



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

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**DEBATES**  
and  
**PROCEEDINGS**

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**31-32 Elizabeth II**

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*Published under the  
authority of  
The Honourable D. James Walding  
Speaker*



MG-8048

**VOL. XXXI No. 75B - 8:00 p.m., THURSDAY, 26 MAY, 1983.**

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Second Legislature**

**Members, Constituencies and Political Affiliation**

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

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 26 May, 1983.

Time — 8:00 p.m.

### CONCURRENT COMMITTEES OF SUPPLY SUPPLY - MUNICIPAL AFFAIRS

**MR. CHAIRMAN, C. Santos:** Committee, please come to order. We are still on the item where we left, 1.(b)(1) Executive Management, Salaries - the Member for Swan River.

**MR. D. GOURLAY:** When we closed off at 4:30, we were discussing the MARC Report. Just for clarification, did the Minister indicate that the report was ready with respect to the submissions that were heard throughout the province but that he had staff working on other information that he wanted, and staff had now gathered information and had completed that part of it and was wanting to tie that in with the rest of the report before it would be submitted to a legislative committee?

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

**HON. A. ADAM:** We should be able to call the committee and have a proposal for the committee's consideration, I expect, around the 15th of June.

**MR. D. GOURLAY:** The Minister then is saying that he does not have a report compiled from the submissions that he has received to date.

**HON. A. ADAM:** The staff have prepared a considerable amount of information that we've been gathering all throughout the summer months. Also they have prepared a paper on the briefs that were presented. That has just been completed recently. They have also prepared a report for our consideration, the committee's consideration, which we are looking at now, and which I will be bringing forward, I expect, about the middle of June. And that we'll be able to call the committee together by then.

**MR. D. GOURLAY:** I wonder if the Minister would consider giving all of the members of the committee a copy of the report so that we may have a chance to peruse it with sufficient time prior to the meeting being called so that we can deal with it at the time the meeting is called.

With reference to a similar committee in Agriculture dealing with the Crow meetings, the committee had something like a month to prepare the report, and members of the opposition received the report. Twenty hours later, the Standing Committee on Agriculture was called to deal with that report. Subsequently, we didn't have enough time to study it or take it back to caucus, so we now have delayed any further meetings for another week. We could run into the same situation if we don't receive the report until the middle of June. We'll need some time to study it before we can deal

with it, and that could see us on into another couple of weeks.

If the Minister says that the report is ready, I wonder if he would consider providing it to the members of the opposition at least a week or two before the committee is called.

**HON. A. ADAM:** I don't think it's normal practice to circulate any reports until they are completely finalized. We're still looking at those reports. The report that we received from the hearings is a different report than the recommendations that will be coming forward, the suggestions that we're making to the committee.

**MR. D. GOURLAY:** Is the Minister saying then that there'll be two reports?

**HON. A. ADAM:** Well, there is, essentially yes. Just the one.

**MR. D. GOURLAY:** Well, would then the Minister consider providing that to all members of the committee, in sufficient time in advance of the calling of the committee, so that all members will have a chance to study it and be able to deal with it when the meeting is called?

**HON. A. ADAM:** I think I could take that under advisement and consider doing that if that's . . .

**MR. D. GOURLAY:** Well for the Minister's information the precedent has already been set in that the Minister of Transportation supplied us with copies of the Agricultural Committee hearings some 20 hours in advance which was fine but not sufficiently enough time for us to be able to have a chance to caucus it and be able to deal with it at the time of the meeting. So if the Minister is wondering about the precedent it's already been established where the reports would be sent out in advance.

**HON. A. ADAM:** We'll take that under consideration. It's a reasonable request if other departments are doing it, I guess, if it's been done before we'll see if that can be done again.

**MR. CHAIRMAN:** They just did it this morning.

**HON. A. ADAM:** I'm in a good mood tonight.

**A MEMBER:** You're a reasonable man.

**MR. D. ORCHARD:** You should have seen him when he was complaining about the canvas for bed sheets. He wasn't in a good mood that day.

**HON. A. ADAM:** No. I'd just got off them, that's why.

**MR. D. ORCHARD:** Sleeping under a tent and stuff like that, all the complaints we heard when he was in opposition.

**MR. CHAIRMAN:** It must be relevant to the item under discussion.

**HON. J. COWAN:** Well, I think that's relevant.

**MR. CHAIRMAN:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Well, Mr. Chairman, I think the request of my colleague, the Member for Swan River is one that will assist the Minister because I want to tell him that today, we met this morning in the Agricultural Committee and we had received a consensus report drawn up by the Minister of Transportation staff which was theoretically reflecting the views heard at the public meetings, the committee hearings that we held throughout the province, similar I would suspect, to what your staff is drawing up for you.

The Minister of Transportation provided us that report some 20 hours before the committee was called. The objective, I believe, of this Minister and the government is to attempt to get this Session over with some time this year. What we did is we ended up with only 20 hours' notice, having really to defer the consideration and the passage of that report a week from now.

What my colleague, the MLA for Swan River, is saying is that if the Minister has his report completed, please don't drop it on the committee at the time we meet, because we'll simply say we haven't had time to consider this, and we'll ask that the committee meeting be called a week later. If the Minister provides roughly a week's notice so we can deal with it around the caucus table, as I'm sure the Minister made reference earlier on; this report that he's having his staff draw up, his Cabinet is looking at, his caucus is going to look at. We're no different. We have to do the same kind of thing to bring the opposition opinion to the committee hearing. If the Minister can provide that report to the members of the committee in the opposition a week or so ahead of time, then we can have a meaningful meeting when he calls it. Otherwise, as the present chairman tonight can attest, we didn't get an awful lot accomplished today because we had not the time to really get into the meat of that report. So the suggestion is to help the Minister, and we're always willing to help this Minister; so that if he could take this as one of the kindly pieces of advice that Her Majesty's loyal opposition give him, he will be well-advised.

Now, Mr. Chairman, in discussion of the staff development of this report, is the staff only dealing with the briefs that were presented and those that were mailed in by people who were unable to attend the committee hearings? Is the staff only dealing with the four basic recommendations as were developed in the green book and the briefs to them, or is the staff considering recommendations that the public didn't address during the hearings?

**HON. A. ADAM:** They have dealt principally with the four major areas and plus what we heard at the hearings.

While I still have the floor, the request for advance copies of the proposals to the committee is one of the few reasonable requests that I have heard from the

Member for Pembina in a long time, and my heart is bleeding . . .

**A MEMBER:** Is it bleeding with joy?

**MR. D. ORCHARD:** You can't soar like an eagle when you work with turkeys. No sir, boy.

**HON. A. ADAM:** I think I would be amenable, since it's not very often that he's real laughable and in good humour . . .

**MR. CHAIRMAN:** You'll give him 21 hours.

**MR. D. ORCHARD:** Mr. Chairman, I think you're out of order.

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

**MR. D. ORCHARD:** Thank you, Mr. Chairman. I thought the Minister was going to add a few more compliments to me there and I was waiting, but seeing as how he's just quite stingy on them . . .

**HON. A. ADAM:** I ran out. There was only two.

**MR. D. ORCHARD:** However, I have to admit; I'll take any compliment from the Member for Ste. Rose, the Minister of Municipal Affairs. I value his political nose, I believe the Premier said, the First Minister said, the political nose.

**A MEMBER:** Political acumen.

**HON. A. ADAM:** I'm the acting shark nose.

**MR. D. ORCHARD:** Well, Mr. Chairman, the Minister this afternoon made a speech in addressing a Private Members' bill, which caused some concern, and if I interpreted the Minister's remarks correctly, he basically established government position which was subsequently reaffirmed by them using their majority to defeat the bill, that being the bill for municipal — (Interjection) — No, Mr. Chairman, this is relative to . . .

**MR. CHAIRMAN:** The Minister has a point of order.

**HON. A. ADAM:** I think, Mr. Chairman, that we did discuss briefly before the supper adjournment the conflict of interest, and we're now moving into the Legislature in Private Members' Hour in dealing with bills that come. I don't think it is relevant or germane to what's before us at the present time. It has nothing to do with administration of the Department of Municipal Affairs.

**MR. CHAIRMAN:** We are discussing Item No. 1.(b)(1) Executive Management Salaries of the Department of Municipal Affairs - the Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Chairman. You betcha we are, because the Minister this afternoon indicated the reason the government would not support that bill was that there were

recommendations in the Weir Report which would resolve this. Now, that bill was defeated. That Bible College may well have to cease operations because of the failure of the government to provide them with tax relief as proposed in the Private Members' Bill.

**HON. A. ADAM:** On a point of order, Mr. Chairman.

**MR. D. ORCHARD:** My question to the Minister is . . .

**MR. CHAIRMAN:** The Minister is raising a point of order again.

**HON. A. ADAM:** We are dealing, Mr. Chairman, now with legislation presented in the House, and I think it's just an abuse of the time of the committee to deal with legislation that's presented in the House.

**MR. D. ORCHARD:** I don't think you want to have a vote right now, Pete.

**MR. W. MCKENZIE:** You can't deal with anything that was dealt in the House in here.

**HON. A. ADAM:** Well, they have to be at least germane.

**MR. D. ORCHARD:** Especially when you haven't even heard the question. You'll hear it. I've got all night, you'll hear it. You betcha you will.

**MR. CHAIRMAN:** You cannot reflect on the vote in the House. That's against the rules.  
The Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Chairman.  
The Minister in his reference to the bill said that the Weir Report had a recommendation which would deal with that. My simple question to the Minister is: Since the government defeated the bill, how long will the Bible College have to wait for the government to deal with the recommendations in the Weir Report that will provide them the tax relief that the bill that they just defeated would have provided them? How long will they have to wait? Will they have to wait one year, two years, three years, because they may not be around that long without tax relief? So my question is very direct and very appropriate to this item of discussion. How long are the people going to have to wait for the Minister and the government to move on those recommendations?

**HON. A. ADAM:** Mr. Chairman, we went through that this afternoon, and I brought the members up-to-date on what had taken place and what is going to take place within the next week or so. I indicated that there would be some legislation coming forward. I indicated again this evening that we should be calling the committee together on the 15th. I believe it is a reasonable position to try and deal with all those inequities that exist out there, perceived inequities or anomalies, all at one time rather than start working on a piecemeal basis and have chaos on your hands.

This would be the second bill that has come forward for exemptions, and I expect that we may see more. If you open the door, set a precedent for one group,

you will have immediately several other groups. We have had many groups come in, farmers in the St. Clements area who feel that they are being unjustly assessed because they're in close proximity to subdivisions and so on. There are all these inequities that . . .

**MR. D. ORCHARD:** The Weir Report could resolve it.

**HON. A. ADAM:** Not necessarily. The fact of the matter is that even though we have accumulated considerable amount of information, there is so much more information we should have before we could go ahead and implement the entire recommendations.

### CHAIRMAN'S RULING

**MR. CHAIRMAN:** For the edification of the member, I read from Beuchesne, 315, Sub-paragraph 2: "It is irregular to reflect upon, argue against, or in any manner call in question in debate the past acts or proceedings of the House, on the obvious ground that, besides tending to revive discussion upon questions which have already been once decided once, such reflections are uncourteous to the House and irregular in principle inasmuch as the member is himself included in and bound by a vote agreed to by a majority; and it seems that, reflecting upon or questioning the acts of the "majority" is equivalent to reflecting upon the House."  
The Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Chairman. That was an excellent ruling, Mr. Chairman.

Mr. Chairman, since the Minister has said that they want to deal with all of these inequities not piecemeal but in one major bill, and he at the same time indicates that there is going to be legislation yet this Session, can we assume from the Minister's remarks that all the inequities are going to be removed by this legislation that he's proposing this Session?

**HON. A. ADAM:** Not necessarily, no.

**MR. D. ORCHARD:** Then my next question has to naturally follow. Does the Bible College then, can they expect that their situation will be addressed with these amendments since the Minister spoke against the bill and had it defeated?

**HON. A. ADAM:** Mr. Chairman, you have just made a ruling on what has happened in the House and . . .

**MR. CHAIRMAN:** The member is courting disaster.

**HON. A. ADAM:** . . . I raised a point of order at that time and the member continued on that line of questioning.

**MR. D. ORCHARD:** We'll change the question. Then I'll just ask the Minister a direct question. Will the Bible College taxation problem be relieved in the legislation he's going to bring forward this Session?

**HON. A. ADAM:** I don't think that we would have sufficient information. What would happen - I was not

prepared to accept as a new principle, without addressing the whole package; and secondly, I was not prepared to accept a shift of \$17,000 in taxation from one group, to exempt one group, to other taxpayers in the area. That's a problem we have to address and we have to address it all in one package, rather than in a piecemeal fashion.

I have held to that position right from the beginning, that once we do deal with all these inequities, let's deal with them as broadly as possible, and not in isolation of the total package. I still maintain that position. What would have happened, we would have had to shift taxation, or the municipality of De Salaberry would have had to shift \$17,000 this year onto other taxpayers. I'm not sure whether the Member for Pembina is asking us to do that, but that would be the result. He's asking us to remove \$17,000 from one taxpayer and passing it onto another. I think that's what he's asking us to do.

**MR. D. ORCHARD:** Mr. Chairman, I think the Minister was reflecting on a decision of the House this afternoon in Private Members' Hour with his last remarks.

**HON. A. ADAM:** No, I wasn't.

**MR. D. ORCHARD:** Mr. Chairman, I'm a kindly person and I will overlook that. But, Mr. Chairman, the Minister is now embarking upon a course of action that we now identify as a modus operandi for this Minister. This Minister . . .

**HON. A. ADAM:** Explain.

**MR. D. ORCHARD:** . . . you might recall, Mr. Chairman, when he was developing the Main Street Manitoba Program, he said that, oh, he's not going to get rushed into any big fast approvals of any Main Street Manitoba Projects. Oh no.

**MR. A. ANSTETT:** And he didn't.

**MR. D. ORCHARD:** This Minister was going to develop and consider all aspects and he was going to consider all of the ramifications, the implications, and he was going to have the most perfect program that you ever saw in Main Street Manitoba. That's why the opposition started to name it as the "Perfect Peter" program, not the Main Street Program, but the "Perfect Peter" program, because it had to be perfect. Well, you know, I sort of can agree with that, except that we have to bear in mind that this was one of the major planks in the New Democratic election platform, that they were going to fix up the main streets all throughout Manitoba, and a whole year later he had one project announced and he has approved in principle two more. This government is a year-and-a-half down the road; they didn't even come close to spending the million. Well, they didn't spend 5 cents of the \$1.5 million they approved last year.

Now, the "Perfect Peter" program is an excellent objective, but it doesn't get anything done. This Minister, once again, is now saying, "Well, oh, golly, you know, I'm not going to move on anything in assessment until we can resolve all of the problems, so that we can

have a perfect assessment system, so that we can eliminate all the inequities, so that what we're going to do is just going to be perfect." Well, he'll never get it done.

Meanwhile, the inequities that are there that the municipal councillors day by day make him aware of are going to exist. They're going to continue to exist and they're going to get worse. This Minister has put an indefinite freeze on assessment in the City of Winnipeg, and the problem gets worse and worse while this Minister tries to develop the "Perfect Peter" program No. 2 in assessment. Well, it isn't going to work.

This Minister is going to have to exercise his responsibility as being a Cabinet Minister in a government and start taking some action. Now, I don't detect him going to do that. He talks about there's going to be legislation, but it isn't going to address one area of concern, one inequity. But yet he says he doesn't want to move without dealing with all of these problems, and yet one problem that's there, that he knows is there, he says won't be identified with this piece of legislation, whatever it's going to be, that's coming in this Session. So already he's saying one thing and going to do another. He's going to bring in legislation this Session that isn't going to deal with all the problems.

Well, when do we believe this Minister? He wants to not move piecemeal, he wants to make sure he addresses all the problems before he makes a move, but he's going to bring in a piece of legislation. We don't know what it's going to do. For certain, we know it's not going to assist the Bible College or any institution like it.

So this Minister has got a problem, and this Minister is going to have to get off the fence. He would have the support of the majority of the municipal councillors if he would make a move, but he can't sit there in the middle of the road for the next two-and-a-half years until he's no longer Minister of Municipal Affairs. He can't do that because the inequities are getting worse, the problems are getting worse. That's why we set up the whole process; that's why we had a report drawn with recommendations.

If the Minister would refer to the back chapters of the Weir Report, he will see an implementation schedule which said that by June of 1982 this could be done, by August of 1982 this could be done, by the end of 1982 we could have this, and by 1985 it could be completely implemented. But the way this Minister is going, the way this Minister is proceeding with it, there's going to be nothing happen in the whole term of this New Democratic Government and the inequities are going to grow and be worse. If you think it's politically popular to do nothing, talk to your municipal councillors, talk to the executive of the UMM; I'm sure they're going to tell you it's not popular to do nothing. Sure, it's going to take a little courage to deal with it, it's a big problem, but if courage is what it takes to deal with it, I'm afraid this Minister and this government don't have it. Either they don't have the courage to deal with it or they don't have the knowledge to deal with it, and one's as bad as the other.

Now, we can't have that kind of a situation in Manitoba. This Minister cannot continue in this development of a perfect assessment remedy. —

(Interjection) — Oh, the Minister of Natural Resources says we want them to rush. Since when is rushing, asking you to rush, to do something in 18 months - you've had . . .

**HON. A. MACKLING:** You had four years to do something about it, but you did nothing.

**MR. D. ORCHARD:** Oh, oh, wow, wow, here we've got all of the experts, and one of them an ex-expert from the Schreyer years, when these inequities occurred and became part and parcel of the assessment system in Manitoba, while the Schreyer administration sat and did nothing, and we took — (Interjection) — No. I'm not saying the Schreyer administration caused them, they happened because of the existing legislation which was not adequate and the existing assessment system which was not adequate, and we addressed that problem. We gave you a report that was probably one of the best overviews of assessment that's ever been done in the Province of Manitoba, and we've got a government that's sitting on it. They want to develop the perfect assessment program. Well, Mr. Minister, you won't do it, and you're failing your responsibility as a Minister, and this government is failing the people of Manitoba by not addressing the issues in that report.

Talk to the municipal officials, and they will tell you that they wish you to make some moves.

**MR. CHAIRMAN:** Order please.  
The honourable Minister.

**HON. A. ADAM:** Mr. Chairman, I want to . . .

**MR. D. ORCHARD:** Hold it, Mr. Chairman, you were calming down the Member for . . .

**MR. CHAIRMAN:** I'm calming down everybody.

**MR. D. ORCHARD:** Well, thank you. I'd like to . . .

**MR. CHAIRMAN:** The Member for Pembina has the floor.

**MR. D. ORCHARD:** Thank you. I'm certainly pleased, Mr. Chairman, that you stopped the rabble down at the end of the table from interjecting, it's quite unbecoming of him.

**MR. A. ANSTETT:** If you can't take the heat, get out of the kitchen.

**MR. D. ORCHARD:** Well, I create the heat, I won't get out.  
Mr. Chairman, the Minister must . . .

**HON. A. MACKLING:** . . . the Member for Pembina from saying those things is amazing.

**MR. CHAIRMAN:** The Member for Pembina has the floor, although he's teetering, because he's using some language - be careful.  
The Member for Pembina.

**MR. D. ORCHARD:** I'm always very careful, Mr. Chairman. But the Minister is sitting on a report which

gives him some excellent direction. I think if he canvasses his department, I'll bet you the majority of the senior staff in his department says that a lot of the recommendations in that report are good recommendations to resolve the inequities in the assessment system that are presently there. They are also going to tell him that they don't eliminate them all, but they're also going to tell them that they're impossible to eliminate them all. But you're going to have to try to get a more equitable system; that's what the Weir Report was all about. Sitting on your hands and doing nothing does not help the Province of Manitoba, does not help the UMM and the elected officials in the Province of Manitoba. It doesn't help to remove the inequities, it doesn't help to create a fairer way to share. This Minister is going to have to bite the bullet, he's going to have to do something.

Last year, at this time in his Estimates, we accepted the fact that he was having to study the report because he'd only been a Minister for six months. Okay, we'd buy that.

**HON. A. MACKLING:** He'd only had the report for one month.

**MR. D. ORCHARD:** We'd allow the Minister to not commit himself on the report and on what course of action, but he's had a whole year, he's had hearings. The hearings have been finished for three-and-a-half months and he's done nothing.

**HON. A. MACKLING:** How long did it take to produce the report?

**MR. D. ORCHARD:** So you know, Mr. Chairman, this Minister's got to move, and the help that you get from the likes of the MLA for St. James is not help, Mr. Minister. That will hurt you if you listen to advice from him. He's the fellow that, you know, his staff ran away with him and sent letters out to the Red River Valley communities on diking without him even knowing it. He's not much help, Mr. Minister. You rely on the staff you've got, they'll provide you good advice, and we'll ask you and we'll encourage you to make some moves on the assessment report.

**HON. A. MACKLING:** . . . assessment report at the Red River Valley communities . . . to hear what they have to say.

**MR. D. ORCHARD:** Oh, well, they say you're just as silly as you were before.

**HON. A. ADAM:** I do want to respond, at least, to the criticism that the member raised on the Main Street Program. I want to point out, Mr. Chairman, that despite efforts by the opposition to downgrade and downplay the Main Street Program as much as they possibly could that I maintained all along that the Main Street Program would be a success, that there would be interest out there, and that has proven to be correct. Even the town - of the Member for Pembina - will be coming forward with an application I expect in due course, and there are a number of applications in the final stages or advanced stages of negotiation at the

present time in addition to those that have already been announced.

So I've said all along and I maintained all along that it would be a good program, it would be accepted by the public out there, not having prior experience, the luxury of prior experience of that kind of a program. Sure, we did learn that it was not easy for the local people, the municipality and business people to get together and address the complexities of changing the whole look of a town. I'm sure the Member for Swan River will appreciate that, and we give credit to the initiative of the municipality there, the town council and the business people for having taken the initiative and come up with a program, but it was not easy.

The first program wasn't worth anything. The first application didn't even come close to — (Interjection) — meeting the criteria, but the second one was, I have to say, an outstanding effort. It is a complex question when you want to change the whole face of a town, especially when you want to have the co-operation of the business people as well as the municipality. They have to look at their budgets; they have to look at their timing; they have to look at the popular support of the program.

Maybe in some areas, we might have been too optimistic, but nevertheless I have said all along that program would be an exciting program, a successful program, and it has turned out to be that. That goes for the media as well, because they were not that charitable in their comments as well about the program.

**MR. D. ORCHARD:** How about the other issue?

**HON. A. ADAM:** The honourable member says that we have been sitting on the assessment review. I want to say that there is a lot of information, and I give credit as I did this afternoon to the Weir Committee on all the work that they did and the methodology that they used and the information that they accumulated, but they themselves did not have nearly enough information to try and know the implications and the impact. They suspect that there would be some major shifts if their recommendations were implemented.

That is why they overstepped their terms of reference. They were not to deal with the taxation side of assessment. That was not in their terms of reference, but they realized that by implementing their recommendations that there could be some major shifts in assessments. Therefore, they suggested portioning.

Now I don't want to get into the MARC Report, because we are not supposed to be dealing with that here. I don't want to deal with the merits or demerits of the MARC Report.

**MR. CHAIRMAN:** The Minister is getting into the substance of the report.

**HON. A. ADAM:** So I want to say that the work that we have done has been quite extensive. The work that staff has done has been quite extensive and that work is ongoing at the present time. I want to say that we still could stand a lot more information on the implications, yes. I think members opposite would not want us to proceed without having a sound footing and be on sound ground as to where we're going, but we

are moving on it, Mr. Chairman. I indicated that we should be calling the committee back by around the middle of June.

**MR. CHAIRMAN:** 1.(b)(1) - the Member for Swan River.

**MR. D. GOURLAY:** When the Minister met with the Municipal Advisory Committee recently, he indicated a number of issues were discussed, one of which was the bilingual agreement. What kind of response did he receive from the Advisory Committee with respect to that area of concern?

**HON. A. ADAM:** It was a closed meeting, Mr. Chairman, and I don't think it would be fair on my part to indicate what the feeling of the Municipal Advisory Committee was. I would prefer if he got that information from them, and I think he could.

**MR. D. GOURLAY:** Although I didn't see the program, I understand the President of the Union of Manitoba Municipalities subsequently went on television to air some views about the program. Are you saying that area was to be kept in confidence?

**HON. A. ADAM:** No, I'm not saying that. I am saying that when we met with the committee, we asked them - as I indicated, we meet with the committee from time to time. I've met with them four times in the last year-and-a-half. I asked them if they had any subjects that they would like to discuss or have on the agenda, and they suggested some things they would like to speak about. I, as well suggested some topics that we thought we would like to discuss and those were discussed.

One of them was the topic of a federal program that we just found out, I guess, the Monday before. The Federal Government was offering a program to assist those municipalities who would like to avail themselves to some assistance to provide bilingual services without any binding or compulsory aspects of it. It is just strictly a voluntary program. The government would never agree to any compulsory aspects of imposing any services on any municipality that they did not wish to have.

**MR. D. GOURLAY:** Did the municipalities feel that further discussions should be arranged so that issue could be discussed before it was finalized?

**HON. A. ADAM:** I believe they would have liked to have been part of the consultative process and they mentioned that but, due to the fact that the consultative process never involved the municipalities, the negotiations that were taking place between the Federal Government and the provinces dealt only with provincial institutions such as the courts and Crown agencies and so on. We met with them on Friday and it was only on the Monday prior to that that even the province was aware that there was a suggestion that the Federal Government would be willing to assist some municipalities on a voluntary basis if they wanted to provide any French services, but it wasn't binding or they were not insisting upon it. They said, if any municipality wanted to avail themselves of that assistance, it would be provided and that's where it



stood. I got the impression that they didn't want any further discussion on it. My understanding was that we didn't want to continue having further discussions on it. My understanding as where it sits now is that the program is there and I don't think it's been finalized yet, and the terms of reference of what assistance will be provided, what type of assistance and how much assistance will be provided, hasn't been finalized yet but it'll be available.

I presume the way it will be done is any municipality that feels they would want to have some training of some kind, or some assistance maybe to transfer bylaws into two languages, or whatever, that hasn't been finalized yet, but I imagine that would be some of the things that they may want.

**MR. D. GOURLAY:** Back several months ago, I believe all of the municipalities in the province agreed that there should be some restraint on spending limits, and I think that it was unanimous with the municipalities; yet, when they approached the Premier in Cabinet, they could not get the assurance from the Premier in Cabinet that the government would go along with their restraint program. I wonder if the Minister would comment on that fact.

**HON. A. ADAM:** The discussions we had with both groups, the Union of Manitoba Municipalities and the Urban Association as well, I think we pointed out to them that we had renegotiated the public service agreement, and I don't have all the data with me here, but it had the effect of reducing the agreement to 5.9, I think it was, or something along that nature, because of the extension and the freeze on the increase, which would have clicked in, I believe, six months earlier or along those lines.

I don't have all the facts before me, so I don't want to get in too deeply in that area, but we did also point out to them that the school divisions had negotiated salary settlements higher than what the MGEA settlement had been. So it wasn't really the province that was setting the trend, as such; that there had already been some agreements signed by school boards, which were quite substantial, for two-year projects.

