

# **Settlement Strategies in Manitoba: An Examination of the Intentions of the Government of Manitoba**

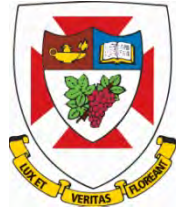
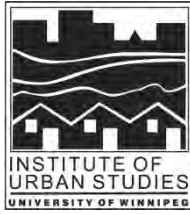
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**by Frank Johnston  
1979**

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**The Institute of Urban Studies**





THE UNIVERSITY OF  
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**SETTLEMENT STRATEGIES IN MANITOBA: AN EXAMINATION OF THE INTENTIONS OF THE GOVERNMENT OF MANITOBA**

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SETTLEMENT STRATEGIES IN MANITOBA: AN EXAMINATION OF THE  
INTENTIONS OF THE GOVERNMENT OF MANITOBA.

A report prepared for the Ministry of State for Urban Affairs.

Frank Johnston  
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Winnipeg, Canada  
February, 1979

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## EXECUTIVE SUMMARY

The Government of Manitoba has, at present, no explicit settlement strategy, nor has the Government formally acknowledged the relationship between changes in the settlement pattern and its principle policies of fiscal restraint and selective economic development. In addition, government services which could affect settlement patterns have no overall policy to ensure consistent support of a settlement strategy.

However, there are substantive issues which could be addressed by a settlement strategy. An examination of major trends reveals the following:

1. The province continues to lose population through migration to other parts of Canada.
2. Rural depopulation of southern Manitoba is continuing.
3. Population and industrial activities are increasingly concentrated within the Winnipeg area.
4. The migration of natives from their traditional homes in rural and northern Manitoba to Winnipeg is expected to increase.
5. Increased use of agricultural land around Winnipeg for residential purposes is creating land use conflicts.

The long-term pattern to the trends is one of slow economic growth and a more stable settlement pattern.

Current government policies do imply certain impacts on the settlement pattern. Historically, the provincial governments have looked to economic growth as the principle means of curbing unfavourable migration patterns. The current government has followed this tradition by calling for "balanced regional development" through the investment of nearly \$80 million in combined federal and provincial funds under the General Development Agreement. However, the extent to which government funding and the policy of non-intervention in the market process will reinforce the dominance of Winnipeg has yet to be decided. The Government's withdrawal of social development activities and softer social services does indicate a decline in support for the human resources component of the stay option. In addition, the general policy of fiscal restraint may depress economic growth and encourage additional migration out of the province.

Government activities in fields related to a settlement strategy such as housing, highways, education, and health have a general policy of reacting to need as defined by the responsible department, although this pattern is by no means uniform. Efforts in land use planning are being made to rationalize the population distribution in the Winnipeg fringe. In addition, Municipal Affairs is promoting the implementation of district planning councils to control regional land use patterns. Also, the Communities Economic Development Fund is enjoying success in assisting remote and isolated communities, but this initiative in economic development is mitigated by the decline of the Manitoba Development Corporation.

It is not obvious that the Provincial Government could devise a successful settlement strategy. Many of the demographic and economic trends which are affecting settlement patterns within the province are the consequence of changes common to most of North America. The depopulation of the rural areas, for example, will continue as the technological and organizational changes in transportation, farming, and rationalization of public services are resolved. Currently, public concern is most often expressed over the impact rail line abandonment and the closing of the older and smaller grain elevators will have on the smaller communities. These changes as well as the more general trends are events over which the Provincial Government can exercise little control.

Nevertheless, during the period that the stay option was in effect, demographic trends showed weak evidence of the success of this policy. However, the disbandment of the senior policy making committees and supporting staff has eliminated the government units most capable of melding the diverse activities of the public sector into a broadly based settlement strategy. Admittedly, the present government is still new to their job and may in the future release a settlement strategy. Whether or not the current organizational structure and overall perspective of the government would encourage the realization of a settlement strategy remains an open question.

## I MANITOBA SETTLEMENT STRATEGIES

The loss of population from the rural areas to the Winnipeg region and from the province to the rest of Canada has been a perennial public concern. Since 1960, the provincial governments have generally responded by placing a high priority on economic growth as a means of curbing unfavourable intra-provincial and inter-provincial migration patterns. However, the economic policies tend to promote provincial growth at the expense of balanced regional development. The exception to this pattern of intervention was the implementation of the "stay option" during the 1973-1977 period. At present, there are no well-integrated policies expressing a desired regional distribution of population within Manitoba.

The recent change of government in 1977 introduced an administration with an agenda markedly different from their predecessor's. Their time in office has been short; many of the government's policies are still in a period of transition. As a result, uncertainty over the future of many programs is prevalent and there are few well-articulated policies on most aspects of government involvement, including a settlement strategy. In the absence of explicit statements, a settlement strategy can only be considered a policy by default as expressed through the collective effects of the government's various activities. In particular, the current economic policy could act to reinforce existing settlement patterns. This report is intended to document the activities and policies of the Manitoba Government relevant to an implied settlement strategy. No attempt is made to estimate their impact on the Manitoba population: the large number of communities receiving government services and the absence of a strong predictive theory preclude anything but speculative conclusions.

