

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 9 June, 1987.

Time — 1:30 p.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Madam Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

Madam Speaker, I move, seconded by the Honourable Member for Inkster, that the report of the committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Thank you, Madam Speaker.

Madam Speaker, in the 1986 Throne Speech, this government set forth four basic priorities by which it would be guided throughout this term of office. We set those priorities after listening very carefully to the people of Manitoba. By renewing my government's mandate, Manitobans told us that they wanted a government that would create jobs, that would work hard to improve the rural economy, that would bring greater fairness to the lives of Manitobans, and one that would not be afraid to fight for the rights of Manitobans.

In the Throne Speech that opened this Session, we reaffirmed our commitment to those priorities and among the initiatives we outlined was a commitment to defend the interests of Manitoba natural gas consumers. Madam Speaker, the natural gas policy I'm announcing today is a major step in the fulfillment of that commitment.

More than 200,000 Manitoba households, community institutions and small businesses rely on natural gas. In total, 32 percent of the energy used by Manitobans is supplied by natural gas. The price and availability of natural gas is critical to the Manitoba economy and to the quality of life we enjoy.

Lower energy costs mean stronger businesses and more jobs. Making fairly priced energy alternatives available to more parts of Manitoba would help build the economy. Bringing fair prices to Manitoba families would put more money back into the pockets of ordinary Manitobans.

Madam Speaker, it has become clear to most Manitobans that the current system, in which the natural

gas industry operates, is incapable of meeting these needs or the long-term goals of Manitobans.

In 1973, the world changed. OPEC jolted the world with the first of a series of energy price increases, which fundamentally altered the economics of energy. In Canada, regulated prices for petroleum and natural gas were developed during the Seventies and Eighties to safeguard Canadians against price shocks originating outside our country.

In 1986, the deregulation of the Canadian natural gas market again changed Manitoba's energy world. Many regulations designed to ensure fairness to consumers were removed by other governments and without Manitoba's concurrence. Today Manitoba consumers are at risk. They have the worst of both worlds. They have not yet received the benefits of lower-priced natural gas in our present market environment, and they are vulnerable to future price shocks without any ceiling in place.

Your government has continuously tried to ensure that Manitobans are not adversely affected by these changes. Efforts to convince other governments and the companies delivering natural gas to Manitobans that deregulation must work for all consumers have failed.

Over the last year-and-a-half, we have made every effort to introduce fairness into the deregulated natural gas market. We have tried with all the major players in the natural gas industry. We have tried to negotiate a fair and a just arrangement on pricing and supply.

In December 1986, we asked the Manitoba Public Utilities Board to investigate the prices proposed by Inter-City Gas. The board was asked to determine if the prices were competitive and if existing means were adequate to protect consumers under deregulation.

Evidence submitted by our staff and by some of Canada's top experts in natural gas revealed the excessive and the discriminatory nature of natural gas prices in Manitoba. We were joined in our efforts by the Consumers Association of Manitoba, by the Manitoba Society of Seniors, who argued that, in their words, the prices were unfair, they were unjust, and they imposed a hardship on the people of Manitoba.

The reports of the Public Utilities Board demonstrated that, despite deregulation, there is not a competitive price, a competitive market in natural gas. These reports confirmed that prices were excessive and they were discriminatory, and that changes are required to protect the interests of Manitoba consumers. The Public Utilities Board urged the government to take action to ensure fair prices for Manitoba consumers.

This government takes this responsibility to the people of Manitoba with the seriousness with which it demands. We have reviewed our experience with natural gas. We have examined the history of our provincially controlled hydro-electric system. We have noted the ability of Manitoba Hydro, a utility owned by Manitobans, to provide reliable long-term supplies of electricity to all Manitobans at the lowest rate structure anywhere in North America.

Madam Speaker, Manitoba families and Manitoba small businesses are now expected to pay \$3 per 1,000 cubic feet of natural gas, while the same Canadian gas is being sold, in many instances, to Americans and to big businesses for under \$2 per 1,000 cubic feet. No responsible government can simply sit back and watch that kind of injustice imposed on the people that it was entrusted to serve.

When Manitoba sells electricity to the Americans, we offer that electricity on the same or on better terms and conditions to Canadian provinces. Madam Speaker, we would expect Alberta to treat their Canadian neighbours in a similar fashion.

Manitobans are not second-class citizens. They deserve and they have a right to a long-term, secure supply of natural gas at a fair price. The policy I'm announcing today will ensure fairer natural gas prices for all Manitobans. It will ensure Manitobans have longer-term security of natural gas supply at fair prices. This policy will ensure fair natural gas distribution costs within Manitoba. Where feasible, it will provide Manitobans with increased access to natural gas through extension of service.

Madam Speaker, I am pleased to announce today that, under the direction of my Minister of Energy, the Province of Manitoba had successfully negotiated and signed long-term contracts with natural gas producers to supply gas to Manitobans at prices below \$2 per 1,000 cubic feet. That, Madam Speaker, is substantially lower than the \$3 currently being charged and is below the \$2.25 price the Public Utilities Board concluded was reasonable in today's market.

The producers we have purchased this natural gas from are satisfied the price is fair and sufficient to ensure the continued long-term viability of the natural gas industry. Furthermore, the contracts are long term, satisfying the Alberta Government's concern in that area. These contracts provide long-term security of supply from diversified sources at fair prices.

Madam Speaker, although natural gas has been secured, there remain a number of challenges that must be overcome before savings begin to flow to Manitobans.

The Government of Alberta may attempt to impose retroactive restrictions on natural gas exports which could impede the flow of fairly priced natural gas to Manitoba. We have and we will work with the Governments of Alberta and Canada to ensure that this natural gas flows to Manitobans.

We are not looking for special treatment in this matter. Rather, we expect that Manitoba families and small businesses be treated in this same manner as Americans and big businesses. I am confident, Madam Speaker, that we will be able to resolve this issue in a manner that is just and is fair to all parties.

Madam Speaker, I am also confident that the National Energy Board will approve the arrangements to have the natural gas transported to the Province of Manitoba and, finally, this fairly-priced natural gas must be distributed in Manitoba.

If one thing has become obvious in the past year-and-a-half it is that, if Manitoba consumers are to get the fairest prices for natural gas in this complex environment, then the agent representing Manitobans in the purchasing and distribution of that natural gas must have, as their exclusive interest, the concerns of

Manitobans and that agent must have the strength that is required to meet those concerns.

Madam Speaker, this situation does not currently exist. That is the reality of today's system. It is not the sole fault of one government or corporation, but rather the result of a system that has failed Manitoba consumers.

It is for this reason that my Minister of Energy has entered negotiations with Inter-City Gas to purchase Manitoba's natural gas distribution system. Negotiations, to date, are proceeding well. I expect these negotiations to be concluded in the near future.

To facilitate this purchase, my Energy Minister will introduce legislation in this House tomorrow to create a new public utility called the Manitoba Consumers Gas Corporation.

Through this new public utility, we will distribute natural gas to Manitobans at a fair price. We will also pursue the purchase of natural gas reserves in order to provide guaranteed long-term security of supply at continued fair prices.

The activities of the Manitoba Consumers Gas Corporation will be financed out of its own revenues. The purchase of the Inter-City Gas distribution system will be financed out of natural gas revenues, while providing a reduction on Manitobans' natural gas bills. At the same time, Manitobans will be gaining a precious asset which can be used to protect our future.

The Manitoba Consumers Gas Corporation will provide the vehicle we need to implement sound natural gas policies. Together, these policies will protect the interests of ordinary Manitobans, now and in the decades to come. We believe that only a strategy based on a long-term commitment to Manitoba, and a belief in the ability of Manitobans to meet the challenges of the future can take us forward toward secure supplies of energy at fair prices to Manitoba.

These policies recognize the new realities of deregulation and offer a way out of the current morass of unfair prices. They offer a Manitoba solution to a problem which threatens our long-term economic health, our long-term economic growth, and the quality of life for all Manitobans.

Madam Speaker, by carrying out these new policies, we will be able to purchase natural gas on behalf of Manitoba consumers at fair prices. We will be able to distribute this natural gas to Manitoba consumers at fair distribution costs. Where feasible, we'll be able to extend natural gas services, providing low-cost energy alternatives to more Manitoba communities. These policies will ensure that natural gas customers large enough to contract their own requirements are able to get their gas distributed at a fair price.

By establishing the Manitoba Consumers Gas Corporation, by directly purchasing natural gas on behalf of Manitobans, by bringing the distribution network for natural gas into the hands of Manitobans, and by continuing to fight for fair treatment for Manitobans, the people of this province can expect to save over \$50 million annually.

The average household can expect to save about \$150 on their annual natural gas bill, while the average small business will realize savings of almost 1,600 per year.

In addition, Madam Speaker, Manitobans will be in a much better position to avoid the effects of future

price shocks resulting from world fluctuations or the impact of deregulation.

Madam Speaker, this is a bold initiative, but it is certainly not one that is unprecedented elsewhere in Canada. Governments of all political stripes have followed this course when it was necessary to defend the public interest. The inequities which Manitoba consumers are being subjected to in natural gas pricing has created in this province such a necessity.

A failure to act decisively in the face of the unjustifiable burdens being placed on Manitobans would be a betrayal of the trust which they have placed in this government.

Madam Speaker, it is because we are committed to fair prices and the extension of services that we are now acquiring all the tools we need to represent Manitobans in the natural gas industry. This will not be easy. We ask all Manitobans to support our efforts to obtain fair natural gas prices and long-term energy security for the Province of Manitoba. Together we can build a better and more secure energy future for the province. By standing together, we can bring greater fairness to Manitoba consumers and to Manitoba small businesses. We can create more jobs and, with vision and determination, we can together work towards further building our economy.

Madam Speaker, this is a great challenge and a great opportunity for Manitoba and I am confident Manitobans will meet the challenge and will realize that opportunity.

Thank you.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker.

I thank the Premier for making that announcement here today, to set aside the rumours that were prevailing throughout the province and throughout the media during the past 24 hours, and to ensure that we were aware of the plans and indeed the direction that the government was taking with respect to natural gas distribution in Manitoba.

I find it interesting, Madam Speaker, that this NDP administration, which has proven to be the most incompetent at running Crown corporations in the province's history, now sets as a priority bringing another multimillion dollar Crown operation under its jurisdiction.

Madam Speaker, this is the group of people who changed the MTS Act back in 1982. After that corporation had run with only two increases in over 25 years, they changed the act, passed an Order-in-Council, set up a new arm of that Crown corporation, known as MTX, that would allow them to spread the influence of the corporation; create jobs as they say in this news statement; increase their control of the economic activity in this province; and do business in places like Saudi Arabia, China, Texas, California, all over the world, Madam Speaker. They changed the mandate from that of providing the best possible telephone and telecommunications service to the people of Manitoba at the least possible cost into one of giving

them an opportunity to market their expertise and their capabilities and their equipment that they could represent anywhere in this world.

Well, Madam Speaker, when they passed that change in the act and when they passed that Order-in-Council and when they undertook all those activities as a Crown corporation, under the venture known as MTX, they saddled the people of Manitoba with a \$27 million debt.

Madam Speaker, this is the same group who took a publicly owned automobile insurance company that operated in a monopoly within the province of Manitoba, whose only customers for auto insurance were the people of Manitoba, who had no choice but to deal with this publicly owned company in a monopoly situation, a situation of no risk, they took it and last year lost \$58 million - \$58 million. That is the track record of this government in running multimillion dollar Crown corporations.

Madam Speaker, this is the Premier making this announcement today who, in 1981, said that he was going to start up ManOil Corporation as a publicly owned Crown utility in the oil and natural gas business that would be able to save money for Manitobans and, in fact, invest its profits in health care and education. Today we're closing hospital beds, because that corporation lost \$700,000 since its inception, Madam Speaker.

This is the Premier, Madam Speaker, who in 1986 promised that he would lower gasoline prices in this province. He passed legislation to make that capability available to the province and we now still have amongst the highest, if not the second-highest, gasoline prices in this country.

Madam Speaker, now we're being told that it is absolutely urgent and necessary that this NDP administration get their hands on the distribution of natural gas in this province. It's in the urgent public interest that we do that. We take over all natural gas distribution and, Madam Speaker, some of us have to ask why, because we already have many of the tools that we need to ensure that the customer can be protected in this province. No. 1, it's a totally regulated industry; No. 2, the Public Utilities Board, which has been appointed by this government, sets the prices.

These are the people who appointed the Public Utilities Board who set the natural gas prices in this province. They have no investment, they have no risk and they collect millions of dollars of taxes from that operation in the province. Yet, Madam Speaker, the Premier is telling us that we don't have the tools. He says that the Public Utilities Board urged that they take action but, Madam Speaker, they urged that competitive bids for supply be obtained. They urged a number of regulatory changes, but they didn't urge that the government buy the natural gas distribution facility in this province.

Madam Speaker, one has to wonder why, because none of us would argue against lower natural gas prices for Manitoba consumers. That has to be an objective that all of us want to see realized, Madam Speaker.

Madam Speaker, how does this major financial commitment serve that purpose? How does it ensure that we're going to have lower gasoline prices and what other effects will it have? For instance, how will it impact on our finances in this province, our already troubled finances which see us in a situation where every man,

woman and child has a debt of \$9,500 in this province, which see us in a situation where we had to add \$369 million in additional taxes just two months ago in the Budget that was brought in by this administration? How is that going to be impacted by buying and operating a natural gas distribution facility in Manitoba?

What evidence does the government have that they can ensure these substantially lower gasoline prices to justify the risk that Manitobans are being put under, to the tune of hundreds of millions of dollars of additional risk now in the hands of this NDP administration with its track record? What impact would this venture have on the operation of a sister energy utility, the Manitoba Hydro, now a competitor of this gas distribution outfit?

Now, what additional impact will it have on the ability of all Manitobans to enjoy natural gas distribution in Manitoba? What assurance will we have that Manitobans who do not enjoy natural gas distribution will not be subsidizing those of us who do enjoy natural gas distribution throughout the parts of the province in which we live?

Madam Speaker, if this deal is a good deal, then it ought to be reviewed by a totally independent inquiry that takes a look at the economics of this, that objectively puts forward the pros and the cons, the advantages and disadvantages and, above all, the financial impacts on Manitobans.

Madam Speaker, if this will stand the test of public scrutiny, then all Manitobans will support it. If they know that the assurances they are looking for will be provided without the major risk of hundreds of millions of dollars in the hands of this administration, then they will support it. But, Madam Speaker, at this point in time, we know it as a political decision, a political decision that has been made by this administration that has said, under this Premier, that it wants to use Crown corporations as instruments of public policy. It wants to have more hands-on control of all aspects of our economy, more control over how dollars are spent in every aspect of our lives in Manitoba. Based on that kind of philosophy, they have chosen, Madam Speaker, to buy a natural gas distribution facility for the people of Manitoba.

I say, Madam Speaker, that the public will support this if they know that it has been looked at independently, that it will stand the test of public scrutiny in an independent inquiry, that it is not being made simply on a political decision by a government that has a predisposition to take more and more into Crown operation, more and more of the operation of businesses in this province under its control. Madam Speaker, if it stands the test of an inquiry, then it may be seen as good policy.

At the moment, Manitobans know that they will have millions of dollars of their tax money further placed at risk by this government and they won't know anything more, unless they see a full and independent analysis and inquiry and know that this is not simply a political decision.

Thank you very much.

MADAM SPEAKER: The Honourable Member for River Heights on a point of order.

MRS. S. CARSTAIRS: Thank you, Madam Speaker, not for a point of order, but with an announcement

that I am in a conflict of interest with regard to this particular proposal by the government. My husband is the vice-president of Inter-City Gas, which is the total parent of Inter-City Gas Utilities, of which utilities division Manitoba has a part.

I would like a ruling from this House as to whether or not I will be able to continue to participate in question period, although I would obviously not participate in any questions having to do with this particular endeavour or plan on behalf of the government.

I would like a ruling, so that I may remain in the House to ask questions of a different nature.

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Madam Speaker, I wouldn't want the Member for River Heights necessarily to rely on my opinion, but having been the . . .

SOME HONOURABLE MEMBERS: Oh, oh!

HON. R. PENNER: I said not necessarily, you see I left myself an out.

But having been the Minister responsible for the legislation in question, it's clear that when the bill is introduced, at that juncture, anyone, whether it's the Member for River Heights or anyone else on either side of the House who has any interest in either ICG or in Bell or any of the parent companies, would declare it a conflict of interest and absent themselves during any time when the matter is being discussed.

I, for one, don't see and certainly this side of the House would not raise the issue that the member or anyone else in her position has a conflict of interest at the time of a Ministerial Statement or during the question period which follows.

MADAM SPEAKER: I will take that matter under advisement, and we'll certainly notify the Honourable Member for River Heights as soon as possible.

Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before moving to Oral Questions, may I direct the attention of honourable members to the gallery where we have 75 students of Grade 6 from the Shamrock School under the direction of Mrs. Labelle. The school is located in the constituency of the Honourable Member for Niakwa.

We have 29 students from Grade 5 from the Ecole Lavallée. The students are under the direction of Ms. Yvette Dion. The school is located in the constituency of the Honourable Member for Riel.

On behalf of all the members, we welcome you to the Legislature this afternoon.

ORAL QUESTIONS

Natural gas distribution - public inquiry re entrance of gov't into

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, my question is for the Premier.

Given the many concerns that Manitobans will obviously have about the potential impact of an investment in the hundreds of millions of dollars in a publicly owned Crown utility in natural gas distribution and the many aspects to that industry, the regulation, the price setting and all of the aspects of that industry and the potential risk of an investment of that nature in the hands of a Crown corporation, I wonder if the Premier would agree to commissioning a full public inquiry into the potential entrance of this government into the natural gas distribution field, so that all Manitobans will be aware of the advantages, disadvantages and the economics of such a decision.

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, this is a point in time where action is required on a timely basis. It is clear, at this very time, gas is being shipped into the United States, as I indicated in my statement, at prices that are less than \$2 per thousand cubic feet. Clearly the timing is now for decisive action.

Madam Speaker, we cannot afford to delay, as requested by the Leader of the Opposition. We cannot afford to procrastinate when the time is with us at this time. I do not know, Madam Speaker, whether the time would be on our side six months from now or a year from now, if we should delay.

Madam Speaker, in any event, there will be opportunity for committee hearings and submissions to be presented in the normal course of the bill which will be introduced tomorrow.

MR. G. FILMON: Madam Speaker, surely nobody can come and tear up the natural gas distribution facilities. Surely nobody can remove anything from this province in the way of natural gas distribution infrastructure.

MADAM SPEAKER: Does the honourable member have a question?

MR. G. FILMON: What concern is there that a delay would cause, in order to have the public fully informed on all of the economics of such a decision, a major \$100 million decision?

HON. H. PAWLEY: Madam Speaker, I don't believe the Leader of the Opposition ever asked a question on this, so he may not be aware that the Public Utilities Board, I believe, sat for upwards to one month. They received submissions from many, many individuals and organizations in the Province of Manitoba, the senior citizens' group in Manitoba, the Consumers' Association, the anti-poverty groups, other organizations and individuals within Manitoba.

The Leader of the Opposition may not know, Madam Speaker, that there were many oil energy experts that gave best evidence before that Public Utilities Board. The Leader of the Opposition may not be aware that, after one month of very extensive and complete hearings - I suspect as complete and extensive hearings as we could have anywhere in Canada - the Public Utilities Board was left with no alternative but to state, quite clearly, that natural gas rates in the Province of Manitoba were first excessive, they were discriminatory.

Madam Speaker, we required no further public inquiry to inform ourselves that the natural gas rates in Manitoba are excessive and are discriminatory. We need no further public inquiries to delay decisive action on the part of this government, to ensure that the consumers of Manitoba are treated with fairness, which they deserve, insofar as the payment of natural gas bills in the Province of Manitoba.

MR. G. FILMON: Madam Speaker, the Public Utilities Board hearings were not into the purchase of a natural gas distribution facility by the Provincial Government. That proposal was never on the table and was never the subject of any discussion.

What is the Premier afraid of in terms of holding a public inquiry into this proposal?

MADAM SPEAKER: Order please.

That question is out of order. Would the honourable member care to rephrase it?

MR. G. FILMON: Why will the Premier not conduct a public inquiry into this proposal?

HON. H. PAWLEY: Madam Speaker, as I've indicated by way of my previous answers, this is not a time for delay, it's not a time for procrastination. Time may, in fact, be on our side. This is a time for leadership, Madam Speaker, and this government is determined that it must demonstrate that leadership.

Workers Compensation Board - underestimated deficit

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: My question is for the Minister responsible for the Workers Compensation Board.

Madam Speaker, I wonder if the Minister has been informed that the former Director of Finance of the WCB, in a report to the board late last year just prior to his leaving the board's employ, stated that the present liabilities of the Workers Compensation Board are significantly understated. That is the deficit in the view of that Director of Finance was much larger than the \$84 million that was declared in the last financial statement.

MADAM SPEAKER: The Honourable Minister responsible for the Workers Compensation Board.

HON. H. HARAPIAK: Madam Speaker, yes, I am aware of the report that the Director of Finance put out and the actuaries and the auditors have worked with us since that point. They have analyzed the books that they usually do and they did not agree with his analysis.

Workers Compensation Board - pensions be indexed

MR. G. FILMON: Madam Speaker, was the Minister informed that the Director of Finance in that report stated that the pension obligations of the Workers

Compensation Board should be indexed, as is common with other Workers Compensation Boards, and that indexing would increase the liability by an amount of \$90 million. Was he informed of that?

HON. H. HARAPIAK: Madam Speaker, it is my understanding that he did inform us. The rehabilitation pensions were the ones that should be funded and we did recognize that. The actuaries did recognize it last year and, when we received that information, we did include that information in our annual report.

Workers Compensation Board - reserve for existing claims or future rehabilitation payments

MR. G. FILMON: Madam Speaker, was the Minister informed that the Director of Finance in that report indicated that the board currently was not building in a reserve for existing claims and rehabilitation or for future rehabilitation payments, which under the continuance of the current rehabilitation policy, would increase the liability of the board by \$20 million to \$30 million. Was he informed of that?

HON. H. HARAPIAK: Yes, we were informed of that and the rehabilitation is part of the reason we now have an unfunded liability. We took that into consideration. The actuaries who were working with the Director of Finance, when they were working with him, that's when he came up with the report saying that there was an unfunded liability, and that's why we have come up with the final figure the actuaries came up with prior to the tabling of our final report, was \$84 million.

Workers Compensation Board - rehabilitative costs used for cover-up of waste and mismanagement

MR. G. FILMON: Madam Speaker, was the Minister informed that in the Cormack report that was given to the board, the report implied that the board was attributing costs, substantial costs, to the rehabilitation department which were not rehabilitation costs? In other words, it was becoming a catch-all to cover up for the waste and mismanagement of the board.

HON. H. HARAPIAK: Madam Speaker, the Cormack report is an internal report which was asked for by the Workers Compensation Board. It was brought forward to make improvements to the Workers Compensation which was in a mess when we formed government in 1981. We found that workers were not receiving their just rights, widows were not receiving their payments, the children of the injured workers were not receiving their claims either.

We have made great gains in the area of rehabilitation. Madam Speaker, there is still a lot to be done in the area of rehabilitation and we recognize, when you're moving to an area of reform, there are going to be some adjustments to be made to the system when you're making that reform. The Workers Compensation Board recognizes that and that's why they asked the senior people to carry out a review and see in what areas they can make recommendations to make the system work better for injured workers.

Workers Compensation Board - underestimated deficit

MR. G. FILMON: Madam Speaker, further to the same Minister.

Was he informed that in this new system of operation of the Workers Compensation Board that he says is going so well, the former Director of Finance, Mr. Wiebe, in his report stated that in totality the board's unfunded liabilities or deficit may be understated by \$150 million? That's \$150 million more than the \$84 million that was stated publicly by this Minister.

HON. H. HARAPIAK: Madam Speaker, this area of the unfunded liability is addressed in the report by the review committee, and I'll be tabling the review committee on Thursday.

Thursday, I go into my Estimates. If the Leader of the Opposition would like to have further discussion on it, I think that would be an appropriate time to have further discussions.

Workers Compensation Board - losses due to not collecting premiums due

MADAM SPEAKER: The Honourable Member for Springfield.

MR. G. ROCH: Madam Speaker, to the Minister responsible for the Workers Compensation Board.

Has the Minister been informed that a former Director of Finance stated in his report to the board prior to leaving that the board continues to experience significant annual losses as a result of not collecting all the premiums due?

HON. H. HARAPIAK: Madam Speaker, I would leave it up to your judgment, but it appears to me that it's the same question that the Leader of the Opposition asked. We will be tabling the review committee on Thursday, and we will be dealing with the Workers Compensation Annual Report on Thursday. We can deal with that question at that time.

Workers Compensation Board - effect of new internal policies

MR. G. ROCH: Madam Speaker, to the same Minister.

Has the Minister been informed that many new internal policies have been adopted which have had a significant cumulative effect or, I should say, cost impact, which the government and board were not aware of prior to adopting these policies?

HON. H. HARAPIAK: Madam Speaker, I make no apologies for any of the programs that have been implemented to deal with the rehabilitation of injured workers. All the money that has been spent has been spent to help the injured workers, the widows, and the children of those injured workers. And sure, there have been some increase in costs, but you have to look at the programs that have been delivered since 1981, the improvements in the program that is coming to that part of our society. The improvements are immense and there have been costs involved with it.

Workers Compensation Board - policy change to stop spiralling costs

MR. G. ROCH: Madam Speaker, to the same Minister. Has he been informed that the former Director of Finance has stated, and I quote: "Serious consideration must be given to policy change in order to stem the spiralling costs of the Workers Compensation Board."?"

HON. H. HARAPIAK: Madam Speaker, I could not hear that question. I wonder if he'd repeat it for me, please.

MR. G. ROCH: I asked the Minister, Madam Speaker, has he been informed by the former Director of Finance, that - well, I'll quote it again, Madam Speaker - the former Director of Finance stated that, "Serious consideration must be given to policy change to stem the spiralling costs of the Workers Compensation Board." Has the Minister been informed of that?

HON. H. HARAPIAK: Madam Speaker, that's very clearly the reason that the former Minister asked for the review committee to look at all aspects of the Workers Compensation. The policies are all being looked at, and the financing is also being looked at. We will be tabling the report, which deals with all parts of the Workers Compensation, on Thursday.

Welfare system - abandonment of two-tiered system

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Minister of Economic Security.

Earlier this Session, Madam Speaker, I asked the Minister about the two-tiered welfare system which we have in this province. He said that the government was considering it, but that it would not solve all the problems. But, Madam Speaker, it certainly would have prevented the balkanized system which is existing in Brandon at the present time with regard to the Westman Women's Centre.

When will this government abandon the two-tiered system which causes such inequities and thereby allow women to go to an abuse centre such as the Westman Region when they require such a service?

MADAM SPEAKER: The Honourable Minister of Employment Services and Economic Security.

HON. L. EVANS: Thank you, Madam Speaker.

A question related to this matter was raised a week or so ago, and I can tell the honourable member that I share her concerns about what is happening at that Westman shelter. There are other elements to financing of that organization of course, such as a cutback of a major grant, elimination of major funding by the Federal Government which is a reality of thousands and thousands of dollars, between \$25,000 and \$30,000.00.

