarks of the Minister to take this opportunity to tell him that I think in general he is taking a common sense approach in this whole area and that I am surprised that somehow the public should be telling people in the industry that they should be doing things which would appear to be self evident, namely, providing good service. But if, in fact, they need that prompting, I am glad that the department is undertaking that.

Secondly, I think that it's very important that the tourist deficit be reduced. As a suggestion, I was wondering if the Minister would like to prompt his kellow Ministers next winter to take their vacations in Manitoba, rather than set the example of leaving the province. And I think that's something that we all have to try and set. I notice that the Prime Minister is the major one who always tells us to pull in our belts, and the day after he imposes wage and price controls he goes off to the Aegian Sea for a three-week holiday. I think it's actions like that which are totally in contradiction to the public statements that people make on topics like this that give politicians a bad name and give the whole political process a bad name.

I notice that two of the three federal leaders are going to take vacations in Europe. One of these is Mr. Trudeau, who is going to be off in Germany, and Mr. Clark is going to be in France, and I don't know where Ed Broadbent is going to be but frankly his performance has been no better than the other federal leaders in this respect, where all three of them have gon out of the province. —(Interjection)— No, the point is that I would expect that next year the Minister of Tourism will be able to report to us that his promptings and the organization of his department in this respect

have been incredibly successful. That all of us have enjoyed our winter holidays cross-country skiing or whatever, in Manitoba. And I hope that the Minister will pass on his advice to his fellow Ministers.

MR. CHAIRMAN: (1)—pass — the Honourable Member for Winnipeg Centre.

MR. BOYCE: Excepting the Minister's suggestion that — there's my friend from Minnedosa again — but excepting the Minister's suggestion that word of mouth is a very important component to the tourist industry, is the Minister contemplating checking with the Federal Minister in charge of customs to ascertain whether there was any validity in the recent claim by a visitor from Australia that they were harassed at the airport. I know this is a federal jurisdiction but nevertheless this particular individual was a specific visitor to Manitoba, and more even specific than that a visitor to Winnipeg.

MR. BANMAN: Mr. Chairman, we are watching that closely. I have been following the two incidents that the gentleman refers to closely and we want to make sure that people who do arrive in this country are treated well and treated congenially. Now, I don't know exactly what the circumstances are surrounding those two particular cases but we will be watching it closely. We have, from time to time, received certain complaints which I can assure the member, you know, we are looking at. Other than that, it's hard to deal with a specific case if you don't have all the facts before you. And the latest one, I think, I just saw it on TV tonight where there had been some problems, but we are watching that. I think it's incumbent on customs officers, as well as people generally, to do their job but do it in a pleasant manner so that we aren't driving away tourists in that way.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Well, the Minister didn't quite answer my specific question. I asked him if he would undertake to check with the Minister, which is well within his prerogative to do if he so chooses. At the same time I will admit, Mr. Chairman, it is very easy for people to criticize the bureaucracy because it is most difficult for the bureaucracy to fight back when accused of various and sundry things. But I ask the Minister if he will undertake, on behalf of the citizens of this province, to check directly with the Minister so he can ascertain the facts. I'm sure that the Federal Minister will share them with him when he is apprised of the facts.

MR. BANMAN: Yes, Mr. Chairman, I will undertake that.

MR. CHAIRMAN: (1)—pass; (2)—pass; (3)—pass; (c)—pass; 2.—pass — the Honourable Member for Transcona.

MR. PARASIUK: I just want clarification from the Minister where it would be appropriate to ask questions regarding riverbank development in the City of Winnipeg. Is this my last opportunity to ask questions in that respect?

MR. BANMAN: Since most of the moneys are being expended as capital expenditure, maybe it would be proper to deal with that under Capital, and we might get that tomorrow.

MR. CHAIRMAN: Resolution 110: Resolved that there be granted to Her Majesty a sum not exceeding \$14,051,500 for Tourism, Recreation and Cultural Affairs. Tourism and Park Resources Division \$14,051,500—pass.

Resolution No. 111. The Honourable Member for Logan.

MR. JENKINS: Mr. Chairman, I move that Committee rise.

MR. CHAIRMAN: Committee rise. Call in the Speaker.

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

IN SESSION

MR. SPEAKER, Mr. David Blake: The Honourable Member for Radisson.

MR. KOVNATS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Roblin,

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that report of Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Acting House Leader.

MR. BANMAN: Mr. Speaker, I move, seconded by the Minister of Labour, that the House do now adjourn.

MOTION presented and carried and the House adjourned until 10:00 a.m. tomorrow. (Friday)