## II SHORT HISTORY OF DEVELOPMENT POLICIES

The history of provincial involvement in the economic development of the province illustrates the problems attributed by the government to out-migration and the conceptual links made by the government between economic development and migration. W. L. Morton has described public involvement in economic development as a key element in shaping the prairie community since 1955. He states that "both the politicians and the civil servants . . . thought in terms of development . . . (their) function was not to administer routines; it was to create opportunities for enterprise." The successive governments have

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1. W. L. Morton, Manitoba: A History. (Toronto: University of Toronto Press, 1967), as quoted in Lawrence Sarbit Central Place Structure and Change in Southern Manitoba Communities: 1961-1971, (M.A. Thesis, York University, 1977) forthcoming.

interpreted their role in creating "opportunities" differently, but each has been constrained from implementing innovative programs by the legacy it inherits. As is shown in the next section, the problems faced by the present government are the consequence of deeply-rooted, long-term trends. In addition, programs and projects started by their predecessors require an ongoing commitment of public funds, leaving little room in the budget for discretionary spending. A recent example is the Federal-Provincial Northlands Subsidiary agreement which signed in 1976, committed the provincial government to spending \$42 million over five years.<sup>2</sup>

Three recent reports have identified the problems of regional economic development and its relationship to the problems of out-migration, and they have prescribed the actions needed to increase the rate of economic growth. These reports are briefly discussed in chronological order to show the evolution of policy on economic development and settlement patterns.<sup>3</sup>

1. Committee on Manitoba's Economic Future - COMEF (1963)

This was a comprehensive planning document designed to accelerate economic development in Manitoba so as to provide employment opportunities for the growing labour force. Of particular interest was the proposal to upgrade community facilities in the smaller centres to attract business enterprises. COMEF recommended that municipalities could accomplish this task by co-operating in regional planning and development efforts. Echoes of this proposal can be found in the current land use legislation (Section V.3).

2. Manitoba to 1980: Report of the Commission on Targets for Economic Development - TED (1969)

The TED report placed much more emphasis on regional development; the principal challenge seen by the authors was for balanced growth throughout the province. In addition, the reasons for promoting economic growth were more explicit. It was felt that economic development would:

- reduce inequalities of income between regions;
- avoid the costs of migration by maintaining a labour force in the rural areas and by preventing the decline of the local centres; and,
- diversify the economy to reduce the dependence on the agricultural base.

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2. Federal-Provincial Northlands Subsidiary Agreement, 1976.

3. Summarized from L. Sarbit Central Place Structure and Change, 1977, pp. 10-19.



### 3. Guidelines for the Seventies (1973)

This report was the major policy statement of the New Democratic Party Government of the role economic development was to play in shaping the Manitoba settlement pattern. Rather than promoting economic growth for growth's sake, the report argued that increased development was only of value if it contributed to the four basic principles of program formulation: They were

- maximization of the general well-being of Manitobans (as opposed to strict financial gains);
- greater equality in income and in access to social services and economic opportunity between regions and occupational groups;
- implementation of a stay option, that is, the provision of government services and resources to allow rural dwellers to remain on their farms and in small centres if they so desired; and
- the promotion of public participation in the process of government.

The primary intent of supporting these four principles was summarized by de Vires as an attempt to reduce migration into Winnipeg.<sup>4</sup> In the report, it was claimed that:

frequently . . . migration has been the coerced result of world and national economic forces often reinforced by inadequate or inappropriate policy and as such has been involuntary, cruel, and wasteful.<sup>5</sup>

The report outlined the costs of rural depopulation more specifically. Out-migration, it was stated:

- reduced the market of commercial and retail establishments, creating a negative multiplier in the local economy;
- resulted in an underuse of publicly supported services such as schools, hospitals, telephone lines and road networks, causing increased taxes and declining standards of service for those who remained;
- removed from the population the youngest and most able members of the work force; and
- added to the expenses of the receiving towns and cities by requiring the construction of expensive additions to the infrastructure. Further, it reduced the quality of life by overburdening public services.

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4. John de Vires, An Overview of the Demographic Policies of the Provinces of Quebec, Manitoba, Saskatchewan, Alberta and British Columbia. (1977 Report to the Minister of Manpower and Immigration.)