We also discussed that we didn't feel that a 6 percent freeze right across the board was equitable. We suggested rather that it should be perhaps percentages and dollar figures involved where 6 percent across the board, a 6 percent increase to a person who is receiving \$30,000 is a substantial increase, but 6 percent to a person receiving \$10,000 or \$15,000 is a hardship. For that reason, we thought it was pretty simplistic to say that we're going to hold the line at 6 and 5 right across the board, especially in different jurisdictions. Different provinces had different problems, and I believe different municipalities had different problems, and they have subsequently found out that in order to adhere to their 6 percent increase, they've had to dip into reserves.

So that is not holding the line at 6 percent when you have to dip into reserves to hold your 6 percent. So, yes, you've held your increases to 6 percent, but your reserves have gone down to pick up the slack. So it's not as cut and dried or as simplistic as we'd want to believe, and it has been difficult. How do you control

increases on fuel for buses and so on? There are many uncontrollable expenses that come about that no one has any control over, and that is one of the reasons that I believe the municipalities - mind you, I congratulate them for their efforts to try and restrain expenditures and I give them credit, give them 100 percent marks for their efforts - but I think we did lead the way. We have been able to renegotiate our public servant contracts on a voluntary basis, no confrontation, such as happened in other provinces. You've seen the ramifications of that in Quebec and it's still not finished. I understand, the latest I hear now is that the teachers may have a case to go to court and the government may have to pay them back for all the cutbacks that they did. That's the latest I hear.

**MR. D. GOURLAY:** Well, the Minister is saying that he congratulated the settlement because there was no confrontation. Well, I think the settlement was very generous and, certainly, you wouldn't expect that there would be any confrontation. The Minister also said that the municipalities were proposing a rigid 6 percent across the board. Is the Minister saying that the municipalities were not flexible in that 6 percent limit, that salaries and costs could be adjusted in a scale, but the total expenditure would not exceed 6 percent? Isn't that what they were proposing?

**HON. A. ADAM:** The resolutions that we received from the associations - I don't know which one, but was it the UMM or the both of them - suggested that we hold the line to 6 and 5, but when we did meet with them, they qualified that. They qualified and said that they were looking at that as well, that there could be a 3 percent increase or no increase for some, and maybe more than 6 for others. So they had qualified that sum from the time that the resolutions were passed at the convention. However, the municipalities are mature; they're 100 years old and they're responsible people. I know that we, as a government, do not feel that we should try and tell them what they should be doing. They're responsible people and I gave them all the marks and credit for the efforts that they're undertaking to try and maintain their global budgets; but I believe, and I can safely say, that they're going to have some difficulty in some areas, that there's just no way that you can say, when you have increases in motor fuel and so on, that you're going to be able to hold the line.

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

**MR. W. MCKENZIE:** Mr. Chairman, I have a couple of questions for the Honourable Minister. I wonder, can the Minister advise the committee if he is prepared to comment tonight, or if he's already commented, to the brief he's received from the municipalities from Western Manitoba, which at that meeting at Newdale was presented to me and other MLAs, and in the interval now, they have been forwarded to the Minister and the other members of the House.

**HON. A. ADAM:** Mr. Chairman, I'll have to take that as notice.

I believe it is the Member for Minnedosa that asked me if I was going to a meeting in Newdale prior to the

meeting taking place and I indicated to him that I had not been invited. I wasn't aware that any other Minister in the Cabinet or member of the government had been invited. I didn't think I would go without an invitation. I wasn't aware of the meeting until the Member for Minnedosa advised me of it just a day before I believe it was. I'm not sure whether I did receive a resolution from them, through you to the Member for Roblin-Russell, but I'll have to check that and perhaps I can give the member a response at a later date.

**MR. W. MCKENZIE:** Well, Mr. Chairman, if an apology is necessary it is my understanding that all the MLAs were invited to participate, but nevertheless we'll leave that to one side.

The brief was presented and mailed to all the MLAs in the House. At least I'm satisfied that the ones that I spoke to were - the meeting was April 8th if my memory serves me correctly, and the issues are basically what my colleague the Member for Swan River are discussing, the escalating costs of running a municipality in this province and what the Minister and the government were prepared to do with it.

I certainly associate myself with their concerns out there, but we're waiting for the leadership and the guidance of this government to respond to that brief and if at all possible let us share his comments as where his department, the Minister of Municipal Affairs, is going to lead the municipalities of western Manitoba as they grapple with these problems.

I would certainly like to invite the Minister to share his comments with the committee so at least we have some guidance out there where this government is going and where these municipalities can go in terms of this government.

The matters were health and education costs, the matter in which education costs are levied against the municipalities, inflation, deficit financing, and the problems that they're having with the labour contracts. Those were among the topics that were headlined in the brief.

I'm sure if the Minister takes a look he'll find the brief real quick. If I may, Mr. Chairman, they wanted a response by June 1st so they could use this response for the regional municipal meetings that are taking place in that part of the province.

**HON. A. ADAM:** Well, as I mentioned previously, Mr. Chairman, I'll have to check in the files and see if there is a brief there. At the moment I don't recall, but I'll check it out and if there's a brief, I'll deal with it.

I can assure the honourable member that if he received an invitation to attend that meeting, and I understand that he was there, and I also understand that he made statements to the effect that the government was sitting on the MARC Report, and I understand that there were some of his colleagues there as well. But if they received invitations, at least the Minister of Municipal Affairs did not receive any.

**MR. W. MCKENZIE:** May I ask the Minister if he'd be kind enough to respond to my question regarding the fact that when he does respond to it that we can be favoured with his comments, so that it will give MLAs like myself, who reside and they represent the people

in the area, what decisions this government and this Minister is making to help these municipalities deal and resolve these problems?

**HON. A. ADAM:** Yes, sure.

**MR. W. MCKENZIE:** Thank you, Mr. Chairman.

**MR. CHAIRMAN:** The Honourable Member for Swan River.

**MR. D. GOURLAY:** Yes, I wonder if the Minister could indicate whether or not he's had any representation or resolutions from the municipalities or the municipal organizations with respect to elections.

At the present time the elections are for three-year terms. I know that there has been some discussion from time to time that municipalities would like to go back to the two-year elections. I'm wondering if the Minister would want to comment on any representation he may have had with respect to changes in the . . .

**HON. A. ADAM:** Mr. Chairman, we received no requests from the associations for any change in the term of office. Is that what you're referring to? The term of office or . . .

**MR. D. GOURLAY:** Yes, from the three-year term to something other than three years.

**HON. A. ADAM:** We've received, Mr. Chairman, no request from the associations. I believe that we have received maybe some suggestions from one municipality, and that is certainly insignificant as far as 302 municipalities, and one out of 302 don't really constitute a concern out there as far as I can see.

**MR. D. GOURLAY:** I, therefore, gather that the Minister is not contemplating any changes in the election procedure?

**HON. A. ADAM:** Not at this time, Mr. Chairman.

**MR. D. GOURLAY:** Another concern I would like to raise is, during our term in office there was some delegations came in from, I believe it was the rural Municipality of St. Andrews and maybe part of the local government district of Alexander wanting to form their own municipality in that area. Has there been any recent developments with respect to those ratepayers, citizens, that would like to form their own municipality in that area?

**HON. A. ADAM:** My understanding is that there has been no new developments in that area. I do believe that Alexander have formed a planning district there with the Village of Powerview and Alexander. St. Andrews, did you say?

**MR. D. GOURLAY:** No, I think it was the R.M. of St. Clements and part of the LGD of Alexander. I know that when I was Minister and just prior to the change of government there was a lot of activity in that area.

I believe I had advised them to meet with their respective councils and get the response from those

councils as to the breaking away of parts of two or more municipalities and forming their own municipality. I'm just wondering what developments has this Minister had with respect to that group? Has anything developed in that area?

**HON. A. ADAM:** I'm not aware of any developments in the last two years in that respect. I'm not sure whether they wanted to move to a regional type of government, or a county type, or an amalgamation of a number of municipalities together or . . .

**MR. D. GOURLAY:** No, I think it was a selective group of people in the area that felt that they weren't adequately represented in their present location and they wanted to break away and form their own separate municipality.

**HON. A. ADAM:** Oh, I see.

**MR. D. GOURLAY:** It wasn't anything to do with a regional situation. It was they felt they could better look after their affairs if they were encompassed in their own municipality. But I'd like to ask the Minister if he has had any approach from these people in the last year-and-a-half with respect to this?

**HON. A. ADAM:** No. No, we haven't received anything at all.

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

**MR. A. ANSTETT:** Yes, Mr. Chairman. I was not aware that Alexander and Powerview had formed a planning district. I'm wondering if the Minister can tell me what the total population of that planning district is?

**HON. A. ADAM:** We can get it for the honourable member, I'm sure.

**MR. A. ANSTETT:** Mr. Chairman, it might be more appropriate for me to ask these questions when we get to the appropriate item so that staff are available, but seeing as how you have allowed this sort of free-wheeling debate, I thought I could cover everything too. I've got a list of things I would like to cover. Perhaps we'll let that one go until we have staff from the Provincial Planning office or from Municipal Planning here and wait for that item.

Mr. Chairman, I have some concerns about the brief from the Newdale meeting, because I didn't get a copy either. The Member for Roblin-Russell suggests that all members got copies, so I would appreciate it if he would supply me with a copy because I share some of the concerns that he has in that area.

Mr. Chairman, through you to the Minister, I would like to advise the Minister that I would certainly have strong reservations about the Minister getting involved in, as the Member for Roblin-Russell suggested, helping municipalities deal with labour problems. When we start talking that way, Mr. Chairman, I get a little nervous that the Member for Roblin-Russell is suggesting that the Minister should interfere in the collective bargaining process. I would certainly not want the Minister to

entertain seriously that suggestion, whether it comes from the Member for Roblin-Russell or from this meeting of western Manitoba municipalities.

The other thing, Mr. Chairman, that I think should be pointed out for the benefit of those municipalities and the Member for Roblin-Russell, when he talks about deficits and financial problems and other things associated with the economic recession that this province and country are experiencing, is that the last time a substantial increase was provided to municipalities in the form of their direct revenues was by the Schreyer Government in the form of 2 percentage points on income tax.

The member was a member of the government for four years very recently, and they made no attempt to change that provision of income tax points, which was a very valuable provision in that it provided growth tax. I think when the Member for Roblin-Russell attends those kinds of meetings, he has an obligation on himself to explain why some of these problems were not addressed in four years, and not just to dump them all on this Minister's lap.

So I have some concerns about those kinds of arguments, Mr. Chairman. I would like to put them on the record on this item. I'll save my other questions then for the appropriate items in the Estimates.

**HON. A. ADAM:** Mr. Chairman, I want to advise the Member for Springfield that I have big laps and I can take a lot of dumping on my laps. I don't mind that.

**MR. A. ANSTETT:** It's not the dumping. It's the recycling that bothers me.

**HON. A. ADAM:** I can respond to the first question that the honourable member raised asking about the population of the two communities. The population for Alexander is 2,793 and Powerview is 691 for a total population of 3,484.

**MR. A. ANSTETT:** Does the Minister have in front of him a list of the populations of some of the other planning districts? Is that what he was reading from, or did he just have that one?

**HON. A. ADAM:** I think it's available. We can get it. I just have the one here now.

**MR. A. ANSTETT:** I would like to make further inquiries on that subject then when we get to that item.

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

**MR. W. MCKENZIE:** I thank you, Mr. Chairman. To clear up the problems the Member for Springfield is having, may I point out to him and the committee that at the meeting in Newdale a brief was presented to us and one of the opening headlines said that all MLAs got a copy or, if they hadn't, they were to get one. I apologize to him and I will certainly see that he gets a copy from that region. I don't know what happened. We were assured that all members of the House would get one and so there has been a misunderstanding, and I apologize on behalf of those. I will certainly contact them and make certain that the honourable member is favoured with a copy.

**MR. A. ANSTETT:** Thank you very much.

**MR. CHAIRMAN:** The Member for Swan River.

**MR. D. GOURLAY:** Just to clarify the matter for the record, the Member for Springfield indicated that during the Schreyer administration that they had provided a portion of the growth taxes for municipalities. As I recall, this request came from the municipalities for the government to increase or make this provision available to collect this money for the municipalities and to pay it to them as a municipal or per capita cost-sharing payment.

During this past year is probably the lowest payout that has ever been made to the municipalities under these growth taxes because of the economic situation that we're in. I think it was only something like less than 5 percent increase in the growth taxes. This is certainly the lowest cost-sharing payments that the municipalities have every received since the program was initiated.

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

**MR. A. ANSTETT:** Mr. Chairman, I agree wholeheartedly with the Member for Swan River. Since it was the municipalities who made the request, I'd wonder if he could explain to this committee why the previous Conservative Party opposition during the Schreyer period attacked the government for increasing income tax in the province when the Member for Swan River here publicly credits the municipalities with the responsibility for raising income tax in the province.

That being the case, Mr. Chairman, I am wondering if the Member for Swan River is now going to ensure that the people of Manitoba know that it's the municipalities that wanted that tax so that the government doesn't have to carry the can for it.

**MR. D. BLAKE:** Are you bucking for Minister's status, Andy, or what?

**MR. A. ANSTETT:** Just getting even with the cheap shots.

**MR. CHAIRMAN:** 1.(b)(2)—pass; 1.(c)(1)—pass; 1.(c)(2)—pass; 2.(a) - the Member for Swan River.

**MR. D. GOURLAY:** I wonder if the Minister could indicate the activities of the Municipal Board during the past year, the number of meetings, if they have that information handy, the types of hearings that have been held, and is it still the policy for the Municipal Board to travel to Northern Manitoba to conduct hearings?

**HON. A. ADAM:** It's still policy for the Municipal Board to travel in the North. The other information, I don't know. Mr. Cameron has just passed out the Annual Report to the Municipal Board, so that information will be all contained therein.

**MR. D. GOURLAY:** Mr. Chairman, I should know, but I'm just wondering, were these tabled previously in the House?

**HON. A. ADAM:** Yes, they were.

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

Resolution 109: Resolved that there be granted to Her Majesty a sum not exceeding \$351,400 for Municipal Affairs for the fiscal year ending the 31st day of March, 1984—pass - the Member for Springfield.

**MR. A. ANSTETT:** Mr. Chairman, before you pass that item, I just had a couple of questions with respect to the Municipal Board and, more particularly, with respect to the process for approvals of subdivisions, just a question of clarification as to the process.

As I understand it, appeals to the Municipal Board by private citizens who have been denied subdivisions at the municipal level are heard by the Board, and that in certain conditions the Board overturns decisions that are made by local and municipal councils in terms of denial of applications. I am wondering if the Minister has any records of how often on subdivision applications the Board overturns decisions made by councils.

**HON. A. ADAM:** I am informed that the Municipal Board cannot overturn a decision by a municipality. I believe the decision of the municipality is more or less final on the rejection.

**MR. CHAIRMAN:** If it is a rejection.

**MR. A. ANSTETT:** Could the Minister clarify, then, how applications for subdivision come before the municipal board if they can only be taken there by the council?

**HON. A. ADAM:** The ones that would come before the municipal boards are those that are rejected by the approving authority. If the municipality rejects the application, that is as far as it goes; it doesn't go any further. If the approving authority, which is the Municipal Planning Branch, or the different departments, whether it be highways, hydro, telephone, that is what goes before the board and that's what the board deals with. The board can overrule or reject the refusal by the approving authority.

**MR. A. ANSTETT:** Can the Minister then advise, back to the same original question, what number of initial rejections have been turned over by the board and then approved by the board, either as a percentage or as actual numbers in terms of the applications, let's say for 1982 or 1981, whatever figures are available now? I'm trying to get some handle on the number of applications that are turned over by the board in terms of responding to local citizen requests in terms of how sensitive the board is to local concerns as opposed to provincial, departmental or Crown corporation concerns.

**HON. A. ADAM:** Well, there were 972 applications - subdivisions; 95 of these were rejected by the municipality, 7 by the approving authority, and 9 of these were overruled, overturned by the board.

**MR. A. ANSTETT:** Okay, Mr. Chairman, I found the summary on Page 44 in the Report. Thank you.

**MR. CHAIRMAN:** 3.(a) - the Member for Swan River.

**MR. D. GOURLAY:** I wonder if the Minister could indicate any changes in the budgeting and finance procedure during the past year. Has there been any change in this?

**HON. A. ADAM:** There have been no changes, Mr. Chairman, in the procedures.

**MR. D. GOURLAY:** The amount of salary increases, is that just for the general salary increase, or has there been any new staff in this?

**HON. A. ADAM:** That is just the increment increase.

**MR. D. GOURLAY:** We could pass 3.(a) then.

**MR. CHAIRMAN:** 3.(a)—pass; 3.(b) - the Member for Swan River.

**MR. D. GOURLAY:** What are the Other Expenditures as listed in here? What does that involve?

**HON. A. ADAM:** Where are we now?

**MR. CHAIRMAN:** 3.(b).

**HON. A. ADAM:** What page is that?

**HON. A. ADAM:** Other Expenditures - do you want a total breakdown?

**MR. D. GOURLAY:** Just what does that entail?

**HON. A. ADAM:** It entails fringe benefits, professional fees, membership fees, furniture, stationery supplies, telephone, postage, machine utilization, automobiles, building materials, travelling, freight, cartage, advertising, exhibits, publications, education assistance to employees, and the health and education levy.

**MR. CHAIRMAN:** 3.(b)—pass; 3.(c) - the Member for Swan River.

**MR. D. GOURLAY:** With respect to Grants to Municipalities in Lieu of Taxes, I note that there is an increase of some 18 or 19 percent. I wonder if the Minister could indicate how was that increase arrived at.

**HON. A. ADAM:** The increase over last year?

**MR. D. GOURLAY:** Yes, is it similar to the general tax increase on private property; that this is, you know, a grant in lieu of taxes. I'm wondering; is it based on the same percentage increase on private land, or just how is the increase arrived at from year to year?

**HON. A. ADAM:** It is the same increase as on private land, yes.

**MR. D. GOURLAY:** It includes the general municipal levy as well as school taxes?

**HON. A. ADAM:** Yes, there was an increase of approximately 10 percent over the previous year.

**MR. D. GOURLAY:** Well, the Minister says 10 percent; it's more than that. It's closer to 20 percent.

**HON. A. ADAM:** That would include the supplementary or the warrant that we had to pass to make up the shortfall for the previous year; 1981, I guess it was. See, there was a shortfall there of \$1,484,000.00. So we have to add that total in with the original printed estimate which was \$18,136,000.00. That comes to 19,620,000. So, if you take that increase, yes, it's more than 10, but we've added 10 to that figure to arrive at a figure for this year.

**MR. D. GOURLAY:** The normal increase would have been 10 percent approximately, but it also included the shortfall from the year before.

**HON. A. ADAM:** Yes, that's right.

**MR. D. GOURLAY:** So the formula for the increase would be basically general municipal . . .

**HON. A. ADAM:** Grants in lieu of taxes mainly to urban areas, universities; most of that increase goes to the urban areas.

**MR. D. GOURLAY:** But it normally doesn't include the school tax levy, or does it?

**HON. A. ADAM:** Plus new properties that become taxable for grants.

**MR. D. GOURLAY:** School tax levies are factored into this increase?

**HON. A. ADAM:** Yes, I think so.

**MR. CHAIRMAN:** 3.(c)—pass; 3.(d) - the Member for Swan River.

**MR. D. GOURLAY:** 3.(d) - the Minister indicated that these grants, they have come to an end as far as the federal participation?

**HON. A. ADAM:** Yes, that program is now terminated, and we are still providing assistance, 50 percent of operating losses for urban transit in Brandon, Portage, Flin Flon and Thompson.

**MR. D. GOURLAY:** It doesn't include for the purchase of new buses?

**HON. A. ADAM:** There are none this year. There was some last year in 1981.

**MR. D. GOURLAY:** The formula for paying grants for operating deficits - has that formula changed in the past year?

**HON. A. ADAM:** No, I believe it's 50 percent of the operating loss, but I'm not sure whether that increased or not. It's pretty well the same anyway.

**MR. CHAIRMAN:** 3.(d)—pass; 3.(e) - the Member for Swan River.

**MR. D. GOURLAY:** I wonder if the Minister could indicate the grants for this year, that is the \$2 per capita grant for Centennial . . .

**HON. A. ADAM:** Yes.

**MR. D. GOURLAY:** How many communities does that include for this year?

**HON. A. ADAM:** Thirty-one up to this point in time have applied. There are already some requests for next year that we're receiving.

**MR. D. GOURLAY:** How many Centennials are there this year?

**HON. A. ADAM:** Thirty-one. I'm sorry. We're going too fast for the Chairman, I think.

**MR. CHAIRMAN:** No, it's just for the record.

**HON. A. ADAM:** Thirty-one.

**MR. D. GOURLAY:** Did the Minister say that there's been 31 since inception, or . . .

**HON. A. ADAM:** Oh no.

**MR. D. GOURLAY:** . . . 31 this year, period?

**HON. A. ADAM:** This year.

**MR. CHAIRMAN:** 3.(e)—pass.

Resolution 110: Resolved that there be granted to Her Majesty a sum not exceeding \$22,784,700 for Municipal Affairs for the fiscal year ending the 31st day of March, 1984—pass.

4.(a) - the Member for Swan River.

**MR. D. GOURLAY:** Municipal Assessments - I believe the Minister indicated in his opening remarks that the increase was basically for salaries, there was no new assessors added to the staff?

**HON. A. ADAM:** The increases generally are for salary increases and there's a reduction of three staff in that department.

**MR. D. GOURLAY:** I wonder if the Minister could explain - the number of assessors has decreased from a year ago by three.

**HON. A. ADAM:** Yes.

**MR. D. GOURLAY:** Will this have any serious implications with respect to reassessments in rural Manitoba?

**HON. A. ADAM:** I believe we've had an increase of 12 the previous year. We requested 12 SYs for the previous year and the reduction is by attrition and retirements, so there's been no terminations of staff.

**MR. D. GOURLAY:** Is there increased use of computers in the Assessment Branch to speed-up the recording

of assessment and the general work of assessment rolls?

**HON. A. ADAM:** The use of computers are used to some extent in the assessment rolls. We have undertaken a study to move towards computerization. We did the first phase of that study. It would require substantial amounts of money, if we want to proceed further, to have consulting advice on what kind of a system we'd have to put in place, and we haven't undertaken that as yet.

**MR. D. GOURLAY:** This then would probably or should decrease the number of assessors that would be required in the future by increased use of the computers?

**HON. A. ADAM:** No, it shouldn't increase the number of assessors. If you had a computer system in place you'd probably end up with a reduction, I would imagine, once you had the system in place.

**MR. D. GOURLAY:** Yes, that was my question, that the number of assessors would decrease.

**HON. A. ADAM:** Decrease or increase, did you say?

**MR. D. GOURLAY:** Yes, decrease.

**HON. A. ADAM:** Yes, ultimately they would decrease. It might require more assessments to put the system in place, but ultimately they would probably decrease.

**MR. D. GOURLAY:** The Minister had indicated that about 50 percent of the farm buildings were now assessed in the province?

**HON. A. ADAM:** I believe that's approximately what it is, yes. There is still a lot of work to do in that area and that would be the information that we would really have to have if we wanted to proceed with some of the recommendations of the report.

**MR. D. GOURLAY:** When that figure reaches 100 percent, then the use of computers would relieve much of the work of assessors, would it not?

**HON. A. ADAM:** Yes, once that information is into the computer system, then they could keep putting it in every year and subtracting, or whatever the process is. I'm not an expert on computers or an expert on assessment, but certainly that is the direction I believe we have to move in, is in computerization of the system, so that eventually you could have an annual assessment and you could keep it up-to-date.

**MR. D. GOURLAY:** When the municipalities are being reassessed, in the past there was always a great amount of difficulty in the fact that there was complaints from many of the farm people with respect to the assessing of farm buildings. In a number of cases, residences would be put on the tax rolls and, of course, others would be assessed, but put in the exempt column. I know from my own constituency that when the municipality was reassessed, there seemed to be a great

deal of dissatisfaction with the approach of assessors, in that the people didn't feel that they explained the process of assessing farm buildings. So it resulted in a great deal of animosity towards assessors, generally. Has there been any approach made to improve the public relations with respect to assessors and rural people?

**HON. A. ADAM:** Yes, there are courses being developed for them and training periods. I would point out that this is one of the most difficult areas that the assessors have to be involved in, and that is, whether or not a farm residence should be assessed or not. It is one of the areas that I'm sure they would like to see reviewed and redressed, if ever we come up with an assessment system. There's a substantial number of farm buildings that are presently assessed because the off-farm income is greater than on-farm income, but it's very difficult to come into a farmyard, for an assessor, and start asking private questions about your income, I'd like to see your income tax forms, and to get that verified is a very difficult situation for the assessor. It also gives some concern to the farmers themselves that they have to be subjected to that kind of questioning. There is ongoing training for assessors. It's a four year course, it's not an easy course. I suppose the assessors should be also trained in diplomacy and public relations. I'm not sure whether that's always the case, and being trained in public relations is not an easy thing to do and being a diplomat is not always the easiest thing to be either. But we would certainly appreciate the views of the Member for Swan River if he wishes to give us the benefit of his wisdom and his advice in this area. We would certainly appreciate it.

**MR. DEPUTY CHAIRMAN, A. Anstett:** The Member for Swan River.

**MR. D. GOURLAY:** Well, I can tell the Minister that since the Department of Municipal Affairs opened an Assessment Office in Swan River, I believe it has helped considerably in that general area to have the office there because farm people or urban people, what have you, are free to drop in and seek information and advice from the assessors located there and I think that certainly that has gone a long way to reducing the complaints that I receive because they can, rather than going to their municipal office and maybe not getting as thorough information there as they can from the assessment office, this has certainly been beneficial to the area and I hope the Minister is receiving some kind of feedback from the area with respect to the service that is being provided.

I believe they also service The Pas area from there and from time to time many people from The Pas are in Swan River and I'm sure are welcome to call at the office. I'm not sure that they do but I just would like to hear any comment from the Minister with respect to that approach.

**MR. CHAIRMAN, C. Santos:** The Honourable Minister.

**HON. A. ADAM:** Yes, well I think the more communications that there are with the assessors and the fact that there's an office there in Swan River makes

it available to local people. I would like to see an assessor's day there from time to time, or once a year anyway. I'm not sure whether that's taking place or not. But certainly there should be a coffee and doughnut day for the people to come in and discuss assessment problems, to get to know how the assessment system works. — (Interjection) —

Of course the coffee and the doughnuts are not in our Estimates. But I know that if and when we have a field day in Swan River I know that the Member for Swan River will be there and he will, I'm sure be glad to host a coffee and doughnut day for the assessor.