Also, the City of Brandon has a particular approach whereby they are not following the recommendations

of my department for implementing an adequate per diem in order to keep that organization viable.

But to answer the question directly, Madam Speaker, this government has stated on various occasions that philosophically we believe in the one-tier system. That matter is under active consideration and, when a policy decision is made, it will be announced in due course.

Brandon officials re liens on abused women

MRS. S. CARSTAIRS: A supplementary question to the same Minister.

Has the Minister met with Brandon City officials regarding the liens placed on abused women, in that women who are abused are unlikely to get financial help from the person who has been abusing them?

HON. L. EVANS: Madam Speaker, the question of placing liens in this matter was meant to be a progressive move inasmuch as the attempt was to penalize, if you will, or to collect from the errant spouse. However, I agree with the member who perhaps implied in her question that this can have a negative impact on the treatment of the women, particularly those going to a shelter. I haven't discussed this matter directly with the City of Brandon officials - my staff have - although I have discussed the matter with officials of the Westman shelter.

Special Needs Allowance - regulations

MRS. S. CARSTAIRS: Madam Speaker, a new question to the same Minister.

The Minister has indicated that many of his regulations or the guidelines to the regulations are not being followed, and one which I raised before was the \$150 Special Needs Allowance which he in fact said was in effect but no longer realistically being used.

Madam Speaker, I know of a case in this city where a couple was denied the purchase of a crib and told to use a bureau drawer because they had already exceeded their \$150 allowance.

Can the Minister explain why he does not put those guidelines in regulations?

HON. L. EVANS: If the honourable member has any particular case where she believes someone has been treated unjustly, I'd be very appreciative if she would draw that to my attention.

With regard to this Special Needs category, indeed the \$150 is a regulation that is in place. But I would also advise the member that the personnel in the regional offices have the authority to raise the Special Needs limit to \$500 at their own discretion without coming back to senior people. So, in effect, the regional staff, the field staff can go up to \$500.00.

But I'd also point out, Madam Speaker, where there is real need - and I can document cases where we pay thousands of dollars of Special Needs, in the case particularly where people have been ill, where they need special medical equipment, special transportation, special treatment, special services and indeed we pay thousands of dollars in special needs to those people who are deserving of that assistance.

Workers Compensation Board - losses due to not collecting premiums due

MADAM SPEAKER: The Honourable Member for Niakwa.

MR. A. KOVNATS: Thank you, Madam Speaker. I would direct my question to the Honourable Minister responsible for Workers Compensation.

Has the Minister been informed that the former Director of Finance of the Workers Compensation Board stated in his report to the board, prior to leaving, that the board will continue to experience significant annual losses as a result of not collecting all of the premiums due?

MADAM SPEAKER: The Honourable Minister responsible for Workers Compensation.

HON. H. HARAPIAK: Yes, Madam Speaker, we are aware that there are some premiums not being paid.

Workers Compensation Board - overpayments at rate not necessary

MR. A. KOVNATS: To the same Minister.

Has the Minister been informed that the former Director of Finance, stated in his report to the board, prior to leaving, that he said that overpayments continue to happen at a rate which is not necessary?

HON. H. HARAPIAK: Madam Speaker, as I had mentioned earlier, we are going into the Estimates process and we will be discussing Workers Compensation.

But I believe questions are being asked here on an internal report of the Workers Compensation. The Director of Finance left a report just before he left the employ of Workers Compensation. Yes, I am aware of the report. I have not dealt with it thoroughly.

Workers Compensation Board - directive to not collect overpayments

MR. A. KOVNATS: A final supplementary to the same Minister.

Has he been informed that the former Director of Finance of the Workers Compensation Board stated in his report to the board, prior to leaving, that the Minister informed that the board had passed a directive to instruct that Workers Compensation Board not to attempt to collect any of the overpayments? Was he informed?

HON. H. HARAPIAK: Madam Speaker, that is not correct. The board makes every effort to collect assessments that have been attached to every corporation that exists in Manitoba.

Workers Compensation Board - position offered to Chairman

MADAM SPEAKER: The Honourable Member for Minnedosa.

MR. D. BLAKE: Madam Speaker, my question is to the Honourable Minister responsible for the Workers Compensation Board.

Could the Minister confirm to the House that a position of employment outside of the board has been offered the chairman, Sonny Arrojado?

MADAM SPEAKER: Would the honourable member repeat that question? You're not bringing information to the House and asking a Minister to confirm or deny, I hope?

MR. D. BLAKE: I was asking the Minister if he could

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.
I didn't hear the question.

MR. D. BLAKE: I was asking the Minister if he could confirm to the House that a position of employment, outside of the Workers Compensation Board, had been offered to the former chairman.

MADAM SPEAKER: Positions of employment in other areas are not within that particular Minister's jurisdiction, unless it's dealing with positions within the Workers Compensation.

MR. D. BLAKE: I wonder if he could confirm if the former chairman has been offered a position within the Workers Compensation Board.

MADAM SPEAKER: The Honourable Minister responsible for Workers Compensation.

HON. H. HARAPIAK: Madam Speaker, the chairperson of the Workers Compensation Board is presently operating in her capacity. I'm not aware that she is looking for any other employment. I'm not aware of her being offered any other position.

Workers Compensation Board employee - position offered in Dept. of Labour

MR. D. BLAKE: I will direct this question to the Minister of Labour then.

I wonder if he could advise the House whether or not Mr. Fleury, a member of the Workers Compensation Board, has been offered a position within the Department of Labour as a conciliator.

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Madam Speaker, normally I hear the Member for Minnedosa very clearly but there was some background noise here. I didn't hear the last part of his question.

MADAM SPEAKER: The Honourable Member for Minnedosa to repeat the question.

MR. D. BLAKE: I'll repeat the question, Madam Speaker.

I asked the Minister of Labour if Mr. Fleury, a member of the Workers Compensation Board, had been offered a position as a conciliator with his department.

HON. A. MACKLING: Madam Speaker, there is a competition, and I'm not aware whether the Honourable Member for Minnedosa or anyone else has entered the competition at this stage.

Westman Women's Shelter - increase in funds

MADAM SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Thank you, Madam Speaker. I have one question for the Minister of Economic Security.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

The Honourable Member for Arthur has the floor.

MR. J. DOWNEY: Thank you, Madam Speaker. I have a question for the Minister responsible for Economic Security.

I wonder if the Minister would quit playing cheap politics with the safety and lives of the women in the western part of the province.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order, order please.

As the honourable member well knows, he is not to question the integrity of other honourable members.

The Honourable Member for Arthur with a question.

MR. J. DOWNEY: Madam Speaker, I wonder if the Minister of Economic Security would put the interests of the women in the Westman region, who have to use the women's shelter, ahead of his own political games that he plays.

MADAM SPEAKER: Order please, order please.

The question is out of order. Would you like to rephrase your question?

The Honourable Member for Arthur.

MR. J. DOWNEY: Madam Speaker, I wonder if the Minister of Economic Security would tell this House that by agreement, the Federal Government support was lowered at the Westman shelter, an agreement which was entered into in 1984, and that his department is giving them a measly \$15,000, and they were instructed not to ask for an increase because they wouldn't get any from his department. That, Madam Speaker, is the truth.

MADAM SPEAKER: The Honourable Minister of Employment Services to answer the question.

HON. L. EVANS: It's obvious, Madam Speaker, that the Honourable Member for Arthur is very sensitive about the fact that the Federal Conservative Government of Canada no longer supports the Westman

Women's Shelter, nor do they support it in other parts of this province. The facts are, Madam Speaker, that it was this government that established the centre through the Department of Housing which now pays for that building. The Department of Housing pays for that building, the Department of Community Services pays a grant, a reasonable grant, not my department. In addition, we are prepared to pay reasonable per diems if the City of Brandon would be prepared to cooperate in order to finance this shelter.

But, Madam Speaker, the facts are that this shelter was put in place by this government and indeed will be continued to be supported by this government in spite of the insensitivity of the Ottawa bureaucrats.

MR. J. DOWNEY: Madam Speaker, in view of the fact that there are six people who have to be paid and in view of the fact that this Minister puts a measly \$15,000 into the Women's Shelter in the Westman Region, will he increase it so they can provide the proper care and shelter for those people in need, without having to go with cap in hand to other sources? Will the province pick up their responsibility to look after those individuals?

HON. L. EVANS: Madam Speaker, the Honourable Member for Arthur didn't listen to my previous statement or he chooses not to listen. I indicated that the Department of Community Services provides the block funding, but that we provide, through our department and in cooperation with the City of Brandon, per diems. But the facts are the per diems that we have suggested are not being implemented by the City of Brandon and therefore we had ongoing discussions with the City of Brandon, asking them to pass on the per diems that we've suggested. If that were the case, I would suggest that shelter would be in a much better financial situation than it is today.

MPIC - Tabling of Annual Report

MADAM SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Madam Speaker, I have a new question to the Minister of Finance.

This morning in committee, we were told by the Auditor, Madam Speaker, that the report from the Manitoba Public Insurance Corporation had been given to him on June 4, a report which I believe the Legislature should have received from the Provincial Auditor, not the Minister of Finance.

Why is the Minister of Finance not providing that report immediately to the Manitoba Legislature? What's in that report that he's afraid to show the public?

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker.

The answer to that question is exactly the same as I responded to the same member this morning in committee, and that answer is that the Minister of Finance, upon the request of the Minister responsible for the Manitoba Public Insurance Corporation,

requested that the Provincial Auditor hold a special audit into the Manitoba Public Insurance Corporation, raising a number of questions for the Auditor to address.

That was done at the request of the government, Madam Speaker. The request that was made was made public and a copy of the transmittal letter to the Provincial Auditor was made public, so that the public and members opposite were aware of that request.

That report has been received, it was received last week. As I indicated to members opposite, that report will be released to members opposite, to members of the public within the next seven to ten days, which will give ample opportunity for the members opposite to prepare for the committee that is still seized with the review of the Manitoba Public Insurance Corporation.

This government is open to requests and is open with respect to the results of the special audit. There is no legislative requirement that those reports be made public or be tabled in the Legislature, but it's our position as a government that those special audits ought to be tabled, and we will ensure that they are tabled and available for public debate, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Madam Speaker, before I direct my question to the Minister of Energy and Mines, I too would like to declare my interest in the matter of the government purchasing shares or indeed the distribution system of Inter-City Gas. I'm a material shareholder in that company, although my share total is very small.

My question is to the Minister of Energy and Mines. It's been reported in the paper by some government spokesman that there would not be a large transfer of cash, indeed there would not be a cheque written for the ICG distribution system. My question then to the Minister of Energy - (Interjection) - I declared it, I declared it, there's no trouble.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. D. BLAKE: I've got shares in the Royal Bank. I can ask questions about interest.

MR. C. MANNES: A ruling, Madam Speaker?

MADAM SPEAKER: Order please, order please.

I took the matter under advisement of whether, even though a person declares their interest, they can still participate in discussion or be present while a matter is being discussed.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

This is rather a serious matter. Could members please come to order?

The Honourable Attorney-General.

HON. R. PENNER: I would not want, nor would anybody on this side and I'm sure anybody on that side, want anybody, inadvertently, to fall into conflict with the legislation. It's my intention to ask legislative counsel

to have a report available for all sides of the House before the end of the day, because there are some areas of concern.

For example, it has been suggested to me by legislative counsel, but I want that in writing for both sides of the House, that the mere fact that you don't have an interest of a size to include in the written declaration does not mean you don't potentially have a conflict of interest. Nor is it clear to me, and I'm going to put it no further, that participating in question period directly on point, whether or not that is potentially a conflict of interest. I think it's up to the Member for Morris, but he should be aware of the pitfalls that are there and I wouldn't want him, out of respect for him, to fall into that trap.

MADAM SPEAKER: The Honourable Member for Morris on the point of order?

MR. C. MANNES: No, Madam Speaker.

MADAM SPEAKER: I would, just at this point while we're in question period, like to just read the one section from the act, and I have still taken the matter under advisement. But for information of all members before I report back to the House, on section 4(1)(c) it says: "A member shall disclose the general nature of the direct or indirect pecuniary interest or liability, (d) withdraw from the meeting without voting or participating in this discussion, and refrain at all times from attempting to influence the matter," so that is the legislation under which we're operating and we are also in the process of checking with legislative counsel to bring a definitive answer on this question to the Chamber.

Inter-City Gas - mortgage on sale to Gov't of Man.

MR. C. MANNES: Madam Speaker, my question to the Minister: Will Inter-City Gas be carrying the mortgage, therefore, of this sale to the Government of Manitoba?

MADAM SPEAKER: The Honourable Minister of Energy.

HON. W. PARASIUK: Madam Speaker, as the Premier indicated, the negotiations are proceeding. I certainly can't comment on them publicly when they are proceeding. When the negotiations are complete, the material will be brought to the House for House discussion and review.

Inter-City Gas - details available before Second Reading

MR. C. MANNES: My supplementary then to the Minister.

Will the details of that purchase sale agreement, will they be available before Second Reading of this bill?

HON. W. PARASIUK: I can't say. I can't put a specific timetable on the negotiations. I would hope that the

members on the other side wouldn't as well. I would hope that they would want these negotiations to be successfully concluded at a price that is fair to all parties, to in fact promote the public interest of lower costs of natural gas for all Manitoba consumers of natural gas. That is the issue, Madam Speaker - (Interjection)- When those negotiations are concluded, there would be a requirement under The Loan Act to come before and provide that information to the Legislature, and that information will indeed be provided once the negotiations are completed.

Labour Management Review Committee - legislation receiving approval of

MADAM SPEAKER: The Honourable Member for Brandon West.

MR. J. McCRAE: Madam Speaker, my question is directed to the Minister of Labour.

Yesterday, the Minister agreed to let me know what important legislation in the last five years has received the concurrence of the Labour Management Review Committee.

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Madam Speaker, I am given to understand the Labour Management Review Committee was brought into being in the Sixties, and I have asked staff to review the minutes and correspondence from that committee to confirm what specific legislative initiatives were identified in correspondence or minutes from that organization.

That will take some time because the committee has been in being for over 20 years. So we will certainly look at that and we will give you that information in due course.

Labour Management Review Committee - recommendations prior to bringing in legislation

MR. J. McCRAE: Madam Speaker, this Minister told us also that about two years ago, along with a whole lot of other matters, he left the matter of final offer selection in the hands of the Labour Management Review Committee. Then he introduced legislation on Friday.

Did this Minister ask the Labour Management Review Committee for a report or their recommendations or their comments, specifically, on this legislation before he brought it in?

A MEMBER: No, he just told them what he was doing.

HON. A. MACKLING: Madam Speaker, in questions I answered earlier, I did fully indicate in my response that the Labour Management Review Committee was requested by me about two years ago to review a number of items of concern, including final offer selection. I have not, to this date, received a report from the Labour Management Review Committee in

respect to the matters that I referred to them. I did meet with them just prior to the introduction of the legislation and there was some concern evidenced to me that there should have been more consultation in respect to the introduction of this legislation.

I pointed out to them as I pointed out in this House that I, as Minister of Labour, do not feel I can make specific, formal demands on what is a consultative mechanism. They don't receive any remuneration. They break bread together and share concerns together and, to the extent that they bring forth any specific recommendations, certainly any government will be happy to listen to them. But we don't make specific demands on them.

Labour Management Review Committee - withdrawal of bill

MR. J. McCRAE: Madam Speaker, in view of the admission by this Minister that there has been no meaningful consultation respecting final contract selection, will the Minister now agree to withdraw the bill, engage in meaningful consultation and, by that, I don't mean consultation with Wilf Hudson and Bernard Christophe and Bruno Zimmer only? Then if there is support after all that consultation, that meaningful consultation, will the Minister reintroduce the bill at some later time?

HON. A. MACKLING: Madam Speaker, we've heard members of Her Majesty's Loyal Opposition, certainly the Leader of the Opposition and others say that everything, every political decision must be prefaced, must be introduced after there has been an inquiry, after there has been kind of a referendum. There doesn't seem to be any endorsement of political will on the part of the Opposition.

We have looked at final offer selection for in excess of five years and we note a growing consensus in this province that strikes and lockouts should be avoided if it's possible, that there should be alternative mechanisms considered to avoid the trauma and the economic hurt that work stoppages incur. Therefore, we're proud to introduce this legislation, Madam Speaker.

MADAM SPEAKER: The time for Oral Questions has expired.

INTRODUCTION OF GUESTS

MADAM SPEAKER: May I direct the attention of honourable members to the gallery where we have 60 students from Grade 11 from the Louis Riel Collegiate under the direction of Mr. J. Morassutti. The school is located in the constituency of the Honourable Minister of Health.

On behalf of all the members, we welcome you to the Legislature this afternoon.

COMMITTEE CHANGES

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: We have some committee changes. Under Statutory Regulations and Orders: Enns for Birt, and McCrae for Ducharme.

Under Municipal Affairs: Cummings for Ernst and Driedger for Ducharme.

Just one point I want to make, if my speaker doesn't work properly, the Member for Pembina has the responsibility for that.

MADAM SPEAKER: I'll take due note of that when the repair bill comes.

ORDERS OF THE DAY HOUSE BUSINESS

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, on a matter of House Business, this is just to confirm that, through agreement with the Opposition House Leader, the Standing Committee on Public Accounts will meet on Thursday, June 11 at 10:00 a.m. to continue on with its consideration of the report of the Provincial Auditor and Public Accounts.

I move, Madam Speaker, seconded by the Minister of Finance, that Madam Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Burrows in the Chair for the Manitoba Jobs Fund, and the Civil Service; and the Honourable Member for Lac du Bonnet in the Chair for the Department of Business Development and Tourism.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - BUSINESS DEVELOPMENT AND TOURISM

MR. CHAIRMAN, C. Baker: Committee, come to order. The Minister has a few statements.

HON. M. HEMPHILL: Well, I have a few answers that were taken as notice yesterday that I wanted to provide as quickly as possible. One was about the Reiss Fur Company and Robert D. Reiss Enterprises, were they the same company. The answer is no. There's a bit of additional information about what a few of them are and I'll provide that to the member.

The question about Elizabeth Warbansky and the Ukrainian Arts and Crafts Ltd., who received a \$1,000 contribution for the Design Assistance project, and I think there was a question, was she getting other money from other places, other departments. The purpose of the grant from us was to provide and help them develop a company identity, a catalogue price list and packaging to expand marketing through direct selling through trade and gift shows. They've also received some funding from industry, Trade and Technology, from their

Assistance Program, to participate in several gift and trade shows, and the contribution for that was \$4,103.00.

Also, in terms of the question of the Daerwood and what financial security there was, there was some question raised as to whether or not we actually indeed had the collateral of the personal home, and I have the Certificate of Title here that indicates that the Royal Bank of Canada has transferred the mortgage to Her Majesty the Queen for right of the Province of Manitoba. I'll give the Member for Portage la Prairie a copy of that.

I also just wanted to take a couple of minutes to read into the record some additional information on the question of bankruptcies, because I think we did have a discussion yesterday that suggested that some of the figures were not correct.

I want to confirm that Manitoba has registered a total of 100 bankruptcies, an increase of one over the same period from January to March of last year. In '86, we recorded 282 business bankruptcies, which was 42 business bankruptcies less than in 1985, which was down 15 percent. Our long-term average is 80.9 per thousand business firms, compared to Canada's 101.

I just wanted to read those into the record.- (Interjection)- For 10,000 - I thought I said that.

MR. CHAIRMAN: The Member for Portage.

MR. E. CONNERY: Yes, Mr. Chairman, I have to agree. The research people were given the wrong information by the person who they were talking to and that person inadvertently was giving her the stats for the two provinces. So it was an error. I apologize for the error because I don't like inaccurate records.

We do have some other ones that we want to clear up with the deputy to make sure. There is still some cloud as to - we want to make sure we're on the same thing.

HON. M. HEMPHILL: Fine.

MR. E. CONNERY: Going through one of the O/C's back awhile, there was a Statistics Agreement with the Federal Government that was signed by the previous deputy.

What types of statistics were these going to do? I'm concerned that we don't have enough statistics. So could we have an explanation on that agreement?

HON. M. HEMPHILL: This is a three-year agreement that we have with Canada where Manitoba is providing, over the period of the three years, \$90,000 - \$20,000, \$35,000 and \$35,000.00. We get the information from Statistics Canada.

The statistics and information is going to help businesses that are in operation and provide benefit to business as well as to government. The information will be both on Canada and on Manitoba statistics. It will provide us information on productivity, on sales per square foot, on cost factors.

I understand that about 30 percent of the information is in right now from Stats Canada. We expect the rest of the information to be provided to us over the period of the next two or three months, and there has been

already some information made available to the businesses. The bulk of it is not in or compiled yet though.

MR. E. CONNERY: I gather none of this is going to target what is being imported from foreign countries or what is being imported from other provinces then? Those were the stats that I was looking for.

HON. M. HEMPHILL: No, Mr. Chairman.

MR. E. CONNERY: In the RDC's, is there equal funding to all RDC's or is there preferential funding for some of the RDC's?

HON. M. HEMPHILL: Mr. Chairman, there are a number of criteria that are applied. The grants are not totally equal. They all get an operating grant that is exactly the same, which is \$40,000.00. After that, there are some variations that might depend on the manager's seniority, for instance, in terms of salary. There is some funding for travel in some of the RDC's. My recollection - I don't have it here in front of me - but there might be a range of about \$10,000.00.

MR. E. CONNERY: Is there any figure for, say, every dollar the RDC's raise on their own through their own appropriations, that there is a government dollar to match that?

HON. M. HEMPHILL: No, Mr. Chairman. They get the operating grant regardless of any funding activities.

MR. E. CONNERY: Is that a change in the last two or three years?

HON. M. HEMPHILL: No.

MR. E. CONNERY: Well, I guess I'll have to do some more research. I think there was some different rationale between different regions where there was a one to one or a one-and-a-half to one. I've seen documentation on it, but I don't have it with me.

HON. M. HEMPHILL: Mr. Chairman, we're trying to clarify the discrepancy in understanding. It could be related to the fact that the municipalities provide some funding to them, based on a per capita grant that is over and above what they get from us.

MR. E. CONNERY: Outside of the RDC funding, if businesses are looking to locate in certain areas, are there some areas, for whatever reasons the government wants, that are preferential areas and would get more assistance than if they went to another area in the province?

HON. M. HEMPHILL: In our department, there is no criteria. In IT and T, in their development agreements, there is an expressed desire to have development in the rural areas, which the Member for Portage la Prairie will appreciate, but not in our department, although you might suggest that some of our resources are focused on particular areas. I mentioned before the

community development, the Northern and remote and the core.

MR. E. CONNERY: In O/C 125386, there was \$14,000 to Gimli Harbour Park Development Corporation.

HON. M. HEMPHILL: Can you give us a bit more detail on the Order-in-Council or do you know how much it is? We're into Tourism now so we're really flipping.

MR. E. CONNERY: Is it Tourism? Okay. Then we'll wait till we get into Tourism.

HON. M. HEMPHILL: Okay, we'll get it when we get there.

MR. CHAIRMAN: Any more questions? Okay, we'll pass and, if they want to ask questions, we'll do it under the Minister's Salary.

2.(a)(1)—pass; 2.(a)(2)—pass.

Resolution No. 24: Resolved that there be granted to Her Majesty a sum not exceeding \$3,464,100 for Business Development and Tourism, Business Development, for the fiscal year ending the 31st day of March, 1988—pass.

We now begin No. 3. Tourism: (a)(1) Salaries.

HON. M. HEMPHILL: Mr. Chairman, I have decided to forego what might be a traditional opening statement and simply talk about the major success that we have on our hands with the conference, the meeting, Planners International. Because I think what is happening there is very important to the Tourism industry, very important to Manitoba and Manitoba's economy, and the potential growth for the increased economic impact in the future.

We have a 1,000 - over 1,000 - delegates here, who are key convention planners, buyers and key people in the States - all from the United States - who make recommendations on conventions to major groups and organizations.

Their feelings about Manitoba's ability to handle an international calibre event like this is very, very important, because they are going to be ambassadors and promoters for Manitoba when they go back home. I think that it's fair to say that we have a smashing success on our hands, and that we're knocking their socks off, to put it bluntly.

In every category, they are raving about Manitoba's ability in terms of organization, in terms of service, in terms of entertainment, in terms of hospitality. Our accommodation is superb. - (Interjection) - Mr. Chairman, could they keep it down just a little?

All of the delegates have been saying that they have seldom, if ever, seen a conference that has gone as well, has been as well-planned and as superbly executed. This is very important for us. I mean one of the reasons of course is, as the Member for Portage la Prairie is constantly saying, that there has been a drop and a decline in U.S. overnight visitors and that is true. It's a market that we want to improve; it's a market that we want to go after.

We've now got a 1,000 promoters - I believe that - in the States promoting Winnipeg as one of the best places that they could possibly consider bringing a major convention. We can compete on the world stage.

We can handle the highest level of international-calibre convention and we've shown our stuff.

We expect to get \$1 million out of this in direct sales, but the promotional activities that we expect to come out as a result of this are worth pure gold and can't be bought. I have been talking personally to as many of the delegates as possible, hundreds of them. I've asked each of them how they're enjoying this day, how it's going, whether they're going to come back and whether they're going to recommend it as a place for people in their city or country to visit. The answer has been, absolutely yes. Yes, we want to come back; we're going to come back and bring friends. We want to spend more time and we definitely are going to recommend this as one of the top places to hold major international conventions.

So I think that's something that's very positive. I think it's very important for us, and I think it recognizes the cooperative effort that this province has been noted for, between the private sector, between the tourism industry and between the government. What we pulled off last night was really only done because of the herculean effort put forward by everybody. They're all to be commended, and I think it's a very good example of what we can expect in terms of our industry promoting and making people realize and believe that the tourism industry has tremendous potential in the Province of Manitoba.

So I'm delighted as Minister of Tourism; the industry is thrilled. The convention delegates are absolutely delighted with the whole program. I think that bodes very well for us and, hopefully in the long run, for our U.S. overnight tourist statistics.

Thank you, Mr. Chairman.

MR. E. CONNERY: If I had my way, Mr. Chairman, I would immediately hire the Minister from her job as the Minister of Tourism and elevate her to a tourism ambassador. I think that's where the Minister's talent shines, and I must say that at meetings where I have been at, she augurs well for Manitoba in her presentation.

Last year, also in her opening remarks, she spoke glowingly of the tourism industry and with real optimism about the coming year. Of course, one thing is to have optimism and enthusiasm, but the second thing is to make it come to fruition.

Last year, Mr. Chairman, she was forecasting an increase in the U.S. tourists of 4 percent to 5 percent. In fact, we had a decline of 7.7 percent of Americans entering Manitoba at border crossings. We have just completed 12 consecutive months of a decline in foreign visitors. We are also the only province to have a decline in foreign visitors in 1986. Why were we down 7.7 percent while others were up: Quebec, 6.7 percent; Ontario, 5 percent; Saskatchewan, 6.5 percent; Alberta, 7.7 percent; and B.C., because of Expo, of course, we have to ignore it, but it was up 80.6 percent, but that was a little bit different situation.