5. Manitoba, Guidelines for the Seventies. (Winnipeg: Queen's Printer, 1973), Vol. I, p. 14.

In addition to the problems of rural to Winnipeg migration, the report, as well as subsequent documents, expressed concern over the need for programs to assist the growing native population in Northern Manitoba.<sup>6</sup>

During this period, the New Democratic Party government implemented a variety of programs designed to support the stay option. These included:

1. employment and industrial development through job creation, upgrading of skills, financial assistance, and taxation benefits.
2. agricultural stabilization through encouraging increased farm outputs, diversification and financial and management assistance;
3. improvement of social goods and services through community health centres, new housing and housing repair programs, maintaining rural schools; and
4. decentralization of government administrative offices to more than 15 towns in northern and southern Manitoba.

Since the election of the present Conservative government, there has been no indication of a comprehensive settlement strategy. For example, in a 1978 federal report on immigration and employment issues, the extent of the Manitoba government's response was confined to general observations on the nature of the issues.<sup>7</sup>

However, the Government's stated policies on fiscal restraint and streamlined assistance for economic development indicate a turning away from the intentions of the stay option. Programs supporting social development have been reduced or eliminated and the development of depressed regions has been de-emphasized. In general, the Conservative government has rejected the thesis of their predecessors. The policy of intervention in the economy to reverse the trend to centralization has now been replaced by policies designed primarily to facilitate private business enterprises. This is evident from the "principles of economic development" as they were listed by the Minister of Economic Development.<sup>8</sup> They include:

- growth of jobs comes from the private sector
- government support should be provided in response to the needs of the private sector and to the maximum extent possible be guided by the private sector

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6. Manitoba, Intergovernmental Relations Subcommittee of Cabinet. Program Analysis of Government Services to Status Indians in Manitoba. (1976).

7. Annual Report to Parliament on Immigration Levels, Employment and Immigration. (1978).

8. The Honourable Bob Banman. "Draft Speaking Notes to the Manitoba Chamber of Commerce". October, 1978.

- reliance on private sector for innovations and business opportunities
- government must create appropriate business environment by, for example, lowered corporate taxes or by restraint on government spending
- government not to compete with private sector by establishing businesses

### III MAJOR TRENDS

#### 1. Population

##### 1-1 Age Structure

The Manitoba population, like the Canadian population, has aged over the 1971-1976 period, although the province has a slightly higher proportion of older residents. The older population can be partially accounted for by the decline in births of approximately 2,100 from 1970 to 1977.<sup>9</sup>

Table 1 illustrates some of the variations that exist in the age-structure within the province. The cities in the south have older populations than the province as a whole while northern communities have extremely young populations.

The native population departs significantly from the provincial trends: the population is considerably younger with 60% of all status natives under 20 years of age and population increases are more dramatic. The projected annual rate of increase to 1985 is 3% per year.<sup>10</sup> Although a numerically small group, the debilitating effects of poverty endemic to many natives absorbs a disproportionate amount of provincial funds. When the native leaves his traditional home for the city, the problems of urban adjustment increase the need for publicly provided services.

##### 1-2 Out of Province Migration

Manitoba has lost population through migration to the other provinces from as early as 1921.<sup>11</sup> Estimates for the 1971-1977 period confirm

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9. Manitoba, Department of Health and Social Development and Ministry of Corrective and Rehabilitative Services Annual Report, 1971, p. 78.

10. Institute of Urban Studies, The Second Core Area Report (forthcoming).

11. McNeil, Hildebrand and Associates, Economic Base Study, (Winnipeg: Winnipeg Development Plan Review, 1978) p. 41.

Table I  
Life Cycle Index for Canada, Manitoba  
and Selected Centres\*

	<u>1961</u>	<u>1971</u>	<u>1976</u>
Canada	-	.90	1.09
Manitoba	-	1.02	1.16
Winnipeg	.92	1.12	1.30
Brandon	1.12	1.26	-
Flin Flon	.58	.97	-
Portage La Prairie	.82	1.13	-
Thompson	.18	.15	-

\* Life cycle Index =  $\frac{\text{Total population 45+}}{\text{Total population 0-14}}$

SOURCE: Ministry of State For Urban Affairs, Canadian Urban Trends, Vol. 1 1976. Statistics Canada 1971 Census. Catalogue No. 92-715, Vol. 1, Part 2, Bulletin 1-2, 1-3. 1976 Census Catalogue No. 92-823, Bulletin 2.4.

Table II  
Net Migration For The Province  
Of Manitoba, 1971-1977\*

<u>Year</u>	<u>Net Migration</u>
1971	-7251
1972	-7735
1973	-2200
1974	-5400
1975	-4134
1976	-3463
1977	-4744

\* Net migration is equal to the difference between In-Migration and Out-migration.

SOURCE: McNeil, Hildebrand and Associates, Economic Base Study, (Winnipeg: Winnipeg Development Plan Review, 1978), p. 43.

that this trend has continued (Table II). Although totals are not yet available for 1978, data available for the first nine months show that net out-migration will exceed 7,000 people, the highest since 1972.<sup>12</sup>

### 1-3 The Regional Distribution of Population Growth

Population growth in Manitoba has been unbalanced. All census divisions in the southern region had population losses over the 1961-1976 period with the exceptions of Winnipeg and the adjoining region (census divisions 2, 11, 12, 13, 14) and Brandon (census division 7). The northern region increased its population by a quarter from 81,015 to 102,150.