**MR. CHAIRMAN:** The Member for Swan River can speak for himself.

**MR. D. GOURLAY:** Thank you, Mr. Chairman, for your assistance.

Well I think the assessment days, that's certainly a good approach. I was just going to suggest that when a municipality is being reassessed that if there couldn't be some kind of advance information for people to take advantage of if they so desire, to assist them in understanding the whole assessing process. I wonder, do the assessors have any handouts as far as assessing guides or factoring tables, or whatever to leave with farm people so that they can peruse and better understand how their particular farm buildings are assessed?

**HON. A. ADAM:** Well, when they do the assessments they always notify the people when the assessor will be there so that they can come in and get an explanation of their assessments.

**MR. D. GOURLAY:** Could the Minister explain that again, please?

**HON. A. ADAM:** Well, when the assessor is in the office, say the office in Swan River, the people are notified to come in, if they want an explanation on their assessments, they can come in and discuss that with the assessor if they have any concerns in that . . .

**MR. D. GOURLAY:** Well, I appreciate that in the case of Swan River. But say, take for instance the community of Roblin. The R.M. of Shellmouth, say, is being reassessed. How would it be handled there? There's no assessment office in that area.

**HON. A. ADAM:** It takes place, not in the assessor's office but it takes place in the municipal office, in the municipality there.

**MR. CHAIRMAN:** 4.(a) . . .

**HON. A. ADAM:** Mr. Chairman, I'm not sure whether . . . was there a question raised about a pamphlet?

**MR. D. GOURLAY:** Yes, I just wondered whether there was handout that might be provided to property owners that would give them an idea how the assessor goes about his work of assessing the farm buildings or residences or what have you?

**HON. A. ADAM:** We do have a number of pamphlets that we're preparing now, as the honourable member

knows, and we do not have a pamphlet specifically for that purpose but it sounds like a good idea and we'll certainly take it under advisement and look at the costs of providing that kind of pamphlet. But we'll certainly take it under advisement.

**MR. CHAIRMAN:** The Honourable Member for Springfield.

**MR. A. ANSTETT:** Yes, Mr. Chairman, two things.

The first point would be contrary to the impression that the Member for Swan River has, certainly in my constituency I have found that the staff of the Assessment Department have been exceptionally polite, diplomatic and very skilled in dealing with people. I certainly have had very very few complaints about the manner in which staff have dealt with the public in that area. I've certainly had complaints about the results of their dealings on occasion and the way councils have dealt with them at Court of Revision, but those are expected and they are not unusual, but I have never had any complaints about the way staff have dealt. So I think your staff are to be commended, Mr. Minister, at least certainly in the Eastman Region operating out of the Steinbach office, for the way they've dealt with my constituents at least, and I don't think they are being partial to my constituents. I am sure they are doing that throughout the whole region.

I have some concern though, Mr. Chairman, about the Minister's talking about a staff cut of three SYs for this current year, and how that is going to affect his anticipated completion of farm outbuildings assessment by 1985. I understood during the MARC Committee meetings that, in answer to some questions from committee members and others, the Minister and staff indicated that an attempt would be made to complete outbuilding assessment, I believe it was '85 or '86.

**HON. A. ADAM:** The staff advise that will not have any major impact or even minimal impact on services provided. One was a supervisory position, the other was a draftsman, and one was an assessor. So we have still 11 assessors more, one supervisor less.

**MR. A. ANSTETT:** So we didn't lose three assessors?

**HON. A. ADAM:** No, three staff, three SYs.

**MR. A. ANSTETT:** Three SYs in the branch, but in effect we have 11 more assessors this year than we had in '81-82. Thank you.

**MR. CHAIRMAN:** 4.(a) - the Member for Swan River.

**MR. D. GOURLAY:** I just wanted to clarify the situation with respect to the complaints. I think that the Director of Assessment appreciates what I was endeavouring to indicate, municipalities where there has been general reassessment. We both attended a meeting in the Swan Valley area where this had happened and we had a fairly lively meeting, a hall full of people, and I think there were some legitimate complaints that were aired. I think those were directed as constructive criticisms to the Assessment Department, and I think they took them as such.

I am just raising the question as to what improvements have been derived from that type of meeting. I am just trying to indicate some of the thoughts I had that would help to improve the PR for assessors. I know I realize it's not an easy job and it's one that if we can reduce the amount of animosity, I think that's all the better.

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

**MR. D. GOURLAY:** Other Expenditures, what would be the reason for the decrease? About \$100,000 or . . .

**HON. A. ADAM:** There has been a reduction in travelling costs.

**MR. D. GOURLAY:** Because of the office in Swan River.

**HON. A. ADAM:** Mr. Chairman, I think that in part was responsible for some reduction there, yes.

**MR. CHAIRMAN:** 4.(b)—pass.

Resolution 111: Resolved that there be granted to Her Majesty a sum not exceeding \$4,971,000 for Municipal Affairs for the fiscal year ending the 31st day of March, 1984—pass. 5.(a) . . .

**MR. D. GOURLAY:** I wonder if the Minister could indicate the number of Municipal Service Officers that . . .

**HON. A. ADAM:** There are six Service Officers that go out to service the municipalities. There are six at the present time.

**MR. D. GOURLAY:** How is their work divided? Do they have specific regions that they cover?

**HON. A. ADAM:** Yes. There are six regions, one Service Officer for each region.

**MR. D. GOURLAY:** Like there would be one for, say, the Parkland area and one for Eastman. Is that how the boundaries are established?

**HON. A. ADAM:** The regions are not based on that kind of geography such as Parkland. The regions are based more on a pattern where they can go and come back and not too far from a base or a centre from whence they operate.

**MR. D. GOURLAY:** I see there is about 20 - I'm not sure of the percentage increase. It seems like a fairly substantial increase. What would be the reason for that? It seems like more than general salary increases.

**HON. A. ADAM:** That is general salary increases.

**MR. CHAIRMAN:** 5.(a)—pass; 5.(b)—pass.

Resolution 112: Resolved that there be granted to Her Majesty a sum not exceeding \$1,241,900 for Municipal Affairs for the fiscal year ending the 31st day of March, 1984—pass.

6.(a) - the Member for Swan River.



**MR. D. GOURLAY:** I wonder if the Minister could indicate the number of residential subdivisions that have been approved during the past year.

**HON. A. ADAM:** We will get that information in short order, Mr. Chairman. There were 972. I'm not too sure if I didn't give that information before the break for supper hour. Maybe not. There are 972.

**MR. D. GOURLAY:** How many rejections?

**HON. A. ADAM:** Ninety-five. Those rejections were by the municipality, by the council, seven by the approving authority and nine by the Municipal Board.

**MR. D. GOURLAY:** The Minister indicated that subdivision approving authority had been granted to Selkirk and also to the Cypress Planning District this past year?

**HON. A. ADAM:** Yes, two of them.

**MR. D. GOURLAY:** There are two districts now that approve their own . . .

**HON. A. ADAM:** That is correct. Yes, Mr. Chairman.

**MR. D. GOURLAY:** Are there any other planning districts that are likely to receive this authority this coming year?

**HON. A. ADAM:** There are two or three that are working on that now. There are some negotiations taking place now, but most of those negotiations are being held in abeyance because of the upcoming municipal elections this fall. Most of them are held in abeyance because of the municipal elections. I suppose they want to allow a new council to deal with these. Well, maybe the same council but whoever is there after the election, I suppose.

**MR. D. GOURLAY:** How does the Minister find these planning districts that do have the authority? Is that working out well or do you see any problems with that procedure?

**HON. A. ADAM:** No, on the contrary it seems to me they seem to be fairly well.

**MR. D. GOURLAY:** What feedback are you getting from the planning districts themselves? Are they happy with how it's working out or are they finding that they're getting a lot more pressure on their doorstep? They can't pass the buck onto the Minister now.

**HON. A. ADAM:** No, it works out very well, I think, yes. It appears to be a desirable direction to go in.

**MR. D. GOURLAY:** There's 49 municipalities, I believe, you indicated that were anticipating planning districts. Are there any other areas that are looking at this aspect of municipal planning? Any additional municipalities contemplating?

**HON. A. ADAM:** Yes, there are three, I believe, that are in the process of negotiating at the present time to form new planning districts.

**MR. D. GOURLAY:** Has any advancement been made in the Portage area with respect to a . . .

**HON. A. ADAM:** That is a difficult one there. That is still under negotiation I believe. — (Interjection) — Oh, I just understand now that it's been ongoing for quite some time and I have been meeting with - in fact I did arrange a joint meeting once to try and get the two municipalities working together, and I understand it has now been resolved, so that there may be some progress there. But just recently, because as of two weeks ago it was still not finalized. — (Interjection) — It was last week I understand that they have now come to an arrangement that is satisfactory to both municipalities.

**MR. CHAIRMAN:** The Honourable Member for Gladstone.

**MRS. C. OLESON:** Thank you, Mr. Chairman.

Have the two planning districts that had their approving authority, have they got their by-laws in place? Both of them?

**HON. A. ADAM:** Could you pull the microphone in to talk.

**MRS. C. OLESON:** Sorry. No, I was just wondering if the two planning districts that have their approving authority have got their by-laws in place?

**HON. A. ADAM:** The zoning by-laws are not in place yet.

**MRS. C. OLESON:** They're not?

**HON. A. ADAM:** No. The planning . . .

Mr. Chairman, is there a disposition that we could finish tonight?

**MR. D. GOURLAY:** Yes, I think we can. It may run a little bit over.

**MRS. C. OLESON:** I'm wondering if the Minister, if he has a map available that would indicate the location of all the planning districts in the province.

**HON. A. ADAM:** Yes.

**MRS. C. OLESON:** I believe I have at one time seen a map like that. Do you have any available?

**HON. A. ADAM:** I think we do, yes. Mr. Chairman, we will make one available for the honourable member.

**MR. CHAIRMAN:** 6.(a) - the Honourable Member for Springfield.

**MR. A. ANSTETT:** Mr. Chairman, since we're now in this item, and staff are available, I'm wondering if the Minister could tell me the average population size of the planning districts that have been approved to date? Or if he doesn't have the average, if he can give me the largest, the smallest, and some indication of what the population ranges are please?

**HON. A. ADAM:** I would point out, first of all, that the population is not the criteria for setting up a planning district. I would preface my remarks with that.

**MR. A. ANSTETT:** Do you have a square miles then, too?

**HON. A. ADAM:** That may not be a criteria either.

**A MEMBER:** What is the criteria?

**MR. A. ANSTETT:** I know it's not.

**HON. A. ADAM:** The criteria is to get two or more municipalities working and co-operating together. That is the idea and the criteria behind the planning districts.

As far as the population counts are concerned, the Cypress Planning District is 5,140; Selkirk and planning area includes the Town of Selkirk, I guess, there's 24,336; Brokenhead, Beausejour, Brokenhead and Garson Village, and so on there's 5,812; M.S.T.W is 15,246; Thompson Planning District is the Town of Mystery Lake, and LGD in the Town of Thompson is 14,319.

**MR. A. ANSTETT:** What is M.S.T.W? Oh, right.

**MRS. C. OLESON:** Morden, Stanley, Winkler.

**MR. A. ANSTETT:** Oh, right.

**HON. A. ADAM:** M.S.T.W is 15,246. So there's a variation. Eastern Interlake is 4,182; Neepawa and area Planning District is 6,083; South Interlake Planning District is 10,793; South Riding Mountain Planning District is 4,872; Brandon and area Planning District is 41,532; Eastern Interlake Planning District is 8,247; Nor-Mac Planning District is 3,842 - that is the village of MacGregor and Norfolk R.M.; Killarney and area planning is 3,694; Boyne Planning District is 5,115; Lac du Bonnet is 3,224.

**MR. A. ANSTETT:** Could the Minister then confirm that of the 16, probably half of them are 6,000 or less?

**HON. A. ADAM:** I would say that, yes.

**MR. A. ANSTETT:** Could the Minister advise then, Mr. Chairman, since his criteria basically appear to be restricted solely to the question of two or more municipalities co-operating together, and since historically the success of the planning district formula, since it was brought in under the new Planning Act, I believe, in 1975, has been in getting that co-operation over basically larger geographical areas, although the Act doesn't state that, it's an attempt to encompass in a planning formula a larger geographical area and the requirement for two or more municipalities, as much as it is intended to capture a population in a geographical area, that that plan's been relatively successful. In view of that, I'm wondering if the Minister would consider the fact that there are some municipalities in the province, and obviously Springfield is one of them which have very large populations on their own, have several towns and villages within the

municipality which although they're not incorporated in many other parts of the province, had they been incorporated would have entitled the municipality to form a planning district within the external peripheral boundaries of that municipality. In other words, are there not - for example, the Brokenhead-Beausejour Planning District - areas where planning districts have been formed that are solely within the boundaries of one rural municipality and then contained therein certain incorporated villages or towns.

I ask that question because the R.M. of Springfield has a population of 9,000, and is caught on the horns of its location where it cannot readily form with the neighbouring municipality because of its proximity to the City of Winnipeg, the Agassiz Forest, the existence of the Brokenhead-Beausejour Planning District on the north, on one side. I am wondering if the Minister has seriously looked at how this inhibits, by requiring the two municipality or more requirement, not only Springfield, but probably other municipalities in other areas of the province of which I am not aware who have populations in the 7,000, 8,000, 9,000, 10,000 in a rural municipality. I suspect there aren't many. I don't know of any other than Springfield at the present time, but there may be a few others, perhaps a couple, whatever.

I am wondering how the Minister can justify when the original legislation wasn't brought in to force two municipalities to get together, but rather the intent of the legislation was to encompass a geographical area with a certain size population into a manageable, useful, realistic planning unit; why one municipality which meets those criteria has not been considered for some sort of exception from that rule.

**HON. A. ADAM:** First of all, I would point out that Springfield is not unique in the situation that they are having difficulty in finding another municipality to join with. We have had other municipalities that have come forward with the same request; that we have tried and tried and tried, and we can't find another municipality to join with us, and we want to go it alone. We have resisted those applications.

Subsequently, those municipalities that felt that it was just hopeless have now come forward and are now talking to other municipalities. That is the intent of the Planning Act is to get two or more municipalities to work together and co-operate together. I think there are two cases now or at least one that I know of recently that had been a sore point for them for a number of years that are now talking to one another, and the same situation as we had in - so if we were to set a precedent of allowing one municipality to go it alone and form its own planning district, then you are opening the doors to a whole host of other municipalities coming forward with the same requests.

If you do it for one, we would have some difficulty in not doing it for another municipality. The costs, I believe, would also increase if we were to do it for different municipalities, rather than having two or more municipalities together.

So that is the reason why they have looked at it. The staff have considered it when there have been requests, but up to this point in time we do not feel that we should move in that direction. We still encourage

those municipalities, particularly those who are in the additional zone, who are under the aegis of the City of Winnipeg or have to deal with the City of Winnipeg . . .

**MR. A. ANSTETT:** Let's not get into that.

**HON. A. ADAM:** I know that has been a sore point with some of them, and we still try to encourage them to join in with another municipality to form a district if they want to do their own planning. I don't know what else I could add to that, Mr. Chairman.

**MR. A. ANSTETT:** Mr. Chairman, I would ask the Minister: What was the size of the rural municipalities which wanted to form their own planning districts, or were any of the other two local governments, that the Minister says wanted to go it alone, rural municipalities or were they towns or cities? If they were rural municipalities, what was their population?

**HON. A. ADAM:** I'll take that as notice, Mr. Chairman. I would have to check into that, but as I mentioned a while ago, population is not the criteria. Area is not really the criteria.

**MR. CHAIRMAN:** The Member for St. Norbert.

**MR. G. MERCIER:** Mr. Chairman, is it not correct, to the Minister, that the Minister brought in an Act at the last Session of the Legislature which made it clear that there legally had to be two or more municipalities to form a planning district?

**HON. A. ADAM:** Yes.

**MR. G. MERCIER:** My first comment to the Member for Springfield that he either missed the caucus meeting last year when the Minister reviewed the provisions of that Act with the caucus before introducing it, or else he lost the argument. But I want to say to him and to the Minister that I think he makes a valid argument; that there are some municipalities like Springfield and like the R.M. of Macdonald who are certainly large enough in terms of size and population to justify going through the process and adopting a development plan and then having delegated to them the exclusive planning authority.

I think the legislation last year was wrong, but perhaps the Member for Springfield, at least having access to the government caucus, might be able to change that. I can't particularly change that in my present position.

**MR. CHAIRMAN:** 6.(a)—pass; 6.(b)—pass.

Resolution 113: Resolved that there be granted to Her Majesty a sum not exceeding \$2,933,700 for Municipal Affairs for the fiscal year ending the 31st day of March, 1984—pass

**MR. CHAIRMAN:** 7.(a) - the Member for Swan River.

**MR. D. GOURLAY:** With respect to the Provincial Land Use policies, have there been any changes or amendments made to the . . .

**HON. A. ADAM:** Essentially, no.

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

**MR. J. DOWNEY:** Thank you, Mr. Chairman. A question to the Minister, some time ago I was made aware that there would be a group meeting with the Provincial Land Use Committee dealing with the future use of the Saskeram area. Has a meeting taken place recently dealing with that particular future use of that land in the Pasquia area?

**HON. A. ADAM:** If the Honourable Member for Arthur is saying that a group of people have met recently with the Provincial Land Use Committee . . .

**MR. J. DOWNEY:** I was asking the question, Mr. Chairman, if they had met, a delegation from the Saskeram area, from The Pas area, if they had met to discuss with the Land Use Committee the future use of the Saskeram?

**HON. A. ADAM:** No, Mr. Chairman.

**MR. J. DOWNEY:** Was there a request to meet, Mr. Chairman?

**HON. A. ADAM:** No, Mr. Chairman. In all fairness to the honourable member, I should indicate to him that the Provincial Land Use Committee is really a subcommittee of Cabinet, and it's there to speed up the process that Cabinet would have to do as a whole, and as such we don't meet with lobby groups. We deal with items that are brought forward by different Ministers that want a clearing house for Cabinet. So, perhaps with that explanation, it's my understanding the Provincial Land Use Committee has - at least not in our time, and I'm not sure whether in the honourable member's term of office whether that was the case - but it's my understanding that we don't meet with . . .

**MR. J. DOWNEY:** Well, Mr. Chairman, I have difficulty with that because I think it's unusual that a committee of Cabinet not meet with a group in society. Cabinet meets with different groups in society, whether they're lobby, or whether they're discussing issues on any matters. Normally, it's quite regular to have briefs presented to them, and the Provincial Land Use Committee, I agree, is a committee of Cabinet. However, I think that it was quite prepared during our term of office to meet with individuals who had specific concerns about land use. Is the Minister of Municipal Affairs not on that Land Use Committee?

**HON. A. ADAM:** Yes. Mr. Chairman, I'm on that Land Use Committee. I believe that the process is, and it's my understanding that the group that he speaks of may have met with the Minister of Natural Resources. They would come to the Minister with a problem and deal with the Minister, and if the Minister felt that should be dealt by a larger group, he would maybe bring it to PLUC or to Cabinet and so on. That is the process that we have been operating on since I have been a member of the . . . I will certainly undertake to find out what the policy was previous to the change of government, or whether or not the Provincial Land Use Committee was meeting every delegation that wanted to come in to talk to the Provincial Land Use Committee.

We've only had one request to my knowledge, and it was from a group that was associated with another umbrella group, and they wanted to shift away from the umbrella group to go on their own and lobby, although the Cabinet met on an annual basis with the umbrella group. Under those conditions, we suggested that they should work through their association and that they met once a year.

**MR. J. DOWNEY:** Mr. Chairman, for a government that's supposed to be open, it all at once has become very closed and not prepared to meet with different groups in society. The Minister of Municipal Affairs says that he's now not prepared to meet with different groups with the Provincial Land Use Committee.

I will ask specifically, if the Minister will find out if there was a request to meet with them on May 10th to discuss the future use of the Saskeram area by a group of The Pas farmers who are interested in what the present government are going to do with it? I was informed that they had a meeting set up for May 10th with the Provincial Land Use Committee, and for some particular reason, the government either refused them or because of inconvenience of timing of their getting together or the ability to get together, that meeting didn't take place. That's why I ask if there had been any other meetings or any other requests? I am aware of one that had been requested, and the people were intending to come and meet with the government to let their thoughts be known, but subsequent to that had been turned down. That's why I asked you if there had been any other meetings?

But I will ask the Minister, will he, as a member of PLUC Committee, the member responsible for Municipal Affairs in an area which could develop some taxes through the development of a land base in that particular region, is he prepared to take a position and allow that group to meet with the Provincial Land Use Committee so they know what the government's policy is before it either goes to Cabinet or is he going to allow the one Minister to handle it?

**HON. A. ADAM:** Mr. Chairman, I believe that a group such as the Saskeram farmers in that area would want to meet with some Ministers perhaps that are not members of the Provincial Land Use Committee. They may want to meet with the Minister of Agriculture, the Minister of Natural Resources; they may want to meet with the Minister of Northern Affairs, I'm not sure which group, you know. It may well be that these members are members of the Provincial Land Use Committee, but, nevertheless, it seems to me that would be the process of coming forward.

I know that I, at no time have ever turned down to meet anyone who wanted to speak with me in my office, and I don't see the role of the provincial . . . I don't think we would be able to do any work really, if we were to open the doors. The Provincial Land Use Committee always has a very heavy agenda and heavy issues, otherwise they wouldn't come there. This is a special group that is dealing with very special concerns, and I know the Saskeram issue is a special concern. Nevertheless, if we were to open the door to one group, we would have to open the door to everybody and that would be, I believe, pretty difficult for the Provincial Land Use Committee to undertake.

But I will certainly take under advisement and inquire as to whether - I'm unaware that there was a request made to the Provincial Land Use Committee, but there could be a request made that I wouldn't be aware of, because I'm not the chairman of the PLUC, and there may have been a request that I'm unaware of.

**MR. J. DOWNEY:** Well, Mr. Chairman, we have the Minister of Municipal Affairs now admitting that they are operating a closed-door government and . . .

**HON. A. ADAM:** On a point of order, Mr. Chairman.

**MR. CHAIRMAN:** The Minister has a point of order.

**HON. A. ADAM:** The Member for Arthur has the habit of always trying to put statements on the record that are inaccurate. He tries to put words in your mouth. He does it in the House, he does it here and it's beneath his dignity as a member of the Legislative Assembly. I think he should be more courteous, as we are courteous to him, and as the communications that I have with his colleagues are excellent, I would hope that the member would not try to posture or play politics.

**MR. CHAIRMAN:** Be a nice guy.  
The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, far be it from the Member for Arthur to want to play politics. I want to make that very clear. Mr. Chairman, I'm here because I'm seriously concerned about the direction that this closed-door government is taking the people of Manitoba in their mismanagement of government.

Mr. Chairman, the Minister is now admitting that he's sitting on a Provincial Land Use Committee, that he doesn't know who the members are, it reports to him, he has to get the funding for it. Could the Minister, or would the Minister find out who is on the Provincial Land Use Committee so that he could inform us at some future time?

As well, Mr. Chairman, I would think that in an issue so important to an area of the province like The Pas and that the use of a large portion of land is going to be determined over the next few months by the signing of, or the not signing of, an agreement with Ducks Unlimited and the future use of that region. It wouldn't be a bad idea that the Provincial Land Use Committee take a look at it, because I do think it will eventually be a full Cabinet decision and a recommendation should come through from PLUC. However, I again request that he inform me - he doesn't have to do it tonight - but I would hope he would inform me at some time in the near future.

As well, Mr. Chairman, I would also like to impress upon him to meet with some of his colleagues to find out precisely what the Provincial Land Use Committee could inform him what their purpose is, if he doesn't understand, and possibly could be of help to him in future direction of his people.

That, Mr. Chairman, will be the comments that I have, and I would hope that within a day or two, the Minister could respond to my questions on the meetings that have or have not been asked for and what the responses to them were from the Land Use Committee to

particularly the Saskeram people who, I know, were planning to come in on May 10th to meet with him and for some reason were rejected.

**HON. A. ADAM:** Well, Mr. Chairman, I indicated that I would take that particular question under notice as to whether there had been a request; and if there had been a rejection of that meeting or non-acceptance of that meeting, I reject outright the suggestion that this is not an open government. I don't think there ever has been a more open government in the Province of Manitoba, even more open than the previous NDP Government, Mr. Chairman. I will take that under . . .

**MR. J. DOWNEY:** Take exception to that - I would - from your Member for Springfield, that you leak like a sieve.

**HON. A. ADAM:** I want to advise the honourable member that the members of the Provincial Land Use Committee, the Honourable Bill Uruski is chairing the meeting, is chairman; Mr. Cowan is the vice-chair; Honourable Mr. Uskiw; myself; the Honourable Minister of Natural Resources, Mr. Mackling; the Minister of Community Services, Mr. Plohman . . .

**MR. CHAIRMAN:** Government Services.

**HON. A. ADAM:** . . . Government Services; and the Minister of Energy and Mines; there are seven members.

**MR. CHAIRMAN:** The Member for Swan River.

**MR. D. GOURLAY:** How many meetings has the PLUC Committee held during the past year?

**HON. A. ADAM:** We don't have an exact number, but it appears between about 10 and 12 in the last year. As I mentioned before, the makeup of the Provincial Land Use Committee is not really set up as a forum for lobby groups. It's a sub-committee of Cabinet.

**MR. CHAIRMAN:** 7.(a) - the Member for Swan River.

**MR. D. GOURLAY:** The Minister said that there wasn't an exact number of meetings. You don't have them set up on a regular basis. You just meet when you feel that you have some business to do?

**HON. A. ADAM:** I guess the major problem is to get all the Minister or at least a quorum of Ministers when it's convenient to get the Ministers together and when there's some major issues that come forward. The Saskeram issue may come to PLUC; it may do that. It may come there if the Minister responsible requests that it be put on the agenda and it'll be discussed there. That's the process; but it's certainly not the process to be lobbied by different groups, one group coming in supporting something, and another group coming in and lobbying on the other side of the question.

Now, what the Member for Arthur is saying here is that we should allow the people in support of the Saskeram being used for agriculture, we should allow them to come in and then we should allow the wildlife

people, the people who want wildlife and waterfowl, and we'd have a number of groups. We'd have the Natives coming in and lobbying for a different issue; on the same issue, but in a different position. If we opened the door for one, we'd have to open the door for everybody, and I don't see how the Provincial Land Use Committee could operate under those conditions.

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

**MR. J. DOWNEY:** Mr. Chairman, the Minister has caused me more difficulty. If that isn't the purpose for the meetings with the different people, to hear their viewpoints on different issues, then what kind of a government do we have? Do we have a totally dictating socialistic government who have their minds made up on everything and are not prepared to meet with groups in society who have a particular interest? Is that what he's saying?

**HON. A. ADAM:** No.

**MR. J. DOWNEY:** He's saying precisely that; that his mind is made up, he's not prepared to meet with any group in society who have an idea or a way in which they would like to see government policy go. I cannot, for the life of me, understand how he keeps sayings he's an open government. He is totally a closed-minded, closed-shop government, not prepared, and has admitted on the record tonight, Mr. Chairman, that he doesn't want to meet with people who are interested in their own well-being. If that is a misunderstanding of mine, then I would hope the Minister would correct it . . .