At first, this Minister feebly alibied her way through the decreases and then changed her strategy to saying it was an insignificant part of our tourist trade and that was very disappointing because the foreign visitor is not an insignificant part. We need those foreign dollars desperately, but this Minister doesn't seem to

comprehend the significance of it to our economy. We had a \$110 million tourist trade deficit in 1985, of a foreign tourist deficit, and I'm sure it would be much higher in 1986.

Manitoba, in my estimation, is an island of embarrassment and shame within the tourist sector. You know, we almost become the laughing stock of the country if we look at those tourist records. We also have an \$80 million deficit in domestic travel. So we have to address ourselves to these stats that we are really not doing what we want to do in the tourist industry.

I sincerely hope that Rendezvous Canada and Meeting Planners International have a positive effect on us in 1987 and subsequent years to come. If nothing else, I'm sure, along with the shift in the month that Easter fell, which was one alibi that was pretty weak, these convention sales people will have a positive effect on May and June on the numbers of foreign visitors and I mentioned to staff earlier - methinks, I lost my 12 consecutive months is going to be the end of the record.

We also have to recognize that we have over \$80 million, as I said, in domestic tourist travel deficit. So Manitoba's total travel deficit is in the area of \$200 million and this is \$200 million that is going out of Manitoba. I don't know if we'll ever bring it around to a break-even position. We have to do something to reverse the horrendous numbers that we have.

The Minister told us that Manitobans were taking up the slack and I was forced to believe it for awhile. But once I had assembled the statistics, it was obvious that the Minister had misled the Legislature.

HON. M. HEMPHILL: . . . the statistics.

MR. E. CONNERY: I got the statistics.

HON. M. HEMPHILL: . . . haven't been so good lately.

MR. E. CONNERY: It would be a delightful experience if just once this Minister would admit there was a problem and then take appropriate action to correct the problem. But no, she waves her arms and says everything is going to be wonderful, but problems will never be rectified until one recognizes that there is a problem. Once that is accepted - and maybe she does behind closed doors, and I guess in the political arena you don't like to admit - but I think, once in awhile, it might help.

If indeed Manitobans were touring more, as I asked the Minister in the House, what were they doing? Accommodation sales were down. Restaurant sales were up less than inflation. Park usage was down and retail sales are slow and below the national level. So I asked the Minister to show me her statistics that bear out the statement that Manitobans are touring more in Manitoba and maybe we can come to an agreement.

A study performed by the Minister's department in December, 1984, showed many areas where Winnipeg and Manitoba were at a disadvantage with the provinces and stats around it. We have a study and it showed some of the problems that we have. It said, in terms of price competitiveness with regard to the food and beverage sector, Winnipeg can be seen as one of the least competitive jurisdictions and of course, Mr.

Chairman, the Minister has to recognize that it is the policies of other departments of government that contribute to this high cost.

The minimum wage that we discussed the other day increases the price of food within Manitoba, which they say, our food costs are too high. The taxes, the 7 percent tax on our food and all the other items all raised the costs so Manitoba is not competitive. It is evident that all factors considered, North Dakota is clearly the lowest jurisdiction within Manitoba's primary market area. So we're trying to bring them up here and there is some resistance.

Minnesota in many respects can be considered as the next-lowest cost centre within this survey. Its liquor sales tax, 8.5 percent and corporate income tax is second only to North Dakota. Also, there is no health and education levy per se and the effect of minimum wage with the exclusion of tip differential for 268 over over 18 years of age is the lowest in the survey area. This is put out by the Department of Business Development and Tourism. They recognize, they look at and I know the staff recognized the problems that this health and education tax puts on this province when we are selling, whether it's business or whether we're selling tourism, so that the department themselves recognize these problems.

So it says, to conclude, Winnipeg is not very competitive, in the terms of price of restaurant and hotel meals. Then we have the food people, the food and restaurant. These are the free-standing, not including hotels, show some of the stats that they've had. It's in the area of licensed restaurants, where they've taken a significant decline of in around 15 percent, contrary to the national average.

The national average for licensed, unlicensed and take-out restaurants has shown a very similar increase, where in Manitoba we see the licensed restaurants taking a severe decrease and the unlicensed and take-out showing the large increase in food. So when we talk about alcohol, then we can see why it is that Manitoba has one of the higher alcohol prices in the area, but when you look at Manitoba's primary tourist area - we take in North Dakota and Minnesota - Manitoba's alcohol prices are very high.

Winnipeg's average price for recreation and entertainment items was one of the lowest among the 10 cities, while that for miscellaneous items was the highest. So everything that we have in Manitoba is not bad, so there are some good parts.

The fact that the tax on domestic beer is only 6 percent in Manitoba is the underlying factor and of course that's changed since. This is a 1984 study. The underlying factor by Manitobans can be said to be competitive with the rest of its primary market. The tax on liquor in Manitoba puts a damper on the province's competitiveness, as this is amongst the highest sales tax. Discounts of the volume sales of liquor are a most crucial cost factor in the price of alcohol. Manitoba offers no discounts, while other areas do. They go on to list the amount of discounts that are there. This illustrates why Manitoba is so high.

It goes on to say that it is fair to say that hospitality operators in North Dakota and Minnesota can purchase their liquor at prices considerably below those found in Manitoba. It's in around the area of a half or less the cost for alcohol to the restaurants and lounges that we have to pay in Manitoba.

It's a cultural shock when an American, who buys his drinks at \$1.00 a shot in North Dakota, Minnesota, comes up here and has to pay \$3.50 and \$4.00, and you can see why. There's a list showing the different things.

So that shows you some of the problems that we have, and the Minister must have this. It was her department that put it out. So studies show that Americans are turned off by the high cost of alcohol, but also by the high cost of gasoline. Once again, when they have their first fill up at a Canadian gas station, it really is a cultural shock to find out what it's going to cost them in dollars.

Mr. Chairman, Manitoba does have a lot to offer tourists. We have a wide range of terrain from the flat prairies, the medium-sized mountains, mountain ranges, the Precambrian shield, numerous fishing lakes, naturalist areas, historical sites, sporting events, cultural festivals, entertainment spectaculars - you name it, we have it.

But, Mr. Chairman, this Minister can't sell it. Let's take a look at the Vacation Planner and, you know, this was one of the - I hate to say it was one of the laughing things we had in the Legislature, but it was one that I hope that we don't see again. I don't know who did it, who was commissioned to do it, but it really leaves a lot to be desired in the sense and, you know, the Minister said, well, it's just to whet your appetite. This may be. But if they stop at a place and they pick this up and there is no other material around, they're almost going to take this as being what Manitoba is.

We talked about the highways that are missing, Highway 10 in the Brandon area that the Peace Gardens are on, Highway 10 through certain areas. There is just one incident after the other and, of course, the ferry at Treesbank is not a glowing one and it was good for some levity at the end of a long week. But for the people at Fairford and Gypsumville, it says in here, the last place you can get food and lodging is at Moosehorn. You can imagine the dismay of the people at Fairford. So I think when we do put these out, even though they're just to whet the appetite, they should be somewhat more accurate. I would think that this would add to people coming in.

I've had many calls on this particular brochure from people who were very irate, and I guess the people at Fairford were probably the most irate, and I think rightly so. So it's an area that she could look at.

I think we need to take a look at our media buy and, once again, I think we could get into some discrepancy with statistics here. I'm not an expert. There are various means of advertising, promotion and media buy. I'm told that Saskatchewan has a \$4 million budget, PEI \$775,000 and Manitoba has \$700,000.00. Now I don't know if these statistics will be challenged and, if they're not right, I would look for the right ones.

(Mr. Deputy Chairman, D. Scott, in Chair.)

Last year, the Minister said in Hansard, when we discussed this media buy, she said it was one of the areas that she was concerned about and that she would take it to the Cabinet. I don't see an increase in the media buy. So, if she did take it to Cabinet, then the Minister is not having the persuasion that she should have in Cabinet.

Last year, we discussed the lack of information booths and the quality of these booths. She said that there will be some announcements to do with booths and upgrading, and I hope the Minister will be able to announce some plans today as to what's going to happen.

The Minister was given a presentation by a company, and I didn't bring it with me, it's Green-something, Greenspan or whatever that had these booths and the Minister had the presentation. They had this booth and they showed the different ways they were going to advertise.

HON. M. HEMPHILL: Like information.

MR. E. CONNERY: Yes, an information booth, and it wasn't going to cost the government any money, but it would make money for the operator and I think that's great. Do it for the province for nothing and somebody makes a few bucks, as long as it's doing the job well. That's the decree that they're doing the right sort of promotion. So I would like the Minister's views on that.

MR. DEPUTY CHAIRMAN: Madam Minister.

MR. E. CONNERY: No, I'm not . . .

HON. M. HEMPHILL: Is he finished? He just took a breath.

MR. DEPUTY CHAIRMAN: You're not finished? I'm sorry, I mistook that. A breath for a pause, waiting, maybe it's a pregnant pause.

The Member for Portage la Prairie.

MR. E. CONNERY: The quality in the imagination of the brochures, I would like to see us do some upgrading. I think some of them this year, there was some move in that direction. Last year, when I went to Alberta, I stopped at the Saskatchewan booths and the Alberta booths, and I must say that the Saskatchewan booths really impressed me. They were extremely well done, the material. They had tear offs to detour people for a day. If you're going up Highway 16, they had little tear offs and they would show you what you would see and bring you back to Highway 16, delaying the tourists another day and just getting a few more dollars out of them. Personally, I think we could take a look at what Saskatchewan is doing. I think they're doing some things well.

I think along the highways like 1, 10, 16, 75, the major arteries, there are no pull-offs with large signs and maps to show tourists what might be discovered by taking a detour and therefore keeping them for one or two days longer. Saskatchewan have these pull-offs with a large sign which show you - and I suggested to the Minister last year - 1 and 16 just west of Portage, where we could show them where they could go by going up to Clear Lake and around and, if they wanted to come back by Trans-Canada, they could or they could go on to Saskatoon and back down.

We would detour them around and get more tourist dollars out of them. I find these maps very interesting. If I'm a tourist with no set deadline, we will look for something to do but you've got to have something to

tell you it's coming up. I think we missed an opportunity to show the travellers to Expo what Manitoba has to offer.

We know that there's a high traffic trade down the Trans-Canada Highway, but we chose not to build a pavilion at Expo. Are we trying to keep Manitoba to ourselves? It would almost appear that way.

There was a letter that I would like to read from an individual and it was just some of the concerns that this individual had. He's with the tourist group. He's quite an involved person and he listed just a few of the concerns that he had. The first one, the first concern was poor highway signs make it difficult to find the way. Poor highways make it difficult to travel and, of course, that's another one of our problems with the travel industry.

Poor wayside parks and the great distance between rest areas; he was unhappy again with the Vacation Planner. It doesn't show the highways to Gillam, Snow Lake or Norway House.

Then he had some other issues that were more related to the particular area that he's in. Mr. Chairman, highways are not a priority with this government and, because of this, remote areas will suffer. The North will suffer, but the most tragic highway in Manitoba is Highway 75.

Mr. Chairman, this is a killer highway. It's killing the tourist trade from the United States but, more drastically, it's killing Manitobans who travel it. This is one of the main arteries for bringing the people in on our primary target area. When you get people coming up I-29 and then hitting Highway 75, at the rate they're going, it's going to take something like 20 years to do the twinning of Highway 75.

So we have to pressure the Minister of Highways to increase the Highways budget first of all, and put some priorities on to Highway 75. I think we could have had a priority by not building this highway into Hecla Island at this point because, if we don't get people into Winnipeg, we're not going to get them up to Hecla Island.

I have a letter here from a person who came to Manitoba and this individual - I want to read the letter; it's very short.

"I'm a U.S. tourist from Minneapolis on a visit to Winnipeg. A few days ago, I saw a news item on television saying that your tourist people are planning a campaign to promote tourism. The campaign is aimed primarily at the U.S. market. About 95 percent of the American tourists who visit here never come back a second time. Here are some of the reasons why: poor roads, high gasoline prices, expensive accommodation, high food prices and exorbitant liquor prices. Add to all this the high sales tax, and you're killing the goose that laid the golden egg".

I'm sure the Minister has read this one; it was in the paper. His name is signed here and he's from Minneapolis, Minnesota.

One of the concerns that I have, when the Minister - and I think the Minister needs to spend more time at conventions and among the people who she is representing as Business and Tourism Minister. The Minister was not up at Hecla Island and there was no reason for the Minister not to be. - (Interjection)- Well, she was. She flew in for the dinner.

HON. M. HEMPHILL: That's all I had permission to be away for.

MR. E. CONNERY: Well, Mr. Chairman, I hate to say this but the Minister is misleading the record because the Minister talked to me the previous week in the House and asked what my intentions were with the convention at Hecla Island. I said I was going up Sunday and I was staying right through until the end of the convention. If I changed my plans, I would let her know. I wouldn't leave her hung without a pair, because she did not have an official pair as for the First Ministers' Conference. But in the sense that I was going and staying - and the Minister knew this - she had a pair. There was no reason for the Minister not to have been at that convention.

HON. M. HEMPHILL: That's not a pair, that's not a pair.

MR. CHAIRMAN: Order please, order please.
The Member for Portage.

MR. E. CONNERY: Should I let you off the hook? Okay, I'll let you off the hook, I won't read it into the record.

But that's not fair ball, because the Minister - I told her that and I was not paired with anybody else, and I wouldn't have been paired. I was disappointed that the Minister had an individual tell people at events that she couldn't go to Hecla because she wasn't paired. So that's the sort of misinformation that I don't think we should have happening. The Minister should have been there, she could have been there and there was no reason for her not to be there. Mr. Chairman, those are my opening remarks.

Just one other area though that I would like to say with the planners who are here, I didn't realize that they were also buyers and I'm pleased to hear - I thought they were more or less arranging meetings. I'm pleased that they are actually planning conventions and selling the areas that they're going to. I'm sure with that kind of a number with Rendezvous Canada that Manitoba should, in the next year or two, experience some good tourist stats. We hope so because we blew it at Expo where we really should have had a pavilion to sell Manitoba. I hope that these other events - and I hope it was good management that got them here, not totally good luck, because getting conventions of this kind don't just come by accident.

So I will compliment the staff for the hard work that they did in getting these two major events here. I know that the Minister does have a good staff. Part of the problem is the direction that the Minister gives and sometimes it's the direction that the Minister is given from Cabinet that she has to give to staff. So they have to live within the parameters of what the government wants to do.

Thank you.

HON. M. HEMPHILL: Mr. Chairman, I think it might be convenient, since the Member for Portage la Prairie raised quite a number of points, and some of them I can answer fairly quickly, that rather than have them have to come up again, I might give fairly quick answers to some of them right now.

We did get an increase in the advertising budget. It was \$100,000 that is going into a media campaign. We've always said that we would like more money in

advertising for tourism; every province I guess in the country would. I think what we're trying to do is clear. We're trying to get the best bang for buck by having our advertising be cooperative advertising between the industry, between ourselves and between the Federal Government. We're getting much more mileage for the advertising program there. I think we have to continue that.

The Member for Portage la Prairie is one of the first people to say that we have to recognize the importance of the private sector. We have to involve the private sector and we have to use private sector money and not public money whenever we can. This is a clear example of where we've been very successful in tapping, and I think we have to do more. More work and more talking to the industry to make sure that they understand how important it is that they advertise or share advertising with us - that we're all out there together. So that's one of the areas.

The Greenspan Information Booth was a very interesting presentation and you're quite right that they would set them up and it would be profit-making. We have no quarrel with that. We were very interested in the project. I think the meeting was held between myself, the Minister of Highways, and the Minister of Natural Resources.

It had a lot of appeal and we thought it had considerable potential. It's my understanding at meetings that we left it that we were very interested in pursuing it, and that it has been left with the firm and with the private sector to continue developing and bring back to us for actual consideration.

I think if you check with them, you'll find that at that meeting they got a very positive response. We said, it has potential, we're willing to look at it. In some cases like this where we're clearly having some difficulty with the financial resources setting up information centres throughout the province in all the places we'd like to have them, this may be an alternative way of getting good information available, and we certainly wouldn't rule it out. But to my knowledge, they haven't followed up and explored it.

I guess Highway 75, we all like our, sort of, favorite whipping boys and Highway 75 certainly gets more than its share. But an interesting statistic shows us that the traffic from the U.S. has increased 10 percent, which is an increase over most of the other provinces. That was last year and the highway isn't any different really, relatively speaking, now than it was last year.

So in 1985 our traffic from the U.S. increased nearly 10 percent, a greater increase than most other - (Interjection)-'85. Okay, it was in '85. The highway condition actually has not changed that much either in the one year or the two years previously.

In Fort Frances, where the highway is terrible, they've had a 20 percent increase in U.S. traffic. So I think that to be fair we have to look at all of the factors and there may be a number of reasons. I think we should try to find out why when the traffic is down, if it is down, what the reasons are, but not to try and suggest that it's going to be an easy solution like "a highway," putting millions of dollars into a highway. I don't think there will be any simple solutions like that.

I just want, for the record, to make sure that I reiterate again the point that I've always made about U.S. overnight travel. I have never said that it was not

important. What I was trying to do -(Interjection)- no. Let me explain. What I was trying to do, because I did say that it was a relatively small part of our market and that, in terms of the money that was coming in, I think the U.S. overnight market is out of a total revenue base of about \$79 million. Our Manitoba and domestic market is about four hundred and fifty. So I was just pointing out the relative size of the revenue base of the market.

I said at the time that all markets were important, even the smaller ones like this and we wanted to find out why, and we wanted to do whatever could be done to improve it. What I was trying to do was off-set what I believed was an exaggerated point being made by the Member for Portage La Prairie where the suggestion -(Interjection)- just slightly exaggerated, slightly - being made by the Member for Portage la Prairie was, to me, giving the image that the whole tourism industry was in trouble and I wanted to get a balance in there. So I hope that makes my position clear; that is an important market for us.

I think that the work that was done - and I'm glad the Member for Portage la Prairie recognized it. That was four years of work by the industry and by the government in the department to get MPI here. They really had to show their stuff. They were in an incredibly competitive market and would not have gotten it had they not produced what was needed and put on a fabulous show in Boston, I think, which was the icing on the cake that brought them up here.

So recognizing the work that went in to bring MPI up here I think is an indication that we recognize the U.S. market as a very important one. We don't have millions of dollars to go out there and advertise in sophisticated, very expensive television advertising. We have to target it and we have to use what we can and this is one of our greatest potential - I think certainly a year or two, or a couple of years down the road - for increasing the U.S. market of anything we could do with much larger amounts of money required.

Highways, there has been a move in the last five or six months to have a committee or an interdepartmental committee meeting between the Department of Highways and ourselves and Natural Resources where we have been meeting together and talking about the question of signage, because we recognize it's an important one. The signage could be better and we're trying to work on it so that the signage that's being done in the different departments, that everybody recognizes the use of it, the utilization and the importance of it for the tourism industry. So we're trying to improve in that area.

The Vacation Planner, I don't know what the Member for Portage la Prairie does except stay awake every night until about three o'clock in the morning reading these things. I think we'll hire him as a proofreader, if he needs a part-time job in the next Session.

I want to make a couple of points. One is that when they're given that - and we said it's what they call a lure piece - but they should never be given that in isolation. When we market it, we're letting people know at all the information centres and booths, people know that it's a package and that this will just give them a sense of what is available. It was never intended - it's just to give them an idea to stimulate their curiosity, their interest and their excitement. I think on those

grounds it does that. It doesn't give them every piece of information they need about every highway and every ferry and all of the other relevant things, but they should be informed that along with that, if that attracts their interest, go the other pieces that give them the detailed information that they would require, depending on what it is they want. Fishing, accommodation and facilities. The details are in there.

Now having said that, I also want to recognize that while mistakes can be made and are made, and I think it was brought to my attention that previously, I think when the Conservative Government was in, they had the Trout Festival up in Flin Flon, just a slight deviation. Is that accurate?

So mistakes can be made. I want to indicate to the Member for Portage la Prairie though that I have some concerns with the numbers in this issue and that we have set up a process whereby there will be an additional - in some cases, we accepted information that came from the regional tourism areas where they had the information in their brochures and we simply lifted it out and put it in our material. Clearly the onus is on us to check every piece of information that we're putting in, regardless of where it's coming from. We've set up a process of monitoring this so that we hope it won't happen in the future. I think there has been a little bit too much, and it clearly needs some additional attention by our department in this area. So I want to recognize that and say that we've instituted a procedure to do that, I believe.

There is only one other thing that I want to do that I think is important to do at this point and that is read very quickly - it won't take me long - some of the positive statistics, to answer some of the questions raised by the Member for Portage la Prairie, and simply to get a few of the positive ones on the record. We are talking about the domestic and the Manitoba market, which is and probably will continue to be our best and our highest revenue and most important market.

The total trips in Manitoba are up 20 percent. Manitoba day trips are up 43 percent; Manitoba overnight trips up 7 percent; other Canadians entering Manitoba up 8 percent; other Canadian trips destined to Manitoba 23 percent; U.S. visitors to Manitoba by air is up 2 percent; total tourist expenditures up 15 percent; Manitoba expenditures up 16 percent; other Canadian expenditures up 24 percent.

Now, I want to talk about restaurants. -(Interjection)- I hope so. I want to talk about restaurants because this was an interesting point. In most cases, total restaurant sales are up 3.3 percent, but take-out restaurant sales are up 22 percent, unlicensed restaurant sales up 6 and cabaret sales up 45 percent.

Now, while the Member for Portage la Prairie made mention of our high liquor prices and indicated that he thought that perhaps was solely responsible for the drop in licensed restaurant revenue increases, I think we have to recognize that there are some lifestyle changes here that are clearly evident in the statistics, because people are going for take-out restaurants for two reasons. One, they're fast, and we're into, you know, let's do things immediately, no time, and we're into "cheaper." They're going for food. They're eating out a lot more and they're going to places with their families where it is not as expensive. That's a lifestyle change.

The other lifestyle change is cabarets. Cabarets are up 45 percent. Cabarets are taking away clearly some of the activity that would be going perhaps to some of those other facilities, licensed restaurants.

I'll just say, Winnipeg convention delegates up 4 percent; Winnipeg convention delegate spending up 9 percent; provincial camping permit sales up 4 percent; park entrance permit sales up 10 percent. There is a lot of good news and, while we're looking at the one sector that is causing us problems and causing all of us concerns, the U.S. overnight traveller, let's recognize that in many other areas, the percentages are as good or ahead of any others in the country.

MR. CHAIRMAN: The Honourable Member for Portage la Prairie.

MR. E. CONNERY: I guess I'll start at the bottom, at the end. The Minister says campsites are up, the use of campsites, and yet when we're in Natural Resources, the Minister said for the second year in a row the use of the campgrounds was down. Now somewhere along the line, there is a conflict. That's in Hansard and it's on the record that the Minister of Natural Resources said the use of campgrounds was down. So where that comes from . . .

The numbers of trips within Manitoba, how do we know how many people are travelling? If I'm travelling down the road in Manitoba, how do you ascertain the number of trips within Manitoba and whether they're a tourist or whether they're a business statistic or not?

HON. M. HEMPHILL: The statistics we use for that come from the Canadian Travel Survey, and it's 50 miles or more.

I just want to make the point about the park, the difference there. My staff inform me that was the information we got from Parks, but this is one of those areas where we will want to check out the discrepancies between what we have or believe we've been given and what you believe came through the Natural Resources Estimates. So we'll check that out.

MR. E. CONNERY: There's a Canadian Travel - what do they call it? The Canadian Travel . . .

HON. M. HEMPHILL: The Canadian Travel Survey.

MR. E. CONNERY: Survey. Has it, for 1986, been completed?

HON. M. HEMPHILL: We have the data on trips for 1986. We have the trips and about three-quarters of the expenditures. We haven't got the total expenditures.

MR. E. CONNERY: Is the survey in printed form?

HON. M. HEMPHILL: No.

MR. E. CONNERY: Well, how did we obtain the statistics if it's not in printed form? Are they available in what way?

HON. M. HEMPHILL: It's a computer output from Stats Canada. We expect it will be in printed form, available for the public, in about six months.

MR. E. CONNERY: Have they started doing this survey more often? They were only doing it every second year at one time. Are they doing it every year now?

HON. M. HEMPHILL: Every second year.

MR. E. CONNERY: So the '85 and '86 stats will be in this particular survey?

HON. M. HEMPHILL: Yes.

MR. E. CONNERY: How do they determine - now you say somebody travelling within 50 miles is a tourist, you say? That's the definition of a tourist?

HON. M. HEMPHILL: No, it's a trip. You asked how we determine trips.

MR. E. CONNERY: Okay then, when they're doing this survey, and these numbers, is it random counts that they're doing? How do they determine that more people are travelling within Manitoba?

HON. M. HEMPHILL: It's done by sample and projection, same as the labour force statistics. It's the same basis as the labour force statistics.

MR. E. CONNERY: When they do a sample, is somebody sitting by the side of the road doing a visual count? I want to know how it's done.

HON. M. HEMPHILL: I'll set up a luncheon with Neil for you. Can Neil buy you lunch someday?

MR. E. CONNERY: I'm from Missouri.

A MEMBER: No, you're not; you're from Portage.

MR. E. CONNERY: I used to come from Missouri.

HON. M. HEMPHILL: We'll even buy lunch.
A random sample of individual interviews.

MR. E. CONNERY: Well, you've got to convince me how you got numbers by random sample interviews. Explain a random sample interview.

HON. M. HEMPHILL: A random sample is a very legitimate way to get statistics because it's often most frequently used because you can't do the whole population.

MR. E. CONNERY: I want to know what a random sample is. Are they taking an intersection every two weeks and they do it every year every so often?

HON. M. HEMPHILL: I've been informed that we select 2,500 people in Manitoba at random and they are interviewed about their travel habits. I have also been advised to inform you that the invitation does stand, that any time you want detailed information about how our statistical people compile all this data, we'd be quite happy to set up a meeting for you.

MR. E. CONNERY: I think I'll accept that invitation and maybe Neil and I can spend a day or two to go over stats. I maintain . . .

HON. M. HEMPHILL: Half-a-day.

MR. E. CONNERY: . . . your accommodations list, three out of four quarters being down in the accommodations, so I mean I don't know how we can argue that factor.

HON. M. HEMPHILL: Right.

MR. E. CONNERY: The retail sales aren't doing well in there. The Restaurant and Food Association, which does most of the food in Manitoba outside of the hotels, is only up about 2 percent by my calculations - I did it quickly - which is less than inflation - you said three - but still around the inflation rates which means there's no increase in that at all.

And with campgrounds we're going to try to find out if we can justify those statistics, that really there were more Manitobans touring and I think that, sure, maybe other Canadians would be on the way to Expo. I know that people who had motels right along the Trans-Canada Highway had a reasonably good business, but other people weren't all that thrilled who were off the Trans-Canada. They didn't have that great of a year.

So I'm going by what industry people are saying and I'm going by what industry people said up at Hecla, that they weren't extremely happy with last year. In fact, they weren't happy. The feeling there was not that of great optimism. So I go by what the industry says, and I guess we could fudge figures forever and confuse everybody completely.