In comparison to an overall population increase of 31.5% for the 1961-1976 period, census divisions in the south had losses that typically ranged from 10% to 20% with a high of 25.3% for census division 16. However, the declines in populations can be traced to losses from the rural areas; most incorporated municipalities within the declining census divisions experienced some growth.

Calculations for the 1971-1976 period indicate an overall slowing of trends of urban growth and rural decline, but as figure #1 shows, the basic pattern of southern Manitoba has remained the same.

This skewed pattern of population growth has meant the continued primacy of Winnipeg. Table III outlines the absolute and relative increases (decreases) in each of the five regions. The population increase in Winnipeg and region exceeded total provincial gains from 1966 to 1976, indicating that this urban area was absorbing much of the rural out-migration. Including growth due to internal provincial migration, Winnipeg and region accounted for 97.2% of the overall provincial increase in the 1971-1976 period.

### 1-4 Analysis by Components of Growth

Gross population changes have been broken into the components of growth - - natural increase and net migration. The graphs in figure #2 show that the components of growth differ considerably by region. However, the tapering of declines in natural increases and the reduction of losses through net migration indicated greater stability in the overall Manitoba settlement pattern.

Inspection of the components of growth indicates the importance of net migration between areas suggest an inverse relationship between in-migration to Winnipeg and the growth of the rest of Manitoba. This relationship is substantiated to some extent by Table IV which shows for the 1966-1971 period the origin of 29.1% of migrants to Winnipeg

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12. Winnipeg Free Press, 11 January 1978, p. 1.