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

**MR. J. DOWNEY:** . . . because he has told us, Mr. Chairman - I am not finished, please. He, Mr. Chairman, has told us that he's not prepared to meet with people who have an interest in society or their well-being, that it's not his purpose. He makes up his mind and goes from there.

**MR. CHAIRMAN:** Is the member finished?  
The Honourable Minister.

**HON. A. ADAM:** I want to say that the Member for Arthur is again distorting the facts, as is his usual practice, misrepresenting or misinterpreting my remarks. I just finished saying, Mr. Chairman, that this is the most open government that the Province of Manitoba has ever had . . .

**MR. J. DOWNEY:** You just said the opposite. You won't meet with groups.

**HON. A. ADAM:** I'm sorry that the Minister of Natural Resources is not here. He has very likely met with those people. — (Interjection) — He may have met with those people. I will meet with them. I have offered to meet with other groups and we are offering to meet with any group, but in the proper forum.

**MR. J. DOWNEY:** What is the proper forum?

**HON. A. ADAM:** The proper forum is to contact the Ministers responsible for the . . .

**MRS. C. OLESON:** We're right back to Square One.

**HON. A. ADAM:** Well, the Honourable Member for Gladstone says we're back to Square One. If there is a concern in The Pas, with some people there in regard to agriculture, they should contact the Minister of Agriculture. If it has to do with Natural Resources, if there's a joint . . .

**MR. J. DOWNEY:** I wouldn't contact my member up there either, if I were you.

**HON. A. ADAM:** If there's a joint interdepartment responsibility, the two Ministers get together. We are arranging meetings constantly. We met last Sunday, while all members of the Legislature were out at the lake, or having a good time, or down to the cottage, we met with the people from Lynn Lake to deal with the mine question, last Sunday at 11 o'clock. There were a number of Ministers there that came in. That is the way that it's done, and that is the best way that it's done. We met with the Ministers responsible for the Town of Leaf Rapids and the Minister of Energy and Mines and the Minister of Northern Affairs, and I'm sure that my predecessor did the same. I would have no doubt that the former Minister of Agriculture, the now Member for Arthur, did the same thing when he was around, although maybe not as often.

**MR. J. DOWNEY:** Mr. Chairman, we have now got the Minister saying a completely different thing than he said five minutes ago.

**HON. A. ADAM:** Not a thing, not a word different.

**MR. J. DOWNEY:** Completely different.

**HON. A. ADAM:** Not a word different.

**MR. J. DOWNEY:** He's now saying he's not only meeting, he is flying around to meet them. When most people are going to church, he is going to meet with them.

Mr. Chairman, the further question to the Minister, because he said he'd meet with the Saskeram people, the farm community and those people interested, will he now then invite the Minister of Agriculture, the Minister of Natural Resources and as many other Provincial Land Use Committee Ministers as available to go to The Pas and meet with them seeing as he wouldn't meet with them here, said it is not his responsibility to meet with them here, but he has now changed and he is going to meet with those different interest groups in society by going out to see them. Will he go out to The Pas and meet with those people before the signing of the agreement with Ducks Unlimited if that's what their program is for the 1st of July, Mr. Chairman?

**HON. A. ADAM:** The lead Ministers on the Saskeram and the agreement with Ducks Unlimited would be the Minister of Natural Resources and the Minister of

Agriculture. I would not want to go over the heads of those Ministers. I would be very much concerned if the Minister of Natural Resources or the Minister of Agriculture sent a message out to the Union of Manitoba Municipalities and said, we want to talk to you. I would hope that I would be the lead Minister on any arranging that kind of a meeting.

I will convey the honourable member's remarks to my colleagues and bring the matter to their attention that the member raised this concern here at this meeting, perhaps, Mr. Chairman, out of order, because we are not dealing with the Saskeram issue here. But being as I am a member of the PLUC Committee, I will take his message to the Chairman and say that the member has made that request.

**MR. CHAIRMAN:** 7.(a)—pass; 7.(b)—pass.

Resolution 114: Resolved that there be granted to Her Majesty a sum not exceeding \$364,500 for Municipal Affairs for the fiscal year ending the 31st day of March, 1984—pass.

8.- the Member for Swan River.

**MR. D. GOURLAY:** The Estimates show \$1.5 million budgeted for this year in Main Street Manitoba. There was 1.5 million budgeted last year. Was that allowed to carry over so that there is now \$3 million available for this year?

**HON. A. ADAM:** No, it lapses and then is requested in the new Estimates.

**MR. D. GOURLAY:** The project that was approved for Erickson last year, there was no money flowed under that approval?

**HON. A. ADAM:** Not last year, because the Community of Erickson worked over the fall months to get their project together and the season for doing the work, of course, is not conducive in the wintertime to do that kind of work. So what they did is try and prepare their program, get it through and accepted to proceed for the spring. That was their intention.

**MR. D. GOURLAY:** Is the work at Erickson under way at the present time, some of it?

**HON. A. ADAM:** My understanding is that it has begun, yes, already.

**MR. D. GOURLAY:** The Minister indicated that with the Erickson project and the two other projects that have received tentative approval, that the total expenditures amount to 800-and-some thousand dollars?

**HON. A. ADAM:** The Erickson proposal was approved. The reason why we approved these two projects in principle was to speed up the process — (Interjection) — no. If the honourable member will allow me to explain, he will understand.

When the applications come forward, there is a rough estimate of what the total projects will cost both on the public side and the private sector side. These are only rough estimates. Now the problem is, if we go to

get authority on an O.C. in Cabinet, these are only estimates. The process should be that the application when it comes in, there may be some slight modifications, there may be some changes after the project comes in. So rather than send the projects back and get the estimates on the projects to get them tendered to have an exact figure of what the project's going to cost, what we have decided to do is give tentative approval to the projects and then get the tenders in later. So then we can go back with an O.C. to Cabinet and have the exact figure so that we don't have to go back.

As in the case of Erickson, we approved the amount. When they went back to tenders, the figures didn't come out exactly the same, so we will have to go back with another O.C. to make up the difference at a future date. That is the reason why we've changed it a little bit so that . . .

**MR. D. GOURLAY:** Did the Minister not indicate that with the three approvals to date that there was some \$800-odd thousand estimated?

**HON. A. ADAM:** Yes. That's an estimate.

**MR. D. GOURLAY:** What was the exact figure?

**HON. A. ADAM:** \$885,230.00.

**MR. D. GOURLAY:** So there are roughly \$600,000 left for the . . .

**MR. A. ANSTETT:** That's going into Springfield.

**HON. A. ADAM:** The provincial side, that is the total, that is an estimate of the total expenditure, both the municipal expenditures . . .

**MR. D. GOURLAY:** That's not the part of the \$1.5 million.

**HON. A. ADAM:** No. The provincial portion of that figure is 527,770.00. That is a global figure of what the municipalities share and the private storefront renovations share as well. That's the total amount.

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

**MR. J. DOWNEY:** Mr. Chairman, again we have the Minister of Municipal Affairs putting up a big front, but nothing to go along with it. The three projects that he has approved have been all he's been able to do in the last two years . . .

**HON. A. ADAM:** Three years, did you say?

**MR. J. DOWNEY:** Two years, I said - advertising all over Manitoba was the end-all and the be-all of the economic development and a major thrust for the government. Again it's a demonstration of their inability to do anything and get on with the job of assisting any Manitobans.

There was in the criteria, Mr. Chairman, a requirement that before any town or village would get support under

the Main Street Manitoba Program that they had to be incorporated. Is that still a requirement?

**HON. A. ADAM:** Any municipality could apply, providing they have a main street. You got to have a main street to apply.

**MR. J. DOWNEY:** I agree, Mr. Chairman, but there are quite a few municipalities that have fairly large towns, unincorporated towns in their communities, unincorporated villages in their communities that feel they should qualify, but because of the requirement that they have to go do the municipality, and the municipality have to make the decision of which towns or villages are going to get support, it's been pretty much dropped. I would ask the Minister if he wouldn't reconsider the need for a town or a community to be incorporated to qualify for the program? What is wrong with providing upgrading for a main street in a town in Manitoba, if it isn't an incorporated village? I have no difficulty with that. I think the Minister should be more flexible and he would get a lot more support on the program that he's trying to say is such a great program.

**HON. A. ADAM:** Mr. Chairman, I know the member wasn't here before when we discussed this and I want to repeat my words. My comments in that, despite the efforts by such members as the Member for Arthur to downgrade this program and to downplay the Main Street Program, that I said all along that it would be a good program, there'd be a lot of interest. We have 38 or 30-some applications now. There are 13 that are in active negotiations. There are a number, at the present time, in the advanced stages of negotiations and completion and I said all along that it would be a success, and it has been a success.

We have learned along the way, as we went along, we did find out that getting organized at the local level was not as easy as we had anticipated, as the Member for Swan River is aware in his own area, but I think it's a success. This is the construction season. There's no way that people could have started last fall. It's a good program.

To deal with the other comments made by the member, and that is, to negotiate with an unincorporated village, to deal with an unincorporated village, the problem there is that that unincorporated village would have to deal through its R.M. in order to get funding. We're dealing with incorporated municipalities and even if an unincorporated village wanted to enter, they can enter, but they have to work through the municipality because the municipality controls the funds, the LGD, or the municipality controls the fund. So it would have to go through there in any event, because any funds that belong to the unincorporated village are held in trust by the Local Government District or the municipality. That's my understanding of it is, the UVD's and so on.

**MR. J. DOWNEY:** Mr. Chairman, the Minister is again saying that he's inflexible and not prepared to listen to the people of Manitoba who are requesting support for a Main Street Program in unincorporated villages,

and I'll accept that. If he's inflexible, well, then let the people make the judgment on him.

Further to that, Mr. Chairman . . .

**MR. A. ANSTETT:** Jimmy, that's a crock and you know it.

**MR. J. DOWNEY:** It appears that there are some 13 applications that he said in advanced stages . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. J. DOWNEY:** Mr. Chairman, could we have order here please?

**MR. CHAIRMAN:** Order please.

**MR. J. DOWNEY:** Mr. Chairman, it appears that we have 13 towns that are in advanced stages of approval. There's going to be a knot in the rope, Mr. Chairman, because there's only \$1 million left to give to 13 towns and he's used \$300,000 per town now, if he's approved three towns, and used approximately \$900,000.00. There will be very little hope for the 13 towns that are expecting support to get much out of \$1 million. In fact, he might as well start sending them letters right now, saying he doesn't have funding for a program that he's got in place. He has inadequate funding for the applications that he's accepted. He said he's got 30-some applications that he's dealing with. Thirteen of them are advanced, but he's only got \$1 million in which to support them. He spent 800-and-some thousand on three towns . . .

**A MEMBER:** He hasn't spent anything.

**MR. J. DOWNEY:** That's right. He hasn't spent anything. He can't get it flowing. Mr. Chairman, he's got 13 towns waiting for approval. He's got \$1 million to serve them. He's got 30-some other applications. At the rate he is going, it'll probably be 15 years before he gets to the final application, Mr. Chairman. He is not coming straight to the communities. He's not coming clean with them. He's playing political games with them, misleading them, telling them that he's dealing with their applications and when he does deal with them, he has to write back and say he hasn't got any funds for them. It's right here. He hasn't got any money in his appropriation for it. Who is he trying to kid? He's not fooling this committee and he's not fooling the municipalities or the towns. He doesn't have the money to deal with the applications he's now saying are in advanced stages.

**MR. A. ANSTETT:** The last government program that ran out of money was your hog program.

**HON. A. ADAM:** Mr. Chairman, dealing with the first question of the honourable member, in regard to the comments that he wanted to put on the record that we are not prepared to deal with unincorporated villages. The UVD of Austin . . .

**HON. J. PLOHMAN:** Don't count your chickens before they hatch, Downey.

**HON. A. ADAM:** I wonder if I could have a little order and I would talk.

**MR. CHAIRMAN:** The Minister has the floor.

**HON. A. ADAM:** The UVD of Austin and I guess it's in the - I see a big smile on the Member for Gladstone. The UVD of Austin is working with the Council of Norfolk and they are working on an applicaton, so I would ask the honourable member to swallow back his words. Also, if the UVD of Reston, which I believe is in the Honourable Member for Arthur's constituency, want to apply, they can approach the R.M. of Pipestone and work through that R.M. So I don't know what's wrong with the member. They want it both ways, Mr. Chairman. They criticize the deficit. They criticize excessive spending and we . . .

**MR. J. DOWNEY:** Well, we're criticizing you for false advertising. Thirteen towns and a million dollars.

**HON. A. ADAM:** Well, Mr. Chairman, there are 13 towns that are negotiating. Some of those towns will not be ready to go into construction until probably 1984. This is an ongoing program and as the money is available, we will be funding. We have only funded, up to this point in time, a little more than \$500,000, \$520,000.00. So we still have a substantial amount available and I think that the Honourable Member for Arthur is being really unfair. I know that he would like the program to fail, as he would like to see everything else fail. I think everything that the honourable member does is based on political expediency . . .

**MR. CHAIRMAN:** No imputation please.

**HON. A. ADAM:** I would think, as I said before, the program is a good program and that's what disturbs the honourable member. There's been too much interest displayed for this program. They would have hoped that it would have flopped to begin with. It's a success program and I want to say that in three, four years from now, there will be quite a number of towns that will have improved and revitalized their programs. I think this is good for Manitoba and I'm pleased for the Member for Swan River that his town has got one. I congratulate their initiative and to the people there for what they've done, and I hope that many more towns will come forward, and I hope that we have less negative vision and have more positive vision.

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

**MRS. C. OLESON:** I was wondering how the funding for this program is going to take place. Will a community have to be completely finished with their project before any money flows to it, or will there be interim payments?

**HON. A. ADAM:** Yes, there would be some interim payments once their projects get started, that we could provide advances once they've gotten started and that there has been some. It's a very good program.

**MRS. C. OLESON:** You keeping us that.

**HON. A. ADAM:** It's getting better all the time.

**MRS. C. OLESON:** How many staff in your department are involved directly in working with this program?



**HON. A. ADAM:** Well, there are very few. There is the Director of Budget and Finance and I believe one other person. Also, we've had a considerable amount of help from the Municipal Planning Branch out in the different districts who have been very helpful to go out and meet with the local groups to assist them in coming up and making suggestions and so on.

**MRS. C. OLESON:** Well, I'm just wondering, for instance, I was at the Austin Chamber of Commerce meeting when the people from your department made the presentation to the Austin community about their project, and the two staff members that were doing the presentation, are they part of your department? Do they work full time on this or was that just a side line?

**HON. A. ADAM:** Well, I don't know who the members were that were there, but if they were planning people from some of our Planning Branches, they would be full-time planners, and they go out and do this as well as their other work. I don't know who they are. I'm informed that they were probably from the Portage la Prairie Municipal Planning Office.

**MR. CHAIRMAN:** The Member for Swan River.

**MR. D. GOURLAY:** The Minister indicated 13 applications in various stages of approval, and said that those all could be approved this year, and there wasn't enough money in the account. As I understand it, it's an ongoing program and money would be budgeted next year - would pick up those applications that would be on hold, so to speak - is this right?

**HON. A. ADAM:** Well, I don't expect that many of the projects will be under way during the winter months. You know, there may be approvals, like last fall we approved Erickson, and it was approved. They never expected to proceed till this spring anyway, they didn't anticipate. There are two or three of the 13 that are in the advanced stages of preparedness. The others, I don't know at what stage they are. They may be approved this fall, but I doubt whether there will be any work undertaken in the fall, probably in the spring.

**MR. D. GOURLAY:** Well, when the Minister makes reference to an ongoing program this is what he meant, was it not? I know Swan River at one time had made an application with one business involved, and they felt that was all that was ready to go at that time, and they would have further applications later on. They didn't understand; they thought that meant that was the ongoing program, but that's been clarified now. But the money would be made available each year on a budgeted allowance . . .

**HON. A. ADAM:** That's right.

**MR. D. GOURLAY:** . . . and any applications that were approved would get their money, if not this year, next year?

**HON. A. ADAM:** That is correct. That was the intent of the wording of ongoing programs was that any

program that we would keep on negotiating and working on, as they were complete and monies became available, that would be the ongoing aspect of it.

**MR. CHAIRMAN:** 8.—pass.

Resolution No. 115: Resolved that there be granted to Her Majesty a sum not exceeding \$1,500,000 for Municipal Affairs for the fiscal year ending the 31st day of March, 1984—pass.

Back to the Minister's Salary - the Member for Arthur.

**MR. J. DOWNEY:** I have a question for the Minister dealing with a problem that some of the southwest municipalities are having with getting the newly-developed oil wells on their assessment roll, and the Minister some time ago took the question from them of how they could move a little more quickly to get those oil wells on their tax rolls. It's fairly important because a lot of municipalities are having to pay increased road maintenance costs and is a burden on their treasuries. I know specifically at the time that the Minister was asked was at a meeting in Souris at the municipal hearings; the Minister indicated he would get back to them. Has the Minister got an answer as to how the R.M.s can get the oil wells onto the assessment roll a little faster than a year after the completion of the well?

**HON. A. ADAM:** I recall comments made by some of the municipal people in regard to the effect of the oil drilling on municipal roads. I don't recall any requests for problems of having oil wells assessed. I don't recall that, but I do recall comments regarding the problem of the drillers going up and down with 16 wheelers, or whatever it is they go down, and sometimes big crawlers in front and leaving municipal roads in deplorable condition where the municipality has to maintain these roads.

It's my understanding that the Minister of Energy and Mines has either introduced legislation or is moving in that direction to assist the municipalities. I'm not sure how the program works, but I believe that there will be a deposit that will have to be put up - what is the term? - a bond, put up a \$5,000 bond, I understand, that once they moved out they would have to leave the road in a condition that would be acceptable to the municipality. I think there is something in the works along that line, but I can't be definite.

I think the Minister of Energy and Mines would probably be the best person to contact for that.

**MR. J. DOWNEY:** Oh, the old stick handle trick, eh? Pass it onto another Minister and not deal with it yourself, Mr. Chairman.

The question to the Minister was, has he looked into the placing on the municipal tax rolls, at a faster rate, the oil wells and the oil pumps that had been drilled, and they've moved onto a site? The council's difficulties were that it took up to a year or more to get a new oil well on the tax roll, and the question is: What has the Department of Municipal Affairs done to speed up the process so that the municipalities can collect taxes quicker or sooner off of these oil well sites? That is the question. What has he done to speed up that process? He was asked; that was the question; I heard

him asked; I think there is even a letter on file. If there isn't, I would like him to take this as notice at this time.

Would he proceed to do that so that the municipalities can get money to upgrade the roads that are being degraded with the heavy traffic that is now being carried on them with the oil activity. It's just a matter of getting the oil wells on the assessment rolls several months faster than they are now doing it. That's the question.

**HON. A. ADAM:** First of all it is my understanding that the matter of the road situation has been resolved to the satisfaction of the municipalities, but . . .

**MR. J. DOWNEY:** Not to my knowledge.

**HON. A. ADAM:** To my knowledge. As I mentioned the Minister of Energy and Mines has been involved in this.

**MR. J. DOWNEY:** Is he going over the head of the Minister of Highways? You want to be careful . . .

**HON. A. ADAM:** No, this has to do on the oil drilling site.

Now as far as the question about the faster rate for putting the oil wells on the assessment rolls, as I mentioned a while ago, that is being done at the present time.

**MR. J. DOWNEY:** Thank you.

**MR. CHAIRMAN:** Pass? The Member for Swan River.

**MR. D. GOURLAY:** The Minister indicated yesterday, I believe, that he would be making a couple of announcements today with respect to Main Street Manitoba and Swan River and Flin Flon. Does he have a copy of that announcement that would be available to members of the committee?

**HON. A. ADAM:** I provided a copy to the member when we came into committee.

**MR. D. GOURLAY:** Oh, that was part of the . . .

**HON. A. ADAM:** That was the announcement.

**MR. D. GOURLAY:** Oh, I see. I'm sorry.

**HON. A. ADAM:** I have other copies here, I believe.

**MR. D. GOURLAY:** No, it's okay. I didn't look at . . .

**HON. A. ADAM:** This is the formal announcement.

**MR. D. GOURLAY:** Sorry about that.

**HON. A. ADAM:** This was distributed to the press and any honourable member that wants a copy. I think the Member for Arthur should take a copy. Then he would be more appreciative of the program.

**MR. D. GOURLAY:** Just briefly, Mr. Chairman, I think we covered our areas of concern at the outset with respect to the Assessment Review Committee

recommendations. The Minister has provided assurance that the committee will be called as soon as possible and probably by June 15th. We are hopeful that the Minister will be able to supply all members of the committee an advance copy of the recommendations that the committee would like to see adopted and then brought back into the Legislature. If we can have that information in advance, then I think it would be beneficial to speed up the process. Then when we do meet, we'll be able to get down to the nitty-gritty on it.

**HON. A. ADAM:** We'll do that. We'll undertake that.

**MR. D. GOURLAY:** Also I would hope that, although I haven't had a chance to have much discussion with the municipal people, I know that I am getting some rumblings about the bilingual agreement. I would hope that the Minister would use his influence to provide a forum for discussion for the municipal people before that gets sort of out of hand. I know there is quite a bit of concern that seems to be developing on that issue.

**HON. A. ADAM:** The first part of the member's comments are correct. We will try and have the meeting somewhere around the middle of the month for the Municipal Affairs Committee.

The second part of his question had to do with the bilingual services to develop a program if any municipality would like to avail themselves of any assistance in that direction. We will be working with them on a consultative basis to develop what kind of a program they see as being needed in those targeted areas that may request or may not request on a voluntary basis.

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

**MR. J. DOWNEY:** Mr. Chairman, the question was: Is the Minister of Municipal Affairs going to provide a forum for the municipalities to discuss the bilingual issue with them? It's not a matter of assisting them. Is he going to provide a forum so that they can make their thoughts known on this issue? That's the question.

**HON. A. ADAM:** I understood the question to be that . . .

**MR. J. DOWNEY:** I'm posing a new question then, Mr. Chairman. Is the Minister going to provide a forum for the Union of Municipalities to let him know what they think about the government's proposal to have a bilingual province, and that the municipalities would be in fact moving in that direction? Is he going to provide them a forum to speak out so they can let him know what they think about it?

**HON. A. ADAM:** I believe the municipalities do have that forum. It is my understanding that they have already spoken out on it. I have provided a forum for them. I met with the Advisory Committee last Friday. Perhaps the Member for Arthur is unaware that I met with the Beausejour . . .

**MR. J. DOWNEY:** I don't keep track of your daily schedule, sir.

**HON. A. ADAM:** No, I know you don't, and perhaps you should not speak so hastily and you wouldn't get yourself into trouble. I don't want to be rude, but the member has not been that gentle with me or kind since he's been here.

I met with them on Friday, and that was already a forum. As I said before, it is an open government unlike what the member is saying. We indicated to them that there were a number of topics on the agenda. I didn't consider that to be the major topic. It was, in my opinion, secondary although it's an important issue for many people in Manitoba, and that was one of the items on the agenda. So they do have a forum and, if they wish to meet with me again, the same process can be used again.

I have used the Advisory Committee on a number of occasions, met four times in the last year-and-a-half, and I have met quite often with the Union and also with the Urban Association. So the forum is there if they so desire.

**MR. CHAIRMAN:** The Member for Swan River.

**MR. D. GOURLAY:** I just want to clarify the record, Mr. Chairman, that I did ask the question on behalf of the municipal people who, I understand, have asked the Minister to provide them with a forum to discuss the bilingual agreement as such, not to the fact that they want assistance for the program. I don't think they have reached that point as yet. I understand that their meeting with you though, it was the Advisory Committee and there were other topics. The bilingual question was of the foremost importance to them, maybe not to you, but it was to them as I understand it.

Although it is indicated that it's going to be voluntary for those municipalities that want to participate in it, at what point in time does it change to become compulsory? Because once you get one or two municipalities into it on a voluntary basis, then we all have seen what's happened in the federal service; that it was to be on a voluntary basis and now it isn't. It's compulsory. So I think this is where the municipalities have great concern, although it's being introduced as a voluntary program, to get, for want of a better word, getting sucked into the program and then it sort of snowballs and the first thing you know you've got a major program where that becomes a compulsory aspect to it because of the demands of people or whatever.

So I'm just throwing those concerns out as I hear them from municipal people and I'm asking if the Minister will consider that municipal people and school boards would have the forum to discuss this issue before it becomes after the fact?

**MR. CHAIRMAN:** The Honourable Member for Arthur.

**MR. J. DOWNEY:** Well, Mr. Chairman, I have a series of questions that I'd like to ask, but in view of the fact that the Minister is not being straight forward with us and coming clean with the answers, I would just have to say that I will put them over to another time and hopefully the Minister reconsiders his approach to answering questions in the committee.

Thank you, Mr. Chairman.

**HON. A. ADAM:** Mr. Chairman, I'm disappointed that the member's feelings are hurt by my response. I want to say to him that he hasn't been that charitable since he joined his colleague at the table here. I'll be happy to try and answer his questions at any time if he wants to pose them to me.

In answer to the question from the Member for Swan River - the one side of the question, the changing of Section 23 of the Constitution, is not applicable to the municipalities. It only affects the provincial services. It does not affect the municipalities. They're not involved in that.

There was some request that all institutions of government, the wording would be similar, but the municipalities, the Assistance Program is a voluntary program that's been offered by the Federal Government. They would be prepared to provide some assistance to those municipalities that are already providing the service.

There are a number of municipalities in the province that are providing bilingual services, and I would believe the R.M. of Ste. Rose staff is bilingual, and anybody that walks in there can speak in English or in French. You're going to get response in either language, whatever language you speak. That is completely separate from the agreement on changing Section 23 of the Constitution.

So perhaps the concerns expressed by the municipalities are, at this point in time I can't see that there should be a great concern because I'm not sure whether any municipalities will even come forward to ask for any additional assistance of any kind. But I would, you know, I would say maybe around St. Pierre or an area like that they may decide that they would like to have some assistance in their municipality.

**MR. CHAIRMAN:** 1.(a)—pass.

Resolution 108: Resolved that there be granted to Her Majesty a sum not exceeding \$873,800 for Municipal Affairs, for the fiscal year ending 31st day of March, 1984—pass.

Committee rise.

## SUPPLY - CROWN INVESTMENTS

**MR. CHAIRMAN, P. Eyler:** Committee, come to order. We are considering the Estimates of the Department of Crown Investments, Item 1. Administration, (b) Executive Support: (1) Salaries. Does the Minister have any opening statements?

**HON. W. PARASIUK:** Yes, I do, Mr. Chairman, if I could distribute them. I have some copies.

First let me explain that I wanted to achieve a couple of things tonight. First I wanted to try and bring to the Legislature nothing but the best, so I have tried to dress in my best for this situation though the truth of the matter is that I have had to speak at a formal dinner. I didn't frankly earlier this week expect Estimates to proceed quite as quickly as they did in prior days. I wanted to be here for tonight, but I was caught in one of these situations where I was supposed to speak and it got closer and closer to 8:00 o'clock. I think I am only about two or three minutes late.