HON. M. HEMPHILL: Mr. Chairman, there are obviously different pieces of information going around depending on who you talk to. In recent conversations with Mrs. Cornell, the President of TIAM, she was communicating to us that, as a tourist operator, things were looking very good. They were feeling quite positive about the season and that all other operators she talked to were feeling exactly the same way.

We've had other indications like that really from all other sectors. The Convention Centre, things are looking good. You know, all of the other sectors, we're getting that kind of feedback. They think it's looking good for this year.

MR. E. CONNERY: Of course, I'm referring to '86, and like even Bob Locke, he said, and it's in the paper, that it was a "yuk year," in his terms. So I think we have to accept - hopefully, this year will be somewhat different.

HON. M. HEMPHILL: The mood in the industry is very good and they should be the ones who know.

MR. E. CONNERY: As you said, one month does not a season make.

HON. M. HEMPHILL: Right. Our inquiries are up 2,000 and, when we began advertising our brochures that the Member for Portage la Prairie loves so much, their response was so incredible that we actually for the first time have had a backlog that we hope to have taken care of in about a week. Since January, we've had 2,000 inquiries, but most of them have come in in the last six weeks, the last four to six weeks.

MR. E. CONNERY: When that good Progressive Conservative Government made that slight error in the Trout Festival, did anybody from the Opposition make note of it in the House?

HON. M. HEMPHILL: I can't recall, because the member who might have that information isn't available. Likely not, because we would have recognized that these things happen.

MR. E. CONNERY: The MPI, the planner's group, what did it cost us to really bring that to Manitoba, the cost to Manitoba, the cost to the Boston party?

HON. M. HEMPHILL: It's \$187,000 under the agreement; so it's cost-shared with the Federal Government over a two-year period - a better bang for that buck for that, you cannot get.

MR. E. CONNERY: I'm not criticizing it. I just want it put on the record just for my own edification.

HON. M. HEMPHILL: No, I didn't think you were.

MR. E. CONNERY: Rendezvous Canada, do we subsidize some of the booths that go to Rendezvous Canada from Manitoba?

HON. M. HEMPHILL: No, Mr. Chairman.

MR. E. CONNERY: They all pay their own way?

HON. M. HEMPHILL: They all pay their own way.

MR. E. CONNERY: And if they go to Montreal or to places, there are no subsidies?

HON. M. HEMPHILL: They pay their own way.

MR. E. CONNERY: Okay.

I made comment in the House and the Minister was some upset because I had made some comment on the Manitoba display. I really do think that we can improve the Manitoba display compared to what I saw. Newfoundland had an excellent one; I think Quebec's - just the style that they did there, it drew people to them. I know it's individual selling and that, but it just gives you maybe a little bit better impression of the province and it may be the overall impression helps sell to the people who are buying. So it was the impression that I got just walking in. Maybe the Minister could take note of it.

HON. M. HEMPHILL: Yes, I'd like to even comment on it because when the member makes reasonable points, as he occasionally does, I like to recognize it. Actually, I was not upset because you made points about the display. I quite agree with the points you're making about the display.

I think if we can get our industry people to recognize - and I think they're recognizing it more and more - the potential for putting forward a total positive image for the province by opening up those booths and those curtains and sharing the space, I think it is a better image.

It's our intention to work with the people who are going to be participating in the displays and see if we can get an agreement but since they pay for the booths, the money, it does require their agreeing that this is a good idea. I think we should be doing that.

Just to make it clear what I was upset about, I think I was upset because the conference was such a successful one overall. They were suggesting or believing that they had done more business in the first day of Rendezvous than had been done in the whole previous three days in the year before. They were all calling it the most successful Rendezvous ever held in Canada since its initiation. The Member for Portage La Prairie was focusing on one empty booth. So I think my point there was once again the balance.

When things are pulled off that are such a big job, so important to the tourism industry, it would be nice not to have so much focus on one tiny element. The booth was empty. The booth shouldn't have been, in my view, left there empty, but we had problems getting the people who control the booth making a decision on how to deal with it. That was unfortunate, because it doesn't look good to have an empty booth, and I think we should be getting everybody together to get a special display.

I'd just like to make the point that Rendezvous itself was a tremendous effort and tremendous benefit, I think, potential to Manitoba, and that should also go on the record.

MR. E. CONNERY: I have to concur. The sales with the Manitoba booth - we didn't check with booths of other provinces - but the Manitoba booths, we checked them out and their sales were excellent. I agree they were good.

How do people get to have a booth in Rendezvous Canada, from Manitoba?

HON. M. HEMPHILL: There is some history and past practice, and I think people who have had booths have some opportunity to indicate if they want to continue having a booth.

I think that what we need to do is look at that practice, people who have been getting booths for a long period of time, and look at the total image that is being put forward by the province and make sure that our sectors and the things that we want to promote are there on display. So I think that we may be taking a look at the overall show that is being put forward by Manitoba, but people who have been out there doing the job are basically given an opportunity to do it again.

MR. E. CONNERY: Is there room for additional people then to come in, or are we boxed into this number?

HON. M. HEMPHILL: Our numbers are very tight and I guess we were given a few more this year simply because we were hosting it, but the numbers, I think, compared to other provinces - we're all marketing a province and the capital, the numbers of people in those provinces may vary considerably, but we're still all doing the job of marketing a province. To have a range and a ratio that goes from something like 11 to over 60, I find unacceptable. While I'm told that there are hard and fast rules and regulations, I intend to

question them and to suggest that there should be less disparity and better sharing of the booths and the space that is available with the smaller provinces.

MR. E. CONNERY: The Rendezvous Canada of course, if I am correct, is totally put on, managed and whatever by the Government of Canada. There is no provincial input. The province paid half of the cost of the Monday night extravaganza and it was an excellent extravaganza. The entertainment was world-class. The food was good. The whole evening was an excellent evening, and I thank the Minister for that invitation. But it is put on by the government, I am told, and it's a strictly Federal Government operation.

HON. M. HEMPHILL: Yes.

MR. E. CONNERY: Okay.

HON. M. HEMPHILL: Although, when you're hosting, it's clear that, when you're the host province, clearly what is made available in the host province has clearly got a lot to do with the people in that province, even if somebody outside is organizing it. Our ability to deliver what they organize is dependent upon our province's industry and our people.

MR. E. CONNERY: I want to go back to one item the Minister was quoting - travel on Highway 75. She was quoting '85 statistics but we should have '86 statistics.

HON. M. HEMPHILL: I'm not sure. We'll look to our statistician.

The information that I gave is that the U.S. travel on Highway 75 is up 10 percent for '85, and he is asking what it is for '86. It's down 4.2 percent. I'll have to repeat it so that it shows. It's down 4 percent.

MR. E. CONNERY: I've got two ears.

Is there any Jobs Fund money in the tourism sector?

HON. M. HEMPHILL: No.

MR. E. CONNERY: Okay, I want to go into the marketing plan. The area that I want to take a look at, and I have some difficulty with some of the figures on page 9. It's addressing Manitoba's tourism economics. We look through the sectors and we have transportation, and I am assuming we are talking about Manitobans travelling within Manitoba, this sector, provincial receipts.

HON. M. HEMPHILL: Total Manitobans and non-residents.

MR. E. CONNERY: Total Manitobans and non-residents.

Do you have a breakout for the non-residents for these various sectors? I mean not the non-residents - the Manitobans. We talk about the number of dollars for Manitobans. What are those figures for that?

HON. M. HEMPHILL: Mr. Chairman, I have some information that indicates total traveller expenditures

in Manitoba in millions. I have the numbers for '85, and they're not completed yet for '86.

Manitobans . . .

MR. E. CONNERY: Do you have them by those sectors, transportation?

HON. M. HEMPHILL: No, I don't have them by sectors right here. I'll just give you the totals. We'll get the sectors for you, I guess later, if you wish.

Manitobans is \$362 million; other Canadians, \$124.9 million; Americans, \$83.9 million; foreign, \$13.3 million. The total is \$584.6 million.

MR. E. CONNERY: How do you tally your transportation receipts? How do you get this factor for transportation? We are looking at figures for 1985. How does the \$271 million in transportation, how do we arrive at that figure? If Americans are coming into Manitoba, they're buying their ticket someplace else.

HON. M. HEMPHILL: Mr. Chairman, it includes a number of elements. One is Manitoba expenditures on transportation, non-resident expenditures on gas, and Manitoba expenditures on air fare leaving Manitoba.

MR. E. CONNERY: What would the amount of air fare for Manitobans leaving Manitoba be?

HON. M. HEMPHILL: I knew it.

MR. E. CONNERY: I tell you, I don't sleep at night, I think.

HON. M. HEMPHILL: Mr. Chairman, our resident statistician informs us that kind of detail he will have to get for you another day.

MR. E. CONNERY: Will we have it for Thursday?

HON. M. HEMPHILL: Approximately \$100 million he believes, and we'll confirm it for Thursday.

MR. E. CONNERY: The transportation sector then, you'd have to say is overstated. We talk about Manitobans travelling in Manitoba, and they're buying a ticket to Expo, is hardly Manitoban transportation. The benefits to Manitoba are very slight in something like this.

HON. M. HEMPHILL: Madam Speaker - I apologize.

MR. CHAIRMAN: No problem, sexist remarks don't bother me.

HON. M. HEMPHILL: Mr. Chairman, I do have some information here that I think might be important to read into the record. It's talking about revenues allocated as traveller expenditures in Manitoba comes from ticket sales to travel outside the province.

The province, when calculating domestic tourism revenues, includes what residents spend to leave Manitoba, such as air fares. Manitoba is following the practice of Statistics Canada and Tourism Canada in calculating tourism revenues for Manitoba. To date, it

is published in the Tourism Canada publication, Canadian Tourism Facts Book.

These expenditures provide income to travel agents, employees of airlines, bus companies, Via Rail, airports and terminals in Manitoba. Approximately 143 travel agencies employ 570 individuals. In addition, approximately 6,000 individuals are employed in various businesses operating out of the Winnipeg International Airport.

It includes carriers, car rentals, food services, and any other businesses which operate out of that facility. Air Canada accounts for approximately 1,400 of these employees. They have an additional 1,000 individuals who operate out of the downtown office, so I think that's an indication of a major employment benefit.

MR. E. CONNERY: But in all fairness, the major portion of those ticket dollars will go to the airline, and I don't think we have a repair depot here in Manitoba so they are overstated.

Now the other side, how do we determine what percentage of travellers are tourists and what are businesspeople?

HON. M. HEMPHILL: Mr. Chairman, we get it from the Canadian Travel Survey for Canadians and the International Travel Survey for the Americans.

MR. E. CONNERY: Yes, but what percentage? Do they take all of the airplane tickets purchased to leave Manitoba or are a percentage tourism? Do they do a survey, to see what percentage of people on the plane are actually tourists or what number are business people?

HON. M. HEMPHILL: That sounds like a lunch question to me, but let me check with my resident statistician. Mr. Chairman, it's my understanding that the Americans are interviewed prior to leaving the country, before they get on the plane, and that the Canadian travel statistics come from the detailed survey that we have discussed before.

MR. E. CONNERY: So they are doing a survey, because I have flown an awful lot of times in and out of Winnipeg . . .

HON. M. HEMPHILL: And nobody has ever surveyed you?

MR. E. CONNERY: . . . and I've never seen anybody doing a survey.

HON. M. HEMPHILL: Could we please have the Member for Portage la Prairie surveyed on the next trip?

MR. E. CONNERY: You want to make a believer of me. Accommodations, also, how do they arrive - now, that's within Manitoba so we won't be able to have our travel survey.

HON. M. HEMPHILL: Mr. Chairman, the information I'm given is that all of the information in there that you're questioning is collected in the survey. We don't

just collect the one piece of it, where are they travelling and what are they doing; we collect all the information there in the same survey.

MR. E. CONNERY: How would you do the accommodation survey? You wouldn't ask people how many nights they stayed in a motel. Wouldn't they use the motel numbers that you have? That would be the simplest way to do it. You have the occupation rates. Certainly wouldn't that be the way?

HON. M. HEMPHILL: Mr. Chairman, they ask people how much they spend on accommodation.

MR. E. CONNERY: Maybe this is the easiest . . .

HON. M. HEMPHILL: I think you two need to spend some time together.

MR. E. CONNERY: I think this is maybe the easiest way and the cheapest way. I don't think, to me, it's the most accurate way. Looking at the numbers, I have a hard time rationalizing that these are really there. Okay, Neil and I, we've got a date? We'll toss for lunch.

HON. M. HEMPHILL: It was just brought to my attention that we also do cross-check those with business receipts, receipts from some businesses. I'm sure you'll be impressed with it once you've got the full story. It may take two days to get it, but I know you'll be impressed.

MR. E. CONNERY: Last year the Member for River Heights asked a question about Fort Rouge and Fort la Reine's 250th Anniversary coming up this year - I think it was this year. You suggested that you were looking at it, and it had been looked at for four or five years. It's in Hansard. I haven't got Hansard memorized quite yet.

HON. M. HEMPHILL: Mr. Chairman, we don't believe that we have a request in, although we're not sure that it may not be being handled by Cultural Affairs. We'd have to check that.

MR. E. CONNERY: Last year - and I was just quickly trying to find it in here where the Member for River Heights had questioned the Minister on it and said that they were looking at it - and that was in last year's Estimates, so obviously I'm not going to find it very quickly.

HON. M. HEMPHILL: We'll check on that.

MR. E. CONNERY: You know, a 250-year celebration could be something of a tourist attraction and one of them is at Portage, so . . .

HON. M. HEMPHILL: Oh, well, I think you should claim conflict.

MR. E. CONNERY: I guess I have a vested interest. One is also at Fort Rouge, but Fort la Reine is one of the great historic sites.

HON. M. HEMPHILL: We'll check it by Thursday.

MR. E. CONNERY: Okay. What is happening with the funding in TIAM? There was some significant increases last year. Has the funding maintained both to the central office and to the regional?

HON. M. HEMPHILL: Yes, the funding has maintained. It was a significant increase. My recollection is we doubled.

MR. E. CONNERY: That's pretty good.

HON. M. HEMPHILL: More than doubled. I thought it was doubled but we more than doubled the grant, raised the regions to a \$30,000 grant each. The TIAM Central was given an additional \$10,000 and we have maintained that level of funding in this year.

I might just say that the support and the help that we're getting from TIAM and through the tourist industry is incredible. They are really out there, I think, to do their share to promote Manitoba, to promote their regions, to promote their communities and their individual facilities and operators. I think that it's a job that we wouldn't like to be doing without the active support and involvement that we get. So the money we give to them is well spent in terms of the return, I believe.

MR. E. CONNERY: Last year we were looking at - and I mentioned in my opening statement - the booths at our border points, whether it be for the United States or Ontario or Saskatchewan, that the Minister was having some thoughts in looking at the booths. What is in the plans for this year and maybe next year, too?

HON. M. HEMPHILL: The one that is being looked at very seriously under the Tourism Agreement is the Manitoba-Saskatchewan border.

MR. E. CONNERY: Is there any update on it?

HON. M. HEMPHILL: Just that it's proceeding well, I think, and that it's being very actively considered between ourselves and the Federal Government. We have a detailed plan and we have a model. It's at a fairly - what's the word I want?

MR. E. CONNERY: Advanced stage?

HON. M. HEMPHILL: Fairly advanced stage, thank you.

MR. E. CONNERY: The one on 16, at Russell is it? Is that the town?

HON. M. HEMPHILL: Oh yes.

MR. E. CONNERY: Russ just asked me to find out from you what is happening with that, because he is informed that they're reducing the staff from three to two. Is there one part-time person being pulled away?

HON. M. HEMPHILL: That's a community-operated centre. We gave them the trailer and gave them some money to get started, but it isn't actually ours so, if

they're making decisions to reduce staff, I guess that is a community decision, not our department's.

MR. E. CONNERY: Highway 16 is a major artery; it's the Yellowhead Route that brings a lot of people into Manitoba, and we don't have a booth there. The Saskatchewan Government has an excellent booth. We travelled there last fall and it is a gorgeous booth, open for long hours; so if we don't have a reasonable booth, we are missing out. We aren't going to detour people to the northern area. They're going to get by before they have a chance to turn north, and I'm sure the Minister of Education would love to see more tourists in the north; and also the Minister of Government Services would love to see tourists up there, and I'm going to be up there this summer.

Why aren't we improving and putting in a decent facility? This is a major artery, and I think that we really need one there, quite definitely.

A MEMBER: Yes, yes.

MR. E. CONNERY: We've got lots of support here. We'll have a vote.

HON. M. HEMPHILL: Mr. Chairman, I don't disagree with any of the points the Member for Portage la Prairie has made. We're talking about fairly significant dollars in order to do the job properly, as he's suggesting. If we want good centres developed, our first priority, and the one that we are the most advanced with and working on, is the Manitoba-Saskatchewan border. The other one would be a second priority and we would begin looking at that, but after this one is complete.

You're looking at something in the range of \$400,000 for a centre like this.

MR. CHAIRMAN: The Minister of Education.

HON. J. STORIE: The one in Flin Flon is working well, by the way, the one right on the border. It was less than \$400,000 - I think it was \$4.50, \$4.50 repainted the sign.

MR. E. CONNERY: Obviously the Minister of Education isn't too concerned about his tourism, but I would like to say that it should be a priority. As we talked last year, tourism is not a drag on the economy of Manitoba. Tourism is a business and should be run as a business. As the Minister pointed out, close to 10 percent of every tourist dollar that is spent in Manitoba returns to the provincial coffer, and also the Federal Government rakes in a good amount and so do municipal governments.

The investment being there, we're going to rake in more money than we will by not doing the things. Tourism is an industry, and the Minister said she thinks it's going to come ahead of agriculture in bringing in dollars. Well the only way, at the rate we're going, is if agriculture fails more than it has, so we want tourism to take over from agriculture, because both have succeeded but we have succeeded better in tourism.

HON. M. HEMPHILL: Mr. Chairman, I said before, the member makes a very good point and I think, looking

at spreading the dollars around, that we have a first priority we're moving on now, and we would agree with him on the importance of that as a second priority.

In terms of the industry, I also agree with everything he has said. I think it has the potential to be the major industry in our province. I know that in most other provinces, provincial Tourism Ministers - you might understand their slightly biased feelings on this - and the Federal Minister believe that all provinces and our country indeed could be looking at tourism as the greatest natural revenue sector for the individual provinces and our country.

MR. E. CONNERY: The information booth coming into Winnipeg at Headingley isn't very well signed for people coming in from the West. I find it rather, you know if you were a tourist, it would be very easy to miss that booth. I think we all, as Manitobans, know it's there, but if you're looking as a tourist, are you going to see that booth?

HON. M. HEMPHILL: We're looking at improving our signage.

MR. E. CONNERY: So, signage I hope.

Last year we were talking in Estimates and the Minister said they were looking at increased signage. If I recall her comments accurately here, she said they are dealing with the Department of Highways and Natural Resources to develop signing. But we were going to have some signing last year and yet we're still in the development stage. Mr. Chairman, we have to, at some point say, look, we're going to do something, and get out of the planning stage and the designing stage and get down to the guts of doing it. I think this is where the Minister has to have some influence on the Cabinet where they're going to prioritize some of the money channelled into tourism because we need it. We can forego riverbank clean-up and some of the other things. We need to generate the industries that are going to give us the jobs, and the tourist industry is a big job industry with somewhere in the area of 30,000 jobs within the industry.

HON. M. HEMPHILL: No. I'll just receive his information.

MR. E. CONNERY: I want to go into some of the marketing promotions.

Can the Minister give us some elaboration on what we're doing different this year? Or are we doing things different, in the dollars, maybe breakdown by the various sectors? Are there co-op promotions? How's that going? I guess some of the promotions that you go to, are they different from last year, the Minneapolis blitz and the other ones that you went to? Can you just give us a rundown?

HON. M. HEMPHILL: First of all, I think one of the things it's important to do is to go with winners and to go with things that have already demonstrated that they work very well. And so the Minneapolis blitz has demonstrated that, and we expect to continue it in much the same way as we have been doing before.

One of the major thrusts, as he suggested, is the co-op advertising program under the Tourism

Agreement, and we can perhaps make available for him a list of the groups and the organizations that are beginning to get together and share advertising. Some of it is quite creative and probably wouldn't be done if any of them were on their own.

One of them that occurs to me is the publication that was developed to promote the exchange rate in the States, that was done by a consortium of people - I think three or four people involved in the consortium - where they have run off 400,000 brochures. I have a copy of one here that I will send to the Member for Portage la Prairie. I hope he likes this one and I also hope he doesn't find any mistakes in it, Mr. Chairman, when he stays up tonight until three o'clock in the morning reading it, which I'm sure he's going to do.

Here is an example of, you know, 400,000 brochures that have been developed by a consortium in the tourism industry and funded under the Tourism Agreement. There are many examples like that, where some creativity and a little bit of money is going a long way in helping us promote.

We have, in terms of advertising, our expenditures include generic media buys in all three - print, radio, and television. We're concentrating on our primary markets in North Dakota and Minnesota.

In terms of our promotions, our expenditures are focusing on sport and vacation shows. All Canada shows and mall promotions in key urban cities such as Minneapolis, Chicago, St. Louis, Milwaukee, Omaha, Kansas, Madison, Bismarck, Minot, St. Cloud, Fargo and Grand Forks.

Our group travel expenditures include attendance at select travel, trade and meeting, and incentive travel marketplaces in such centres as Minneapolis, Milwaukee, Chicago, San Diego, Anaheim and Dallas. Fam. tours targeted as potential corporate and group travel buyers are also included.

Our publications, he's quite familiar with, are lure material, promotional items, film and audio-visuals distributed in the United States. Program development, we have some consulting fees to develop Manitoba marketing strategies in primary United States markets.

I was just finding out that we have a new film that I think is exceptionally good that is for group travel and meetings and conventions that can be made available.

MR. E. CONNERY: On VCR?

HON. M. HEMPHILL: Yes. We showed it, I think, for the first time at the Convention Centre to the industry people who we were trying to get excited about getting ready for Rendezvous Canada. It was the first time I had seen it, and I thought that it was a very good film. One of the things that people are very excited about us when they find out what we have here to offer is that we should, if we can make films available to them, get the information out. They think that letting people know what we've got is really all we have to do because what we've got is very, very good.

The Canada Manpower Tourism Agreement is where the co-op program comes in. We have our product development, travel, trade and consumer marketplace consortia, trade media, familiarization tours, conventions, meetings, major events, and the

development or improvement of visitor information centres which we have just - information centre - correction, Mr. Chairman.

MR. E. CONNERY: Looking at the brochure that was given to me, I think it's an attractive brochure. I must . . .

HON. M. HEMPHILL: Found a mistake already?

MR. E. CONNERY: I haven't had time yet. I don't know whether the dollar conversion is right or not; I'll have to get my calculator out.

I would say in all honesty, as a criticism, the six or eight large pictures you had last year, they were more like abstract art, and I really wasn't impressed with them. I've looked at them, and I had other people look at them. People had to look at them, and they kind of like, what are they trying to tell us? The jockey hat, people had to look and look and look to determine if it really was a jockey hat. Then they said, well - and then the printing was so very small that if you weren't carrying your glasses, which now I have to start doing, you wouldn't be able to read the print. I don't know whose department it is, but it's an observation that sometimes we can get too fancy and we forget to let people know what it really is. So it's an observation.

HON. M. HEMPHILL: Right. Mr. Chairman, I just want to make the point that the fact he's talking about them so much suggests that they are probably fairly successful. If everybody spends as much time talking about what they mean, as you are, then . . .

MR. E. CONNERY: I can believe that.

HON. M. HEMPHILL: The previous Minister says I can blame them on him. No, I think that it's something that there is a lot of individual taste too, but we have had just as much positive comment and interest in the design and, if the purpose is to get attention, we're getting attention.

MR. CHAIRMAN: The Member for Kirkfield Park.

MRS. G. HAMMOND: Mr. Chairman, what plans does Travel Manitoba have for Grand Beach?

HON. M. HEMPHILL: Mr. Chairman, this is one of the areas that we are looking at and actually are at the stage of having proposal calls, which means we're asking the private sector to indicate an interest in development. It's also one of the areas where there is a lot of public interest, and it will involve public hearings and participation prior to any final determination of what development would go in there. The other department that would be involved in this would be the Department of Natural Resources.

We are looking at potential development plans, recognizing that there are sometimes competing interests between development and maintaining sort of a natural area. It will depend a fair amount on two things: the proposal calls that we've received, what interest there is in the private sector; and also what kind of response and action there is from the public

related to whatever kind of development there is that we get serious about.

MRS. G. HAMMOND: Are there any plans for joint federal and provincial involvement in the Grand Beach area?

HON. M. HEMPHILL: Mr. Chairman, it would be under the Tourism Agreement, and that does involve automatically joint provincial and federal sharing.

MRS. G. HAMMOND: Are the proposal calls out now, or what is the time frame that we're looking at for Grand Beach?

HON. M. HEMPHILL: Mr. Chairman, I understand the proposal calls are not out at this time. The time frame we're looking at is the fall of next year.

MRS. G. HAMMOND: The Minister is indicating the fall of 1988?

HON. M. HEMPHILL: Just hold on one moment while we confirm that information - the fall of '87. You're quite right.

MRS. G. HAMMOND: How long does it usually take after proposal calls have gone out to get some feedback so that something definite is able to start? We're looking at a prime tourist area. It's one of the 10 best beach areas in the world, I understand. It's always been a family beach; people rent cottages, own cottages, go camping.

I'm just wondering how long it's going to be before we have some actual development in that area, which is so close to Winnipeg and always has been a very much used park. I understand, looking at a couple of figures that I have, that the return, the revenue cost at Grand Beach Provincial Park is 57 percent, which is extremely high for a park, and it certainly could use the upgrading.

I'm just wondering how quickly this is all going to come about. Are we looking at one year, two years, five years - what?

HON. M. HEMPHILL: Mr. Chairman, first of all, I think it's important to say that this is a proactive move by our department, and it's one that is being taken for the first time where we are actually going out and soliciting proposal calls. So we are initiating and generating the activity in the first place, not waiting for the private sector to decide if they're interested.

There are already indications of some development interest, and I suppose the first step will involve their determining to their satisfaction that they're willing to get serious enough to submit actual proposals.

Once we have those, I think that the requirement of public hearings and the involvement of the public prior to any final determination in an area like that is an important additional part of the process, even though it may add a bit of time in making the decision. Once those development decisions are made, they're very hard to undo. We want to take the time we need to make them properly in the first place.

MRS. G. HAMMOND: Is the Minister suggesting that private industries, private businesses, can go into a

provincial park and open up where they like and when they like?

HON. M. HEMPHILL: No, absolutely not. The Minister of Natural Resources would be quite horrified if he thought that's what I was saying.

MRS. G. HAMMOND: Well, then, to be proactive, that's the only way that private industry then can have any development in the park.

HON. M. HEMPHILL: In this area, this is an activity that we are undertaking, but we have a number of parks and the development has to be balanced with maintenance of natural resources. We have a policy and a park plan where we will be working very closely with the Department of Natural Resources to make sure that we are identifying those areas that we want to develop, because there are some areas where we want additional development because they are high use. The accommodations or the facilities there are perhaps not adequate, and there may be potential increases for additional tourists and additional visitors with increased facilities.