MAP OF REGIONS

1976

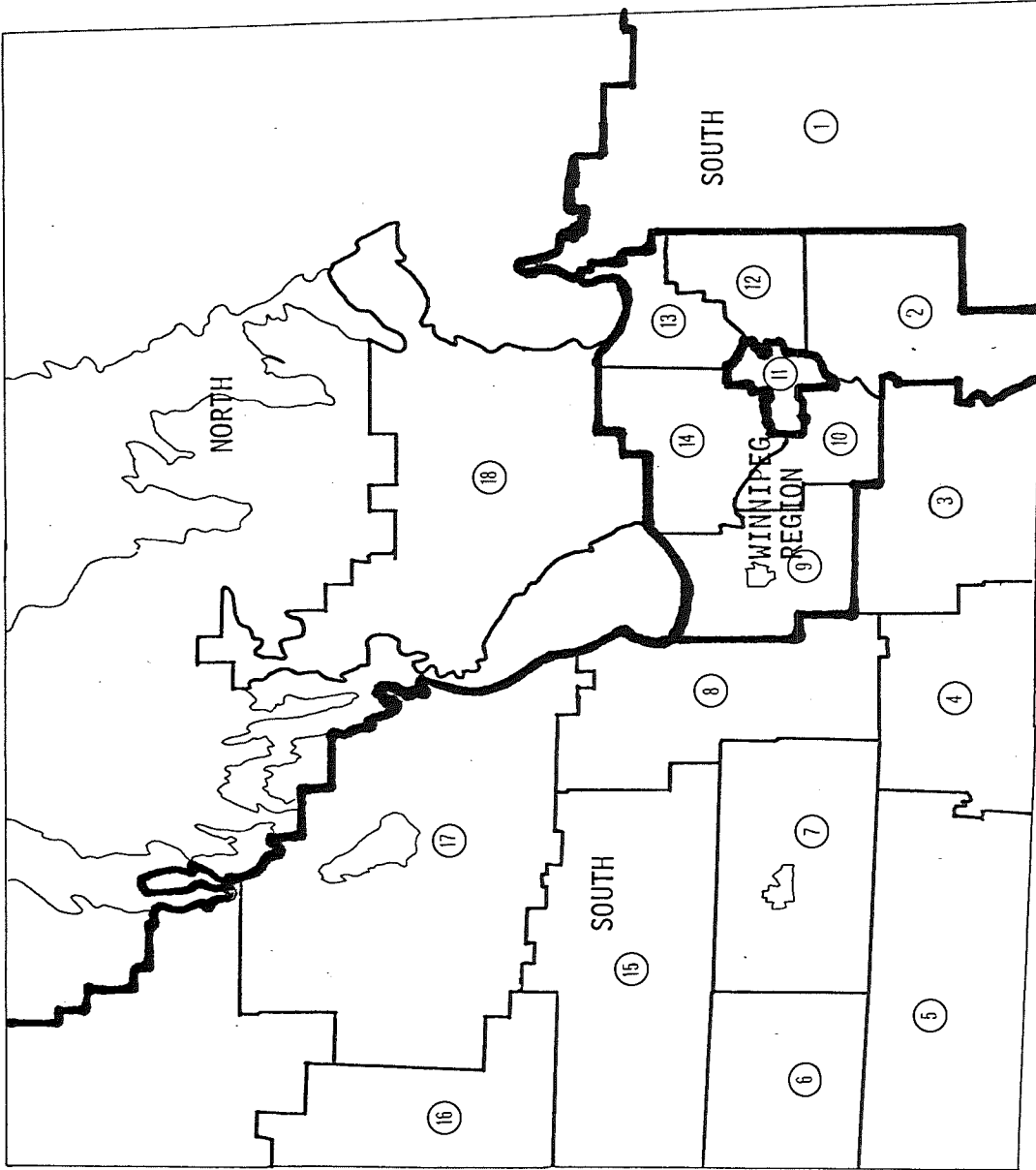


Figure #1  
 Population Growth By Census Division  
 For Southern Manitoba, 1971-1976

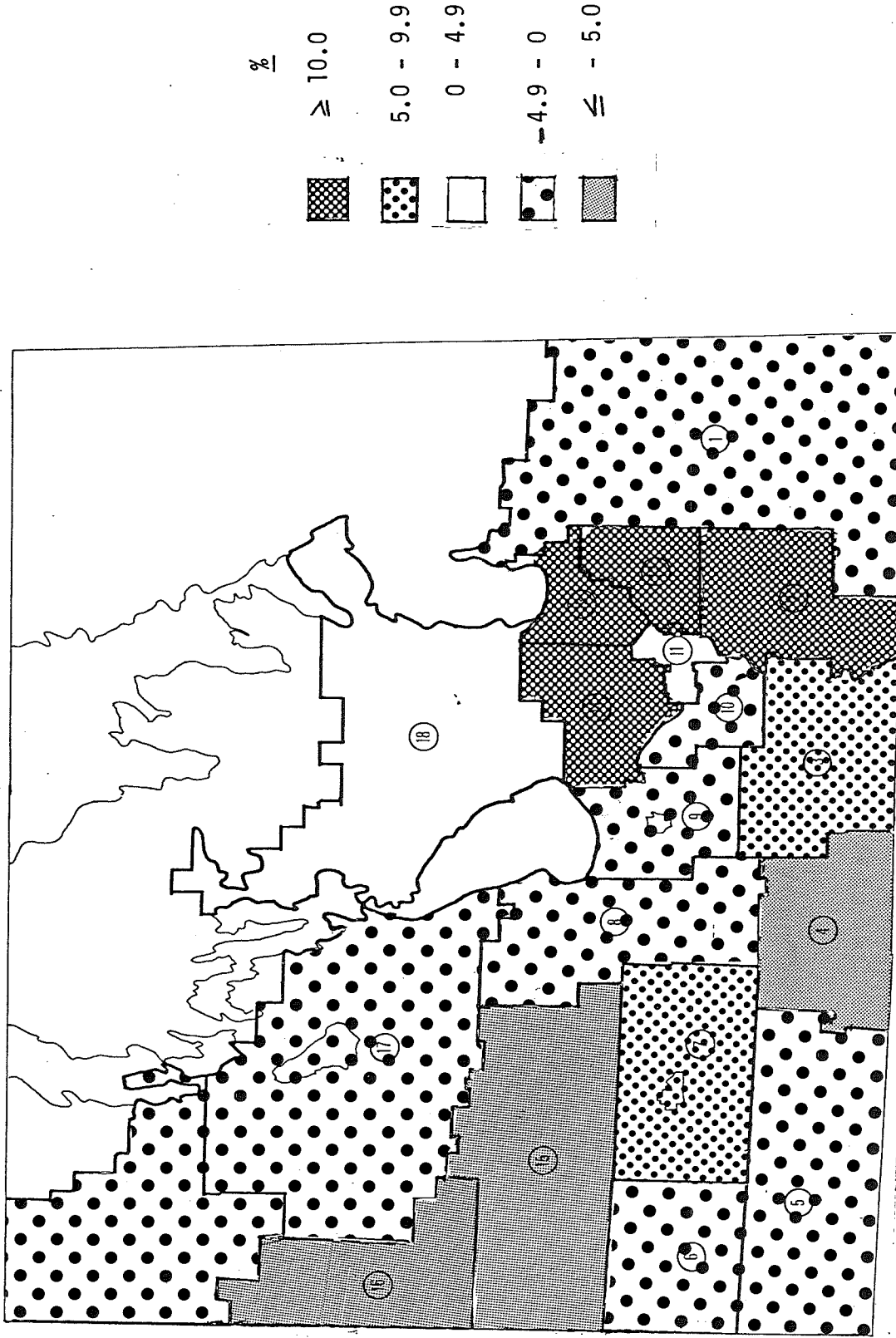


Table III A

Population By Region: 1961-1976

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Region	1961	1966	1971	1976
Manitoba	921,686	963,066	988,247	1,021,506
Winnipeg CMA	472,544	504,190	535,233	560,874
Winnipeg Region	105,535	108,370	109,513	117,779
South Manitoba	262,592	261,248	242,843	240,703
North Manitoba	81,015	89,252	100,658	102,150