Mr. Chairman, on Monday, May 31, 1982, I introduced the 1982-83 budget and general plans for the newly

established Department of Crown Investments. At that time, I had indicated that the role of the department would be one of working with Crown corporations in a co-operative way to provide an overview position to government and to facilitate communications between our Crown corporations and government in the areas of major policies, financial administration and assessing economic development opportunities. As mentioned last year, our government had spelled out four major objectives for the department for the 1982-83 fiscal year.

1. To provide general administrative policy advice to Crown corporations;

2. To coordinate the financial requirements of Crown corporations both in the short term, medium and long term;

3. To review the short, medium and long term plans of selected Crown corporations to ensure compatibility with government policies such as purchasing and export policy;

4. To assist in the development of new Crown corporation thrusts (i.e., Manitoba Oil and Gas Corporation).

As mentioned in May of 1982, it was my intention to limit both the size and scope of this department in order to ensure that the traditional corporate operating independence of the Crown corporations continued and that the government did not find itself in the position of meddling in the day to day operations and management of the corporations.

Under the careful direction and guidance of Mr. Mal Anderson, who has left us to take on a senior position with the City of Winnipeg, we came to an understanding of the specific goals and objectives of Crown Investments, to ensure that the role of this new department was clearly understood.

I would like to take this opportunity to thank Mr. Anderson for his contributions to provincial administration, and we certainly wish him well in his new endeavours with the city, but at the same time I was very pleased and I think the government was pleased with that which he has done for various administrations.

These goals and objectives have been reviewed by government and discussed with the chairpersons and staff of the Crown corporations. We recognize, however, that there is further work required in clarifying the role of government, Crown Investments, the board of directors and management of Crown corporations and their respective responsibilities to the Legislature.

In the past year, my department has undertaken a number of major initiatives and studies. These include:

1. The department has represented the province in the federal-provincial feasibility study on plant expansion for Manfor. I will speak more on this later.

2. There has been a major export marketing study under way for Crown corporations. The purpose of this study is to develop an export marketing strategy for the Crown corporations in concert with the government export strategies.

3. There have been continuing studies and investigations into the possibility of potash development in Manitoba.

4. Legislation for creating the Manitoba Oil and Gas Corporation has been prepared and is currently before the House in this Session.

5. The department has established preliminary procedures for reviewing and co-ordinating the financial and operating plans of Crown corporations. For the first time, the government has conducted a comprehensive review of the Crown corporations' financial requirements and plans.

Staff from my department have also provided consulting support to the boards under the guidance of the Ministers responsible. These support activities have included undertaking strategic planning sessions with various boards of directors in an attempt to provide for clarification of the mandates and missions of the corporations. This work will continue in the upcoming year.

The department will continue to develop financial review guidelines in order to improve upon financial administration and to ensure the most effective utilization of all public investment. This work will be done in consultation with the Crown corporations. The department will also undertake to develop a Crown sector economic development strategy since, as I have stated before, I believe that Crown corporations have had and will continue to have a major impact on provincial economic development.

As I stated earlier, we have only very recently established the department's organization structure, hired staff and outlined the intended goals, objectives and planned activities for the department. This was done in October, 1982, when Treasury Board approved the organization structure, the staffing levels and the specific position responsibilities. Between October and December of 1982, we advertised the three senior positions and went through an extensive competition process. In January of this year our management team came on board. Also we are currently in the process of selecting a new Deputy Minister who will head up this organization.

For the 1983-84 fiscal year, our Estimates call for the expenditure of \$622,700 with a permanent staffing complement of seven staff years in addition to the Deputy Minister's position. This compares to last year's approved expenditures of \$563,200.00.

I am continuing to work with my colleagues and the chairpersons of the boards of the Crown corporations in further defining the relationships and linkages of Crown Corporations to government. We have, however, initially agreed that the Economic Resource and Investment Committee of Cabinet shall serve as the focus for Crown corporations' activities. As the Chairman of this Committee, and the Minister responsible for Crown Investments, I shall continue to work with my colleagues in defining Crown corporation relationships to government and to ensure, through effective two-way communications, that the government and Crown corporations develop and implement strategies which reflect government policies.

There is an understanding, however, that individual Ministers assigned responsibility for a Crown corporation are directly responsible for the Crown corporation. They have the direct responsibility and authority for ensuring that the Crown corporations operate efficiently and effectively. The Minister responsible is accountable to the public through this Legislature for the operation of his or her Crown corporation. We have been very careful to protect this relationship to avoid the perception of two masters as

a risk which was stated by the Honourable Member for Lakeside in last year's debate of our Estimates.

I also wish to point out that this year, Ministers will continue to report to the Legislature either through the Public Utilities Committee or the Committee on Economic Development.

Presently, several significant activities are being undertaken by the department, including work on Manfor, potash and the proposed Oil and Gas Corporation. A brief summary of their activities follows.

Study into long term option for Manfor - As I stated last year, an agreement was reached on a joint review of the Manfor complex at The Pas to examine alternatives to optimize the long-term viability of the complex. These investigations are being implemented under the auspices of a Steering Committee comprised of senior representatives of Manfor and the Governments of Manitoba and Canada.

Progress to date of the activity includes:

1. Analysis of wood supply and costs. This analysis confirms adequate availability of wood and costs for each option have been examined.

2. A consultant has completed a technical engineering analysis on modernization proposals for the sawmill.

3. Technical engineering studies on options for the pulp and paper mill have been completed by an international engineering firm.

4. Studies into markets for the products and volumes for the various options for the pulpmill have been completed.

The findings of these various studies are being integrated and financial analysis and computer modelling of the various options are being currently prepared. It is anticipated final recommendations will be made to both levels of government by the summer of 1983.

It should be noted that in undertaking these studies, the management of Manfor has been utilized to the fullest extent possible, thereby ensuring that the evaluations have the detailed knowledge of the present facility being taken into account.

Review of Potash Potential in Manitoba: In the past year, studies have continued and interest has continued to grow in Manitoba's potash resource. However, the dominant factor remains the depressed market for potash. IMC is certainly on record, in comments in the press and in its Annual Report released last year, agreeing that the market situation has caused it to place its various expansion projects on hold. However, in meetings we have had with IMC over the last year, they have continued to express interest in Manitoba, as have others.

I was pleased to be asked to speak to the Canadian Institute of Mining and Metallurgy Convention held in Winnipeg last month. The comments I heard there encouraged me that the prospects for Manitoba potash development were good, but that the industry would certainly be cautious and thorough before it embarked on a major new mine, and it certainly expects the government to do likewise.

Some would make the argument that yes, the market is depressed, but it takes several years to build a mine, so this is just the time to do it, so it will be on stream when the market improves. They would also argue that expansions are taking place elsewhere, such as the Lanigan Mine in Saskatchewan and in New Brunswick.

Well, let's be careful. The Lanigan addition, an expansion to an existing mine, has been under way for some time. And, incremental expansion to an existing facility is usually much cheaper than a new, greenfield mine. New Brunswick is also a different situation, since it has ready access to the Atlantic, allowing it to reach the eastern U.S. and European markets more cheaply.

One can be optimistic about potash development in Manitoba. But you cannot let your enthusiasm run away with you. Caution and prudence are required. It is instructive to recall the early development of potash in Saskatchewan. Too much expansion, too soon, led to very great difficulties for the producers in the depressed markets of the late '60s.

The timing of the development of new potash capacity is a critical consideration. And it is influenced by what other producers are doing and what purchasers require.

We are also maintaining communication with IMC and other companies interested in Manitoba potash and will continue the development of appropriate tax and royalty systems.

Proposed Oil and Gas Corporation: As stated earlier, the draft legislation for the creation of the Manitoba Oil and Gas Corporation will be reviewed in this Session of the Legislature. Once this legislation has been debated and passed, I will then proceed to appoint the appropriate board of directors and to hire the president of the corporation. I expect that the organization's structure and the staffing of this organization should be completed and the corporation should be operational by this fall.

In the past year, companies have continued to express interest in working on joint ventures with the proposed Provincial Oil and Gas Corporation.

In summary then, I wish to state that our department has taken the initial steps towards defining its role responsibilities and its relationships to the Crown corporations. It is recognized, however, that these are only preliminary directions and that further work is required to develop these roles in consultation with other Ministers, the boards and management of the Crown corporations.

We will, however, take every effort to ensure we can maximize the resource and industrial development potential of our Crown corporations.

Mr. Chairman, in addition, in the handout that I passed out, there is an organizational chart for the department, which I table.

## INTRODUCTION OF GUESTS

**MR. CHAIRMAN:** Before proceeding, I would like to direct the attention of honourable members to the galleries where we have a group of 18 residents of Rossmere constituency visiting.

The Member for Turtle Mountain.

## SUPPLY - CROWN INVESTMENTS (cont'd)

**MR. B. RANSOM:** Mr. Chairman, there really is very little to say by way of general response to the Minister's introductory statement.

A year ago, this was a new department. The Minister outlined some expectations he had for the department and we'll ask some specific questions as we proceed,

but the most important thing, I believe, is that a year ago the province still had some prospects for major economic developments in the province with respect to potash, the Alcan aluminum smelter, the Power Grid; those things that a year ago the Minister was still saying were under active negotiation.

Here we are now in May of 1983, and those prospects have all evaporated in the interim. What we have now, instead of the prospects of real development taking place in the province, we basically have an outline of studies of a general direction which the Minister's department plans to take and some rationalizations as to why real development hasn't taken place in the last year.

So, Mr. Chairman, I really see no point in going into detail at this point with respect to the Minister's statement and with respect to this department. We will have a few questions, but it would generally be my intention to proceed through this department and through the Department of Energy and Mines to the Minister's Salary in the Department of Energy and Mines where there will be some general comments rather than debating the Minister's Salary twice in two separate departments.

I have a few general, or perhaps not so general questions then for the Minister here. One would be where he has set out in his statement the major objectives for the department for 1982-83 fiscal year were to provide general administrative policy advice to Crown corporations, were there any specific recommendations made to Crown corporations then in terms of policy advice during the period under review?

**HON. W. PARASIUK:** Mr. Chairman, we have gone through a major downturn in our economy, and I think that we can debate that later on, when it comes to my combined Minister's Salary at the end, and I'm quite willing to debate the recession and impacts that it's had on the economy, on economic development, not only in Manitoba, but in all of North America. But, given that situation, it's important that Crown corporations in a sense operate in as lean a way as possible and as efficient a way as possible, and that is not to say that they haven't been doing that completely in the past. It's just that they have tended to operate somewhat in isolation from one another. Yet, the government, on behalf of the people of Manitoba, is the shareholder in all of these Crown corporations.

What we've been trying to do is, in the first instance, get more idea on the overview of the financial requirements, both in the short term and in the long term, so that we really haven't been doing that much at this particular stage with respect to general administrative policy advice because we've felt that the more important task was to get an overview of what the Crown corporations are doing or aren't doing.

When it comes to acting as a conduit for policies, many of these are small policies, getting an idea of who's doing what, getting an idea of what might be called the salary levels for different Crowns, what are the hiring practices? How is this conducted? Is there an equitable opportunity for everyone to be hired in Crown corporations?

Looking at the question of wage levels, wage increases, the Department of Crown Investments has

been playing a role, but I say at this particular stage very honestly, that role has been somewhat embryonic because the staff have only come on stream since January. A lot of work was done by Mr. Anderson who was acting as the Deputy Minister. He had a fair amount of experience in government in the Department of Finance undertaking co-ordinating tasks so I think he was able to launch the process but, if one would ask for specifics in terms of specific administrative policy advice, we really don't have a set of specifics. We've been looking more at establishing the capital overview, undertaking tasks in relation to Manfor, undertaking tasks in relation to the Manitoba Oil and Gas Corporation.

Certainly as we progress, we would like to establish some coherence with respect to administrative policy that Crown corporations have. If there are differences between Crown corporations, the shareholders should receive an explanation from the Crown corporation as to why there are those differences that exist between Crown corporations.

I know that the member has asked in the past questions about, was Hydro doing this? Does Hydro have dinners for municipal officials? I find out that, yes, they do and other Crown corporations don't. Those are a whole set of small things that we'll certainly come to deal with, but we haven't established as our priorities at this stage, again because the staff is small and because we want to move from areas of higher priority to areas of lower priority as we gain experience and as, in fact, we deal with the matters of higher priority.

**MR. CHAIRMAN:** The Member for Turtle Mountain.

**MR. B. RANSOM:** In what way have the financial requirements of Crown corporations been co-ordinated by the Department of Crown Investments?

**HON. W. PARASIUK:** This has been the first year in which the department has provided to the ERIC Committee an overview of the Crown corporation capital budgets. For 1983-84, the emphasis has been on establishing the process, strengthening the communication with the corporations and including the members of the Economic and Resource Investment Committee of Cabinet to the contents of the capital budgets.

The steps taken this year have included the following: (1) capital budgets are submitted by the Crown corporations through the Department of Crown Investments; (2) there are meetings with the department staff and corporation officials; (3) an aggregation of capital budgets and discussion with Department of Finance officials on capital budget totals and capital authority requirements combining the corporations which report to the Department of Crown Investments and those which do not; (4) there is an overview presentation to the Economic and Resource Investment Committee on capital budget totals and major issues.

I feel like a peacock.

**A MEMBER:** That's a penguin.

**HON. W. PARASIUK:** That could be true.

(4) further meetings with Crown corporation officials to answer any specific issues arising out of Economic

and Resource Investment Committee discussions and to complete analysis of capital projects.

Then there is a final review and approval by the Economic and Resource Investment Committee of Cabinet, together with additional background information, historical comparison and trends, and further analysis of capital budgets and an operating budget overview.

For the next year, the process will be firmed up and advanced in time. The following improvements are planned. We hope to have an earlier review by the Economic and Resource Investment Committee with again earlier corporation board approvals obtained so that we can get a better overview and it doesn't come to the government in the budgetary process until very late in the budgetary process, which has tended to be the process in the past.

Again we want a more detailed consultation with corporations and more complete analysis of capital programs. We are asking for three to five-year outlooks for corporation capital budgets. That has happened with some, but not happened with all. That requirement hasn't been put on for them.

Again we are looking for quarterly operating reports to the department and to the Economic and Resource Investment Committee of Cabinet. In the past, these things would be done on a yearly basis, and I think it's an important requirement for the corporations themselves that they establish good quarterly reporting procedures. From that, one can start determining where, in fact, there has been variance and why there's variance, and to try and catch it earlier rather than catch it later.

That is what we are starting with respect to the capital budgeting process.

**MR. B. RANSOM:** Were the financial requirements of the Crown corporations changed in any way as a consequence of the review by the Department of Crown Investments?

**HON. W. PARASIUKE:** In this particular year, no.

**MR. B. RANSOM:** Has the Minister looked at the nature of the capital requirements in terms of the size of the requirement, and whether or not there is a real expectation of the particular corporation to expend that money?

**HON. W. PARASIUKE:** Yes, that's something that the staff has been doing to try and get a clear idea from the corporations as to whether in fact they're going to be expending the money that they are putting forward as their requirements. I think in instances in the past, that hasn't happened. It is a matter of slowly establishing a process to tighten that, to refine it, to make it a bit more predictable.

**MR. B. RANSOM:** Why would there be a \$20 million capital requirement for the Manitoba Oil and Gas Corporation when there is very little expectation that amount of money would be expended in 1983-84?

**HON. W. PARASIUKE:** That is put forward in the legislation as a four-year commitment of \$20 million.

The actual cash flow could be much less than that in the course of the year. That's understood.

**MR. B. RANSOM:** So that when the Minister of Finance announced an \$840 million planned capital expenditure program in terms of the money for Manitoba Oil and Gas Corporation, there really was no expectation that amount of money would flow in this upcoming year?

**HON. W. PARASIUKE:** When you start talking about commitments, and this is the difficulty with commitments, if you are going to tell any corporation that their authority is limited, then it makes it very difficult for that corporation to plan. They have an idea. That corporation will have an idea of what its parameters are, and its parameters are that \$20 million commitment.

It may turn out that in the course of the ventures that are proposed to the corporation that commitments over a three or a four-year period entailing \$20 million are made. I wouldn't want to prejudge that corporation.

So I think that there is no conflict when we say that we are making a commitment of \$840 million. I can look at many instances where government has, in fact, made commitments, but the cash has flowed over a two or three-year period. I think that's normal in the way certain expenditures are undertaken, both at a departmental level and a Crown corporation level.

**MR. B. RANSOM:** Have the purchasing or export policies of Crown corporations been altered as a consequence of review by this department?

**HON. W. PARASIUKE:** Well, Mr. Chairman, we do have a purchasing policy that has been established by the government and communicated to the Crown corporations. The Crown corporations, indeed, are following that purchasing policy, so I think there's been some influence there. I think this is part of the process the Department of Crown Investments plays a role.

With respect to the export policy, again that's an area where sometimes the Crown corporations haven't really been very clear on what their objectives might be, with respect to an export policy. In that respect, the Department of Crown Investments has tried to work with a couple of the Crown corporations to clarify that, to clarify what is, in a sense, a risk, that in a sense is separate from that which is the normal business of the utility. Because there will be instances where a subsidiary of a Crown corporation may be involved in export activity.

In other instances, there are areas where we may, in fact, have opportunities for export potential and in this respect we have developed a very good capability with respect to Hydro. We are world leaders with respect to the technology of high voltage, direct current transmission. There are many countries in the world whose sources of electricity are located at some distance from the population centres or production centres, and they need to transmit this electricity over long distances.

What we found is that other provinces and engineering firms in other provinces, especially Quebec, had been able to take pretty good advantage of this export opportunity when we, in fact, had it. So we're

looking at these possibilities. We're spending some time with the Federal Government. We're talking with CIDA, and we're also trying, and again we're just as I said in an embryonic stage and is trying to establish some guidelines as to what would be reasonable export policy practices. When one starts dealing with in certain countries, one doesn't want to get involved in some of the practices that might be normal, with respect to export policies.

Now we hope to try and steer clear of those, but there are some countries that operate on the basis of kickback or payoff or things like that. If we are going to have any of our Crown corporations involved in export policy, I think it's important for us to understand what the parameters are. We haven't quite established those yet, but we recognize that's something that has to be done. I think there have been examples in the past where the Atomic Energy Commission Limited of Canada, was involved in paying people in strange ways in Argentina to act as agents on their behalf. I wouldn't want those types of difficulties to arise, hopefully, in Manitoba with respect to our Crown corporations. But they may happen inadvertently, or they may happen without people really thinking through the consequences, so it's important to start looking at those things and anticipating them.

**MR. B. RANSOM:** Have any specific changes been made in the purchasing policies of the Crown corporations?

**HON. W. PARASIUK:** Yes, the Crown corporations are following the purchasing policy of the government. They do have some discretion, within limits, to look at Manitoba firms. They do that. They make their judgments within them, and they are all doing that within the context of a policy that has been articulated and developed by the government, but again, communicated to the Crown corporations and the Department of Crown Investments is a part of that process.

**MR. B. RANSOM:** Can the Minister give an example of where the purchasing policies of the Crown corporations have been changed as a consequence of this review?

**HON. W. PARASIUK:** No, I can't. I say that that generally is the case and I think that the purchasing policy is different. I don't have any examples at my disposal where a Crown corporation has, in fact, made a judgment in favour of a Manitoba firm within parameters. I can look into that and come back to the member and give him information on that.

**MR. B. RANSOM:** Is the Minister planning any new Crown corporations?

**HON. W. PARASIUK:** Not at this particular stage, Mr. Chairman.

**MR. B. RANSOM:** Well, some time is going to have to pass before we can tell whether the department is going to meet its objectives, because it seems evident that it really hasn't progressed all that far at the moment towards achieving them, plus some of the things that

the Minister spoke about, in terms of co-ordinating financial requirements, I believe, used to be basically accomplished through the Department of Finance and Treasury Board review, in any case.

Concerning staffing, Mr. Chairman, it seems to me that I recall that there were three assistant deputy minister positions advertised. That out of the seven staff man years, I'm assuming that there's a deputy minister and three assistant deputy ministers and support staff, secretarial help. If that isn't correct the Minister can advise us of that? Who are the three assistant deputy ministers who have been hired and what are the salary ranges?

**HON. W. PARASIUK:** The Civil Service Commission, in its review, classified these positions as assistant deputy ministers. The difficulty with calling them assistant deputy ministers is that generally, within the government, people assume that these people are administering a large number of people. We've changed the title and I've done that to executive director. I've done that in consultation with the deputy minister, who was deputy at that time. The three people are Mr. Garry Hastings, who was recruited from within the Government of Manitoba; Mr. Gord MacLean, who was recruited from Saskatchewan; and Mr. David Gardave, who was recruited from private industry.

These people went through a very extensive competition process with the former deputy and Civil Service Commission being on the board. I might add that the administration, in a sense, is shared between the Department of Energy and Mines and the Department of Crown Investments, so Mr. Chenier acts as the senior administrative officer for both departments and he's here.

Salaries. I can give you their levels. I'll give you their levels while we're getting it. Hastings is a Senior Officer 1, McLean is a Senior Officer 3, and Gardave is a Senior Officer 3.

**MR. B. RANSOM:** Mr. Chairman, it does strike me as unusual that we would have a corporation with that many senior executive people involved in it, and I would expect that gives some indication of an expanding department. By the nature of bureaucracies, they do tend to expand. Has the Minister any level of staffing for the department that he doesn't wish to see it go beyond? It seems to me we discussed last year the possibility of establishing some legislative requirement that wouldn't allow this department to expand beyond a certain level. What does the Minister foresee in that area?

**HON. W. PARASIUK:** I hate putting a specific number out. It is my intention for the department not to grow very large. If possible, I would like to keep it within the staff complement, and if there were particular task forces to second for periods of time, if one looks at potash, for example, one would maybe pull together a task force from the existing staff of government. That's one of the reasons why we chose to keep the department small, but to have fairly senior qualified people in these positions.

My experience with government has been that often what happens is that, if you start small with people



who aren't sufficiently experienced or qualified, they don't do the job particularly well, and they add numbers to handle that. That breaks down communication. We should have a small group. Often, though, given the way in which bureaucracies operate, if you appoint senior people, there are people who argue that since they are senior they should have staff reporting to them, and I think this captures the point the Member for Turtle Mountain was trying to raise, that since we have senior people, there'll be a tendency for people then to try and get people under them. That certainly wouldn't be our intention. These are a good group of able people, experienced in the private sector and experienced in the public sector, who can act as good communicators and as liaison with the Crown corporations, and I think handle their jobs within the staff limits.

If we find particular reasons why we can't handle it, certainly I will have to come back before the Legislature and explain to the members opposite why my intentions have not been, or my expectations have not been met, but I'm giving you my intentions, and my intentions are to try and keep it small. I believe it can be done, and again, time will tell, but again, these are on record. My statements are on record, your statements are on record, obviously. I certainly wouldn't want to come in here a year from now and try and tell you that I didn't say that, and to come back to a point that I think was raised by the Member for Sturgeon Creek last year, we did add a person.

Again when we established the department, we didn't really take into account one secretarial position required because a deputy was in the Legislative Building here as opposed to being part of a larger group outside the building, and that was an oversight in planning on our part. So, we've added that support staff. But that's really what we're trying to keep to.

**MR. B. RANSOM:** Mr. Chairman, there is \$19 million in Capital authority shown as required for Manfor. Is that to finance the losses of the company for last year, or is that to finance some upgrading of the sawmill?

**HON. W. PARASIUK:** I'll call another staff down on that. I'm quite certain that it's not to finance expansion, but it's to finance losses plus interest carried.

**MR. B. RANSOM:** Mr. Chairman, if it's not to finance expansion, then I would be certain that it's to finance the losses, because the losses were approximately that amount of money.

When does the Minister anticipate that there will be a decision taken with respect to upgrading the sawmill? As the Minister knows, during the review of the Annual Report of Manfor, it was indicated that a major portion of the loss flows through the sawmill operation, and there was an estimate that an expenditure of \$9 million or \$10 million could bring about that modernization. It certainly seemed that an expenditure of \$9 million or \$10 million to save the major portion of 19 would be something that should be entered into quickly.

**HON. W. PARASIUK:** Well, we hope we can enter into it quickly. We said that we'd like to try and get that decision made by this summer. What's involved is

federal provincial negotiations, and again, one, you know, tries to be wary in those negotiations to try and ensure that we get the fullest amount of federal support possible. We hope that we can get this resolved over the summer. Again, it becomes a matter of judgment as to how long one stays in negotiation, and at what stage one may decide to do something on ones own, but certainly it would be our intention to do everything possible to get cost sharing of this with the Federal Government, and that's what we doing. It becomes a bit difficult trying to go much beyond that without - and I think the member has had experience in dealing with the Federal Government in terms of negotiations and trying to get decisions made, and at the same time trying to ensure that the Federal Government contributes its fair share to these types of developments. That's what we're involved in right now.

**MR. B. RANSOM:** Mr. Chairman, I've noticed in the announcements concerning boards of directors of Crown corporations, as an example, A.E. McKenzie Limited, I believe two of the appointments to the board of directors were singled out as representatives of consumers. Now, the Minister also has taken some new steps in terms of appointing union representatives to the Board of Directors of Manfor.

What will be the policy concerning appointments of directors to Crown corporations? Are the directors to represent the public interest, or are directors now to represent some specific narrower interest such as that that was identified for A.E. McKenzie that they were going to represent consumers on the board?

**HON. W. PARASIUK:** The board members represent the public interest. They bring to that certain experiences which people may view as being narrow or broad. And sometimes in the past people have appointed people to be on the board to represent public interest who indeed have had a narrower range of experience, often valid experience but a narrower range of experience.

What one likes to look for on a board, I think, is ranges of experience and perceptions that in a sense are broad in total, and indeed can complement each other. We've been trying to establish boards that in total have a lot of complementary strengths. So generally what we're doing is appointing people who represent the public interest on behalf of the shareholder. I have confidence in those people's ability to do that just as well as the appointments in the past. I believe people who are appointed to boards try and exercise their best judgment and try and do everything that they can on behalf of the public interest.

**MR. B. RANSOM:** Are the union appointees then, to the Manfor board, are they expected to function in the public interest the same as any other director who was appointed to the board?

**HON. W. PARASIUK:** Yes, they are. They will have a particular perspective and knowledge of an operation that might be greater than some other members of the board but at the same time their task is to try and function in the public interest. They don't involve themselves in matters of collective bargaining. They

don't involve themselves in matters that are properly handled under grievance procedures. But there are many more, many other decisions required to ensure that something operates better, operates more efficiently over the long run and they can bring some valuable experience to that.

I believe that people involved in a Crown Corporation really should try and get away from the past tradition of confrontation and try and realize that the long term interests, the long term productivity and efficiency of that operation is in the interests of the people of Manitoba, and of those people who are involved in that operation, or the community that is related to that operation.

We have some Crown Corporations where the communities are related to that operation. But if they aren't more productive over the long run then obviously that corporation will fail. I believe that we've had worker management committees at Manfor that operated very well when they were going through some very difficult times regarding excess inventory and tough choices that they had to be involved in, and that were finally made by the board and ultimately confirmed by the Minister. But I believe that the workers involved played a very productive and useful role.