Those decisions will be made in concert and in conjunction with the existing parks policy that will have us reviewing and making decisions on where development can go in and where it cannot go in.

MRS. G. HAMMOND: I would just like to suggest to the Minister that I think it's a good idea to go out to the private sector and also to listen to the people because they have been always - that is, Grand Beach has been a people beach. As a kid, I went there; all my friends did. As adults, people are still down there with their children. I would hate what happened to Riding Mountain National Park to happen to Grand Beach, where they decided they were going to make it into, I guess, a campers' park, a wilderness park, and now they're hiring people to try to see how they can bring back people to what is one of the most glorious areas in our province, Riding Mountain.

I hope that, when Grand Beach is looked at, it is looked at for people to be actively in there, to have fun there, that there are things they are able to do, because that always is what brings people to a beach, too. I would hate to see it looked at as a wilderness park, rather than as a people park.

HON. M. HEMPHILL: Just two points, Mr. Chairman, the one I made previously is that any development that was done under the Tourism Agreement will have to conform to the policy of the Natural Resources Department and the park development plan that is approved by government.

I guess that means the Member for Kirkfield Park was on the moonlight trains, then?

MRS. G. HAMMOND: I'm not going back that far.

HON. M. HEMPHILL: I didn't think they were that long ago, to tell you the truth.

MRS. G. HAMMOND: Look back.

MR. CHAIRMAN: The Member for Kirkfield Park.

MRS. G. HAMMOND: No, I'm finished, thank you.

MR. CHAIRMAN: The Member for Springfield.

MR. G. ROCH: Thank you, Mr. Chairman.

There have been a lot of comments made about the highways, food-liquor combination, gasoline. Despite all of these negative factors, the Minister is still optimistic, as are industry officials, and rightfully they should be because if you weren't optimistic you obviously wouldn't be running a business. But as last year's statistics have shown, all is not well, especially if you consider the plight of the border restaurants, hotels, gasoline stations. Some of them are in very dire straits.

I'm just wondering, Mr. Chairman, if the Minister or the department is looking at working with other Ministers, other departments, in trying to do something to alleviate the situation, the price of gasoline, the price of liquor, for example, where a major portion of the price is due to taxation?

HON. M. HEMPHILL: I think the point made is a very good one and it's probably, as a general point, one that we have to pay more attention to - us, as a department, providing information to other departments and beginning to recognize more and more the things that impact negatively on tourism. I think that it's something that we're all learning about or becoming more aware of, is that there are some things that happen in a department that they might think are just relevant to their individual department, but a great number of them have spinoffs and effects, positive or negative, on the tourism industry.

I believe that one of our responsibilities, mine as a Minister, and my department's as a department, and the industry's, is to make sure that we identify those things and communicate the positive or the negative effects to the best degree that we can so that, when decisions are made, they will at least be made knowing that there may be a positive or a negative impact on the industry, and that includes all of the items that the member raised.

MR. G. ROCH: I'm glad, Mr. Chairman, that the Minister recognizes that because, as we have heard earlier and I'm sure the department officials hear it too, many of the complaints from tourists are not related directly to the department itself but more into tourist areas for which other departments have responsibility. That is why I pose the question because, being in the hospitality industry myself, I know full well that there is tremendous cooperation between the department and the different industry organizations which help to promote tourism.

It's unfortunate that, when people come here and because of policies or budget requirements in other departments, the good work of a certain field or certain department is undone because of another department.

I'd like to know if this type of interdepartmental cooperation is, in fact, happening already or is it just beginning.

HON. M. HEMPHILL: Mr. Chairman, I think it's something that people have always tried to do. It isn't operating on a formal basis in terms of a specific

committee, but what we are doing more and more is setting up interdepartmental committees to deal with specific issues. That's one of the ways we are doing it. The highway signage is an example. Looking at the private industry suggestion for information booths is another example where we brought in three departments to look at that and be involved in that decision.

The other element is not formal, but is one where our department, I think, has to start identifying, actively identifying, those things that we believe will have a negative impact on the tourism industry, and then gathering the information that will demonstrate that and making it available.

Now I'm not saying that when these tough judgments are being made, because they're all tough choices and tough decisions, that the tourism industry will always win out or the people will always say, oh well, if it effects the tourism industry, we can't possibly do it. But with the information on the impact, it is possible that decisions that will be made will be done in a way that we'll try to reduce the negative impact on an important industry like the tourism industry. I think that's a role that we intend to play a little more strongly in the future.

MR. G. ROCH: I would hope that it includes the area of taxation too, because one of the objectives of Travel Manitoba, as written in the Supplementary Information booklet, is to establish a rate of growth in tourism income which is greater than growth in provincial domestic product. And as we know, although maybe we - by we, I mean Manitobans generally - are becoming accustomed to high taxes, many visitors, many tourists aren't, and they are kind of shocked at our prices. I hope at least tourism is kept in mind when overall Cabinet decisions are made.

That's all the comments I have, Mr. Chairman.

HON. M. HEMPHILL: There are dozens and dozens of factors that they have to take into consideration, and the only thing we will want is that the impact on the tourism industry is one of them that's given consideration. I think that's all we can ask for and all we can expect.

MR. CHAIRMAN: The Member for Portage.

MR. E. CONNERY: Yes, just some advice for the Minister to save her and the department an extremely large amount of money. If you would listen to what we have been saying to you for the last year, you would find out that you don't need to go to all this, because if you'll recognize - in the Manitoba Developmental Centre in Portage, we kept on telling the Minister all along what the problems were, but they had to go to an Ombudsman's report who said exactly what we've been saying.

So if you would go back to Hansard now through the last year, and this year when it's printed, then you've got your study done. So that was just a little . . .

HON. M. HEMPHILL: Mr. Chairman, is he going to submit a consulting bill? First of all, it's going to proofreading and now consulting services.

MR. E. CONNERY: I just wondered, though, this is a Co-op badge. Did you get paid by the hotel before it went out.

HON. M. HEMPHILL: Let's hope.

MR. E. CONNERY: One of the eight concerns I have with the destinations, and of course we are not into them, but (b) and (c), is there any of the (b) and (c) money in (a) in the Travel Manitoba sector?

HON. M. HEMPHILL: (b) and (c) money into (a)? Does anybody understand this language?

A MEMBER: 3.(b), 3.(c).

MR. E. CONNERY: Yes. Take a look in your Estimates and it's your agreements, your tourist agreements. Is there any money from those agreements spent in the (a) sector?

HON. M. HEMPHILL: They're all separate appropriations.

MR. E. CONNERY: Well, we see a lot of separate appropriations, but you know we see different departments financing other departments through Tourism, financing Natural Resources and that sort of thing. So none of the Tourism money is spent in (a). Okay, that's fine.

HON. M. HEMPHILL: Well, no agreement money in (a), (b) and (c) is agreement money, (a) has no agreement money in it.

MR. E. CONNERY: What is the status of the IMAX Theatre? I think it comes under this part - it's a multi, it comes under everything.

HON. M. HEMPHILL: Yes, it does.

MR. E. CONNERY: Can we discuss the IMAX?

HON. M. HEMPHILL: We've actually had a couple of viewings in the last month or so, I think, the Minister of Cultural Affairs, the Minister of Urban Affairs, myself, and a number of departmental people. It's at the point now where they're doing final editing, I believe, and expecting the final editing will be done very shortly, and the film will be completed and available in the very near future.

MR. E. CONNERY: The Minister is referring to the film, but what about the theatre itself?

HON. M. HEMPHILL: I'm referring to the film. Oh, the theatre, this fall.

MR. E. CONNERY: Does it look like it's on target?

HON. M. HEMPHILL: It looks like it's on target.

MR. E. CONNERY: What about the costs, are they within the realms of the Minister? I think it was \$7.5 million, if I can find the Estimates from last year.

HON. M. HEMPHILL: Mr. Chairman, our contribution is limited to an amount of money, and we don't expect

our contribution to go beyond that. We're also not in charge of the capital facility.

MR. E. CONNERY: If there are cost overruns, then they won't come out of this department?

HON. M. HEMPHILL: They won't come out of our budget, no.

MR. E. CONNERY: Where would they come from?

HON. M. HEMPHILL: Cadillac Fairview?

MR. E. CONNERY: Is that where it will come from?

HON. M. HEMPHILL: Likely North Portage Development.

MR. E. CONNERY: Is that the company that's building North Portage Development, or will it come out of federal funds?

HON. M. HEMPHILL: No, it's the corporation, the North Portage Development Corporation.

MR. E. CONNERY: Okay.

HON. M. HEMPHILL: Chair, are we going into Private Members'?

MR. CHAIRMAN: Yes.

MR. E. CONNERY: Yes, we're going into Private Members', so we'll be

MR. CHAIRMAN: Do you want to call it five?

MR. E. CONNERY: We'll call it five, and then we'll go into the two Tourism ones, (b) and (c). On the horse racing, I don't have a lot. I haven't lost any money there yet.

MR. CHAIRMAN: The hour now being five o'clock, committee rise.

SUPPLY - MANITOBA JOBS FUND

MR. CHAIRMAN, C. Santos: Committee of Supply, please come to order.

We were considering the Estimates of the Manitoba Jobs Fund. We were on Item No. 1.(c)(1) Business Development: Current Operating Expenditures.

The Honourable Minister.

HON. V. SCHROEDER: Thank you, Mr. Chairman.

The Member for Morris asked about where the repayments of Jobs Fund loans appear. Repayments are not included in the province's Revenue Estimates and are not considered revenue, being principal repayments of capital advances, which reduce receivables.

Outstanding amounts owing are noted in the Public Accounts, pages 2-8, details of Loans and Advances by program, corporation or project. The latest figures available are noted in the '85-86 Public Accounts. Jobs

Fund related items are as follows, to March 31, 1986 - I'm sorry, I think those numbers are all on page 2.

I'll read the ones that are specifically Jobs Fund, from that page, and the member can go to that page later on and see what else is there.

Manitoba Development Corporation, \$13,757,232; MHRC, \$56,662,086; Venture Manitoba Tours, \$500,000; Insulation Loan Program, \$14,350,000; Venture Capital Program, \$3,195,756; Manitoba Fire College, \$728,359; Churchill Hydro Line, \$10,022,536; Winnipeg Bible College, \$150,000; Film Support Program, \$211,495; Employment Co-op Initiative, \$62,400; Manfor, \$9 million. Total: \$108,639,864.00. That's as of March 31, 1986.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNESS: Mr. Chairman, I didn't hear the Minister's introductory remarks. Are these write-offs, write-downs, or indeed, are these amounts that are received? I didn't hear his earlier comments.

HON. V. SCHROEDER: The numbers I read out are receivables, loans and advances; and, as I indicated, details by program and so on are on pages 2-8.

MR. C. MANNESS: Mr. Chairman, I took up an aspect of this, this morning, with the Provincial Auditor. He gave me some further information.

I would then ask the Minister, given the information that he has just provided, is he indicating then that when there are loan repayments under any of these programs, under specifically any Jobs Fund programs, that indeed they flow back specifically to the Treasury of the province, and as such are used as funds in any manner that the government deems appropriate?

HON. V. SCHROEDER: Mr. Chairman, what would happen is when we get revenue back from, say, the Insulation Loan Program, the amount is paid to the Minister of Finance, Province of Manitoba, General Revenue. The amount then reduces the amount of loans and advances outstanding under the Insulation Loan Program by the same amount that was sent in.

MR. CHAIRMAN: The Honourable Minister of Labour.

HON. A. MACKLING: Mr. Chairperson, the other night the Honourable Member for Brandon West asked me a number of questions. The Honourable Member for Pembina also asked me questions in respect to the Labour Education Centre.

I indicated I was not certain whether or not the former executive director, the matter of his status was still before the courts. I'm advised that that is not the case. He appeared in court on June 2, 1987. He received a two-year suspended sentence with unsupervised probation and 300 hours of community work. Charges of theft had been laid, related to the discovery of a computer on the premises of the centre, which had earlier been reported stolen sometime before when a break-in had occurred.

The Board of Governors of the Labour Education Centre acted correctly and quickly. They called in police, suspended the former executive director without pay

and then, at an emergency board meeting, terminated his employment. I'm advised that a full accounting has been ordered in respect to all of the matters that the former executive director had under his responsibility.

MR. CHAIRMAN: The Member for Brandon West.

MR. J. McCRAE: Could I ask the Minister of Labour when the emergency board meeting was held, when the loss came to the attention of the board?

HON. A. MACKLING: I don't know the exact dates that when the first information was obtained by the board or members of the board, but the emergency board meeting was held on December 23 of 1986.

MR. J. McCRAE: Can the Minister tell me the value of the loss to the centre?

HON. A. MACKLING: I don't believe, Mr. Chairman, that I have that value. There were a number of items that had earlier, as I indicated, had been believed to have been stolen that, in fact, appeared to not have been stolen. So the question of loss is not all that clear. Compensation had been received from the insurance company and reimbursement, obviously, would have to be made to the insurance company.

The board of governors is sorting those matters out and I'm certain - oh, I'm also advised that there will be a request from the former executive director, either voluntarily or through a formal request, to provide reimbursement to the centre for any losses incurred.

MR. J. McCRAE: What was the amount of the compensation received from the insurance company, and how much reimbursement will be required to the insurance company?

HON. A. MACKLING: I do not have that information as to what the original claim to the insurance company was or how much would be reimbursed. It's a matter of accounting that is taking place now.

MR. J. McCRAE: Was Mr. Lessard charged with theft over or theft under \$200.00? Or is it still \$200 or is it \$1,000 now?

HON. A. MACKLING: I'm not sure of the exact charge. I just knew that he was charged with theft. The disposition of the court was, as I indicated, a two-year suspended sentence with unsupervised probation and 300 hours of community work.

MR. J. McCRAE: The Minister, and the Minister responsible for the Jobs Fund, or the lawyers in this Chamber, maybe they can tell me what the Criminal Code says.

When one receives a two year suspended sentence, does that not indicate an indictable offence?

HON. A. MACKLING: I hesitate to give an opinion because I haven't looked at the provisions of the Code for some time. I know there have been some changes and it would be much safer for me to indicate that I really am not certain. It may well be that the

interpretation the honourable member makes is correct; I'm not sure.

MR. J. McCRAE: Mr. Chairman, it seems to me when a charge of theft is laid, the accuser, in this case I assume the Winnipeg Police Department, is aware of the amount of loss involved. I can't quite understand the Minister's inability to tell us the amount of loss in this case.

Is there some further explanation the Minister can give?

HON. A. MACKLING: I make no apology to the honourable member for not having all of the detail because this is not a departmental matter.

The Labour Education Centre, while it receives this funding from the province, is at arm's length - I don't have care or conduct for the management of the centre and I didn't pursue personally, the information to the police. The Board of Directors did all those things. I wasn't in a position to confirm to the honourable member last evening whether or not the matter had been dealt with simply because I didn't have personal responsibility for that knowledge. I, quite frankly, just don't feel that it is incumbent on me to have at my fingertips that knowledge. It is an arm's length organization outside of government for which I'm prepared to answer the questions - and I have - to the extent that I have the information.

MR. J. McCRAE: I don't expect the Minister to have all this information at his fingertips. I didn't expect him to have it as late as last night, the kind of information to which the taxpayers of this province are entitled. I didn't expect that then, but surely I'm not being unreasonable or arrogant, as I have been accused of being, for asking questions today when the Minister has had time to look into this matter more fully. To what extent have the taxpayers of this province been exposed, in monetary terms?

Within a year of the granting of \$250,000, Mr. Chairman, from the Jobs Fund, we find there is this occurrence taking place within the Manitoba Labour Education Centre. Surely, it's not unreasonable for me to ask the Minister these questions now and to receive answers. When am I going to receive answers to these questions as to how much the centre is out over this, how much an insurance company has had to become involved, what kind of people we have operating these so-called arm's length agencies of the government?

The Minister can't stand here today and say, "Well, I really don't know anything about it. We do give them \$200,000 every year. There's been a Jobs Fund grant of \$250,000, but I really don't know anything about this occurrence. I don't know if it was an indictable offence. I really don't know what was taken. I don't know why, when . . . "This isn't good enough, Mr. Chairman. We need to know what's happening at this institution that is taking from the taxpayers of this province \$200,000 every year and \$250,000 by means of a grant which, the Minister of Environment and Workplace Safety and Health tells us, the result of that \$250,000 was the training of 40 employees of various workplaces.

Did the Minister of Environment tell us what was the result of that employment? How many person hours

were used in training these people for \$250,000.00. Does he have that at his fingertips? Maybe he did mention it last night and I didn't write it down.

MR. CHAIRMAN: The Minister of Environment.

HON. G. LECUYER: I had this information with me last night but the member never asked for that type of information. I don't have it now. There were 40 people. I gave the member the information that the course was provided, it was completed. I believe that there might have been one dropout as part of that course, but it was completed; with practically all of those who started it, being part of the program, it was completed. All of the members who were in that program went back to the workplaces.

I can get the number of hours that this represents by saying, well, it was a six-month course; it lasted for X number of weeks multiplied by 40. But I don't think that would give much additional information to the member except to say the course, from the evaluation that we were provided afterward, was indeed well received. It was evaluated very positively by the members who attended. I did have information to that effect last night, which I could have read on the record. I don't have it here with me today and I didn't think that the member was seeking that type of detailed information to be put on the record but, if he is, I can get it.

MR. J. McCRAE: I'd like to be fair with the Minister of Environment. He's correct that I hadn't intended to raise these detailed questions about that part of the matter today, but I would appreciate it very much if the Minister of Environment could give me more information and detailed information, perhaps in writing, respecting how that \$250,000 was used.

I would ask, also, the Minister of Labour, to be a little more forthcoming in regard to this matter regarding charges being laid. The matter is now disposed of. Last night he told us, and, Mr. Chairman, you attempted to stop me from asking questions on this matter on the basis that it was sub judice. We find out today that matter is complete. Has an appeal been filed?

MR. CHAIRMAN: The Honourable Minister of Labour

HON. A. MACKLING: No, Mr. Chairperson, I didn't; nor did I hear. I think the chairperson had some doubt as to whether the matter might be sub judice. That's why, because I wasn't sure what the status of the matter was in respect to whether it was still in court, whether there was a likelihood of appeal, but I was careful not to say anything which I think would prejudice either party to the matter should it be in court. I wasn't sure whether it was in court. Therefore, I talked privately with the member to give him some further information and then, of course, we subsequently were involved in further questions and answers where I made it clear that while there was some court involvement, I wasn't certain of its disposition.

The matter, as I've earlier indicated, has but recently been resolved in court. There was a court appearance on June 2. The matter of the accountability is ongoing. If the honourable member wants me to follow up with

specific information to him, I'll be happy to accommodate him.

MR. J. McCRAE: Of course, I would like to have the Minister use his offices to follow up on this matter. It's somewhat surprising to me that a matter is pending, a matter involving an amount the Minister is not aware of, and yet his department continues to grant money and to bring before this Legislature a request for a spending of \$200,000 for such a centre when he doesn't even know how much the centre is being ripped off by a certain person who may either have pled guilty or been found guilty of an offensive theft.

Can the Minister tell me: Was there a plea or was there a trial?

HON. A. MACKLING: I'm sorry. The honourable member, I don't believe, heard me when I gave the information. The former executive director entered a plea of guilty and received the suspended sentence.

MR. J. McCRAE: Will the Minister undertake an investigation of this whole matter, in conjunction with the Jobs Fund grant, as well as his own department's annual grant, to decide whether the taxpayers' hard-earned dollars are being properly spent and administered by the Manitoba Labour Education Centre? If he will conduct an investigation, such as the type that I am talking about, will he make the results of that investigation known? In other words, will he let us know all the details of this matter and let us know what his department and the Jobs Fund intends to do about this?

HON. A. MACKLING: Well, Mr. Chairman, it will be my intention to make no more nor no less of this issue than what it is. It's a case of someone who is charged with responsibility having obviously exceeded his authority, been involved in disposition of equipment that was unauthorized, the matter having been acted upon by the board very quickly when the information became known to it, and the proper course of action having been followed. To the extent that there is any further review of what has taken place in respect to the disposition of equipment, I've indicated that I will get that kind of information and supply it to my learned friend by letter.

MR. J. McCRAE: Mr. Chairman, in view of the fact that the Minister has not to this date made any serious investigation of this matter, will he ask the Provincial Auditor to become involved and make an investigation of the Manitoba Labour Education Centre and its use of the public funds that it uses?

HON. A. MACKLING: Mr. Chairman, I will get the kind of accounting that I believe is necessary from the centre through the Board of Directors. I will supply information to the honourable member in respect to the information I get in respect to the assets that were disposed of or improperly accounted for, whatever the circumstances are. If there is any need for a further accounting, I will ask the board for it.

MR. J. McCRAE: Mr. Chairman, you will have to forgive me if I don't accept that what the Minister believes is

necessary is sufficient. Perhaps past events show that what this Minister believes is necessary is not enough. So I am asking the Minister, will he ask the Provincial Auditor to conduct an investigation immediately into this matter?

HON. A. MACKLING: Mr. Chairman, if I felt that this matter was not going to be the type of thing that could be fully accounted for through the board and through its accounting to me, I would certainly consider that. I don't think this matter is of that nature. There has been . . .

MR. L. DERKACH: Al, you said that about MTX and look where it got you.

MR. J. McCRAE: You said that about Brandon University, too, Al.

HON. A. MACKLING: Well, the Honourable Member for Roblin-Russell has entered the debate from his seat, Mr. Chairman, and the honourable member should know that the Honourable Member for Pembina pioneered the efforts of government to secure contracts in Saudi Arabia.

I would be delighted to speak at length about his glowing relationship - the relationship of the Honourable Member for Pembina with senior personnel of MTS and MTX, and how enthralled and enthused he was about the activities of MTS and MTX there, how he encouraged the Federal Government to ensure the presence of the MTS in Saudi Arabia.

If the honourable member forgets about the letters that the Honourable Member for Pembina, when he then was Minister responsible for Telephones, eloquently pleading for a greater role for the MTS in Saudi Arabia, I will rekindle his memory on those questions.

There's no doubt in my mind that the Honourable Member for Pembina had it within his power to have taken the necessary steps to discipline those members in the Telephone System when he was embarrassed, when the Honourable Member for Lakeside was embarrassed by the revelations that the MTS board, the MTS administration had spent money without authority.

But what did the Honourable Member for Pembina do when the Honourable Member for Lakeside was relieved of his responsibilities for Telephones and the Honourable Member for Pembina was put in there as that tough man to deal with the situation? What did he do, Mr. Chairperson? He did sweet zlich; that's what he did. He was obviously afraid of the senior management of MTS and he did nothing.

MR. CHAIRMAN: Order please.

With due respect, speeches in the committee of the whole House must be strictly relevant to the item or clause under discussion.

The Member for Brandon West.

MR. J. McCRAE: Mr. Chairman, your thinking and mine are remarkably alike. Every time the Minister of Labour begins to speak, the matter of relevancy does come up whenever he does rise, because whenever the Minister of Labour gets into a tough situation, he has

to go as far back into the deep dark past as he can in an attempt to obliterate the events of the present.

This Minister is responsible, as well as this whole government, for the activities of the Manitoba Labour Education Centre by virtue of the fact that the monies that that centre receives, or the only money it receives, are taxpayers' dollars. Mr. Chairman, this Minister is taking a remarkably cavalier attitude towards the spending of taxpayers' dollars.

I'm shocked that after all he's been through, his only response is that he's going to ask the members of the board for their opinion on how things have been going. That's just not good enough, knowing who the members of the board are. The members of the board, as we know, the chairman is Mr. John Pullen, who is the operations director of the Manitoba Government Employees' Association. We know also that the key in this whole thing is Mr. Wilf Hudson, who takes a very partisan approach to his union activities.

So, Mr. Chairman, I have to ask the Minister: Will he order or ask the Provincial Auditor to conduct an immediate review of the situation at this centre?

HON. A. MACKLING: Mr. Chairperson, the board of the Labour Education Centre acted responsibly and with conviction. They immediately, when they learned that there was a likelihood of a problem, addressed the matter, did alert the police. That didn't happen in respect to MTS.

An affidavit was held by members of the Opposition, containing allegations of criminal misconduct - not brought to the police but laid before committee with great drama and finesse by the Honourable Member for Pembina.

But I know I should stick strictly to the subject before us, Mr. Chairman, and let me say that the Board of Governors of the Labour Education Centre, in my mind, acted with the kind of expedition and responsibility that's commendable for any group in society - called in the police, had an emergency meeting, suspended the person in question, and dealt with the matter in a very responsible way.

I am certain that that Board of Governors will see that there is a full accounting. I will get a full accounting in respect to that matter, and I will share that accounting with the honourable member.

MR. J. McCRAE: In the meantime, Mr. Chairman, will the Minister withhold any grant funding from this government to the Manitoba Labour Education Centre until we can be satisfied that things are operated properly there?

In view of the fact that in the past they clearly have not been, will the Minister withhold any further grant funding to the Manitoba Labour Education Centre till that time?

HON. A. MACKLING: Mr. Chairman, I'm sure that there are times when, in institutions like the universities or schools or wherever, there are causes for concern, that maybe some of the programs haven't been properly conducted, maybe some property may or may not be fully accounted for, but life goes on, and a good program should go on.

I'm satisfied that the concerns of need for the Labour Education Centre are as vital today as they were

yesterday, and the day before yesterday, and the need to get more and more workers in the workplace understanding the issues that affect their health and their safety, and their rights and responsibilities, as well, in the workplace. That kind of vital service, Mr. Chairman, should not be sidetracked by concerns from the honourable member, valid concerns about full accounting; but the Labour Education Centre is doing a valuable work and that work will go on.

MR. J. McCRAE: Mr. Chairman, the work of the Manitoba Labour Education Centre is to inform the public on the negative aspects of free trade, the negative aspects of deregulation; and with respect to privatization and this Minister's position - we don't know what respect it is - but what is the Manitoba Labour Education Centre educating the public about those three issues for, using government funds? Why?

HON. A. MACKLING: Mr. Chairman, I'm sure it's relevant now for me to speak about free trade and

MR. J. McCRAE: Don't they have their own funds? Unions? Just answer the question.

HON. A. MACKLING: I wonder if the honourable member wants an answer.

MR. J. McCRAE: A relevant answer.

HON. A. MACKLING: Mr. Chairman, the Labour Education Centre has the responsibility to advise workers of the issues that affect them, including such matters as free trade.

Is the honourable member satisfied? Does he know the effects that free trade will have on the economic well-being of Manitoba? Does he know the effects free trade will have on the workers of this province? Those are vital issues that workers in this province are entitled to understand and realize the impact of those initiatives. If the honourable member disagrees, let him say so.

MR. J. McCRAE: Mr. Chairman, the honourable members in the Legislature of Manitoba and the honourable members in the Parliament of Canada are in a position to inform the public on the ramifications of free trade and privatization and deregulation. If the union movement in this province or anywhere else wants to conduct propaganda campaigns on these issues, I have no objection to it. I'm sure that's part of something they should be doing, but with their own funds, Mr. Chairman. That's the point.