Table III B

Proportions of Population Growth, 1961-1976 By Region

Region	1961-1966			1966-1971			1971-1976		
	Absolute Growth	% Increase	Proportion of Growth	Absolute Growth	% Increase	Proportion of Growth	Absolute Growth	% Increase	Proportion of Growth
Manitoba (adjusted growth)*	41,380 (42,724)	4.4	100.0	25,181 (43,586)	2.6	100.0	33,259 (35,399)	3.3	100.0
Winnipeg CMA	31,646	6.6	74.1	31,043	6.2	71.2	25,641	4.7	72.4
Winnipeg Region	2,835	2.6	6.6	1,143	1.0	2.6	8,266	7.5	23.4
South Manitoba	-1,344	-0.5		-18,405	-7.0		-2,140	-0.8	
North Manitoba	8,237	10.1	19.3	11,406	12.7	26.2	1,492	1.4	4.2

\* adjusted growth is the addition of absolute population loss for South Manitoba to total Provincial growth, to account for internal migration.

SOURCE: Statistics Canada 1976 Census. Catalogue No. 92-805.



Figure #2  
AVERAGE ANNUAL RATE OF GROWTH IN CENSUS DIVISION GROUPINGS

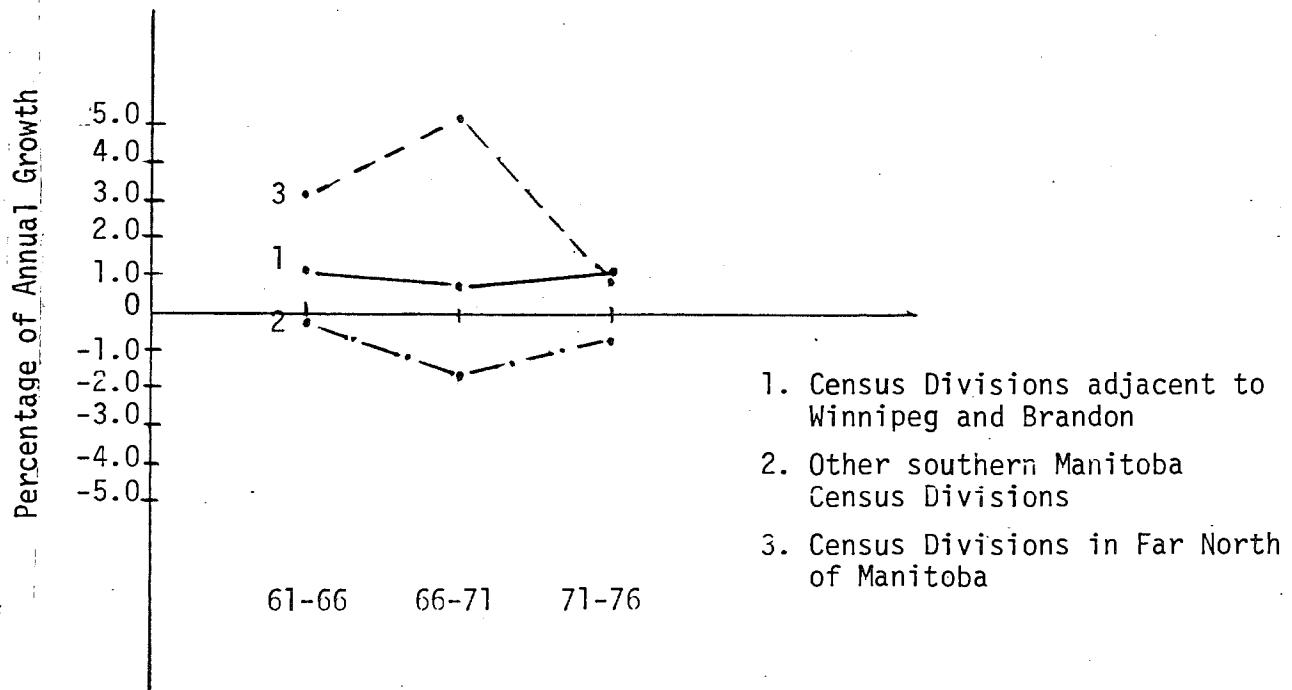
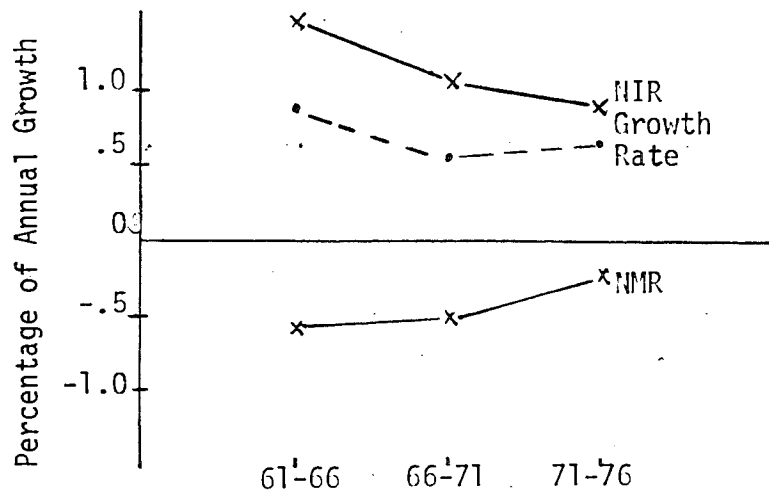