**MR. B. RANSOM:** Mr. Chairman, does the Minister review or approve all appointments to the Boards of Directors of Crown Corporations?

**HON. W. PARASIUK:** In that respect I am involved in providing advice but the people appointed to the boards are appointed through a Cabinet process ultimately.

**MR. B. RANSOM:** The Minister's opening statement says that they have had meetings with IMC over the last year. Can the Minister indicate how many meetings he's had, who he met with, with IMC and who were the representatives on the government side?

**HON. W. PARASIUK:** Well we've had, I think, about three meetings with IMC people. The people involved were Mal Anderson and myself.

I've had phone calls with IMC representatives since that time and I've had a couple of more minor meetings just to keep in touch. I expect to be having a further meeting with a senior person in IMC within the next month. It's a matter of arranging it so that I have the time and he has the time.

But I have been to Chicago and I have met with the President of the company and with the vice-president in charge of development and we had good general discussions. We weren't involved in negotiations. IMC has said that for now they want to put those on hold pending an upturn in the market.

But we have continued to maintain discussions, maintain communications, and observe the market, and determine when it might be. So far we haven't determined that this is a time for major investments but we are both monitoring the situation and keeping in touch with each other.

**MR. B. RANSOM:** When did the Minister have that meeting with the President of IMC?

**HON. W. PARASIUK:** It was in the latter part of 1982. Since that time we've kept in touch but I had the meeting in the latter part of 1982.

**MR. B. RANSOM:** Mr. Chairman, with respect to the proposed Oil and Gas Corporation. What sort of salary ranges does the Minister think that he's going to have to implement in order to be able to attract the senior executives to that corporation?

**HON. W. PARASIUK:** We hope that we can attract someone to Manitoba within the range of the salaries that are paid, and have been paid, to chief executive officers of Crown Corporations both by this administration, and by the previous administration. So we'd like to try and keep it within those parameters knowing full well that the oil industry, in the past anyway, has tended to pay some fairly high salaries but we are hoping that we'll be able to succeed in attracting someone who we think has sufficient skills and abilities within the parameters of what is paid to chief executive officers who performed that function for other Crown Corporations.

**MR. B. RANSOM:** Mr. Chairman, there's one issue that we have dealt with previously in terms of what we were debating, the Oil and Gas Bill that's been discussed in Public Accounts. It was discussed today again in the review of A.E. McKenzie, and that is how is it appropriate for a government to identify the costs or the benefits of having an investment in a Crown Corporation?

I was pleased this morning that the Committee on Economic Development, dealing with A.E. McKenzie, voted to request the Board of Directors to attach a notation, to put a notation in the Annual Report of A.E. McKenzie pointing out the interest subsidy or the cost, however one wishes to identify it, of the preferred shares which the corporation will only be paying 6 percent on, and they are clearly going to be a cost to the government.

It is interesting that in the May 23rd edition of the Financial Times - I'm not sure whether the Minister had an opportunity to read the editorial there, but there's an editorial entitled, "Canadair's Phony Profit." It deals with these very questions that we have been dealing with where the argument is put forth that it's equity money that the government puts into Crown corporations. But this editorial points out with respect to Canadair, for instance, they already own it. The government owns Canadair and so they don't need to put up any more equity in order to get any more ownership because they already have it.

The same thing, of course, could apply to a corporation such as Manitoba Oil and Gas Corporation. The government could put up \$1 and, because they are guaranteeing the loans, that's really what the company would need. That would be the same in the private sector if a wealthy individual, say, was forming a corporation. That person wouldn't have to have any significant amount of capital in it if that person was prepared to personally back, to guarantee the loans of the corporation.

Anyway, this editorial then goes on to say with respect to Canadair that, "The sole practical effect of calling it equity seems to be that Canadair need pay no interest on the money since the reward of an equity investor comes by way of dividends." Then at the end of the editorial, it says, "If an infusion of cash is an interest-free loan, that's what it should be called and the

taxpayers should be told exactly how much their money could be earning if it were invested at interest."

Now I believe from the reaction that the Minister has given previously that he has some sympathy towards this view of clearly identifying these benefits and costs, and I wonder if the Minister now could indicate to us whether he has any plan to implement some sort of procedure with respect to Manitoba Oil and Gas Corporation so that, at least in the future, we'll be able to debate the same set of meaningful figures.

**HON. W. PARASIUK:** I think the member would be able to do that whether, in fact, we indicated by notation or not, but I did say earlier that I understood what the member was getting at; that I wanted to look at that. I haven't really had the opportunity to look at that nuance.

I certainly would like to ask people in the private sector who hold corporations what their general practice has been, because I know of instances where they have advanced equity. It has not been on the basis of debt financing. They have advanced it to a new corporation to get it going, to build up some momentum. That has been from an equity base.

I know of instances where companies have run into difficulty and in a sense what they've done is they have taken in more equity. That's happened with respect to Inco over the last year. It's happened with respect to Sherritt Gordon, and it's happened with respect to Hudson Bay Mining and Smelting. One could say, well it was owned already, but what they were doing was diluting the existing equity in a sense.

So I think that what the member is raising is a concern that should be addressed. I am not saying that I can address it immediately. I certainly would like to have a bit of discussion with people in the private sector and with respect to other public corporations. This is certainly an issue that I will have to respond on by the next sitting of the Legislature, and I say that I will be responding on it. If he wants me to make a commitment right now before the Manitoba Oil and Gas Corporation Bill is further debated, I am saying, I can't, but I am saying that I will seriously take that concern under advisement as a legitimate concern to be looked at. And I will come back with answers on it.

Again, I think that when one is starting corporations and building assets as well as building cash flow that one should look at what might be called a breaking-in period for that corporation. I believe that corporations do that in the private sector. I certainly would like to take a bit more time on that, but I don't dismiss the concern being raised by the Member for Turtle Mountain. Obviously, he will hold me accountable for his concern and my action or lack of action in due course. Again, that will be on record.

**MR. B. RANSOM:** Pass.

**MR. CHAIRMAN:** Item 1.(b)(1)—pass; 1.(b)(2)—pass; 1.(a) Minister's Salary—pass.

Resolution No. 44: Resolved that there be granted to Her Majesty a sum not exceeding \$632,500 for Crown Investments, Administration for the fiscal year ending the 31st day of March, 1984—pass.

That concludes the Estimates for the Department of Crown Investments.

## SUPPLY - ENERGY AND MINES

**MR. CHAIRMAN, P. Eyler:** Estimates for the Department of Energy and Mines. Does the Minister have any introductory statements?

**HON. W. PARASIUK:** I do. I will try and read quickly. This, unfortunately, is a somewhat longer statement and I'll try and speed it up. In fact, right off the bat, we have a typographical error on it. The title should be 1983-84 and Legislative Review of Department Spending Estimates.

Mr. Chairman, I take pleasure in presenting my department's spending intentions for the 1983-84 fiscal year. First of all, allow me to draw your attention to the summary of programs before you today which reflect both our department's current expenditures and expenditures related to our capital assets.

As you see, our department has been allocated a total of \$14,020,900 for the 1983-84 fiscal year. This represents an overall increase of \$2,782,200 over the adjusted vote for the 1982-83 fiscal year. A significant portion of this increase is attributed to our government's commitment to the conservation of energy through a comprehensive array of demonstration projects and services under both the Manitoba/Canada Energy Agreement and the Manitoba/Canada National Energy Audit Program. I will provide further details under our spending intentions for the Energy Division.

Attempting to meet the challenges and responsibilities surrounding the fields of energy and of mineral resources in Manitoba at this point in time in our province's history, is like putting together a jigsaw puzzle. Not only does the picture keep changing, but also the shape of the individual pieces change as well.

Consider the pieces of the puzzle that continue to change almost daily on the international and national levels: the world recession and its effect on supply and demand; national energy policy and its effects through conservation and substitution, not to mention price. OPEC has been unable to cope with the rapidity of change in prices, markets, demand and supply. This has compounded the problems of national policy making and energy planning.

To state the obvious, Manitoba's first challenge is to cope with these macrofluctuations and set policy within this context. We must also avoid decisions that might overcommit us in any given sphere while at the same time providing sound economic direction, and wherever possible insulate the Manitoba consumer from the extremes of these outside changes.

It is significant to note that energy demand in Manitoba between 1979 and 1981 has declined by 7 percent across the board. It is impossible to determine precisely what has led to this decline although we know that some combination of recession, price-induced conservation and substitution have played a role.

Electrical demand has declined by 5 percent, oil by 7 percent and natural gas by 10 percent. Manitoba, it can be seen, has made a significant contribution towards national energy self-sufficiency.

Despite all the permutations affecting oil, it is relatively a straightforward area in terms of policy development, simply because we use too much, don't have enough, and import most of it.

Oil accounts for 47 percent of our energy use. In 1982, we produced 19.6 percent of the 2.9 million cubic metres of oil consumed in Manitoba. You will understand why the current drilling activity in the Waskada area, southwestern Manitoba, is exciting and important. We can now look forward to over 20 percent production of our own needs. Not since the boom of the mid-'50s have we had the kind of drilling activity we are currently enjoying. Over 190 wells were completed in 1982 with a success rate of over 80 percent. Current indications show that the same level of activity will continue through 1983. Every barrel produced in Manitoba improves our energy balance sheet and as a straightforward matter of policy, I do not mind telling you we are going to do everything in our power to encourage, expand and enhance continued exploration and development of this energy source. As you are aware, our government has introduced legislation dealing with royalties, surface rights and our oil and gas Crown corporation.

Our Crown corporation is going to play a small but positive and constructive role based on a joint venture approach. Indeed, I am pleased to say that the industry has already responded positively with several overtures for joint ventures.

A more difficult set of circumstances faces us when we turn to the next major source of energy consumed in Manitoba: natural gas. We may be at a crossroad where natural gas is concerned, comparable, I believe, to the situation we faced in 1957 when Manitoba was able to tap the Trans-Canada line. The situation we face today is not as simple or positive as that which we faced in the late '50s, but I suspect it has potential for affecting as great a change in the pattern of energy use in the province.

During the past decade, due to rapidly rising oil prices, the use of electricity for space heating has increased dramatically. And because natural gas is only available in the major urban centres of southern Manitoba while electricity is available in all but a few remote communities, the demand for electric space heating will continue to increase during the 1980s and 1990s. Even in areas with access to gas, decisions on space heating will be based, in large measure, on consumers' perception of costs. In the last few years, they have been heavily influenced by the freeze on electricity rates and the frequent increases in natural gas rates. The cost of heating, using natural gas, is now almost as high as the cost of using electrical space heating. Although, at this moment, natural gas remains the most economical source of heating we have, if natural gas prices continue to rise at a high rate while electricity rates increase at a more moderate pace, a major shift to electric heating is likely.

Do we switch to electricity for space heating? Can we afford to? Or should we extend natural gas lines to unserved areas and continue to rely on the natural gas as the main fuel for space heating? These are some of the questions we shall have to address. The answers will affect the decisions thousands of Manitobans will face on what energy source is most economical in meeting their space heating needs.

As perplexing as the challenge of the future role natural gas will play in Manitoba might be, the challenge posed by hydro-electricity is more straightforward. From time to time, the pace with which we can proceed to develop our hydro resources is a bit trying. When one

remembers that we are sitting on the energy equivalent of 100 million barrels of annual oil production, the future brightens rapidly. We are proceeding on two broad fronts to increase sales of hydro-electricity: namely, export sales and sales to major industrial users.

To suggest that these initiatives will come to fruition within a year or so would be misleading, but all have potential within three to five years. Let me deal briefly with each.

Beginning with export sales, I want to offer an aside by way of explaining one of the difficulties we have encountered with negotiations involving hydro sales to the United States. Over the past 20 or 30 years, the progress made in moving, selling and marketing most fossil fuels has been nothing short of phenomenal. We have super tankers, we liquefy, we gasify, and we build 3,000-mile pipelines, and we employ a host of other high-tech procedures for delivering energy to customers throughout the world. When it comes to moving and selling electricity, we are, relatively speaking, still in the horse and buggy era. Aside from the high voltage direct current transmission, a development in which Manitoba Hydro is an acknowledged leader, much remains to be done in order to catch up with oil and gas. The major hurdle still to be crossed lies in the transmission between utilities. This jurisdictional impediment, if you like, is particularly important in the United States where there are so many utilities, most of them privately held. Unlike Canada where the majority of our hydro utilities service single provinces through Crown corporations, the U.S. often has a utility serving a single city.

As a result of some of our sales efforts, collective negotiations are occurring among electrical utilities in several states, where public and private corporations are exploring grid systems to facilitate the transmission of power from one jurisdiction to another. Once these and other contractual arrangements are worked out, I believe we have a most favourable export sales potential given the dominance of coal-fired generation in our export market area and the disadvantages associated with that form of electrical generation. We are presently in discussion with utilities serving Wisconsin, Minnesota and Montana.

When it comes to locating new industrial users of hydro in Manitoba, the simple reality we face is that of the current recession. Expansion and new plants will come only as the economy enters a sustained recovery.

Notwithstanding this constraint, we are continuing discussions with a number of aluminum companies. Our assured source of power is an attraction to this industry.

We are, of course, engaged in a variety of other activities on a smaller scale that entail the use of electricity.

Actively under consideration is the application of electrical power to urban transportation. We are moving beyond the \$150,000 study undertaken by Manitoba and the Federal Governments to determine the feasibility of using non fossil fuel for the Winnipeg transportation system. If further examination supports this development, it could involve enhancing Flyer Industries' electrical trolley technology.

We have also examined the benefits and costs of extending main grid service to Churchill. The extension can provide federal and Manitoba customers at

Churchill significant savings in energy costs. However, it is not viable for Manitoba Hydro to undertake the project itself. Federal funding support will be necessary. The Federal Government has recognized the benefits of the project. It is now reviewing its long-term energy requirements at Churchill prior to discussing how necessary funding support for the extension can be shared between the Federal Government and Manitoba.

So far I have been outlining energy use, but I want to emphasize that we are not just looking to energy consumption, but we are vitally concerned also with energy conservation.

Our department's Energy Division, comprised of a small group of professional and technical staff, is charged with responsibilities pertaining to energy supply and demand, energy conservation, research and development in renewable and alternate sources and energy conservation techniques. A significant increase of \$2,459,900 over the 1982-83 Adjusted Vote reflects our government's aggressive pursuit of energy conservation in several sectors of the provincial framework.

I am extremely pleased with the progress that has been made with respect to energy demonstration and conservation under the Manitoba/Canada Agreement on the development and demonstration of renewable energy and energy conservation technologies, more commonly referred to as CREDA. This agreement was signed by Manitoba and Canada in May of 1980 to provide a total of \$18 million, cost-shared on a 50-50 basis for funding of energy demonstration projects in Manitoba. This agreement is due to expire on March 31, 1984. We regard this program very favourably and have recommended to the Federal Government that it be extended. CREDA's mandate is to develop and demonstrate promising new technologies which, when widely adopted, will exploit renewable resources, conserve energy and use energy in a more efficient manner.

For the first two years of the agreement, a number of demonstration projects were undertaken in the industrial, commercial, institutional, transportation and residential sectors. For example, the Flora Place project demonstrated different energy-efficient retrofit techniques on 100 identical single family public housing units.

A significant portion of the increase in funding for 1983-84 relates to three major programs that were planned in 1982-83 and will be implemented during the 1983-84 fiscal year. Permit me to deal briefly with each of these three projects.

The first is the Arena and Recreation Centre Retrofit Program. A total of ten arena and recreation centre energy retrofit projects are under way throughout the province at a cost estimated at approximately \$1 million. These retrofits are designed to demonstrate how energy consumption can be reduced. Following these retrofits, our department will be conducting seminars in various locations of the province, providing all arena and recreation centre operators with both economic and technical direction in upgrading their facilities. In addition to significant energy savings, it is estimated that approximately 35 direct person years' employment will be created under this program.

Six arenas have been selected in the following locations: Lorette, Carman, Stonewall, Neepawa,

Roblin and The Pas. Four urban recreation centres under this program include the Pan Am Pool Winnipeg, the Sportsplex in Brandon, the Aquacentre in Flin Flon and the Thompson Recreation Centre. This program has been developed and is administered jointly with the Fitness and Amateur Sport Department.

Another CREDA program is the Small Scale Demonstration Project. Around ninety small scale demonstration projects will be completed during 1983-84 at a total cost of approximately \$1.1 million. This program encourages individuals to undertake energy saving projects which can be initiated for a cost in a range of \$10,000 or less. The demonstration projects include solar water heating, water heat pumps, wind power, alternate fuels, heat recovery, solar greenhouses, just to name a few. By demonstrating the successful application of these technologies in Manitoba, we hope to encourage their wider use. We also anticipate the creation of about 25 direct person years of employment. In the future this could create additional employment in selected sectors related to alternative energy and conservation.

Energy Demo or the Residential Retrofit Program is designed to demonstrate that cost-effective home retrofits can be undertaken on Manitoba homes which will reduce energy use by at least 40 percent. The Government of Manitoba will pay up to \$5,000 of the cost of retrofitting. Participating homeowners are required to match Energy Demo funds so that total retrofitting costs will be in the \$2,000 to \$10,000 range.

We are now in the process of selecting around 100 Manitoba homes, of various sizes and ages and with distribution represented from all areas of the province. This program is the first of its kind in all of Canada and we are expecting excellent response and results. Once the homes are selected, infiltration tests are carried out on the homes and homeowner plans will be reviewed. Following the demonstration retrofits, results will be monitored and reports published. This will provide sound data and information that may be used by homeowners throughout the province. This program will cost approximately \$1.7 million with the proponents responsible for approximately \$700,000 of the program costs.

With over 300,000 existing homes in Manitoba, most in need of varying degrees of retrofit, this program could have a significant impact on residential energy conservation in the years to come. In the initial stages of this program, we anticipate the creation of about 43 direct person years of employment.

We are examining a number of other program initiatives and assessing the potential impact on conservation and employment creation. I will be providing additional information in the coming months.

These three projects are now getting under way and were chosen because of their energy conservation and demonstration potential as well as their ability to provide employment opportunities for Manitobans. Our government recognizes the significance in aggressively pursuing energy conservation initiatives while at the same time maximizing employment opportunities. A solid foundation of well-planned programs will open up many opportunities in the future.

Under the umbrella of the Canada/Manitoba Agreement on Industrial Conservation, the National Energy Audit Program has been expanded. Under this

program, on site energy audits are performed by trained technicians operating from specially equipped vans. Due to an overwhelming demand for these services from the private sector, we have added a second audit vehicle along with a portable micro computer. The staff has been enlarged to provide three audit teams who will provide a comprehensive service to industry in all areas of the province. This agreement which is due to expire on March 31, 1984 has met with extremely favourable reaction from businesses and people from all corners of Manitoba. As of March, 1983 a total of 317 audits have been completed. The audits identify over \$5.8 million in potential savings in energy costs, or an average annual saving of 20 percent per client. Preliminary surveys of clients audited indicate that 90 percent have actioned some of their recommendations. The potential savings and spinoff effects for industry throughout Manitoba is substantial. As one of the many examples, one client with an annual energy bill in excess of \$1 million has implemented audit recommendations which will result in annual savings of over \$300,000 at today's energy prices.

In addition to the Energy Audit Program, this new agreement also covers the cost of a consultant's advice. I will just skip over that portion of it. You have that material before you.

The Energy Division is also responsible for the coordination of the Home Insulation Loan Program. As you are probably aware, the Home Insulation Loan Program was enacted in June, 1977 to provide loans of up to \$1,000 at 9.5 percent interest to all Manitobans who wish to make their homes more energy efficient by adding insulation, weatherstripping and caulking. Repayment of loans is made on the homeowner's monthly utility bills at less than \$10.00 per month. Loans approved to the end of the 1982-83 fiscal year have totalled approximately \$25 million. Loans outstanding as of this date are approaching some \$13 million.

We have had a big increase in applications for the Home Insulation Loan Program. This is a clear indication that Manitobans are becoming more and more energy conscious and, as a result, are taking advantage of this program at an accelerated rate.

However, we have recently detected some workmanship and quality problems. As a result, we have stepped up inspections through services provided by the Manitoba Housing and Renewal Corporation and met with contractors, stressing the importance of quality of workmanship. It has been recognized that the homeowner is ultimately responsible for monitoring and ensuring the quality of work is up to standards as prescribed in the contract. One of the priorities of our department in 1983-84 will be to improve upon the information available to the homeowner wishing to make his or her home more efficient. Some literature is available at the present time and more information will be available to the homeowner in the near future advising him or her how to best spend his money on energy conservation.

As well, the Home Insulation Program creates employment. It is estimated that from 1977 to this date, the loan disbursements have generated about 500 direct person years of employment, and because the Home Insulation Loan Program is a repayable loan program, the net cost to the government and the associated job creation cost is minimal.

We will be undertaking further plan changes and refinements of the Home Insulation Loan Program, and we will be providing information on this in the future, I would suspect in the next two to three months.

These are but a few of the highlights of results to date and planned activities for 1983-84 as they relate to our energy program. I am very satisfied that we have laid the groundwork for a comprehensive yet intricate energy management series of programs for the future. Energy management and conservation will continue to be a top priority in 1983-84 and beyond.

Now turning to the Mineral Resources Division, as you realize the recent economic downturn has had a traumatic effect on the mining industry in Manitoba, Canada and worldwide. In attempts to keep inventories under control and improve cash flows, Manitoba's metal producers undertook a number of adaptive measures to reduce operating losses during 1982. These included: mining higher average grades; curtailment of production; extended shutdown periods; employee layoffs; deferral of Capital projects; placing mines on stand-by status.

These measures have had a serious impact on the communities of Lynn Lake, Lead Rapids, Flin Flon, Snow Lake and Thompson, which are solely dependent upon the mining industry. In the long term, the impact will be felt in a permanently reduced work force as companies strive for greater efficiency and to adjust to structural changes that are taking place in industry. As a result, the value of metal production during 1982 declined by 25 percent compared with 1981. This grave situation cannot be masked nor underestimated.

Upon taking office, our government quickly recognized the major problems in the mining sector and moved with dispatch to work with affected companies, unions, municipalities and the Federal Government in attempts to stem the traumatic tide associated with shutdowns and massive layoffs in our mining communities.

In the past 12 months, we have been involved in two major job creation programs under which laid-off workers received \$350 per week consisting of enriched UIC benefits of \$240 and \$110 contributed by the province through the Mining Community Reserve.

During Sherritt Gordon's layoff, from June 18 to October 3, 1982, which affected the communities of Lynn Lake and Leaf Rapids, a joint federal/provincial/union/company/local government committee created and managed a number of job creation projects. These projects which were carried out from August 30 to October 3, 1982 included such works as parks and playground upgrading, fireguard clearing, core collection, line cutting and firewood cutting. The Lynn Lake-Leaf Rapids program employed 163 people for various lengths of time accounting for 483 person weeks of employment.

A larger job creation program, with similar management and funding arrangements as at Lynn Lake and Leaf Rapids, was implemented at Thompson when Inco began a three-month layoff on November 1, 1982. During the three-month period, over 70 individual projects were established under this program. Local community groups, the Thompson City Council, provincial and federal agencies, the Steelworkers and Inco energetically worked together to make the program a tremendous success.

The program was originally planned to cover three months. However, due to the magnitude of some of the undertakings and late delivery of materials, some projects have been extended to June, 1983. It is estimated that by the end of the TIP Program, 370 people will have been employed accounting for 3,773 person weeks of work with total project financial expenditures amounting to \$2.8 million - evenly divided between wages and benefits, and materials and equipment.

In the perception of the mining industry, the bottom of the current recessionary cycle has been reached, and lower nominal and real interest rates will allow for a slow recovery to begin during 1983, spurred by a revival in the North American housing and auto markets which are important users of metals. However, there are several factors which will prevent any marked recovery in metal markets in 1983. Sluggish demand for metals, increasing competition from Third World countries, protectionism, and comparatively high production costs in the Canadian mining industry will continue to exert pressure on demand.

We, in government, are cautiously optimistic that Manitoba's operators can remain competitive. We are, also, prepared to work constructively and co-operatively with industry, municipalities and labour to ensure long-term stability to the industry and the communities it supports.

I would like to briefly review the current status of Manitoba's mining operations:

At Thompson, production resumed at Inco's Manitoba operations on January 18, following a three-month shutdown. Mining operations are presently on a four-day work week basis until July 10, 1983, at which time a four-week vacation shutdown is scheduled to begin. Ore is currently mined from the Thompson mine and the Pipe open pit mine.

On May 3, 1983, Inco announced that it would resume the \$167 million development of a new nickel-copper open pit mine at Thompson. This new open pit will replace production from the Pipe open pit which will be depleted in 1985. The second phase, to cost approximately \$77 million, is expected to begin in 1988-89 with production to follow within two years.

At Sherritt's Fox and Ruttan mines, mining results have continued to improve since operations resumed on October 15, 1982, following a 15 week production shutdown.

Sherritt recently announced that the Fox Lake mine will close between October 1985 and March 1986 when ore reserves will have been mined out.

The government is sparing no effort in seeking ways and means of dealing with the threat which this poses to the community of Lynn Lake. Obviously, prime emphasis has to be given to exploring and evaluating any residual mineral potential in the area. I have advised this House on a number of occasions that the Mineral Resources Division of my Department, in collaboration with the Federal Department of Energy and Mines, has since 1976 been engaged in programs in this area to assist mineral exploration efforts. We also hope, shortly, to conclude with Ottawa an agreement for involvement of the Federal Department of Energy, Mines and Resources in programs which will apply state of the art ore finding techniques and concepts in this area over the next two years. We have increased the budget of

the Manitoba Mineral Resources Ltd. so that the corporation can expand its activities through its own programs and joint ventures. More than 60 percent of the corporation's budget is being directed to activities around Lynn Lake. The corporation has entered into joint ventures with companies holding dispositions in this area, and has made a joint venture proposal to Sherritt for a comprehensive base metals exploration program for Lynn Lake. Sherritt's response is still awaited.

Manitoba Mineral Resources Ltd. have offered Sherritt a proposal which would provide a long-term financial commitment by the corporation for exploration and development near Lynn Lake. I also advised Sherritt that the government would not be averse to participation in a revised NEED Program for the Agassiz Mine that meets the program criteria.

I would like to take this opportunity to correct the statement I made today in question period. When I was being asked questions regarding the MMR discussions with Sherritt Gordon, I said that the discussions were verbal. There is a sheet of paper which is entitled "Proposals for Discussion." That differs, but is on written form. It's a page-and-a-half. That was the basis for the verbal discussion. In addition there were written proposals of a greater nature provided, I think I said in the House today, there was just verbal discussions. There was a page-and-a-half - I can't table that. It does relate to other parties other than Sherritt and the government. Since discussions and negotiations are continuing, I would prefer not to table that, but I did say that we do have a commitment to the larger area of Lynn Lake and that we are prepared to use the Jobs Fund to see whether in fact that can't be accomplished. At the same time we have to do that within realistic expectations. That will be difficult, because a lot will depend on the variable price of base metals and gold.