That's a point lost on this Minister. He has absolutely no respect for the taxpayers' dollars, Mr. Chairman, and here he is, trying to tell me that this is a legitimate use of taxpayers' dollars. I disagree most strongly Mr. Chairman, with that point of view.

I've asked the Minister to withhold grant funding until the matter of criminal activities at the Labour Education Centre are cleared up to his satisfaction, at least; and if not his, then to the satisfaction of myself and others in this House.

On the same matter of the Jobs Fund, Mr. Chairman, and I'll ask this question of whichever Minister is the

best able to answer it: Will the Manitoba Labour Education Centre be the recipient of any Jobs Fund monies this year?

HON. A. MACKLING: Mr. Chairman, taking the last question first, as I like to do, certainly the answer is an unequivocal "yes." Yes, indeed.

In respect to the issue that was before the court, I've indicated that the former executive director was sentenced in court and the matter is finished.

I hear my colleagues indicating that there may, in fact, be no Jobs Fund money, per se, to the Labour Education Centre, but the funding from the department itself is an ongoing matter and that certainly will follow.

MR. J. McCRAE: That's what I asked - the Jobs Fund this year.

HON. A. MACKLING: I'm not aware of any Jobs Fund money this year.

MR. J. McCRAE: Mr. Chairman, I thought the Minister of the Environment was rising to answer, but he seems to be rising for some other purpose.

MR. CHAIRMAN: The Minister of the Environment.

HON. G. LECUYER: Mr. Chairman, I can't advise whether there are other types of programs under the Jobs Fund which I'm not aware of, but the program which was held in 1985 was a one-time-only type of program and was not continued last year and it's not planned for this year.

MR. J. McCRAE: Mr. Chairman, a question to the Minister responsible for the Manitoba Jobs Fund.

Will the Manitoba Labour Education Centre, under any appropriation of the Jobs Fund, be receiving Jobs Fund monies this year?

MR. CHAIRMAN: The Honourable Minister responsible for the Jobs Fund.

HON. V. SCHROEDER: Thank you.

I don't know. There may be money coming in through Jobs in Training, through Careerstart, for other programs of general application where these people would be able to apply just like any other agency; and, in that instance, if they provide a job that appears to be of suitable training, suitable in terms of the program qualifications, then certainly they'd be entitled.

But it's an interesting perception that somehow an agency where there's one individual who is involved with some activity or other, that the whole agency should have its money frozen. That's the same thing as saying that the Senate of Canada should not have any revenue anymore from the Government of Canada because the Prime Minister's friend from Laval days was just appointed to the Senate after it was discovered that he was involved with some possible criminal activities last fall with respect to Oerlikon. We've never suggested that because of that, the Senate funding should be frozen. Quite frankly, we would agree that the Senate funding should be frozen and eliminated but not for that reason.

The member really wants money to this particular program frozen not because some individual has done something, but because he doesn't like what is happening at the institution. That's fair. He's perfectly entitled to take that perspective, but to do it on the back of some other investigation, I don't think is fair. I think if you have some problem with a particular study, then say so, and he has said so.

That is no different, Mr. Chairman, than the funding that is provided by the Federal Government to a number of agencies that are out there supporting free trade, and he makes a grand statement with respect to this one instance. He knows full well that there is a considerable expenditure of funds by the Province of Manitoba with respect to the whole issue.

We're not just talking in terms of that one program as being our total effort in terms of free trade. We have our agent going to public meetings and so on, putting forth the Government of Manitoba position. There are dollars expended there just as there are federal dollars expended, although the Federal Government has a different perspective on it.

I never hear the members opposite say that somehow the Federal Government shouldn't be entitled to do that. That's perfectly okay. But should we have a slightly different position, then they're saying we're wasting the taxpayers' dollars because we're putting a different position, and that's something we don't accept.

MR. J. McCRAE: Mr. Chairman, the Minister is absolutely right. What little I do know, what little the Minister of Labour has allowed me to know about the Manitoba Labour Education Centre, I don't like. He's absolutely right.

When I compare what's going on at the Manitoba Labour Education Centre with what's going on at the Brandon General Hospital - the Member for Brandon East might listen to this - what I see happening at Brandon General Hospital, and I look at the amounts of money given to the Manitoba Labour Education Centre, which institution I have many, many questions about the validity of their activities, and I see that kind of money, \$1 million in five years, plus \$250,000 in Jobs Fund monies being spent there and in the way that I know it's being spent, there is something wrong with the priorities of the Jobs Fund; there is something wrong with the priorities of this government. There's always been something wrong with the priorities of the Minister of Labour, and there's certainly something wrong with the priorities of the Member for Brandon East in whose constituency Brandon General Hospital is.

When it comes to standing up for the people of Manitoba, I think it's important for all of us to put priorities in their place when monies are short, when funds are tight. The re-election of the New Democratic Party is not a priority with me, obviously, but I should still think that to the Member for Brandon East, and anyone else sitting in this House, the priorities should be the health of Manitobans.

I stand here today, Mr. Chairman, to speak for the health and well-being of the people out in the area I represent, and the surrounding area, which relies to such an extent on the fact that beds should be open at the Brandon General Hospital. Never since Brandon General Hospital was built, do I know of a time when

31 beds were closed permanently, or during the summer months when 49 were closed. Why does this have to be when we're sending \$1 million to the Manitoba Labour Education Centre whose use of the funds is questionable indeed?

I'll ask one more question of the Minister responsible; and that is, were there any funds advanced to the Manitoba Labour Education Centre under the Jobs Fund in the fiscal year 1986-87?

HON. V. SCHROEDER: Mr. Chairman, again, there may have been funds under Careerstart; there may have been funds under Jobs in Training. Quite frankly, that comes under a specific department and requires a fair bit of digging. If there were funds, it would be in the amount . . .

A MEMBER: You shouldn't have to go digging.

HON. V. SCHROEDER: Come on, don't be silly; don't be absolutely ridiculous. We're talking in terms of 5,000 or 6,000 names of individuals who would have. . .

A MEMBER: You don't have lists of where the money went? An agency like that and you don't have . . .

MR. CHAIRMAN: There are orders in this Chamber. People speak when they have the floor.

HON. V. SCHROEDER: Mr. Chairman, we've explained that administratively—(Interjection)—Will you shut up for a minute.

We've explained that administratively . . .

A MEMBER: Where did you learn your manners?

HON. V. SCHROEDER: Certainly not from you, because if I would have learned them from you, I wouldn't have any, and then I would not wait until it was my turn to speak.

We have explained that administratively the Jobs Fund programs are in a number of departments. We've gone over that a number of times in the last few days. We've explained to you that if you want each of those kinds of names, those listings, that costs money.

There was an Order for Return asked for by the Member for Gladstone with respect, specifically, to that kind of information that took some hundreds of hours of employee time to gather. You keep talking about how concerned you are about taxpayers' money. You're not that concerned when you want to get that kind of detail with respect to a program that could have, in total between the two programs, provided assistance to the Labour Education Centre of up to \$4,000, \$5,000, \$6,000 over a period of one year. That's the maximum we're talking about.

What the member is saying is he's comparing it to the Brandon Hospital. As he knows, the Brandon Hospital should be and is not in any privileged position against the General Hospital, against the St. Boniface Hospital, against the Thompson Hospital, against the education system and so on.

What he should understand, when he talks over a five-year period, is that he's comparing an expenditure of \$1 million against an expenditure of some \$5 billion

when he's talking about the health care system; \$5 billion compared to \$1 million is what he's talking about.

What he is forgetting is that within that \$1 million is contained programming dealing with the workplace health and safety of Manitoba workers. Within that very, very small fractional proportion of that \$5 billion health care budget, we're talking about educating workers in terms of keeping themselves healthy, keeping themselves safe, keeping themselves out of the hospitals, keeping themselves in the workplace, keeping themselves away from the Compensation Board.

He is saying somehow we should scoop that up, throw it into a couple of hospital beds in Brandon and everything would be okay. Forget about the general health and safety of workers in this province. Forget about the general health and education and welfare of workers in this province. Even his federal brothers and sisters would say that is sheer nonsense. Even a Conservative Tory Federal Government is providing assistance to the Canadian Labour Congress for its schools, which are teaching the same thing to working men and women in Canada. I never hear him complain about that.

You think that Dennis McDermott - God rest his soul in Ireland - and people like Dick Martin and so on are teaching Tory philosophy with the money that is being provided by the Mulroney government to them? No. They're teaching workplace health and safety; they're teaching about how to get along in the workplace; they're teaching about rights and responsibilities and so on. That's what's happening in this centre and I'm quite frankly pleased to see we have that kind of a centre.

MR. CHAIRMAN: The Member for Roblin-Russell.

MR. L. DERKACH: I'm yielding the floor to the Member for Brandon West.

MR. CHAIRMAN: The Member for Brandon West.

MR. J. McCRAE: The Minister, Mr. Chairman, is incredibly poorly informed when it comes to the situation at the Brandon General Hospital. I'm surprised that he would even stand to talk about it when he knows so precious little about it, and uses his bullying tactics to try to make a point, which is an indefensible position to be taking.

What the point was is that the amount of money that has gone to this Labour Education Centre, through the Minister of Labour's grants, and certainly there's plenty of money left over if we include the Jobs Fund grant, if we have that money in the Brandon General Hospital, those beds would be open today. We're not talking about a couple of beds. This Minister would do well to inform himself.

As for all the diatribe that he gave us, Mr. Chairman, was to make some kind of a case that he shouldn't need to know where all this money's going, but in the case of 1985 - I don't have the resources this Minister does; I don't have the staff this Minister does - but I was able to find out that in 1985 the centre received \$250,000.00. All I'm asking now is a very reasonable question.

The Minister of Labour would answer me if \$250,000 was going out of his department; he would tell me

where it was going. If there were some funds going somewhere, he would tell me. The point is why won't this Minister tell us where the funds from his department are going?

I'm asking, were any funds granted by the Jobs Fund to the Manitoba Labour Education Centre in 1986-87? To say I don't know is no good, Mr. Chairman; we didn't need an answer to that.

HON. V. SCHROEDER: The Member for Brandon West would prefer to live yesterday. An even greater thrill would be to live in the 19th Century for him, I suppose.

You know, Mr. Chairman, the member talks about the Brandon Hospital and says I don't know anything about it. I know enough to know that with the changes we have made, there is a shorter waiting list now than there was under the old system.

A MEMBER: How do you explain that?

HON. V. SCHROEDER: There is a shorter waiting list now than there was under the old system. - (Interjection)- That's right, certainly. There's a shorter waiting list and, Mr. Chairman, the same thing is happening all over the province. He would like to have Brandon exempted and turned into a museum of the 19th Century. That will not happen under this government.

People in Brandon are getting better service as a result of changes made than they had before the changes were made, even though it was costing more money before; and what he wants is more expenditures rather than less expenditures, that somehow he will feel good, really feel good and proud.

What he doesn't recognize when he talks about that \$1 million over five years, which also saves hospital time, which also saves compensation costs, he doesn't put that value in. But even if you take all of that value and put it away and say we're not going to consider that at all, \$1 million would keep two doctors operating in the Province of Manitoba for roughly one year, two doctors for roughly one year.

Mr. Chairman, the Minister of Health is indicating where he's heading with the health care system and that's what the member is comparing the issue to. I would suggest to the member that we are using that money for a far better purpose than wasting it on over-hospitalization and wasting it on - (Interjection)- Well, Mr. Chairman, we have, as I say, a lower waiting list for elective surgery in Brandon, and he would like to think, he would like to set up the strawman that says somehow we're doing something terrible to Brandon - we're picking on Brandon.

He knows that that is nonsense, but that is his style. He always tries to somehow get the Member for Brandon West to be involved in these kinds of things as some kind of a villain. And he knows full well - I'm sorry, the Member for Brandon East. Well, Mr. Chairman, people in Brandon often see through the nonsensical partisan diatribes put on by the Member for Brandon West. - (Interjection)-

MR. M. DOLIN: Have you been reading the editorials in the Brandon Sun lately, Jim?

HON. V. SCHROEDER: So there was a great editorial in the Brandon Sun the other day, June 3, 1987. I would

commend to the member that he take a look at it, read it. Stop attacking everybody in sight for your own short-term political gain, which you will not get anyway.

MR. CHAIRMAN: From the Rules of the House, Rule 42, "When a member is speaking, no member shall interrupt, except to raise a point of order or a matter of privilege."

The Member for Roblin-Russell.

MR. L. DERKACH: Mr. Chairman, thank you for the ruling.

I think that ruling should apply to the Minister who is responsible for the Jobs Fund, in refraining from making comments outside his jurisdiction, which he knows little about.

Mr. Chairman, the Member for Brandon West has asked several times now how much money was forwarded to the Labour Education Centre from the Manitoba Jobs Fund. That question, among many others, was not answered. The Minister alluded to there may have been funds that went into that particular Labour Education Centre through Careerstart or job training, or perhaps some other ways.

But is there a specific figure that he can give the House as to the amount of money that went into the Labour Education Centre in 1986? That's a fairly straightforward question, Mr. Chairman.

MR. CHAIRMAN: The Honourable Minister of Employment Services.

HON. L. EVANS: Mr. Chairman, the Careerstart Program is administered by my department, and my staff have advised me that this year the Labour Education Centre was approved for one position for 10 weeks. The total wage assistance provided to the centre, to provide a job for a young Manitoban, was \$1,980. That's under this present program.

MR. L. DERKACH: To the Minister responsible for the Jobs Fund: Was this the total amount that was forwarded or allocated to the Labour Education Centre from the Jobs Fund?

MR. CHAIRMAN: The Honourable Minister responsible for the Jobs Fund.

HON. V. SCHROEDER: Mr. Chairman, there was no funding from my department forwarded to the Labour Education Centre. The program referred to by the Minister of Employment Services and Security is the only money that I'm aware of. There could well be, coming on in the year, something under Jobs in Training; people are entitled to apply, just like anyone else in the province.

MR. L. DERKACH: Mr. Chairman, this morning in the Public Accounts Committee, we received a document or a spreadsheet on what monies had been allocated to the various departments from the Jobs Fund, information that certainly is pertinent to the discussion of the Estimates for the Jobs Fund, and the kind of information that should be coming forth by the Minister responsible for the Jobs Fund.

Yesterday, we got into somewhat of a hair pull because the Minister's ego was hurt by the fact that he had been asked some questions which he did not answer and we persisted in asking and pursuing the information that we were requesting. Well, Mr. Chairman, had the Minister sat down for a few minutes and paid attention to what his responsibilities are and compiled some information for us, as was done by the Provincial Auditor today, we wouldn't have had that session yesterday and I'm sure the discussion on the Estimates would have been much more fruitful.

I have sat here and listened while my colleagues have asked the Minister questions with regard to the Jobs Fund in various areas. I've listened to the Minister get up, and instead of answering the question, he attacks the particular member or this side of the House for our position on the various aspects within this province.

Mr. Chairman, I would prefer to contain the comments to the discussion about the Jobs Fund and I would hope that the Minister can do that.

In the sheets that were provided for us this morning, Mr. Chairman, we were given some information that money from the Jobs Fund has flowed into all the departments within this government's jurisdiction.

We see that money has gone into Executive Council, Agriculture, Business Development and Tourism, Culture, Education, Energy and Mines, Government Services, Highways, IT and T, Labour, Natural Resources and Northern Affairs. We've been trying to get this information for some time, as I indicated, and it hasn't been coming forth. We also see that in the various departments a large portion of the money is going to Limestone, a project in Northern Manitoba. We see, under Education Career Symposiums, a total section devoted to Limestone training salaries, Limestone salaries and so forth.

Can the Minister indicate to me what this area is about, the Education Career Symposium? What does that entail? Can he elaborate on that particular section?

MR. CHAIRMAN: The Honourable Minister of Economic Security.

HON. L. EVANS: I was distracted for a moment, Mr. Chairman, so I didn't hear the full question, but I gather the Honourable Member for Roblin-Russell wanted to know something about the Career Symposium expenditures.

That is essentially a major symposium run in cooperation with various organizations, school divisions, representatives of the Manitoba Teachers' Society, Department of Education and other agencies, the private sector and so on, whereby employers - would-be employers, potential employers - are brought together, usually in Brandon - it's at the Keystone Centre - where there are virtually hundreds of employers in the private and the public sector who are brought together, and there are thousands of young school students, high school students who are brought there and organized with the cooperation of the school divisions, and there are discussions on various career opportunities. That's exactly what we're focusing in on; we're focusing in on career opportunities for young people.

So this is what the symposiums are all about. There's also one in the City of Winnipeg. So there are two major

symposiums per year, one in Winnipeg and one in Brandon.

I might say that they are attended by thousands of people, tens of thousands of people together, and a very, very worthwhile exercise.

MR. L. DERKACH: Mr. Chairman, in the Limestone training area we see a fair amount of money expended on salaries.

To the Minister responsible for the Jobs Fund: Can he indicate whether, within that area for the Jobs Fund, is money going directly for salaries for people who are offering the programs, or is this a part of the staff that is under his jurisdiction? Can he elaborate on that aspect of it?

MR. CHAIRMAN: The Honourable Minister of Industry, Trade and Technology.

HON. V. SCHROEDER: The staff is not under my jurisdiction. The program comes under the Minister of Energy and Mines, and I'm sure he'll be available the next day.

MR. L. DERKACH: . . . I missed the last part of that answer. Could the Minister repeat the last part of that answer, please?

HON. V. SCHROEDER: Mr. Chairman, as I indicated, this program is not under my jurisdiction. I don't know how many times I have to explain to the member. I just finished telling him, there's some of it under ES and ES, but there's also some of it under the Minister of Energy and Mines, who is not available at the moment.

MR. L. DERKACH: Mr. Chairman, I think we can readily see that it's very difficult to get any answers with regard to where specific funds are going from the Jobs Fund Program, because either Ministers aren't here or they refuse to answer, or the Minister who is responsible for this doesn't know.

If the Minister isn't here to answer the questions on amounts of money that went into the Limestone area and what they went in for, perhaps we could move through the Business Development section and go into the Human Resources Development area.

MR. CHAIRMAN: The Minister of Economic Security.

HON. L. EVANS: Mr. Chairman, the Limestone agency, per se, is under the Minister of Energy, as such, and so all the activities at that training centre are under his jurisdiction, but my Department of Employment Services does provide some support for the agency. We provide on-site counselling services; we provide community employment support services; and we're engaged in other administrative matters.

Our job is essentially to seek out people in remote communities in Northern Manitoba who might be able to benefit from the training offered at the Limestone Training Centre and to provide whatever counselling may be necessary to facilitate the travelling of those people from the remote communities to the training centre near Thompson, and so on, and generally to supplement the work of the Training Centre.

MR. CHAIRMAN: 1.(c)(1) Business Development: Current Operating Expenditures—pass.

1.(d)(1) Human Resource Development: Current Operating Expenditures; 1.(d)(2) Expenditures Related to Capital - the Member for Roblin-Russell.

MR. L. DERKACH: Mr. Chairman, this area, of course, is the largest one in this entire section, the most amount of money is allocated to this particular area, but there is a substantial decrease in the amount of money that has been allocated for the coming year, and I'd like to ask the Minister if he could quickly elaborate where the areas of decrease are.

HON. L. EVANS: Some of the monies in here are attributed to my department and some budgets have been increased, others have been decreased. I just mention, by way of example, Job Access for Young Adults, which was in here previously, that program has been transferred to the Department of Business Development. In other words, the Department of Business Development is now taking on the programs to encourage young adults into small enterprise, and so on.

One of the big reductions is the Community Assets Program. As I understand it, it was under this appropriation last year and, of course, it is no longer. A similar program called "Manitoba Community Places Program" is being administered with Lotteries Funds by the Minister of Culture, Heritage and Recreation.

So there are a variety of subtractions and additions that account for this. Having said that, not all of the monies here are made up by my department.

MR. L. DERKACH: The Minister of Economic Securities has given us a brief indication of where some of the allocation has been decreased. But can the Minister responsible for the Jobs Fund tell us where other areas - if there were other areas - where cuts were made, where those areas were, and what the cuts were?

HON. L. EVANS: Mr. Chairman, I made an error in referring to Job Access for Young Adults. That has been cut out of here, but it is now picked up in a different appropriation in my department. It's related to the National Diversion Fund. We've signed an agreement with the Federal Government where we 50-50 cost-share an Employment Enhanceability Program.

One component of this \$12 million program that we've signed with the Federal Government for the two-year period under way, began April 1 of this year, was Job Access for Young Adults, and that program is ongoing but it's under that appropriation. So, therefore, there is a reduction shown here.

There have been other changes, but I think the staff had distributed information to the members so that they can see how these totals are arrived at. So I don't know what I can add to what has been distributed by way of written material to the members.

MR. L. DERKACH: The criteria for the Careerstart Program, do they change from year to year, or is the criteria for employers qualifying in applying for a Careerstart student the same from one year to the next? I ask that question. I guess I could elaborate on it a little bit.

There have been some instances where individuals who had applied under the Careerstart Program were rejected on the basis that the emphasis of the Careerstart Program wasn't in that particular area of the economy. As a matter of fact, it was stated as such in the letters. The other reason that was given was that in the Careerstart application or allocations, the government was looking at long-term positions that might be achieved through Careerstart.

I'm wondering whether in fact the criteria changed from one year to another, or are the criteria for applications and for approving applications the same.

HON. L. EVANS: Basically, the criteria haven't changed in the last year or two. There is certainly no attempt on our part to insist on long-term jobs for the Careerstart Program. That is a summertime program. We have never suggested to employers that this had to be ongoing type of work.

We do make that condition of our major training program referred to Training for Tomorrow. That's a \$10 million program whereby we are working with employers intensively bringing in unemployed people, having them trained on the job under a training program where we expect the job to carry on after the wage subsidy and the training subsidy expires. There is an agreement that we sign with the employer to that effect, but there is certainly no requirement for the Careerstart Program.

We did, a couple of years ago, try to shift as much as we could because dollars are always limited, because the demand always exceeds the supply of dollars, to give emphasis to those kinds of jobs, those kinds of occupations that would provide some future career experience, some experience that would be worthwhile for the careers that are most in demand.

I have to talk in rather general terms about it. It's a judgment call. But let me put it this way - if one employer said he wanted to hire a young man or a young woman to do sort of janitorial work, sweeping the floor, and another small business employer said he wanted to hire a young man or a young woman to engage in some kind of financial work, say financial accounting, and learn a little bit of bookkeeping on the job, maybe use a little computer and so on, we would tend to favour the latter simply because we would think there are more skills acquired there, more opportunities provided to that young person to meet a challenge in the years ahead, and to indeed be some kind of a career start as opposed to just having a job sweeping the floor. So that's the kind of a judgment call that the staff make in the field.

By and large, however, that sort of approach has been particularly put in effect two or three years ago. The only change I would suggest, and it's not really in criteria, but it's in the classification of assistance.

We, this year, came up with a new category for a Careerstart called the "institutional." What we did previously was simply have a business side, like a profit side, and then we had a non-profit side. The business or the profit side had to share with us 50-50 the cost of the wage subsidy. It's 50-50; usually the minimum wage, 50-50. The non-profits got 100 percent financing from us.

Because dollars are never as plentiful as they should be, and because we felt that were some non-profit

organizations that were fairly well-financed by government - I'm talking about hospitals, universities, nursing homes, large institutions that have a fairly big budget compared to, say, a small sheltered workshop for the mentally retarded or a small day care centre or some other small social service agency which had very few financial resources where they were very much strapped for money - we said, "Let us help those 100 percent as we have in the past, that kind of non-profit, but the bigger established, really institutional type of non-profit would now be in a separate category and we'll treat them just as though they were a small business."

I might add, Mr. Chairman, that classification is present in our Training for Tomorrow Program. So all we've done is take a classification that we had in that major program and apply it to the Careerstart summer program. But apart from that, basically, there have been no changes in the approach of that particular job program.

MR. L. DERKACH: What is the essential difference between the Manitoba Jobs in Training Program and the Manitoba Jobs for Tomorrow, or whatever this program is that you just made mention of? What is the essential difference between the two programs?

HON. L. EVANS: The Manitoba Jobs in Training Program was our major program in effect about a year-and-a-half ago. The Training for Tomorrow Program is the one that we are now operating. The major difference is this, that the previous program had monies available for direct employment without any strings attached for training. There were other components where training was required so there was sort of a mixture.

Under the new program, Training for Tomorrow, it is purely, essentially a 100-percent training on the job program. A feature of it is whereby we are now taking training analysts from the department - we're talking mainly with small enterprise essentially, or small employers - who sit down and work out a training program. We have to be satisfied that there is going to be real training on the job and that there is a program worked out so that what we are doing is subsidizing training, not simply subsidizing the business to simply hire people. I mean that is a desirable effect, but the emphasis is on the training more than ever before.

To put it in a nutshell, the major difference is that this is a pure training program with more emphasis than ever before with training on the job compared to the previous one which had some elements of training, but we're even concentrating more under this one.

MR. L. DERKACH: So is there a wind down now of the Manitoba Jobs in Training Program as such? Has that program been cut off whereby there are no more dollars allocated to it, or is that program still going on?

HON. L. EVANS: The Manitoba Jobs in Training Program is essentially terminated. What we do have is what we call "Training for Tomorrow," which is ongoing, which has the ability to provide training for over 3,000 Manitobans, I might add, Mr. Chairman, and at the present time - if I can put my finger on some

of these figures - at the present time, as I said, we have the capacity to handle over 3,000 people under the Training for Tomorrow program.

I thought I could get my hand on the number of approvals to date. Okay, to date, as of May of this year, we had approved 1,449 positions up to the present time. So we're sort of halfway through the program in terms of the number of people we can have.

MR. L. DERKACH: So once you have allocated all the dollars, have spent all the dollars in that particular allocation, that program will come to an end, as I understand it?

HON. L. EVANS: That is correct, Mr. Chairman. This program is provided by government policy. There is no statutory requirement in legislation that we have to provide funding as we do, for instance, to school divisions under various legislation affecting school financing or legislation affecting hospital funding. This is a decision that government makes year-by-year as to what kind of a training program or job subsidy program, how much money should be spent, and so on. So this program is under way and this particular program will continue until the funds have been expended.

MR. L. DERKACH: Mr. Chairman, I'd like to ask a question of information about the Aboriginal Self-government Development Fund.

Can the Minister give us some explanation as to what this particular fund is and what it has been set up for?

MR. CHAIRMAN: The Honourable Minister of Native Affairs.

HON. E. HARPER: Mr. Chairman, yes, this is a new initiative by the government. As you know, over the years there has been a lack of funding or any kind of initiatives regarding any kind of development on reserves and communities for aboriginal people. One of the problems that's cropping up is the federal-provincial jurisdiction, especially, respecting the reserves, and also the introduction of Bill C-31 which requires some support and policy in those areas.

As a result of this Bill C-31, I think approximately 10,000 women or Indian people that lost their status will regain their status to go back onto the reserve. We haven't really addressed that issue, and one of them is to provide input into that as a policy, to develop a policy in respect to Northern Affairs communities. All the Northern Affairs communities are either status or non-status or else Metis and it will virtually affect every Northern Affairs community.