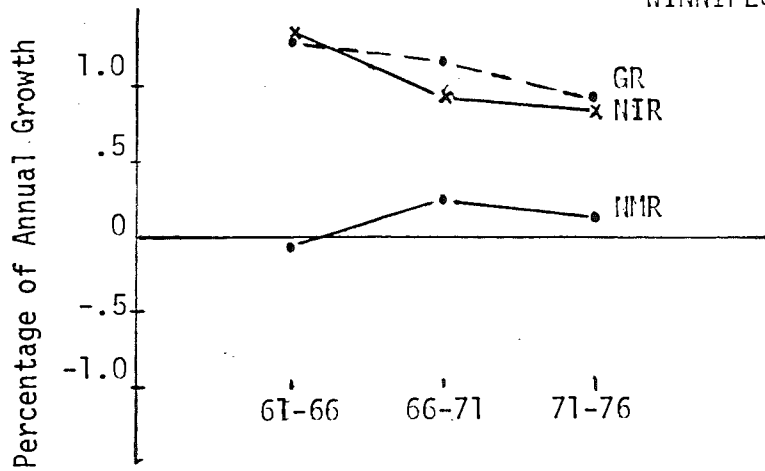
Figure #2  
COMPONENTS OF GROWTH

MANITOBA

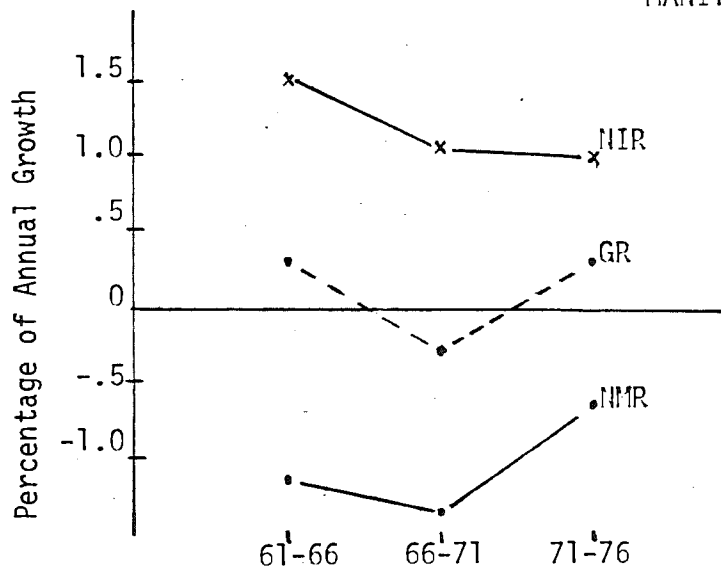


NIR = Natural Increase Rate  
 NMR = Net Migration Rate  
 GR = Growth Rate

WINNIPEG C.M.A.



MANITOBA less Winnipeg



to be from the rest of Manitoba. Table IV also indicates the dependence of foreign immigrants into Winnipeg in maintaining a positive net migration ratio. Table V presents average annual growth rates for all incorporated municipalities by region. The Manitoba average reflects the general trend towards stability. Towns in the southern region have recovered from a very slow growth period in 1966-1971 to an above average rate for 1971-1976. This can be interpreted as weak evidence for the success of the stay option. In contrast, northern Manitoba towns had a dramatic reversal in rates. This reflects the dependence of these communities on resource extraction, an industry subject to the vagaries of world market conditions.

Similar calculations have been made for the rural populations of the regions (Table VI). They show strong growth in the exurban population around Winnipeg; otherwise, the southern area has continued to lose its rural population, but at a declining rate. Examination of the rates of natural increase revealed sustained increases to the rural northern population, which is attributed to the native population resident in the region.