With regard to the Ruttan mine, Sherritt's Board of Directors will, by the end of this month, decide on one of several alternatives for developing the lower levels of the mine which could cost between \$25 million to \$30 million and could assure production at least into the 1990s.

In the Flin Flon-Snow Lake area, Hudson Bay continues to operate 10 copper-zinc mines. However, production at the Centennial mine near Flin Flon has been suspended pending approval of a shaft deepening program. The Trout Lake mine, in which Manitoba Mineral Resources holds a 27 percent interest, and the Spruce Point mine are now operating at scheduled capacities of 1,800 tons per day and 700 tons per day respectively. Again, at first the Trout Lake, the grades weren't up to expectation, but they picked up in recent months and, hopefully, that'll augur well for the long term with respect to Trout Lake.

Because of significantly reduced demand for tantalum and the resulting build up of inventories, Tanco's operations at Bernic Lake were suspended on December 31, 1982. At this time, it is anticipated the shutdown will be for a maximum of a year with operations possibly resuming in early 1984. Again, it's hard to tell. Approximately 100 employees were affected by the shutdown.

At San Antonio mine, Brinco has announced that effective May 27th, production will cease from the upper levels of the mine. At the same time, the company

initiated a deep exploration program to evaluate the feasibility of mining the lower levels of the mine where higher grade ore is indicated, but not proven.

Turning now to the petroleum industry, there is every indication that the mini-boom which this province experienced in 1982 will continue through 1983. Drilling activity in the first four months of 1983 is up 124 percent from the same period last year. Of the 47 wells drilled this year, 41, or 87 percent have been completed as potential oil producing wells.

Production has also increased significantly. As of the end of February 1983, production was up 27 percent from the same period last year. The main contributing factor has been the continuing development of the Waskada Field.

The value of oil production and associated provincial revenues has also increased the value of production for January and February, 1983, was \$24.19 million, an increase of 74 percent compared with the same period in 1982. Similarly, production royalty and oil tax payments to the Crown for the first two months were approximately \$3.1 million, an increase of about 16 percent over 1982. Gross royalties to private mineral right owners during the same two month period are estimated over \$2.5 million.

Because of this increased level of activity in Waskada and the surrounding area, the Petroleum Branch will begin operating a District Field Office in the Town of Waskada in June.

The recent announcement I made regarding the possible construction and operation of a crude oil pipeline from Waskada to Cromer has also generated interest by both local and out-of-province companies wishing to participate in this project. The pipeline, estimated to cost about \$6 million would transport crude oil year round from the oil fields around Waskada to the interprovincial pipeline terminal at Cromer.

Recently the Oil and Natural Gas Conservation Board received an application from a major operator in the Waskada Field for the construction and operation of a gas plant facility near Waskada. Instead of flaring gas produced in association with the oil, the proposed plant would separate out liquids such as propanes and butanes for marketing. The unused portion of the gas would be reinjected into underground formations for storage and possible future use.

On May 11, 1983, the Petroleum Branch held its first of two scheduled sales of oil leases for this year. The sale generated over \$646,000 in revenue and covered over 12,668 acres.

By all indicators, we are optimistic that oil exploration and development during 1983 will be one of the highest levels in the province's history.

This is finally in relation to Expenditure Related to Capital Assets. A total of \$1,345,300 has been provided in 23-4 to provide for operating funds for Manitoba Mineral Resources Ltd., in 1983-84, along with interest on loans to be paid on the Trout Lake Mine.

Because of the depressed markets for minerals, much of the private sector's normal exploration expenditures have been curtailed. As mentioned in the Speech from the Throne our government promised that mineral exploration would be increased so that this Crown corporation can better accommodate the desire of private companies to enter into joint ventures with the province. As a result the province will move quickly to

provide additional equities to the corporation in 1983-84 under Capital Authority to enable this much needed expansion of exploration programs.

Further details of new voluntary cost-shared exploration agreements with the private sector will unfold in the months to come. This brings me to a close of the introductory remarks on the '83-84 Estimates.

I apologize for that but it's a fairly large department and I didn't know we were going to be trying to compress it and I think at the same time one does try and provide as much information as possible. Maybe that will help — (Interjection) — that's fair. It's six of one and half-a-dozen of the other in terms of providing information. Sometimes you're criticized for not providing enough information, then you're criticized for possibly being long-winded. I guess being resplendent in my suit I decided that I should take the extra time.

I'm extremely proud of my department's accomplishments over the past fiscal year and look forward to a modest economic recovery during 1983-84 which will parallel and compliment my department's desires and aforementioned initiatives to work closely with the private sector and Manitobans in all areas for energy and mines. I look forward to a constructive and positive debate of our departmental spending intentions in 1983-84 spending year.

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

**MR. H. ENNS:** Mr. Chairman, at the conclusion of the Minister's comments on Page 17 of his statement, in his last paragraph he says: "I am extremely proud of my department's accomplishments over the past fiscal year and look forward to a modest economic recovery during 1983-84."

Mr. Chairman, a truly amazing statement coming from this Minister. We have on so many occasions of course read back into the record, statements that one should put side by side as to what the intentions of this government and this Minister were in their election manifesto; about how all that had to be done was to get rid of a few Tories and the economy would be turned around; about how health and other important social services could be restored, they were after all let to wrack and ruin by the previous Tory administration but they would be restored immediately at no additional taxation cost to Manitobans, but would be financed by the profits earned by such anticipated corporations as ManOil and profits from hydro generation.

Mr. Chairman, I know that I don't have to pull that document out again. We all know what this Minister and this government promised Manitobans about how they could look forward to an immediate economic turnaround if, indeed, the electorate would have put them into office just a short time ago, some 16-17 months ago, November 17, 1981. Now this Minister tells Manitobans that he looks forward to modest economic recovery during '83-84.

Mr. Chairman, it's surprising what responsibility and responsibility for office does to Ministers, even to socialist Ministers, in tuxedos or out of tuxedos, how the reality of the real world brings them to this modest statement at the end of a 17-page document that he reads to us in the introduction of his department's Estimates.



Mr. Chairman, I make no apology of course. From time to time we do have specific constituency reasons to address and I'm disappointed that in this long statement on page 4 he does acknowledge that perhaps an aluminum smelter could be a worthwhile addition to the economic well-being of Manitobans although, Mr. Chairman, it's hard to understand exactly what this government considers to be of some importance in terms of our long-term economic well-being.

Only the other day, I wasn't in the House, the Minister responsible for Economic Development was quoted by the press as suggesting that little matters like the Western Power Grid development, the expenditure of over \$1 billion, of course, are of no economic significance to Manitobans. Mr. Chairman, if the massive development of Limestone in excess of \$1 billion is not considered by this government and the Minister responsible of being significant to the economic well-being to the Province of Manitoba my question to the Minister of Energy and Mines is, does he place a prospective aluminum smelter in that same category, or has it at least dawned upon him that in conjunction an aluminum smelter using our natural resources, our hydro resources would, of course, provide that happy marriage for many many generations to come?

Of course, that is precisely what my former colleague, the Honourable Don Craik at that time, spent so much of his last two years in office trying to accomplish and came very close to accomplishing.

Mr. Chairman, I'd like to ask the Minister just precisely what does he mean when he says, "that we are continuing discussions with a number of aluminum companies. Our assured source of power is an attraction to this industry." Is this Minister, for instance, now prepared retroactively to consider that part of that attraction means some kind of a commitment, some kind of a guarantee, some kind of a stability of supply of power to a prospective user in the case of aluminum, is necessary as required before any serious attraction can be made into something other than just words.

More importantly, Mr. Chairman, I would like the Minister to at least come clean with us and be candid with us as he was at least in his closing paragraph in this lengthy statement when he acknowledges that he "looks forward to modest economic recovery during the years '83-84."

Are you really negotiating with any aluminum company right now? Who are you negotiating with? When have you had the last meeting? Have you considered going back to Alcan who are spending \$2 billion in the next 10 years on expansion of the aluminum industry in Canada and considering to saying, okay look fellows, we maybe acted in haste when we told you we don't want you to advertise in this province any more; and we told you that we don't even want to talk to you because you were talking to the Tories, but now, a year-and-a-half later, when you still have nothing on the drawing boards, will you at least acknowledge that maybe there was something going. Have you talked to Alcan lately? They're spending \$2 billion in Quebec in the next ten years, according to the last Annual Shareholders' Meeting of the Alcan Corporation.

So, Mr. Chairman, don't appease my constituents in Lakeside, in the Balmoral area, in the Interlake, where we have a high level of unemployment who genuinely

and truly look forward to some base industry to come into that area, who would have accepted a deferment of two or three or four years but who would have been quite happy to know that it was onstream and coming.

I ask the Minister, what really does he mean when he says on Page 4, that we are continuing discussions with a number of aluminum companies. Please name them and what kind of discussions you are having.

**HON. W. PARASIUK:** I think it would be premature for me to name the aluminum companies; I can just say that we are have discussions with aluminum companies, including Alcan. I, in fact, have had a meeting just last week with the President of Alcan. They assured me that they have a long-term interest in Manitoba, that they also have operations in Quebec and in B.C., but certainly that they have a continued interest in Manitoba and that's why we have continued discussions with Alcan. At the same time, they indicate that the market still is very soft, even though they themselves have done very well in the market to date but they've dropped their prices; they've incurred losses; they've curtailed capital expenditures, they've cut it back, but they are taking a prudent stance and they certainly have a long-term interest in Manitoba. It would be hard to go beyond that but I must indicate to the member that we certainly have an interest in aluminum smelting in Manitoba because it provides value-added jobs in Manitoba. A number of aluminum companies have expressed interest in Manitoba and we hope to pursue that.

At this particular time, if that was the introductory statement, I would like to bring in my staff.

**MR. CHAIRMAN:** 1.(a)(2) to 2.(a)(2) were each read and passed.)

2.(b)(1) Administration and Energy Programs, Salaries - the Member for Turtle Mountain.

**MR. B. RANSOM:** Can the Minister tell us how many of these Energy Programs are outside those that were contemplated by the Energy Agreement that was signed in 1980?

**HON. W. PARASIUK:** They're all being done within the context of that agreement. The projects themselves are new projects but they are within the context because we tried to take full advantage of the federal cost-sharing that existed. If possible, we certainly would like to extend that because we've been trying to do projects that are sensible and we may not expend all of the federal monies available; that's one of the reasons why we'd like to have it extended. We've indicated to the Federal Government that even though these are 50-cent dollars or cost-shared dollars, it is much more sensible to have sensible projects than just to spend the money to spend the money. Hopefully we'll get a response over the course of the next few months on that.

**MR. CHAIRMAN:** The Member for Turtle Mountain.

**MR. B. RANSOM:** In respect to the Home Insulation Loan Program, there was an additional \$20 million, I believe, in Capital authority voted for the Home Insulation Loan Program. When was that expenditure

of money planned? Is that a continuation of the program that had been under way for some time?

**HON. W. PARASIUK:** Again, we are projecting that over a two-year period, approximately \$10 million for each year, and that depends on the uptake. There was a pretty substantial uptake in 1982 and we'll have to see what happens through the 1983-84 year and through the 1984-85 year, but we want to have sufficient authority in it to meet an uptake. It's like the Federal Home Grant Program, so much depends on how the public responds. You want to make sure that you have sufficient authority in place to respond to those demands. The Federal Government did have sufficient authority in place to respond to those demands. I'll grant that they were doing it on a grant basis. What we're doing here is a loan basis, but again, we'd like to be able to respond to people who want to undertake genuine home insulation loan projects.

**MR. B. RANSOM:** In what way was that \$20 million dependent upon the Jobs Fund?

**HON. W. PARASIUK:** In our presentation to Cabinet, we pointed out that there is a good job creation aspect associated with the Home Insulation Loan Program, that it is something that the government should consider and put forward as part of a job creation thrust in times of high unemployment. It may be that in times of lower unemployment, one would have other priorities, but in times of high unemployment when there is a recession, when we can't control outside demand for goods, in a sense, outside of our jurisdiction, that we should do that which we can within our jurisdiction to increase demand for consumer goods, namely, the home insulation and create jobs at the same time. So we put it forward as part of a job creation thrust, but also one that makes sense from an energy perspective.

**MR. B. RANSOM:** But \$10 million in that program is not expected to be spent in 1983-84.

**HON. W. PARASIUK:** Again, that depends. That depends on the uptake. I could be proved wrong in that respect but when one contemplates these programs, sometimes the expenditures take place through a fiscal year and into a next fiscal year. It may turn out that we have underestimated. It is very hard to tell because of the uptake we've had in the last year.

**MR. B. RANSOM:** Mr. Chairman, there is a problem in the country with respect to people doing insulation in houses. I think the Minister made reference to it in his statement. It's my understanding that the contractors have to be licenced by the Federal Government in order to do work to qualify for certain grants. That requires contractors to go through a certain number of hoops for the Federal Government before they can get this licencing. A good number of the local contractors throughout the province have not received licences from the Federal Government. They haven't gone through the red tape that is necessary to go through to get those licences. Consequently, there are contractors doing insulation work in the country and, quite frankly, some of them aren't doing a very good

job and they are I believe in some cases, misrepresenting the product and the local contractor who is certainly qualified to do a better job than many of these are doing, is frozen out. So is the Minister aware of that and has he made any representation to the Federal Government to somehow make the licencing less bureaucratic to allow local contractors to be licenced?

**HON. W. PARASIUK:** We have been aware that there are problems. I think the problems have been greatest with the CHIP Program and we raise concerns about that ourselves. We don't only deal with firms that have been certified by the Canadian Government Standards Board. Although some of the firms may find that the board process is bureaucratic and has red tape, we have found that the certification by itself is not sufficient to insure good quality work. One hates to tar everyone with a broad brush who's involved in providing home insulation as contractors. But we also require bonding and we are stepping up our inspections, although it is buyer beware or the buyer responsible because they're the ones taking out the loan.

There have been instances where this has been abused and we have to tighten that part up. This has happened more in rural and Northern Manitoba. We intend to work on this, to tighten it up. It's not been as great a problem in cities where there's been more competition, where there's been more choice, possibly more awareness. But it is something which the government I think has to work and I certainly will be taking this up. I'm not sure whether we've taken that aspect up of the certification, but we've certainly taken up with the Federal Government, the problem of insuring that people get better value for money either with the CHIP Program or with the Home Insulation Loan Program.

The point is that these programs really are still in a fairly embryonic stage. If they work and work well, they will be of benefit to those people who put the home insulation in and you can build momentum. As I said, we have over 300,000 homes in Manitoba and most of them need upgrading in this respect, but if you get some bad apples in there and if people get wary - and they should be - but if they get overly wary, if they get terrified - I think the UFFI scare was one thing that put people off insulation.

So it is important for us to improve to quality of the work done, improve its consistency and we're trying to do that through an inspection process; through meetings with the contractors; through meetings with consumers. As I said, unfortunately, the Canadian Government Standards Board hasn't solved the problems. I think sometimes it's a classic case and I think there are other instances where one is faced with this. Travel industry is one, or other industries where you try and make sure that there is a general standard of performance by all people in the industry. You have a number of very conscientious operators or contractors, and you have some that aren't and they tend to spoil it for the rest. How do you deal with that without becoming completely oppressive from a regulation point of view. So its a matter of judgment and of spot-check inspections, then a follow up. We perceive the problem. I must admit that we haven't solved it yet.

**MR. B. RANSOM:** Mr. Chairman, in my view, the answer is not in tightening up the licencing. I think the answer is in loosening the licencing to allow more people, especially the smaller contractors to get into business and then to do inspections, if necessary, but it seems to me that some kind of simple statement from the contractor that work of a specific nature has been done. Then the person that gets the work done at least has some comeback later on if indeed the contractor hasn't done that. But at the moment, simply to assume that because somebody's passed an exam and is certified as a person qualified to do insulation certainly hasn't lead to providing any protection. In fact, I think it's been worse than that because it's frozen out the local contractors.

**HON. W. PARASIUK:** I don't want to see that. As I mentioned before, we are not relying on the Canadian Government Standard Board certification. We have used people in the program who aren't licenced by that body. We do go for bonding; we do require completion reports; we do do inspections. If we find in our inspections that the work hasn't properly been done, the contractor goes back and he does the work. We're trying to make the process work better. At the same time, we are operating within our context and I think we've had some difficulties. I think they might be trying to improve it with CHIP side. The CHIP side was a straight grant without the follow up. We've been trying to provide the loan. There's an obligation there. There is probably more attention being paid by the people taking out the loan but we do acknowledge that's an area that does require further work.

**MR. CHAIRMAN:** 2.(b)(1)—pass; 2.(b)(2)—pass; 2.(c)(1) Canada-Manitoba Energy Agreement, Salaries - the Member for Turtle Mountain.

**MR. B. RANSOM:** Are we negotiating a continuation of this agreement?

**HON. W. PARASIUK:** Yes, I am.

**MR. CHAIRMAN:** 2.(c)(1) - the Member for Morris.

**MR. C. MANNES:** Thank you, Mr. Chairman. I'd like to ask the Minister how many applications came under the Energy Demonstration Program, specifically under the Manitoba homes stage, where 100 homes were going to be set aside for demonstration projects?

**HON. W. PARASIUK:** That's just in process right now. I think we have something in the order of 30 to 40 project applications in. We're evaluating them, if they meet the criteria then they're accepted, but we're at that stage right now.

**MR. C. MANNES:** Well I'll asked the Minister then when the deadline for the closing of those applications is; and secondly, if there are over 100, what criteria will be used for selecting between them?

**HON. W. PARASIUK:** Well I think if one looks at what we did on the Arena Retrofit, those projects went into a cross section of Manitoba.

With respect to this - I just was getting clarification from the staff - we have received over 100 applications. They're being processed, so far, I think, 30 to 30 have been approved. The first-come first-served basis is important, but they do have to meet the criteria that have been jointly established by the federal-provincial program, because it is a federal-provincial expenditure of money. It's a joint body that does make the approvals. We are looking at it to spread it out on a regional basis to ensure that there is sufficient application throughout the entire province, so that everone will get a chance to see the demonstration impact of these projects. The applications are closed and we have received over 100.

**MR. CHAIRMAN:** 2.(c)(1)—pass; 2.(c)(2)—pass; 2.(d)(1), Canada-Manitoba National Energy Audit Program, Salaries—pass; 2.(d)(2)—pass.

Resolution No. 62: Resolve that there be granted to Her Majesty a sum not exceeding \$6,228,300 for Energy and Mines, for the fiscal year ending the 31st day of March 1984—pass.

3.(a)(1), Mineral Resources Administration: Salaries—pass; 3.(a)(2)—pass; 3.(b)(1), Petroleum: Salaries.

The Member for Tuxedo.

**MR. G. FILMON:** Thank you, Mr. Chairman. I had wanted to question the Minister about some items with respect to the Petroleum section to deal with Manitoba Mineral Resources involvement in petroleum in this province. It was a matter that didn't come up for discussion in committee and I thought that it might be appropriate just to verify a few items.

Can the Minister verify the item, The Manitoba Mineral Resources Annual Report that states that to date Manitoba Mineral Resources, from its inception, has invested, spent - whatever you choose to term it - \$752,878 in the petroleum exploration and development side of its operation; oil and gas exploration and development expenditures. Does that include a factor for whatever interest costs accrue on borrowed Capital that went into this operation? The Minister is shaking his head so I assume that he says, no.

Does that include any value attributed to the mineral leases on the land on which exploration would have taken place, and does that include any amount of staff costs that could be allocated to the petroleum development and exploration aspect of the operation?

**HON. W. PARASIUK:** It doesn't include staff costs in the Petroleum Branch in that it's allocated to all companies in manitoba. In a sense, it's a service that is provided free of charge to everyone.

With respect to the interest charges, I don't believe that there are interest charges; I believe that those were funded in the way that indicated that when those funds were made. I don't think, and I really don't have that at my fingertips, whether there was a value ascribed to a possible lease value for those wells.

I would like to comment on it because I know that the Member for Turtle Mountain has raised this a few times and you now raise it, and that's that when you have mandatory joint ventures, as this was, is, in my estimation, not a good approach; you are forcing someone to be a partner. In a forced situation like that

people will have a tendency, possibly, to hold back on their better ones and, possibly, to put forward only the highest risk ones, knowing that you are going to participate, or that there is a very great likelihood of your participating. Also, these were being put forward to a Manitoba Mineral Resources Corporation whose expertise and thrust was basically on the mineral side. I believe it's important having a vehicle like the Manitoba Mineral Resources Limited and we're finding it to be a useful instrument of government in dealing with companies in the North, and it has developed an expertise with respect to minerals.

We believe that it's important to develop a small corporation that has that expertise with respect to petroleum, but that will be very hard-headed in evaluating the ventures that are attached to it, which also will do its own homework in the area. We certainly hope that we don't have the type of record that the MMR had, with respect to oil development; that certainly isn't our intention, obviously. One can point out a number of failures, and if one did that with respect to Imperial Oil, for the 20-year period leading up to Leduc No. 1, one could have done that as well. I believe that many Imperial Oil officials, especially in headquarters, were wondering what these crazies were doing out in Alberta. Some people did persevere and they did strike oil. All I'm saying is that one should learn from the past and be particularly prudent and perceptive in the future. That's one of the reasons why we abandoned the notion of mandatory joint ventures which I didn't feel was the right way in dealing with businesses, if one wants to establish businesslike ways of dealing with them. I believe that the oil industry is an industry where people do share risk, where they do look for farmouts, where three or four parties involved in a farmout, or a joint venture, is not terribly unusual and it's something that, I think, can be pursued with a small trained prudent group.

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

**MR. G. FILMON:** The Minister is anticipating my approach to this, that — (Interjection) — yes, the Member for Turtle Mountain says it's the Member for Tuxedo speaking to the Member with tuxedo tonight. In any case, the Minister reminds me of a number of things when he starts to anticipate my position with respect to the folly of investing in Manitoba Oil and Gas Corporation, given the track record and history of the government's operation in oil exploration and development.

The Minister says we must learn from history but, of course, history teaches us that we learn nothing from history, so I don't accept his argument in that respect, and I'm sure that the government is going to prove me right and prove that saying right. The Minister reminds, when he says that it's all a matter of time, and it's all a matter of chance, and it's just a question of persisting long enough and we're going to hit our bonanza and our Leduc; it reminds me of the record that was put out many years ago - I'm dating myself, but I used to be fascinated by it and it used to be my favourite form of humour - which was the button-down mind of Bob Newhart; he had a routine in which he spoke of this group of people who had put together a roomful of

monkeys, and their theory was that if you put this roomful of monkeys at typewriters and allowed them to clack away eventually they would produce all of the great literary works of the world; that it was just all a matter of chance and eventually, if you just had them working long enough, they would produce all of the great literary works that have ever been produced in the world. Of course, as he goes along and keeps an eye on this operation he finally comes up and he says, aha, here's one; To be or not to be, that's the gazordinflop. This is what I'm looking at with respect to ManOil, that's the gazordinflop that we're going to get out of waiting and. There's no happy ending, Mr. Chairman, to this unfortunate story.

We see the history of the involvement of the Manitoba Government in exploration and development for oil, and we have here, on the record, \$752,887 expended without interest costs, without staff costs. I recognize it's Petroleum Branch Services, but I'm saying that the allocation of their time to this particular area ought to have some value and ought to be listed because, if we had Imperial Oil allocating their costs to certain developments they'd have staff costs in it, and it doesn't have the foregone value of the mineral leases for the land upon which all of this development took place. I say that if any of that were added we'd be well over \$1 million, we'd be well into \$1.5 million - \$2 million, and what are our returns?

The centre page in the report indicates that this year the Manitoba taxpayer received an income of \$1,015 compared to \$1,403 last year, and I suspect that year-upon-year that's the kind of return we've been getting for this \$1.5 million or more that we've expended. I just make the point, without overkill because I recognize that the Minister has brought forward his bill and we've had an opportunity to talk about it, but I'm afraid that the kind of involvement that we've seen in the past, with respect to oil and gas exploration and development by the Manitoba Government, is not going to improve. The Minister talks about the drawbacks of certain types of joint venture agreements, and yet, in the other breath he says joint venture is the way we're going to go with ManOil, so I'm not persuaded that the government has learned anything from history and, in fact, I think that, as Bob Newhart says, we're in for another gazordinflop with ManOil.

**HON. W. PARASIUK:** Just to respond briefly on that. I believe that the approach that was taken in the past with mandatory joint ventures did lead to the situation where, to be or not to be, that's the gazordinflop, was fairly probable. We are trying to establish a small well-trained company with a particular focus on Manitoba, when many of the larger companies don't focus on Manitoba, and because they don't focus on Manitoba, don't really pay that much attention to it. Hopefully, I think that instead of getting monkeys we hope to get very skilled, experienced people, with respect to the Manitoba play, and we certainly hope that, if we plan properly and if they proceed prudently with joint venture and their own analysis, that we might find that two years from now we will find written on the page, to be or not to be, that is the question.

**MR. CHAIRMAN:** The Member for Turtle Mountain.

**MR. B. RANSOM:** During the Law Amendments Committee meeting dealing with Surface Rights Legislation there was a group of farmers quite enthusiastic about angle drilling. It is my understanding that some of that may be under way now, could the Minister give us an update on that and whether that seems to be the way of the future, or whether he sees any difficulties with it?

**HON. W. PARASIUK:** There have been two holes licensed, but we haven't seen the results yet, so there is a license out to try it. We certainly are interested in it; the people who appeared before the Law Amendments Committee were very enthusiastic. I have talked to some people in the industry who said it's been tried elsewhere; they may have had a particular vested interest so, I think, the proof of the pudding here will be in the eating, and we certainly hope that there would be a couple of efforts at angle drilling just to see how it proves out in Manitoba.

**MR. CHAIRMAN:** 3.(b)(1)—pass; 3.(b)(2)—pass; 3.(c)(1), Mines: Salaries.

The Member for Turtle Mountain.

**MR. B. RANSOM:** For years, Mr. Chairman, there has been an ongoing discussion about where the mines' inspectors would be located. What is the latest chapter in the saga of the mines' inspectors?

**MR. CHAIRMAN:** Mr. Minister.

**HON. W. PARASIUK:** Those discussions are still taking place. It may be that a portion of them will go to the new Department of Environment on the Workplace Safety and Health side, but a lot of discussion still has to take place and that's certainly not been finally concluded.

**MR. CHAIRMAN:** The Member for Turtle Mountain.

**MR. B. RANSOM:** I believe the Minister said that a few of them might be going. What would the justification be for sending a few of those inspectors to Workplace Safety and Health?

**HON. W. PARASIUK:** The Health and Safety Inspectors would be concentrated in one department. We still would have some people who would do some work in relation to the mining engineering, the mine plans, that type of information which we are requesting and checking with mining companies on, so there are two distinct functions. There are arguments that can be made as to how those administratively can be performed, whether they're best performed by one person fulfilling a number of functions, or whether they're best performed by people undertaking separate functions and that's a debate that has gone on for quite some time, not only here but in other jurisdictions as well, and we are certainly part of that particular process. As I said, there is a likelihood, but it's not final and we do have a number of discussions to still carry out.