We want to be able to develop some policy in that area as to how we may handle this. Some of the people that gain status or regain their status will not automatically become band members because the federal policy at this time is that the treaty rights that you have and also the responsibilities of the Federal Government are to status people that live on a reserve and they don't automatically qualify for federal assistance if they're status Indians because they don't belong to a particular band. As a matter of fact, it is creating some problems in that area where people, in

a sense, have gained their status back. But the Aboriginal Development Fund will be directed in that area, how we may support those groups.

The other area, of course, is the whole federal initiative where some changes are being made in policy and some laws are being changed as a result of the constitutional conferences that have taken place. There are policies that we have to address some jurisdictional problems as a provincial government, and we need to develop some research in those areas how we may be able to address those.

One of them, of course, is the aboriginal self-government which many of the people don't really understand what that means. In order to have self-government, we need to develop some economic initiatives which will benefit many of the communities and the reserves.

As a result of meetings that we've had in Ottawa, First Ministers' meetings, there is the aboriginal self-government which has to be addressed. I might say that it is an issue that is not going to go away. It is still going to be pursued by the aboriginal leaders and there are many practical things that we have to address. Just to give you an example, one of them is the issue of Indian child welfare. There are jurisdictional problems.

In respect to developing a policy to providing services to off-reserve Indians or treaty Indians that are not living on reserves, there is an outstanding bill that we should have forwarded to the Federal Government. As a matter of fact, we have an outstanding bill, probably well over \$17 million, that the Federal Government should be responsible for. Those are monies that were expended by the Provincial Government towards treaty Indians.

We are becoming very concerned in terms of the thrust by the Federal Government in terms of responsibilities toward Indian people on offloading to the Provincial Government. We want to be able to define those areas of responsibilities and jurisdictions.

The other issue, of course, is the urban Native policy issue. Some say there are about 100,000 Native people living in Winnipeg. Some are treaty Indians and some of them require immediate needs like health care and medical needs that require immediate attention, and those have to be addressed and who's picking up the costs? Because the federal policy is that they don't deliver any services to treaty Indians that live off the reserve. It becomes our responsibility through Municipal Affairs to the City of Winnipeg.

We want to develop a policy that will put the onus and the responsibility onto the Federal Government because they do have Treaty obligations, constitutional obligations and statute obligations, and we want to be able to develop a strategy so that we can address many of those needs.

And, of course, there are other issues that we have to look at. One, of course, is a contentious issue in terms of lotteries. Basically it's a jurisdictional problem where the bands are able to pass by-laws in respect to gaming. So that's something that we are negotiating now through the Attorney-General and Lotteries and the Indian leaders.

Of course, we have to address the issue of taxation. There are some taxation issues that we have to address. As you know, income tax that's earned on the reserve is not taxable, and also some things on reserves that

that they purchase are maybe not taxable. So the whole question of taxation we have to address.

Then, of course, there's also the Review of Statutes that the Constitutional Committee of Chiefs are reviewing at this time to make sure that the treaty and aboriginal rights are consistent with the supreme law of this land, which is the Constitution, and which aboriginal rights are recognized.

So those are just some of the areas that we want to address because over the last period we haven't been able to provide any kind of focus.- (Interjection)- I didn't hear what the comment was.

A MEMBER: Just ignore them.

HON. E. HARPER: But anyway, those are some of the thrusts that we're providing in terms of economic development. We weren't able to pursue some of those economic activities. And there's some federal programming that we're able to maybe complement and supplement in those areas.

But, you know, for a long time the issue of Native Affairs hasn't been really addressed by either governments for some time and we are beginning to address that. So, in terms of any specifics, we are just beginning to develop that strategy. We haven't expended any money, we haven't allocated strictly to in each area; so it's a matter for further discussion.

MR. L. DERKACH: Well, Mr. Chairman, I think we've just listened to 10 minutes of nothing.- (Interjection)- And absolutely nothing.

We have just heard the Minister responsible for Northern Affairs tell us that he doesn't know what he's going to use the \$1 million for because he hasn't got any specific details on it yet. But yet this government sees fit to allocate a million dollars to what they call the Aboriginal Self-Government Development Fund, but there is nothing written as to where that money is going to be used and how it's going to be used.

The Minister of Northern Affairs went on at great length about all the glorious things that should be happening on the reserves and I don't know why he's been sitting in his chair for the last two years because he hasn't done anything with it yet. Now he's going to do all of these things, but he hasn't got any specific details as to what or how he's going to approach it or when.

It's typical, Mr. Chairman, of how this particular government has approached the whole idea of the Jobs Fund. It has become very evident that the Jobs Fund in its entirety is nothing but a big slush fund where this government can allocate funds to whatever department they feel that is politically advantageous on their behalf.

I notice that the Minister of Energy and Mines was present just a minute ago. Is he going to be back?

A MEMBER: He's gone.

MR. L. DERKACH: He's not coming back?

Mr. Chairman, I don't think I have any further questions on that particular section. If we can then move through to the Infrastructure Development.

MR. CHAIRMAN: 1.(d)(1) Human Resource Development: Current Operating Expenditures—pass; 1.(d)(2) Expenditures Related to Capital—pass.

1.(e)(1) Infrastructure Development: Current Operating Expenditures; 1.(e)(2) Expenditures Related to Capital - the Member for Ste. Rose.

MR. G. CUMMINGS: Thank you, Mr. Chairman.

I'd like to ask some questions of the Minister of Transportation on the allocation of funds to the Highways Department from this fund.

We see two expenditures of three and three-and-a-half, \$3.56 million allocated towards capital under Churchill Development and Transportation Development. Would the Minister care to expand on the area that money was spent?

I might point out that the information is provided here. Having acquired this information through the Auditor today, it's certainly enlightening to this side to be able to see the morass of expenditures that we have spread around various departments. As a result of even the way it's delineated here, we have to ask very general questions and hope that the Minister will be forthcoming with the information.

MR. CHAIRMAN: The Honourable Minister of Highways.

HON. J. PLOHMAN: I'll be as forthcoming as I always am when dealing with the Estimates.

A MEMBER: That's the problem.

HON. J. PLOHMAN: The Member for Pembina, as well as the Member for Morris, knows that's very true, as well as the Member for Ste. Rose, and any of the others who have made comments. In fact, I don't want to mention who's present and who isn't.

Now we're talking about '85-86 expenditures, and the capital expenditures, \$3 million was for the first run, as I recall, of the Boxcar Rehabilitation Program at the Transcona Shops. There was \$3 million allocated from each level of government for a total of 339 boxcars that were rehabilitated in that first run - \$3 million allocated from the Federal Government and \$3 million from the province.

In addition to that, under the Transportation Development Agreement, the majority of the dollars, I think all of that in capital was for the Transport Institute at the University of Manitoba. We cash flowed a total of some \$4 million in 1985 - well, \$3.562 million is indicated there in 1985-86 - and budgeted around \$4 million for that purpose in '86-87 for the Transport Institute.

Those are the major expenditures under those two sections in that particular year.

MR. G. CUMMINGS: Under the \$3 million for Churchill Development, that was totally put towards capital and construction/rehabilitation of boxcars.

Because of the fact that the Jobs Fund has always been put forward as a program from which jobs are created, and which we are able to help lessen the unemployment situation in the province, can the Minister indicate how many jobs are a direct result of that rehabilitation of those boxcars?

HON. J. PLOHMAN: Well, Mr. Chairman, I might be able to give some comparison by referring the member

to the current year, which is '87-88, in which 956 boxcars are being rehabilitated. Part of them were paid for under the '86-87 allocation and part under '87-88. That's an \$18 million spending, \$9 million from each level of government over two fiscal years.

In that figure for 1987-88, in upgrading 956 boxcars, it's projected that there would be 53,000 temporary work weeks created, some 40,000 of that in the rail infrastructure activities. It is a significant number of jobs, although not permanent jobs. I cannot break that down at the present time into the number of person years of employment, but it would be, as I said, 53,000 temporary.

Now I have some figures here for '85-86 for the Churchill Development. At that time, 77 person years of employment would have been created - that's the provincial share. It would have created 77 person years of employment.

MR. G. CUMMINGS: In the Transportation Institute, to say that we have cash flowed \$4 million - \$3.562 million being out of the Jobs Fund - precisely what did the \$3.562 million go to? To capital, as indicated in this sheet, would mean that it all went towards construction. Is that the assumption that we can make?

HON. J. PLOHMAN: Mr. Chairman, the dollars that are listed there are for capital; that is, the construction of the institute which was completed in March of this year and will be officially opened in July - in one month.

MR. CHAIRMAN: The Member for Roblin-Russell.

MR. L. DERKACH: Mr. Chairman, I'd like to know from the Minister responsible for the Jobs Fund whether there is an appropriation each year for capital in the Jobs Fund in the various departments; and, if there is, why isn't there a category for capital in the Estimates as it's indicated here?

MR. CHAIRMAN: The Minister responsible for the Jobs Fund.

HON. V. SCHROEDER: Yes, Mr. Chairman, I was busy with something else. I wasn't aware that the question was being directed at me and there is some confusion here as to what the question was.

Would the member repeat the question, please?

MR. L. DERKACH: I was asking about the capital area. We see funds from the Jobs Fund being allocated to capital, but I guess it's allocated by the various departments to capital projects. I'm wondering why we don't have a category for capital in the Estimates.

HON. V. SCHROEDER: Mr. Chairman, I'm somewhat confused.

As I understand it, just as an example, if you look at Item 1. under Manitoba Jobs Fund, Natural Resource Development, (1) Current Operating Expenditures, \$7.215 million; (2) Expenditures Related to Capital, 1 million; and if you go to 1.(d)(2) Expenditures Related to Capital, under Human Resource Development, \$150,000; 1.(e)(2) Expenditures Related to Capital, with respect to Infrastructure, \$7,200,000; so there is that split.

If there is something else, I'm not . . .

MR. L. DERKACH: Mr. Chairman, I'm just looking at the analysis of the appropriation expenditures that was given to us this morning by the Auditor and the figures don't correspond. For example, you had mentioned that in the Manitoba Jobs Fund, under Natural Resources, Expenditures Related to Capital was \$1 million; but yet I look at this particular sheet and I find that it's \$1,986,000.00. Are we in two different years here, or?

HON. V. SCHROEDER: Yes, you're dealing with 1985. Mr. Chairman, what the Auditor provided to the member was an actual after a year-end for what happened in 1985-86. What we're dealing with today is what is the Estimates of what we will be expending in 1987-88.

MR. L. DERKACH: That's fine; that clarifies that point. There is no problem there.

MR. CHAIRMAN: 1.(e)(1) Infrastructure Development: Current Operating Expenditures—Pass; 1.(e)(2) Expenditures Related to Capital—Pass.

1.(f)(1) Administration/Communications: Current Operating Expenditures - the Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman.

Mr. Chairman, the Minister in his explanation paper has indicated, given the recent Cabinet committee changes, some staff in Funding Resources will be transferred to Finance and Executive Council as required.

Would the Minister care to explain that?

MR. CHAIRMAN: The Honourable Minister.

HON. V. SCHROEDER: Yes, Mr. Chairman, I had put the whole item on the record yesterday, but I'll do so again.

Up to this point, the Jobs Fund Administration/Communications budget has supported three distinct separate elements. That is: Jobs Fund Administration, Jobs Fund Communications and ERIC Administration. All three of those functions were funded by the Jobs Fund through the Department of Industry, Trade and Technology. The budget was managed on a global basis, excepting for the advertising and related non-salary communications advertising expenditures which were managed directly by IT and T, Director of Communications.

With the devolution of the ERIC Jobs Fund Board, the three functions are now split as follows: Jobs Fund Administration - Administration section goes to Treasury Board; Communications of the Jobs Fund and the dedicated salary costs are with IT and T; thirdly, ERIC administration goes in part to Treasury Board and in part to the Policy Planning Committee of Cabinet.

So there are five positions then in Treasury Board, three positions in Policy Planning Committee of Cabinet, and four positions in Industry, Trade and Technology.

MR. D. ORCHARD: So, then, going to the Estimates Book where you've got 1.25 million, presumably, next

year, when you have your Estimates presented, you're going to have a Reconciliation Statement which is going to transfer a major portion of that to other divisions.

Is there anything left in Administration and Communications in the Jobs Fund?

HON. V. SCHROEDER: Yes, the member is correct in terms of what will show up for next year. We're looking at within the vicinity of \$200,000 Treasury Board for this year; \$200,000 Policy and Planning Committee of Cabinet; there is roughly \$175,000 for the Market Manitoba Program; \$500,000 for the Jobs Fund Communication, which would be the IT and T portion . . .

MR. D. ORCHARD: So the four staff at IT and T are going to take \$500,000 with expenses?

HON. V. SCHROEDER: Yes, that includes the brochures, the whole overall. That leaves roughly \$160,000, which, at the current time, we anticipate will lapse.

MR. D. ORCHARD: So, then, Mr. Chairman, presumably, with the lapse of the \$160,000, does that include the cancellation, the reduction of SY's, or is that simply in expense items?

In other words, what I'm asking the Minister is all of the personnel obviously from line (f) are now transferred, and the Minister gave me 12 positions. Is that the entire staff complement that's going elsewhere?

HON. V. SCHROEDER: Mr. Chairman, that's correct. There are 12 staff positions now. The major reason for the current expected lapsing is that with the shifting and some changes back and forth and especially the vacancies, that's what has raised that total.

MR. D. ORCHARD: In the Policy and Planning area where you've got a \$200,000 transfer, do we debate that issue under Executive Council, presumably? Is that where that will be funded?

HON. V. SCHROEDER: Just one caution, that these are approximate numbers. But, yes, the member is right, this would be debated in Executive Council.

MR. CHAIRMAN: 1.(f)(1) Administration/Communications: Current Operating Expenditures—pass.

Resolution No. 143: Resolved that there be granted to Her Majesty a sum not exceeding \$55,000,000 for the Manitoba Jobs Fund for the fiscal year ending the 31st day of March, 1988—pass.

Having completed consideration of the Budget Estimates for the Manitoba Jobs Fund, the Committee of Supply now proceeds to the consideration of the Budget Estimates for the Civil Service.

SUPPLY - CIVIL SERVICE

MR. CHAIRMAN, C. Santos: We begin with an introductory statement by the Minister responsible for the Civil Service.

The Honourable Minister.

HON. E. KOSTYRA: Thank you, Mr. Chairman.

I have some introductory comments, which I've passed a copy of to the Honourable Member for Brandon West.

In introducing the '87-88 Budget Estimates for the Civil Service Commission, I would draw attention to the 69th Annual Report of the Civil Service Commission, which was introduced in the House on June 3, 1987. The report explains the organization, programs and activities of the Civil Service Commission over the past fiscal year.

I would also draw the committee's attention to the Supplementary Estimates information which has been produced by the Commission to provide additional detailed information and clarification to the printed Main Estimates. This information provides supplementary background, organization, program and financial information designed to assist the members with the Estimates review now before us.

As indicated in the printed material, the Budget Estimates for the Civil Service Commission are comprised of three main components. These include the salary and operating expenses of the Commission as set out in Item 1; the government's contribution to the various Civil Service benefit plans as listed under Item 2; and the levy for health and post-secondary education as set forth in Item 3.

As can be seen from the main appropriation expenditure summary, the largest area of increase within the Civil Service Commission Estimates is associated with Items 2 and 3, the Civil Service Commission benefit plans and the levy for health and post-secondary education. With respect to the various government benefit plans, the majority of these are fixed through statute or collective agreement. Similarly, the levy for health and post-secondary education is a calculation based on the payroll for government employees employed under the authority of The Civil Service Act.

With respect to program activities, significant areas of focus for the Civil Service Commission during '86-87 involved the ongoing implementation of government commitments in the area of pay equity and affirmative action.

During 1987, responsibility for the affirmative action in government was transferred from the Minister of Labour to myself, as Minister responsible for the Civil Service, supported by the staff and resources of the Civil Service Commission.

In addition, the government Affirmative Action Coordinator, Mr. Brian Dagdick, was transferred to the staff at the Commission as reflected in '87-88 Budget Estimates.

Major program activities during the past year have focused on continuing the process of implementation of pay equity within the Manitoba Civil Service, and developing centralized employment counselling and support services relative to the implementation of departmental affirmative action plans across government.

With regard to pay equity, the important task of evaluating the 182 gender-dominated classifications involved in the exercise was completed on schedule by the Joint Union Management Job Evaluation Committee, utilizing the point-rating system of job evaluation.

The final stage involving negotiating the application of the pay equity adjustments is currently under way

and expected to be fully on target with the 19th of October '87 deadline.

With respect to affirmative action, the Civil Service Commission has been heavily involved during '86-87 with the creation of a central employment counselling and support services unit designed to provide a variety of central support services to affirmative action target group candidates and departments of government. Some of the services available include professional counselling and development of realistic career path strategies, job search techniques, resume-writing skills and helping clients understand the recruitment selection and interview process within government.

In addition, this unit operates as a computerized central applicant inventory system to facilitate registration and referral of affirmative action and entry-level candidates for consideration by departments across government.

A full-time communications function was established within the Civil Service Commission during the past year. This function has been involved in the development of short and longer-term communications strategies to ensure that government employees, management and unions are fully aware of the various programs, policies and issues administered through the Civil Service Commission that impacts significantly upon their daily working lives. Such issues as pay equity, affirmative action, impaired driving and the government's no smoking policy are examples of the kinds of issues that have a broad impact across the Manitoba Civil Service.

The other significant program activity which will have an impact on the '87-88 fiscal year is the negotiation of revisions to the collective agreements with all major civil service bargaining units which are due to expire October 1, 1987.

Collective bargaining is expected to commence over the summer months and these Estimates reflect the addition of one additional staff negotiator to augment the resources of the Negotiation Services Branch of the Labour Relations Division of the Commission. In addition to the main Civil Service collective agreements, the staff at Labour Relations Division also represent an increasing number of smaller boards and agencies in the negotiation of their collective agreements with the government.

Organizational information, distribution of staff among the various divisions or branches of the Civil Service Commission and detailed financial information are all contained within the Supplementary Information for Legislative Review. It is hoped that this will provide useful information and assist the members with the review of the Estimates now before us.

MR. CHAIRMAN: We shall now hear the customary reply from the Opposition critic.

MR. J. McCRAE: Mr. Chairman, I thank honourable members for putting up with a small delay in my arrival for the Minister's Estimates for the Civil Service Commission. I appreciate the introductory comments given by the Minister.

The Civil Service Commission Estimates will focus, I imagine, on the tremendous growth that we have seen in the public service of this province in the last five or six years, and to that end, as I see the time for the

discussion this afternoon is fast running out, I would ask the Minister, the next time we discuss these Estimates, if he could come armed with some statistics for us as to the numbers of employees in the Civil Service in the year 1982-83, and that would include Civil Service employees, term employees and contract employees as well as term and contract employee figures for the present fiscal year.

As I look through the annual report, I find figures here dealing with numbers of employees in the various departments, but I'm not sure that they deal with the term and contract employees as well. If they do, the Minister could let me know that.

It is approaching five o'clock, and so in an attempt to keep my opening remarks, as the critic, brief and to the point, Mr. Chairman . . .

HON. E. KOSTYRA: Is there any other information you want?

MR. J. McCRAE: Basically, Mr. Chairman, the Minister is asking if there is any other information. I can't think of anything of a detailed nature that I'll be asking the Minister for but that type of information. If he could also attach dollar figures to them in terms of the amount put out to pay for those staff, for those fiscal years referred to, '82-83 as well as 1987-88, the amounts of monies expended and the numbers of employees involved, I would like to have that information.

Being five o'clock, Mr. Chairman, I'll sit down and allow the House to consider Private Members' Hour.

MR. CHAIRMAN: The hour being 5:00 p.m., it's time for Private Members' Hour.

Committee rise.

Call in the Speaker.

IN SESSION

The Committee of Supply adopted certain resolutions, reported same, and asked leave to sit again.

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Madam Speaker, I move, seconded by the Honourable Member for Inkster, that the report of the committee be received.

MOTION presented and carried.

PRIVATE MEMBERS' BUSINESS

SECOND READING

BILL NO. 30 - AN ACT TO INCORPORATE "PINE RIDGE GOLF CLUB"

MR. J. MALOWAY presented Bill No. 30, An Act to amend An Act to Incorporate "Pine Ridge Golf Club"; Loi modifiant la Loi intitulée "An Act to Incorporate 'Pine Ridge Golf Club'", for Second Reading.

MOTION presented.

MADAM SPEAKER: The Honourable Member for Elmwood.

MR. J. MALOWAY: Thank you, Madam Speaker.

The Pine Ridge Golf Club is 15 miles northeast of the City of Winnipeg in the Springfield Constituency. It was formed in 1912. A lot of the shareholders are from the northeast section of Winnipeg and some from the Elmwood area.

At the current time, the Pine Ridge Golf Club has a capital stock of \$100,000 which consists of 400 shares at \$250 apiece. Now this change to the act will allow the golf course to increase the capital stock to an unlimited number of shares and an unlimited authorized capital.

I commend the bill to the House.

MADAM SPEAKER: The question before the House, then, is Second Reading of Bill No. 30. All those in favour, say aye; opposed . . .

MR. A. DRIEDGER: Madam Speaker, I want to move the adjournment.

MADAM SPEAKER: I've called the question. I have called the question on Second Reading on Bill No. 30 and we are in the process of a vote on that question.

Does the honourable member have leave to revert to the procedure before I call the question? (Agreed)

The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Madam Speaker, my apologies. I was sort of distracted here momentarily.

I move, seconded by the Member for Lakeside, that the debate be adjourned.

MOTION presented and carried.

ADJOURNED DEBATE ON SECOND READING

BILL NO. 17 - THE MUNICIPAL ASSESSMENT ACT

MADAM SPEAKER: Debate on Second Reading on Public Bill No. 17, standing in the name of the Honourable Member for Charleswood, who has seven minutes remaining.

MR. J. ERNST: Madam Speaker, it's been some time, of course, since we've debated this bill last, and some of the verve and some of the information that was provided during my debate the last time has been perhaps somewhat lost on the members present. I don't want to repeat all of it, not that it wouldn't bear repeating, Madam Speaker, because it was excellent, I must say.

I do want to start, Madam Speaker, by complimenting my colleague, the Member for Emerson, for having the fortitude to bring forward this bill. When members opposite reneged on a promise, when the Minister of Municipal Affairs promised on the one hand and then took back that promise on the other, to bring forward a bill that was going to deal with justice, with fairness - words that they often use in debate in this House -

but when fairness and justice was going to come forward for these Bible colleges, all of a sudden the members opposite reneged on their promise and did not bring forward that bill. So I compliment my colleague from Emerson for having the fortitude to bring forward this bill, to try and put some justice and some fairness into this system.

Madam Speaker, as an example, I want to indicate that the Canadian Nazarene College in Fort Garry this year has had a tax increase from \$68,000 per year in 1986 to \$96,000 in 1987. That kind of tax increase, Madam Speaker, imposes a severe hardship on both the college and on the students who have to attend there. They have to find, Madam Speaker, that kind of money somewhere, \$96,000 off the top, just to pay their municipal taxes.

So, Madam Speaker, I think when you have other schools, particularly Catholic schools, Jewish schools and other schools around the community that have that exemption, that don't have to pay those kinds of taxes, then I think it's only eminently fair and reasonable that Bible colleges be treated in the same bent.

We're talking about significant amounts of money that impose major hardships on the students who have to attend there, Madam Speaker, so I would hope that members present today would support this bill.

There's been mention, Madam Speaker, about the fact that the burden could be shifted back by us in the Legislature to municipalities. The fact that municipalities have the opportunity, the City of Winnipeg, in this case, could have the opportunity of giving a grant to those Bible colleges to say, yes, we can supply that money and mitigate your taxes in that way.

But, Madam Speaker, every other institution in this province has a statutory exemption, every other religious school. Madam Speaker, these people, not only do they pay realty taxes, they pay payroll taxes on top of that which public schools do not; property taxes, public schools do not. They have significant contributions to the well-being of this province over and above the fact that the people who attend there, of course, pay full tuition as well, unsubsidized by the Province of Manitoba.

So, Madam Speaker, I think they've been hard done by up to this point, and it's unfair I think for anyone to suggest that the burden should be shifted back to the property taxpayer. In this instance, every other school has the exemption by statute. They have their taxes exempted and there's no reason at all why the property taxpayers should all of a sudden be levied with an additional burden beyond the ones that they carry at the present time.

Madam Speaker, these schools contribute greatly to the well-being of our community and, unfortunately, not all of them were included in this bill. There is one other that I am aware of, and that's the Catherine Booth Bible College that's located not very far from this building on Assiniboine Avenue. There's the Salvation Army, Madam Speaker, runs a very fine Bible college.

I would hope that if this bill is supported, that it can be either amended in committee to include Catherine Booth Bible College and/or some subsequent bill will be introduced that will alleviate the taxation on their school as well.

Madam Speaker, the taxation levels that are placed particularly in urban areas - although heaven only knows

that in rural areas, as well, the taxation levels are getting very high - but certainly in urban areas the amount of taxation levied on these kinds of schools creates a major hardship on the students who attend those schools.

Madam Speaker, we have seen the kind of taxation increase of \$96,000 that the Canadian Nazarene College in Fort Garry will have to somehow come up with this year, unless this bill passes and removes that obligation levied over the student body. The money has to come from somewhere.

Madam Speaker, I think it's unfair and a sense of justice should, I think, prevail on behalf of all schools here so that they are all treated fairly and equally in the educational system of our province.

Thank you very much.

MADAM SPEAKER: The Minister of Industry, Trade and Technology.

HON. V. SCHROEDER: Thank you, Madam Speaker.

I'm pleased to rise in support of the bill. I believe that the colleges referred to in this particular amendment do an exceptionally good job in terms of turning out well-educated young people who become available for the service of their community in this province and in this country and, indeed, beyond this country. I think they do that in terms of the theological aspect of the school, but also in terms of the regular college courses, be it music, be it the various arts courses and so on which are accredited in our local universities, and I think the people who come out of these institutions do our province proud. Of course, they come to these institutions not only from Winnipeg and Otterburne, but from other parts of the province and indeed from other parts of the country.-(Interjection)- Yes, there is probably even the odd student there from St. Boniface.

The distinction which prevents this group of students from receiving assistance for their regular arts courses, and I don't think anybody on either side of the House would particularly argue that the public purse should be supporting the theological aspect of these colleges or possibly any other colleges, but the distinction that has prevented them from receiving assistance in terms of the health and education levy, in terms of municipal taxes, and in terms of approximately 85 percent support for those university credit courses is the fact that they are not in a position where they are associated with St. Boniface College, University of Manitoba or University of Winnipeg.

Quite frankly, Madam Speaker, I don't see that as a distinction with any kind of a meaning and that is why this small step which I think the Member for Emerson would acknowledge he personally would like to see more. I think there are some of us on both sides who would agree with that position.

I would like certainly to thank those members of the public who have taken the time to contact me, taken the time to contact other members of the Legislature, to indicate that there is a problem here. It is true that here we are in this Session, we're dealing with - and I'm quite proud of that fact - The Human Rights Act. We're going to treat Manitobans fairly. This is a step not in that particular act, but in another aspect of

treating Manitobans fairly, regardless of whether they belong to the majority or the minority. Whether it is the majority religions or the minority religions, there must be greater fairness. I believe that.