**MR. B. RANSOM:** Mr. Chairman, one thing that wasn't mentioned in the Minister's rather lengthy introductory

statement was the law of the sea conference and seabed mining. What's the current view with respect to the impact in the foreseeable future, of seabed mining upon the mining industry in Manitoba?

**HON. W. PARASIUK:** One of the problems there is that the United States has not agreed to the Conference Agreement and Canada has expressed disappointment in that. It makes the future of any type of agreement somewhat cloudy as a result of that. I would think that will still be a matter for diplomatic discussions and negotiations.

We have raised this in our discussions with the major mining companies who, at this particular stage, have said that they do not see seabed mining impacting Manitoba for some time well into the 21st century and, even then, they are saying to us that it would appear to be a very very high cost proposition that becomes feasible as other ore bodies run out.

We know that we have certain competitive problems - and I mentioned this just briefly in my introductory statement - about the structural problems that we face with respect to certain minerals, copper being one; lead and zinc being others, but we're a bit more secure with nickel because we do have very good quality low-cost ore in Manitoba and good volumes of it; but copper is a situation where Chile is able to produce copper at a fairly low price; sometimes subsidized, sometimes at a profit depending upon their desire for hard currency, and that's a fact of life or a reality that the entire industry has to face and deal with.

What we find though is that the consumers are looking for some predictability over the long run, some stability and some political stability, so I would think there would be some hedging taking place so that everyone wouldn't go into Chile completely and turn their backs on other possibilities that exist in Canada.

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

**MR. S. ASHTON:** Thank you, Mr. Chairman. In the Minister's opening statement he made a number of references to a matter close to my heart, and that is the situation in Thompson, both in terms of the situation during the shutdown which was certainly a very low period economically for Thompson and also the more recent situation with the start-up of the Inco open pit.

Now in Thompson at the present time, because of that start-up and because of a number of other developments, there's a fairly renewed sense of optimism. I note the start-up of the open pit; I've just received word from people in Thompson today that Inco staff salaries have been unfrozen, which is usually considered a sign that the recession is ending, since they've been frozen now for over a year. Other signs are also present in terms of the number of orders they've received and the amount of production which is going out, even now, on a four-day week. In fact, in talking to a lot of people, both management and employees, they have indicated that production is almost as high, if not as high as it was on a five-day week, because of the number of orders there are and they need to fill those orders.

In the statement, the Minister referred to the intense discussions which took place between the government

and Inco executives, surrounding not only the open pit, in general, but also the specific long-term situation facing Thompson. In fact the Minister referred to the need for continued co-operation and mutual beneficial planning. I was wondering if the Minister could indicate what feedback the government has received from Inco through such meetings, in terms of their long-term situation in Thompson. How far down the line are they looking in terms of, not just the open pit, but the production itself? Are they planning in terms of a five-year, a ten-year or a longer period?

**MR. CHAIRMAN:** Mr. Minister.

**HON. W. PARASIUK:** We discussed specific plans with the senior people at Inco that covered really, a 25-year period, so at this particular stage they have specific plans within time frames covering a 25-year period, so I think that's a very good indication for the stable development of the mines in and around Thompson and for the Community of Thompson.

Furthermore, the world doesn't stop in 25 years; their planning frame really covers 25 years. It would appear the ore quality there and the volumes of ore are such that they would continue well beyond 25 years, but their specific plans cover about a 25-year period and I think that's a good sign, a good indication and that over the last few years, there was a great deal of concern as to what is the future situation regarding Thompson. It would appear that the number of people employed in the mines may not increase substantially even though there is a 25 year development time frame, because all mining companies are trying to increase their productivity. In a sense, although we would like to have the employment, what you don't want is the boom-and-bust, people crowding into a city. All the prices go up and three years later they leave.

Inco would like to develop the open pit as a type of complement to underground mining so, in better times, they would probably mine ore from the open pit without a massive increase in personnel. In tighter times, they would decrease what they produce from the open pit, but keep the number of employees relatively stable. So what we're getting rather than growth, we're getting stability and given the deep recession that we've gone through, I think that's a fairly good trade off if other mines were developed or made economical. But again, that industry itself is going through some structural change with the nickel being traded on the London Metal Exchange as a commodity now, and with the Soviet Union occasionally dumping large amounts of nickel at very low prices. One doesn't know if they're subsidizing this or not, and with an American company Amex dumping as well, then it becomes more difficult to talk that much about expansion.

They're trying to ensure their position, consolidate it, but I am pleased to say that I think that there are definite time frames, commitments over a 25-year period which will provide stability to the community and should provide some solace to the workers and people in that community who have themselves made significant investments of a personal nature, both in terms of financial investments and in terms of building that community, in terms of time, effort and consideration, so that's a good thing.

Of course all of this is in part dependent on massive fluctuations in prices. Hopefully, won't see too much of that.

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

**MR. S. ASHTON:** Thank you, Mr. Chairman. I think the people of Thompson would certainly appreciate more stability in terms of employment. In talking to them over the last few years, which have been pretty tough years, that's the number one thing that has been stated to me; that is, that people can live without the booms if we don't have to suffer through the same kind of bust.

Of course, during the shutdown, as mentioned again in the Minister's opening remarks, an effort was made through the Thompson Improvement Projects to at least cushion some of the worst impact of what was a pretty bad economic situation for the community of Thompson. I was wondering if the Minister had given any consideration to expanding this kind of project, not only here in Manitoba, but nationally. The project, the success of which is based largely on funding from both the Federal Government and the Provincial Government through the Mining Reserve Fund and also the tremendous amount of co-operation that was received, does fit somewhat in the Federal Task Force Report on Mining. I was wondering if the Minister had some thoughts on its applicability not just in other communities in Manitoba, but in Canada as a whole.

**HON. W. PARASIUK:** Well, I have been a very strong proponent of that approach ever since I became Minister of Mines and I believe that it's important for the governments involved and the mining industry to address, because you have these tremendous cycles in the mining industry, which are predictable - you can't predict the exact timing of them but you know they're going to happen, and you know that mines are going to run out. We haven't developed good enough mechanisms to deal with that. It's going to become more and more important in the future to develop a very good, stable, reliable workforce in the mining industry. This will not be accomplished if people in single enterprise communities lose everything they've ever built up in the way of equity. When a mine goes under or when they get a three-year layoff, the value of their housing drops to nothing. Who's going to take that up as a vocation unless they do so as a last resort?

It's important if we're going to improve the productivity and efficiency of the mining industry and of the workers, to deal with this in a broad systems approach and to look after these aspects as well as the aspects of improving training, improving the safety, improving the Capital investment, improving the mining engineering technology, improving the techniques of mining underground. All of these things have to be approached and undertaken on a global basis.

We certainly hope and are intending and we are pursuing this in our discussions with the Federal Government. Other provinces have expressed some interest, but they've decided that they would rather go their own route and possibly negotiate bilateral arrangements with the Federal Government rather than establishing, in a sense, a multilateral arrangement where we would establish a broad national fund.

I am disappointed in that, but I am pleased that at least some of them are recognizing that this is a problem that has to be addressed.

**MR. CHAIRMAN:** 3.(c)(1)—pass; 3.(c)(2)—pass; 3.(d)(1) Geological Services, Salaries—pass; 3.(d)(2) - the Member for Turtle Mountain.

**MR. B. RANSOM:** Why is there a reduction in this area and, generally speaking, is the Minister maintaining the program basic, geological mapping and exploration?

**HON. W. PARASIUK:** I am informed that the bulk of that was a non-recurring agreement with Ottawa that lapsed, and that led to the decrease in Other Expenditures. But you would note that in that respect we've increased the expenditures on the Salaries side. I am not sure if we really increased our activity. I think that's just the normal type of salary increase so we've had a slight decrease there because of a lapse but we're certainly trying to make up for that with a new negotiation of an agreement with Ottawa.

**MR. CHAIRMAN:** 3.(d)(2)—pass.

Resolution No. 63: Resolve that there be granted to Her Majesty a sum not exceed \$5,422,500 for Energy and Mines, Mineral Resources, for the fiscal year ending the 31st day of March, 1984—pass.

Item 4.(a) Expenditures Related to Capital Assets, Capital Grants - the Member for Turtle Mountain.

**MR. B. RANSOM:** Mr. Chairman, it is my understanding that the \$1,345,300 this year is for Manitoba Mineral Resources. Could the Minister give an indication of what the Capital Program was last year?

**HON. W. PARASIUK:** This is for operating funds from MMR in 1983-84 along with interest on loans made on the Trout Lake mine.

Over the past several years financial obligations under mandatory participation agreements have diminished significantly. MMR will attempt to meet financial responsibilities for the mandatory participation agreements out of their operating budget. The \$600,000 budgeted in 1983-84 has been redirected to support new voluntary joint ventures in 1983-84 under Capital Authority. We have increased the Capital Authority side; this will be used for the joint venture funding.

**MR. B. RANSOM:** Was that \$1,953,000 last year exclusively for Manitoba Mineral Resources?

**HON. W. PARASIUK:** Yes, it was.

**MR. B. RANSOM:** What involvement does the Minister have with the Jobs Fund?

**HON. W. PARASIUK:** I sit on the Jobs Fund Board and I am involved as a Minister of a committee reviewing applications for funding under the Jobs Fund Program.

**MR. CHAIRMAN:** Item 4.(a)—pass.

Resolution No. 64: Resolve that there be granted to Her Majesty a sum not exceeding \$1,345,300 for Energy and Mines, Expenditures Related to Capital

Assets, for the fiscal year ending the 31st day of March 1984—pass.

Item 1.(a)(1), Minister's Salary - the Member for Turtle Mountain

**MR. B. RANSOM:** Thank you, Mr. Chairman. Just a few words in closing. I guess my reaction to what's been accomplished, or what hasn't been accomplished by this Minister over the past year-and-a-half, I think could best be described as great disappointment, that here was a Minister who had been one of, if not the senior bureaucrat in the Schreyer Government, was a Minister that I know many people had expected great things from in terms of his performance within the government.

What we have seen over the past year-and-a-half is that under this Minister's guidance, if I could use that term, is that we have seen some major economic development prospects for the province disappear, even though at the time the New Democratic Party came into government and for some months after, we were still being told that negotiations were going satisfactorily with respect to Alcan, with respect to IMC, with respect to the Western Power Grid.

Those projects now have all disappeared, as far as being potentially realized within the next period of years. We, of course, had been led to believe by the New Democratic Party that, irrespective of the developments that the Conservative Government had been negotiating, that the development of Limestone Generating Station would be able to proceed, in any case, because the government would be pursuing north-south sales, rather than east-west sales. That, of course, has not come to pass either.

The things that have come to pass, within this Minister's area of responsibility, are things that our government had initiated. The oil development that's taking place in southwestern Manitoba, which the Minister is proud to refer to on occasion, that development flows directly from royalty changes that were made, and from leasing methods, changes in leasing of land that was made by our administration, even though, at the time, those moves were criticized by the New Democratic Party in opposition - again I've use the words of the now First Minister when he was in opposition - he said that if we thought that those kinds of changes were going to bring about any sort of development that we were, indeed, foolish visionaries. Well that happens to be one of the bright areas.

This Minister really has had no hand in bringing that about, beyond the fact that he has seen fit to extend some of the royalty provisions that have been put in place, and he has wisely seen fit not to return to the kind of compulsory participation that had been in place under the Schreyer Government, and that he is committed to see that Crown lands continue to be leased on a competitive basis, and not given to the Crown corporation on a captive basis. So, to that extent, by the absence of those actions, the development in southwestern Manitoba has been encouraged to continue.

The open pit mine at Thompson, the resumption of the plans that were announced in 1981. Again, Mr. Chairman, those plans have not flowed from any action taken on the part of this government; that was a

program, or project that Inco had been planning in 1981, and it was suspended for a period of time and now is back in place.

I've been disappointed, Mr. Chairman, by the Minister's lack of candor, in some cases, to acknowledge what has been going on, and I refer, specifically, to our dealing with Manitoba Mineral Resources estimates in Economic Development Committee a few days ago where the Member for Tuxedo and I tried to find out from the Minister whether or not he was giving specific direction to Manitoba Mineral to enter into, engage in exploration activities that were not of MMR's own volition, and that the decisions were not made on the basis of what was best for the economic welfare of the corporation; and the Minister assured us that that sort of thing was not going on, and it was only later on, in the review of MMR's Annual Report, that indeed we discovered that the Minister has given direction to Manitoba Mineral to put forward a proposal on a deposit that the Manitoba Mineral Corporation told us was not, in their view, likely to be a viable operation. Again, I'm disappointed that we have that kind of response, kind of action on the part of this Minister.

We have, in looking at the Minister's Estimates tonight, both in Crown Investments and in Energy and Mines, we have in Crown Investments a situation where it is really very difficult to tell, at this point, after a year at the new department, whether or not anything has been accomplished for the taxpayers of Manitoba. We know that the department has a very high proportion of highly-paid staff; we know that the Minister is able to talk about some things that he expects to see accomplished but, at this point, we see very little.

The Minister gave a very lengthy introduction to his Estimates in the department that we're looking at now, Energy and Mines, and I see very little in the Estimates, or in the Minister's statement, that indicates anything new on the part of the Minister. The energy projects which are referred to flow from an energy agreement that was signed when we were in government in 1980. I see essentially no new thrust there from this Minister; I see no new thrust at all in the Mineral Division of the department. So here we have a Minister who is seen as one of the shining lights in the New Democratic Party Cabinet and, really, what we have seen is that this Minister has presided over the disappearance, the loss of the major projects which might have provided the economic boost to this province that is sorely needed, and we have seen very little from the Minister by way of new and imaginative, creative thinking.

So, Mr. Chairman, again, I repeat that I think I express the views of a great many Manitobans when I say that I'm disappointed in the performance of this Minister. He has been responsible more than anyone else for the lack of major accomplishment in the economic area; he has been responsible more than any other Minister in this government.

**HON. W. PARASIUK:** Well, I will say a few words, not necessarily in my defence, but rather a few words about what the real world's all about and what the reality has been.

We had a previous administration that took four years and, in a sense, put all of their eggs into a mega basket;

didn't conclude them and left them out there. The impression that people have to create is that somehow we were against those types of developments; that isn't the case. We were for them, provided that the terms were fair, both in the short, medium and long term. The difficulty that arose is that no one realized the severity, the economic recession that the Western World had entered into by the autumn of 1981.

I just attended a Minerals Outlook Conference where all of the commodities were discussed and where they had very senior representatives of many major mineral miners or producers, including aluminum, including potash, including nickel. Funny, they expected to have 250 people there; they ended up with 450 people there. The reason why they had the big turnout is that the recession is so deep that everyone is terribly uncertain about the future, and they're hoping that if they spend enough time trying to gauge what the other people are doing with respect to their commodities, and they're trying to link nickel with copper; these are people who have been in the business for 30-35 years. They all presented graphs, they all presented presentations over a two-day period.

The thing that was interesting about their presentations is that each one of them showed a very steep decline, slide, taking place with respect to the production and price of their commodity, starting in the autumn of 1981 and continuing through, which they think may, but they're not sure, have bottomed out now but they're not sure. The slide seems to be slowing down; not turning up yet, slowing down, possibly turning, not quite sure. They see a few signs in the United States with respect to lumber, hopefully, copper might follow. They see a few things in the stock market as people speculate a bit.

This took place in every commodity, but it's an easy political factor, it's fair enough to, in a sense, try and say that anything that occurred occurred, if it's negative, because of me; and that anything positive that occurred might, in a sense, be recession proof, and oil still is recession proof, to a large degree, although OPEC has found that the prices have gone down, has been because of some other actions. That's fair enough, too.

That's what the political process may be about, but I do believe that the people of Manitoba have a much broader perception, and I've had a lot of discussions with the business community and other people in the Manitoba community. They, themselves, have a much better awareness of the depths of the recession that we are in, and they realize that these types of things, in terms of recession, certainly isn't the fault of the Minister of Energy.

Indeed, if one could attach some type of personal causality to world-wide events like this one would have to then argue that Peter Lougheed is to blame for the failure of the Alsands Project, the Foothills Pipeline Project and the Coal Lake Heavy Oil Project in Alberta - to name a few - projects that entailed Capital expenditures of over \$60 billion. They were all being talked about in the summer and in the fall and in the winter of 1982. None of them have happened. So to the extent people want to spend their time debating, in a sense, a mega project strategy of 1980, '81, '82, they can do so, but I would argue that that is really not where the public is at.



The first Federal-Provincial First Ministers' Conference I attended after the New Democratic Party Government was elected in 1981 occurred in February of 1982, and Bud Olson was the Minister of Economic Development for the Federal Government at that time and everyone was concerned about the rising unemployment especially because of the Reagonomics policy of high interest rates and Bouey's following that policy lock step. He was saying what's going to happen? Olson trotted out his mega project strategy, he brought out 20 mega projects. At that stage, the projects weren't even big enough - Manitoba's so-called mega projects weren't even big enough to be included in his list of 20 mega projects for the country. One voice said, well, Mr. Minister what happens if these mega projects don't proceed? These weren't Manitoba scale mega projects these were, \$10 billion, \$15 billion, \$20 billion mega projects. After that person asked that question there was this very long, long silence and ultimately no one could provide an answer. The interesting thing, and it's rather ironic in hindsight, the person who asked the question about what will happen if those mega projects don't proceed was the Premier of Alberta, Peter Lougheed.

Now, this is not to say that trying to develop the larger projects is a bad thing. One has to do it in balance. We certainly would like to proceed with export sales; we'd certainly like to proceed with value-added. That will depend on the circumstances with respect to the recession and how long it takes for that upturn. I've been told by very senior executives in various companies that the recession was so deep that most major investment plans will have been put back between three to five years. I hope that isn't the case. I hope that we have a quicker upturn on a world-wide North American, Canadian basis. If we do, then I say that Manitoba is in a good medium term position with respect to hydro development, with respect to value-added. There's a lot of uncertainty with respect to potash because no one's exactly sure what the impact of the American federal program to take land out of production will be. If it really gains a lot of momentum, then I've been told that up to 30 percent of the land can be taken out of production. People have to assess that over the next year or two.

There is uncertainty into the future. We are trying to look at all the options, provide the contingencies. We believe that we are doing this, that we do have some options that can be pursued and can be pursued more aggressively when we get some type of upturn. These relate to export sales in the south. The Alberta Minister has indicated in the House that they will resume negotiations but, again, we won't put all of our eggs into a Western Grid basket. We'd like to pursue the Western Grid. We think that it makes economic sense, but it's predicated in part on an overheated Alberta economy and all of us know that, if anything, Alberta doesn't have an overheated economy now and wouldn't have had. We'll see what happens with respect to the States to the south of us.

I'm sorry that they weren't pursued more aggressively. That doesn't mean that pursuing the Western Grid was a bad thing; I think it was a good thing; I think it has to be done in context though, of pursuing all the options. The same thing holds true with respect to aluminum companies; the same thing holds true with respect to

potash developments; the same thing holds true with respect to other major users of electricity, and we do have possibilities in the future with respect to Trans-Canada Pipeline. We'll certainly have greater uses of electricity if the smelter in Thompson gets more throughput. So we have to look at those major types of developments and we pursue them. At the same time, it's important that we pursue a larger number of small projects.

When we talk about the energy conservation side and what can be done, at first blush, it would appear to be very modest. That's how you start a large number of small things, though. It's a lot easier making one decision about a \$3 billion project than it is to have 300,000 decisions being made about possibly retrofitting 300,000 homes. The impact in economic terms is massive. It'll take more time; it'll require more patience; it'll require more perseverance, but both fronts are going to be pursued. I think we're trying to pursue a balanced approach. Obviously, one can pick out a target in terms of the political debate but I would be careful. I don't mind it; I said I'd welcome that in the past because to the extent that people dwell in the past you will not build for the future. That's something that is again a political judgment and something that you have to judge, and certainly we judge ourselves.

With respect to the specific comment with respect to MMR, it certainly was not and is not my intention to, in a sense, mislead or deceive members of the other side. But I can just be completely bland and say, well, we're not having discussions, we're not having negotiations. I don't do that, but I can't often list details. I can't start saying anything when we are involved still in negotiations. I did say at that meeting that afterwards I would, in fact, indicate those things. If you looked at our performance in terms of providing information before Economic Development Committee of the Legislature and Public Utilities Committee, I think I provided all information that people have asked for that could be provided, and I've given reasons why it couldn't be provided and again that's, I guess, in the eye of the beholder.

I just want to state that it certainly isn't my intention to mislead or deceive and I didn't intend to do that. I do not think that our discussions with Sherritt are concluded. They are part of a larger package, part of a larger strategy of what can be done in that area. Again, there could be difficulties on that. So all told, I guess one can make final judgments to try and assume a personal type of causality, I don't think that washes but it certainly is a political tack that can be tried. I just think that the people of Manitoba are prepared to debate these issues on different grounds.

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

**MR. G. FILMON:** Thank you, Mr. Chairman. Although I am interested to listen to the Minister's defence of his actions as the first and foremost person responsible in this government for Energy and Mines - and particularly the mega projects and all the Crown corporations and those things that have been such a dismal disappointment to Manitobans - he says in introducing his response to the Member for Turtle Mountain, that we don't understand what the real world

is all about. I find that somewhat amusing, if not amazing coming from somebody who I don't think would know the real world if it fell down around him - and it possibly is these days - but the Minister has never to my knowledge, or virtually never had any history of employment in the private sector. He spent all of his time being employed by one level of government or another subsequent to his completing his education, in which he achieved some fine things.

I recall the Minister as a graduate student at the university. We did some Masters research work in conjunction with the same organization. I know that he achieved a great deal in the theoretical world of academia, but I am afraid that the Minister has not had the kind of experience. He's been involved in the so-called hothouse world of government which is indeed very very much cushioned from the realities of having to achieve a bottom line result after ones actions.

The Member for Thompson is giggling a bit because of course he relates very well to the lack of experience of the real world that the Minister shares. But, Mr. Chairman, the Minister goes on to talk about the fact that we didn't know or Manitobans didn't know the severity of the recession in which we were, when his government took office.

The fact of the matter is, Mr. Chairman, that it was his government that didn't know. I recall all too well the kinds of slogans that his party in running for election in the fall of 1981 used, the kind of literature that they published, and as I understand it this Minister was first and foremost of his party responsible for the development of that whole advertising campaign which said those wonderful things such as, we can turn around the harsh economic circumstances that are facing Manitoba today. We can assure that no Manitoban will lose his job; no Manitoban will lose his home, his farm, his business. The Government of the Day is giving away the resources. These are all those things that his party said in running for election and as I understand it, he was the chief source of that kind of rhetoric.

Now he says that people didn't realize it was a recession. It wasn't people. It was he and his colleagues running for office and when they arrived in office, very very quickly reality hit home. They, of course, politically couldn't accept the fact that maybe the policies that had been carried out in the face of the circumstances that prevailed, even in the fall of 1981, were not so bad. Policies of moderation in government spending and de-emphasis of government involvement in the economy so that we could and indeed were attracting major sources of investment into this province. Sure, he says we can't dwell on the past and we can't keep talking about the fact that Alcan were very very interested in developing an aluminum plant in this province; that IMC were interested in developing the first Potash mine in this province; that the Western Electric Grid was at the stage of having an agreement in principle of the Ministers involved in the three prairie provinces.

All those things he says of course are in the past and we shouldn't dwell on them. The fact of the matter is that their failure hangs on the shoulders and on the head of this Minister. It's our job to ensure that the public remembers that because much as he would try to get out from under the responsibility for it, to try and rationalize and justify what has happened as all

being responsible to the worldwide recession in which we find ourselves, we find all sorts of interesting evidence of the fact that some, if not all, of those projects could have and would still go ahead were it not for the kind of inexperience, the kind of inability to negotiate, to bargain reasonably and fairly on those matters that were essential to the development of these projects.

We find that Alcan continues to pursue its interests in expanding its capacity in other jurisdictions, in other areas such as Quebec or British Columbia or elsewhere in the world. We find that the world price of aluminum is rising very high once again and we find that there are many reasons why, in looking down the road, Alcan would want to preserve the capacity and expand the capacity that it will need to satisfy world markets five and ten years down the road and that's the way in which they operate. But that won't be as long as this Minister and this government are in office.

When he was discussing the development of these various projects upon taking office or even during the campaign, he said that they would make a better deal. They would bargain harder, negotiate tougher and that they would strike a better deal for Manitobans. Of course what they did prove was that they were capable only of doing just the opposite, making no deal at all, because a deal, an agreement is only arrived at if it's acceptable to both parties and, of course, the Minister has no experience in that and doesn't understand that.

I have no confidence when he talks about in his opening statement, that they may make agreements and arrangements with other utilities in the U.S. because as long as the kinds of bargaining and arrangements are going to take place with this Minister and the chief advisors that he has selected to work with him, then I say that their results will be no different than they were for the Grid, the Alcan and IMC because they aren't capable, obviously, of arriving at agreement with somebody on the other side.

I question, Mr. Chairman, the priorities that he is indicating when he talks about looking for markets for our excess capacity - and I won't go into all the details of how we have arrived at that excess capacity - where we find ourselves in excess of 1,500 megawatts of installed capacity in which we are paying millions and millions of dollars of carrying charges because of the forced development that occurred in the Schreyer Government years, where the objective was to maintain a high level of construction jobs in the province and not to build in accordance with the needs where they were projecting a 7 percent growth rate in electrical usage on an annual basis when it was already slipping down under 3 percent and today it's virtually flat. Those kinds of things were available to them, at least the indicators were, and they should have known and they didn't because their objectives were not rational development objectives but were only to force political decisions on the utility. I think this Minister in a variety of ways is indicating that we're in for that kind of administration again under his jurisdiction.

He says in referring, if you can imagine, to what's happening in Manitoba and the good things that are happening in Energy and Mines that, of course, oil is recession-proof. Well, tell that to Alberta, tell that to Mexico, tell that to the Saudis right now whose economies are collapsing because oil isn't recession-

proof, Mr. Chairman. It's happening because of measures, well thought out measures that were put in to attract oil exploration and development investment that are taking place today because of a previous government's decision; that's why and not because its recession-proof. That's a preposterous statement, Mr. Chairman.

So I say, all the things that the Minister glibly tosses off and in the 17-page opening statement that he made this evening the references are constant to the current recession, the reality that we face in the current recession; that great recession which, of course, he had no idea was there when he was developing the literature for the 1981 fall election. It just won't wash. The responsibility has to fall on his shoulders to a large extent, and his government's shoulders, and no amount

of reference to the recession and to things beyond his control will work because he created the very expectations which he now has to answer for having failed to reach. We, on this side, will simply as gently as we can, as diplomatically as we can remind him of those expectations that he created and has now failed to meet.

**MR. CHAIRMAN:** 1.(a)(1)—pass.

Resolution No. 61: Resolve that there be granted to Her Majesty a sum not exceeding \$1,024,800 for Energy and Mines, Administration, for the fiscal year ending March 31, 1984—pass.

That completes the Estimates of the Department of Energy and Mines.

Committee rise.