I would like to make several points with respect to the process which has been followed in this House, because there are several members on the opposite side of the House who have referred to the silence of the members on this side of the House. I've never pretended. We should not pretend that we have been united on this side, nor do I believe that historically the Conservative Party has been united. Had they been, we wouldn't be involved with this issue now, would we? It would have been fixed up 20 years ago, 10 years ago and so on. It wasn't fixed up. So let's keep that in mind that none of us have had - well, the Member for Lakeside, I believe his support in terms of private schools and so on has gone from one side to the other, as have people on our side. I don't think that people shouldn't be entitled to change their minds over a period of time.

But I say that several members of the Opposition side - your leader - referred to us as cowards because we did not speak up before we had discussed this issue in caucus. You know, that kind of discussion, you can deal with these kinds of things. We don't call you cowards when you don't stand up and speak.

I'll give you an example. Take Bill 12, The Child and Family Services Act, from last year; it was introduced on March 20. You didn't speak to it, you kept standing it until June 19. Nobody called you cowards for that. You have to have the time to make the decision.

If you want, Madam Speaker, a non-political way of doing things in this House, those of us who are familiar with the process know there are ways of doing it. An example of that was the way we dealt with emigration of Jews from the Soviet Union, an important issue which was raised by the Member for Kildonan. He went to the Opposition, discussed it with members who had ample time to discuss it in caucus, said they were prepared to support it and the bill was presented in this Chamber, moved by a New Democrat, seconded by a Tory, and passed, but that was after both caucuses had an opportunity to have their input and we then proceeded. That's the way you do things if you want to start things non-politically and finish things non-politically without making some cheap political points.

I say to you that the first I heard of the bill, I'm sure that it might have been on the Order Paper for some time, but a lot of us are busy. We have a lot of important things to do in terms of a government agenda as well. The first I heard of it, I was contacted by the President of CMBC, Mr. Neufeld; it was either on the day or the day before it was first discussed in this Chamber. I didn't know anything about it. I said, well, you know, usually what happens with respect to these kinds of bills when they're introduced by members of the Opposition, not much happens. That's a matter of historical fact.

I indicated that I was, in principle, supportive, but anytime we make decisions I am a member of a team. I work together with my team as people on the opposite side ought to do, and do. Before I would be commenting on the bill, I would take it back to my team and see how we are going to deal with it.

That's what we did. It took us some time. This is the third time it's on the paper and, as I've indicated, I am

supportive. I do want to say that I very much agree with the Member for Charleswood who put some comments on the record back on May 11 dealing with the Winnipeg Bible College. I'm not sure I have; I believe I have - yes, I do have a quote here. He's referring to the fact of change of use from one religious denomination to another and he makes it very clear - and I'm quoting from his speech - "The municipality existed quite fine without the income from that particular institution. The day, Madam Speaker, that it changed for the Winnipeg Bible College was the day that the municipality in that area received a bonanza. All of a sudden, they had a very significant amount of realty tax they did not enjoy previously.

Now with the Winnipeg Bible College, they're an institution that was buying in the community, was contributing to the community. It put life into the community through the student body that was there and through the staff people who then, at that time built homes there, moved there, created additional revenue for that municipality through the municipal taxation on those homes. All of a sudden that taxation was there, Madam Speaker, "not fair ball, in my view," - and I agree with him. That was a comment of the Member for Charleswood.

Now, as I understand it - I don't have direct information on this, but indirectly I am told that at least one of the colleges involved in this bill approached the City of Winnipeg in 1983. This is a college which has students from across this country. He said, will you do that? Will you do that, because you do have the ability to exempt? And they were turned down. They were turned down, and of course there's one person who appears to have a bit of a bad conscience because he was on City Council at that time.

I would suggest to him that he take a look at what the city did at that time. They turned them down. As I understand, and I don't have any direct evidence of this, but my recollection from dealing with Winnipeg Bible College is that they were turned down for the exemption too - an exemption that had existed previously. I don't think that's fair.

So I'm quite pleased to support on the same kind of reasoning - and the Member for Turtle Mountain referred as well to the fact that this will not cost the province any money. These institutions are bringing students in from outside who are spending money in these areas, such as Winnipeg. They're boarding in Winnipeg, they're spending money in Winnipeg. They're part of the community and this is a small thing that can be done by the local community for them. On that basis, I very strongly support the reasoning by those members of the Legislature; and of course the Member for Emerson also referred to the fact that this is not something which is a cost item to the province. He made reference to that as well.

Again, Madam Speaker, I am very pleased to be able to support this resolution. I believe that on our side, I know we've had in caucus a number of discussions and we have a great number of people who indeed will be supporting it. There will be some who will oppose it. It is Private Members' Hour and people are entitled to vote in accordance with their beliefs on the issue; but as one member on this side of the House, I am very pleased to rise and support it.

MADAM SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Madam Speaker, one of the great experiences in a forum such as this is that one can be lulled to listening to a speaker and wanting to, for all the right reasons, believe everything that he says.

The Speaker just concluding his remarks on this bill made that kind of a speech. He talks about the reason why there was such a silence on the other side with respect to this bill that, I remind you, Madam Speaker, was introduced in early May and was before this Chamber on three occasions, that this Minister and this subject - and this Minister particularly - addressed this subject back in 1983.

Now, Madam Speaker, one of the problems that we sometimes have in this Chamber is that of course everything we say in this Chamber is forever recorded in our public journals, known as the Hansard, and what this Minister said in 1983 - this is now 1987, Madam Speaker - is that it seems as though it would be better to solve the problem in general for all of these schools rather than just for the one individual school. That was one time this particular former Minister addressed this issue, some four years ago.

Madam Speaker, I am privileged to address a few comments of support to this bill. I am delighted that I have the opportunity of doing so when it now appears that this bill will be successfully passed through this Legislature. This is the first indication that we have received from the government that they will support the bill, or at least some of them, Madam Speaker, will support the bill. And, Madam Speaker, the makeup of the House is such that it doesn't take a great deal of them. If we have but two or three and maybe a few of them stay home, the bill will pass.

Madam Speaker, I believe it's appropriate that a great deal of credit should go to the mover of this bill, the Member for Emerson, who has persisted in this matter, first of all, as the Minister indicates, getting the caucus approval on our side to present the bill as a private member's bill, and then having presented it so capably in this Chamber.

And furthermore, Madam Speaker, lest we be lulled by the indications of support by the government members now, let's not understand the skill that had to be employed by the Member for Emerson, with the cooperation of members on this side of the House, to keep this bill alive, because, Madam Speaker, there were numerous occasions when this bill was last presented that the government simply wanted to adjourn the bill.

Now, Madam Speaker, you know what that means to a private member's bill. It means it's buried, it's lost. It then need not see the light of day again; it then not surfaces again in this Chamber, Madam Speaker. That's what happens.

But, Madam Speaker, I'm pleased, and I feel good about the fact that we have demonstrated that the Opposition, particularly if we're dealing with a rightful cause, even though we don't have the numbers, can influence, can bring about, can introduce and pass legislation in this Chamber despite the fact that we are a minority. Madam Speaker, it should not go unnoticed that this government has been brought reluctantly to this conclusion.

Madam Speaker, it has not gone unnoticed that the tactics employed by the Member for Emerson, first of all, allowed some excellent speeches to be made in

this Chamber; and, more importantly, it allowed the public and those directly interested to actively participate in this debate to send us all letters, to write us letters.

Madam Speaker, I would ask the Minister of Health, sitting in the Premier's chair, to repeat what he said standing up, if he chose it. If he wants to use the Lord's name in vain in describing my speech, then do so on the public record.

Madam Speaker, this government, within the short lifetime of this Session, found time on their legislative calendar to promote and dedicate monies to the sponsoring of a pornographic film festival featuring gay and lesbian lifestyles. This government, we were told just last week, is importing a professional gambler from Lake Tahoe, Nevada, to do what? To teach us how to gamble. They have done all those things, Madam Speaker, and have denied easy passage of this bill.

Madam Speaker, they have come to their senses, they have looked at this bill, they have looked at their past actions, and said, in fairness, we can't do this. And so we have cowed, Madam Speaker, and that is the word, we have cowed, we have bullied this government into doing the right thing, into doing what they had committed themselves on letter by former Ministers to these people, Madam Speaker. And I'm pleased that we in the Opposition were able to do that. I am pleased that the Member for Emerson was able to do that, and I look forward particularly to the Minister of Health's support on Bill 17.

Thank you.

MADAM SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: Thank you very much, Madam Speaker.

Madam Speaker, it is always wonderful when one is debating a bill of this nature or any other nature and see the spontaneous Christian charity of the Member for Lakeside as he attacks, as he throws barbs, whatever else, at other members to try and perhaps impress some people on his side or some people out in the hinterlands with . . . I get quite a charge out of the members opposite who like to try and insinuate that somehow they are holier than thou in comparison to any other members in this House.

Madam Speaker, the degree of inconsistency on this matter spreads across political spectrums. The history of the Conservative Party has certainly not been in favour of broad funding of every religious institution that wishes to be funded by government. Our party has certainly been the same on that issue over time of not wanting a broad scale funding. Political attitudes sometimes alter and change. We are seeing a dramatic reversal on the side opposite. I'm not sure what will be explained and put on this side, but I can tell you that this side will be using Private Members' Hour as a Private Members' Hour and not as a caucus-delegated decision of how one should vote in Private Members' Hour.

And, Madam Speaker, that I think is a very important issue because the essence of this Chamber at this time of day is for individual members of this Assembly to be able to rise in their places and speak either on behalf of themselves perhaps expressing attitudes that

have been brought forward by their constituents and issues of that matter.

MADAM SPEAKER: Order please.

The Honourable Member for Minnedosa on a point of order.

MR. D. BLAKE: Yes, on a point of order, Madam Speaker.

We're here to listen to the debate on the bill. We don't need a lecture on parliamentary procedure from the member . . .

MADAM SPEAKER: The Honourable Member does not have a point of order.

The Honourable Member for Inkster.

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

I guess if you throw stones, you've found a hit; if a dog yelps, you've hit a chord somewhere. I don't know if maybe the Member for Minnedosa doesn't sit very comfortably with what seems to be emerging as a caucus position from the members opposite in a private member's matter. Perhaps that is indicative of their responses.

Madam Speaker, in the proposed bill, I would say that the spirit of the bill is somewhat inconsistent with the recommendations of the Weir Report that we just spent several years going through in trying to reduce the number of special exemptions that one has in municipal assessment, not to add additional ones, because every time you grant an exemption on municipal assessment that means that somebody else has to pick up and carry that load.

In a large municipality like Winnipeg, it can be carried over a little easier. It might only make a difference of a couple of dollars or whatever on one's assessment or on one's taxes, but in a smaller municipality where a college or a large facility such as in Otterburne would make up a considerable amount of the R.M. of De Salaberry's total assessment base, then that burden has to be carried by a fewer number of people and could be a significant impact on those residents. I think that is the reason that these sorts of decisions, if there's going to be an exemption granted, first they should be somewhat limited, but also that the decision should be made at the local municipal level where they are right now and where they're vested right now.

Here we have an attempt by some perhaps good-intentioned members, working within an obvious lobby of religious colleges, to try to extend a tax-exempt status to them. It's not, as some people may try to present, at no cost. There may not be any cheques issued, but there have to be increased taxes collected to make up for that lost revenue.

I have always maintained - and I'm glad to see the Government of Canada is coming along to some extent on this with their talks of tax reform currently - that a dollar spent or a dollar not collected through an exemption, there is really no difference. It is - and we refer to these things now and it's just started to come into the taxation language recently - the phrase or the expression of "tax expenditures," that a tax break is, in effect, an expenditure of the government and should be accounted for as an expenditure, not simply as not

appearing in revenues as has traditionally been the case.

So I believe this is somewhat inconsistent with the Weir Report. I believe also, as I've just stated, that the responsibility should be up to the local ratepayers, through their elected representatives, to decide if they so choose to grant an exemption to a particular college or other institution.

We're dealing here strictly with four religious colleges - four. None of them have a degree-granting status. They may be recognized within their own denominations to be able to give a Certificate of Ordination for the purpose of the ministry in their respective denominations, but it is not the practice of the Province of Manitoba, of the Universities Grants Commission or of the University of Manitoba or the University of Winnipeg or the University of Brandon, to my knowledge, to actually pay to subsidize the delivery of courses that are purely of a religious nature. All of those universities I just mentioned where there are chapels involved, like St. Paul's, St. John's, St. Andrew's, none of them get any service whatsoever from the university, or financial assistance from the university directly, to be able to provide their courses of a religious nature.

As a matter of fact, it's my understanding that the University of Winnipeg, which is a non-denominational university, offers courses in religious studies not leading to the ordination in any particular sect of the Christian church or of any other churches, because they offer broad ranges of courses on inter-comparisons between religions, be it Islam, Judaism, Christianity, Buddhism. So they are offering these types of courses to broaden one's understanding of the religious philosophies and the evolution of them around the world; those courses are not eligible under the Universities Grants Commission for funding.

And yet here we are moving to a more desecular education system where the only people admitted to a college, or primarily admitted to the colleges are those not necessarily going through for ordination, or to become a pastor or a minister, but certainly restricted to members - or fairly restricted at least of members - of that particular faith.

I happened to have spent four years in a university that was affiliated with a particular church, not my own church, but I had absolutely no expression in my four years at that university for me, as a student of that university, to assume and to take on any of the religious character of that university. It had a very distinguished and a long history of religious studies and of contribution to the world, I might add, as well.

Particularly, the University of St. Francis Xavier is probably one of the best recognized and known universities across Canada when you go out into other nations, especially a Third World, because they have spent so much of their effort largely on a non-denominational basis to provide for training for people to go out and work, in particular, with cooperatives and the Cody (phonetic) Institute, and to work at the grassroots levels of society in other countries, to help build those societies, tear down some of the divisions within a society and pull people together in a cooperative manner, so as to provide everything from educational institutions to clean water and industrial progress.

Madam Speaker, at the University of Manitoba, and many years ago now, we went through what was

generally a consolidation of colleges and educational institutions in this province to form the University of Manitoba as an amalgamated group various religious colleges affiliated and relocated to be on a common campus.

The University of Manitoba sets the standards for the hiring of their professors. It sets the standards for the teachings of the courses. It sets the standards for the degree and the quality of degree that people are going to have coming out of that university because it is a public institution.

The colleges that we're referring to here, none of them have any kind of a public academic control. I don't think any of them would want to have a public academic control; and for their own religious independence, I would support them in that because I don't know of any religious groupings who have become subjugated too greatly to the state and been able to maintain their independence as a religious group. Perhaps no one in the last hundred years or so is more reflective of that than the Mennonite people who came to settle in Manitoba, came to various parts of Canada, to Mexico, to South America, fleeing a system where there was religious oppression against those individuals to freely practise their religions as they desired.

Now, when you move in, perhaps, to where we are today, I think that the religious organizations themselves, the churches themselves, maintain greater independence if they stay as far away from the state in any form of financial assistance up front or through the back door of tax concessions. The more independent the religious institution is, the stronger shall be that religious institution over time.

If you want to use a religiosity index between various nations, nations that have state religions, in many instances there is a very low level of participation in religious activity by the members at large of that society - very low participation. So I think, for the strength of religious groupings themselves, their independence is far better served through a complete financial independence from government, not depending on government for any kind of financial assistance either up front or through the back door. So, Madam Speaker, for a number of reasons, complex reasons, I would suggest I do not believe it is responsible for us to proceed and to pass this piece of legislation.

I, as an individual member of this House, in this Private Members' Hour, will vote against the proposed bill by the Member for Emerson.

Thank you very much, Madam Speaker.

MADAM SPEAKER: The Honourable Member for La Verendrye.

MR. H. PANKRATZ: Thank you, Madam Speaker.

First of all, I, too, would like to thank the Member for Emerson for bringing this bill before the House. Like one of my colleagues indicated, it had been brought before this House in 1983, I believe, and was rejected at that time. I also want to thank our leader and most of our colleagues who have spoken on this bill. I know the rest of them who haven't spoken, they are also supportive of this bill.

So I believe that Bill No. 17 would correct some of the inequities in our taxation structure as it pertains

to Bible colleges in Manitoba today. I was most impressed by the Minister of Industry, Trade and Technology when he stated that he was definitely in favour of it and that he also realized the inequity. I also believe that the Minister of Health is also having some second thoughts about it and I think would also support the bill.

I believe that Bible colleges in every Canadian province, except Manitoba, are exempt from all but most municipal taxes. They are exempt because Bible colleges are educational institutions. Although Manitoba recognizes Bible colleges as educational institutions by charter, student assistance, recognition of credit, etc., the province nevertheless denies some of these Bible colleges their taxes in lieu of. And so, as much as it is out of step with the rest of the country, I believe there is an apparent prejudice against some of these Bible colleges.

Madam Speaker, church-related colleges in Manitoba such as St. John's, St. Paul's, St. Boniface College, St. Andrew's, etc., are exempt from taxes through provincial grant in lieu of. It is not - like the member for Inkster indicated - that the municipalities are forgiving the taxes. It is basically in lieu of where the Province of Manitoba pays the taxes in lieu of to the municipalities.

I believe very strongly that no small municipality is in a financial position that can pay or absorb those municipal taxes, whereby basically the educational institution, college as such, is providing a service not only for the municipality but basically for the province as a whole and, in a lot of cases, also other provinces as well where students will come in from different provinces and get their education in these colleges. So, Madam Speaker, I believe that should be a provincial matter whereby these taxes get adjusted.

Some church-related colleges such as - and they have all been mentioned, the four - but I believe there's a fifth one which is the Steinbach Bible College which should also be included in that one. As a matter of fact, it's way smaller but it also has the same problem whereby the taxes are imposed on the college. So I would like to go on record stating that the Steinbach Bible College should also be one that should be included with the rest of them and receiving that grant in lieu of from the Province of Manitoba.

I fail to understand why this government favours some denominations, but I realize and I think the mode of members opposite today is such that they realize inequities; so I don't believe as such that I should elaborate on it because I think there are quite a few members who do support this bill at the present and I think we should allow it to be voted on. I think there are a lot of people on the government side of the House today who realize the inequity, and by all means I will not mention or quote anything of that nature, except I do want to state one thing which was brought to my attention and that was in respect to the Minister of Municipal Affairs and I'm happy he's here today.

He also indicated during Estimates, and it's on page 2410, Tuesday, May 26, in where he indicates, and I'd like to quote him: "I was just reviewing this letter to the Minister for Emerson. The member is quite correct that there had been a letter from my predecessor indicating, I suppose in principle, support for the idea of an exemption for the colleges in question. Frankly,

one of the reasons that it was our decision not to move at this time is that, as we all know, we are in a process of assessment reform, and it was hoped that this would occur in some sort of a systematic way.

"One of our problems - and I know the member has Bill No. 17 at the present time - with that bill is it doesn't go far enough." I'll quit at that point.

He also realizes the need that there should be some reform in respect to the taxation, just I believe he doesn't quite know he needs the assistance of his colleagues in order to make this thing happen. I believe the mode is there today that possibly it can happen.

I would like to mention that when it came to giving \$500 school tax exemption as school assessment in regard to agricultural land that was put in the '87 budget, the plan is being worked out at the present, the format of it, how it'll be implemented, so as long as the mode of the government is there, I think, how it'll affect the province in that respect, those issues can be worked out a little later on, and it did not have to be assessment reform in order to do that.

The government also could remove the 50-50 percent in regard to the LGD cost-sharing agreement and that also didn't need assessment reform. So I don't quite go along with the Minister of Municipal Affairs when he states that in order to correct this inequity in respect to the Bible colleges, that we have to have assessment reform. I think it's a matter of the will of the government and, in that respect, I believe it's there today.

So with that, I would like to conclude my comments; and hopefully the government will recognize the need and hopefully this bill can be passed and this inequity towards these colleges can be corrected.

Thank you very much.

MADAM SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: Thank you, Madam Speaker.

I must admit, in coming to the debate today, I was not sure whether I would be participating. I have been following this issue with some interest and have been attempting to deal with what I see as a couple of problems in dealing with any type of issue of this type; dealing with the question of equity within a certain class of property which I think is what we're essentially dealing with in this particular case; and dealing with some of the other types of questions I think which the Member for Inkster raised.

For on the debate today, I think that's what really made me want to participate, particularly what I thought were some of the unfortunate comments made by the Member for Lakeside. I really would hope that, especially in Private Members' Hour and especially on bills such as this where members of all sides of this House have indicated a willingness to look at the various aspects, the various arguments, that we would be able to deal with the arguments, Madam Speaker.

The issues involved themselves rather than some of the rhetoric that we heard from that member, and I hope that he would perhaps reflect on some of those comments because I really thought they were inappropriate in a debate which, by and large, I think has been a good one; and has for members such as myself, who don't have a stake in it as a constituency

representative and therefore come in with an open mind, I think it's been a good debate.

As I said, I think the Member for Inkster did raise a number of good points in regard to the implications of this particular bill. He mentioned some of the implications in terms of funding of educational institutions. I think that is something that does have to be considered. I think in this particular case we're essentially dealing with a number of institutions which are somewhat different from the university colleges, which were referenced by the Member for Emerson in the introduction of this bill. I think there are some differences. Essentially, I feel they're what has been described as denominational, theological institutions rather than the university colleges, which are general religious studies institutions.

Now, that is not to say that we should not treat them in the same category in terms of the property tax questions. But I think we should recognize that there is a difference. I think the Member for Inkster raises a good point in that regard. I think one also does have to consider the ramifications of providing tax support, because that is what one does when one provides an exemption to any particular institution, as to whether that is defensible.

Quite frankly, if in this particular case we were debating the question of straight public support for these institutions, I might take a different view than I am on this particular bill. I might tend to support some of the comments made by the Member for Inkster. In fact, I'm probably in a unique situation in terms of my constituency. I do have a private school in my constituency but they've chosen not to ask for public funds. They believe that's incompatible with them being a private school. They follow the curricula of the public school system, but they do not seek funds. So I'm in a rather interesting situation as a constituency MLA, in terms of dealing with that overall question.

But, as I said, I feel that there is another issue involved here. The key issue really is that of assessment and assessment reform. On this particular point, I do disagree with the Member for La Verendrye. I think that this particular bill has to be looked at in that particular perspective. I was fortunate a number of years ago to be part of the Municipal Affairs Committee which went around the province, held meetings in a number of different areas to discuss the Weir Report. I remember getting into this whole area at that particular time, thinking that I knew a little bit about property taxation and assessment, and finding out when I got into it that I, like many other members of the Legislature, knew very little. I particularly knew very little about the complex issues, and the complex sub-issues that are a part of the whole question of assessment reform.

Through that period of listening to members of the public, I think that reinforced in my own mind the need for a comprehensive assessment package before we can really deal with some of the inequities that definitely exist in terms of our taxation system.

So I do disagree with the Member for La Verendrye; I do think this is part of that particular process. But this is before us today. As I said, I've come in with basically an open mind on this particular issue. At looking at some of the arguments that have been made, I am persuaded that notwithstanding some of the reservations I might have, if it was direct public support

for theological instruction for what are essentially private colleges, notwithstanding that, and notwithstanding also my strong view that we need comprehensive assessment reform, I am persuaded that there is enough of a similarity between these institutions and the university colleges, not an identical situation, as I said.

I think there were some good points raised by the Member for Inkster in that regard. But I'm persuaded there is enough of a similarity and enough of an inequity that we should, in dealing with this particular bill, approach it from that particular perspective, that is correcting that inequity.

In doing so, I want to state that I do not feel this is the only inequity of this particular kind in our present system. I raise, for example, the question of child care institutions. I have, in my own constituency, had people approach me and raise their concern about the fact that child care institutions are subject to assessment and municipal taxation. I feel that we should look at that very carefully because I think a good argument can be made. I've heard the same argument made for other private institutions, which essentially are public-service oriented.

I know a number of members on this side of the House have mentioned to me in private conversations particular institutions that they think are also in the same sort of situation. The YMCA and YWCA, as the Member for Kildonan and the Member for Ellice have pointed out, are in a very similar sort of situation. I think that we cannot, in looking at this particular bill, avoid the obvious direct comparison that will be made with those types of institutions.

I think what we have to do is send a signal that we're willing to look at the other inequities that exist in the system in regard to, as I said, what are essentially private organizations and institutions, but institutions that are oriented towards public service, because I think that is essentially what the Member for Emerson is implicitly saying in bringing this in. He's not arguing that we should be supporting a private institution, per se. He's arguing that they serve a public purpose, that they are, in many ways, very similar to the university colleges, despite some of the obvious differences, but they're similar in the sense that they provide education. Even in terms, I suppose, of looking at the local municipalities, they also provide employment in those municipalities. They provide other economic benefits, which balance out the obvious costs that might be involved if those institutions were not subject to assessment and property taxation.

So, as I said, in looking at those issues, I have come to the conclusion myself that this bill is an appropriate bill. As I said, it's not comprehensive, but I will be supporting it. I want to make it clear, it's because of the inequity involved and the process of correcting that inequity that I'm doing that. I've tried to look at this

dispassionately and take out those elements of the issue that I don't feel apply.

I've tried to look at the comprehensive area and I've come to the conclusion, as I've said, that we also need comprehensive reform. But I am persuaded by the arguments, particularly the arguments by those members who were, I think, reasoned in their arguments and raised the real issues, such as the Member for Emerson - I do give him credit for raising some good arguments on this particular point - and my colleague, the Minister of Industry, Trade and Technology, who I also feel raised some very good arguments in favour of this particular bill. I am convinced by the process.

But I must say, I would like just to add in closing, Madam Speaker, that I wish that we could do this more, as members of the Legislature, notwithstanding some of the deviations we saw today in terms of the tone of debate. I wish we could come in sometimes when there are issues such as this, which aren't necessarily issues that have to be decided upon based on a party line or based on direct constituency interest because there are only in this case, I believe, a small number of institutions affecting only a small number of constituencies that are actually affected.

But I wish, from time to time, that we could come in and deal with issues based on their merits with an open mind, as I have attempted to do in this particular situation. I'm not saying, Madam Speaker, that mine is the only answer on this. I respect the Member for Inkster for his particular analysis of this issue, and I respect the disagreement that we will have on this issue. But I do commend those members, the majority I think in this particular issue, who have taken that approach and haven't tried to use this particular bill for partisan advantage or personal advantage.

Really, Madam Speaker, that is what we're here for as members of the Legislature. We are here to be the servants of the public and do what is good for the Province of Manitoba. I believe that my vote in support of this bill will be done in that interest. It may not affect my constituents directly in Thompson, Madam Speaker, but I'm sure that they would agree, in looking at the issues, there is inequity here, an inequity that we can deal with by supporting the bill before us, Bill 17.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Madam Speaker, I wonder if we could consider calling it six o'clock?

MADAM SPEAKER: Is it the will of the House? (Agreed)

The hour being 6:00 p.m., then, the House is now adjourned and stands adjourned until 1:30 p.m. tomorrow. (Wednesday)

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