#### 1-5 Population Trends Summarized

The picture that emerges from the preceding discussion is of a province where the post-war settlement pattern has been altered through migration. The province as a whole has grown more slowly because of out-migration and the population within the province has become increasingly concentrated within Winnipeg and region. The Winnipeg area has grown primarily at the expense of the rural de-population of the south and through the addition of foreign immigrants. The northern region has grown at a fast, but erratic rate due to the high fertility rate of the native population and the high migration rates associated with the boom and bust nature of towns dependent on resource extraction. Although the evidence is weak, the growing native population in the north is suspected to be an increasingly important source of in-migrants to Winnipeg.

After the volatile period between 1966 and 1971, the decline in the rates of natural increase and intra-province mobility indicates a period of slow growth. The existing spatial pattern is becoming increasingly stable. Finally, the higher than average growth of incorporated municipalities outside of the Winnipeg region and the reduced levels of rural migration during the 1971-1976 period indicate weak evidence for the success of the stay option.

Table IV  
 Winnipeg Migration By  
 Origin/Destination And Age:  
 1966-1971

	Age Group								
	Total	5-14		15-19		20-34		35+	
		No.	%	No.	%	No.	%	No.	%
Total Out-Migrants	67,455	16,015	23.7	4,995	7.4	25,950	38.5	20,490	30.4
To CMA's	38,070	8,605	22.6	2,970	7.8	14,155	37.2	12,340	32.4
Total In-Migrants	89,295	17,930	20.1	9,575	10.7	38,885	43.5	22,905	25.7
From Manitoba	26,045	3,990	15.3	4,020	15.5	11,880	45.6	6,155	23.6
Outside Canada	23,780	4,855	20.4	1,565	6.6	11,750	49.4	5,610	23.6
Other CMA	19,830	4,935	24.9	1,675	8.5	7,500	37.8	5,718	28.8

SOURCE: Statistics Canada 1976 Census. Catalogue No. 92-746.

Table V  
Average Annual Growth Rates of  
Incorporated Communities By Region: 1961-1976 <sup>+</sup>

Region	1961-1966	1966-1971	1971-1976
Manitoba	1.42	1.39	0.77
Winnipeg CMA	1.30	1.19	0.94
Winnipeg Region *	1.69	0.55	0.92
Southern Manitoba	1.17	0.27	1.20
Northern Manitoba	4.16	6.04	-1.35

+ Rates are calculated according to the identity

$$GR_{t, t+i} = \frac{1}{i} \log_e P_{t+i} / P_t$$

where GR is the growth rate,  
i is the time interval,  
P is the Population

\* Excludes Winnipeg CMA

SOURCE: Statistics Canada 1971 Census. Catalogue No. 92-702, Vol. 1, Part 1, Bulletin 1-1-2; 1976 Census. Catalogue No. 92-805, Bulletin 1-6.

Table VI  
Average Annual Growth Rate By Region,  
For Rural Population, 1966-1976\*

Region	Growth Rate	Rate of Natural Increase	Net Migration Rate
Winnipeg Region 1966-1971 1971-1976	-0.70 3.40	1.03 1.04	-1.73 2.36
Southern 1966-1971 1971-1976	-2.54 -1.00	.79 .73	-3.33 -1.73
Northern 1966-1971 1971-1976	0.65 2.69	2.19 2.21	-1.54 0.48

\* includes all incorporated municipalities less than 1000 pop.

SOURCE: Statistics Canada 1971 Census. Catalogue No. 92-702, Vol. 1, Part 1, Bulletin 1-1-2; 1976 Census. Catalogue No. 92-805, Bulletin 1-6.

## 2. Other Trends

### 2-1 Construction

Table VII gives housing starts for all residential units by region; Table VIII provides the estimated value of construction by government and institutions. Housing starts reflect the population trends: the preponderance of construction is occurring in Winnipeg. The figures for institutional and governmental construction indicate, despite the stay options, a continued bias towards Winnipeg during the 1973-1976 period.

### 2-2 Employment

Manitoba has followed the general Canadian trend by shifting employment from producing goods to providing services. This is shown in Table IX. Table X in conjunction with Table IX reveals that the higher proportion of the labour force in the primary sector is principally employed in agriculture. Although this is still a key sector of employment, the total work force has declined in absolute and relative terms. The second major employment industry, manufacturing, has also experienced a relative decline in importance, despite marginal absolute increases.

Regional differences in employment can only be presented by Winnipeg and the remainder of the province (Table XI). The available information shows Winnipeg to be the employment centre for Manitoba: in 1976, Winnipeg accounted for 60% of all employment; 77% of all manufacturing employment; and in 1971 58% of all government employment. In the same year 65.5% of all provincial employment was Winnipeg-based and this proportion grew by 23% over the 1971 - 1976 period while provincial government employment in the rest of the province increased by only 19%.<sup>13</sup> This is indicative of the tendency of activities to be centralized in Winnipeg in opposition to the explicit policies of the stay option. However, despite the dominance of Winnipeg as an employment centre, its share of total national employment has declined slightly from 3.0% in 1957 to 2.7% in 1976.<sup>14</sup>

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13. McNeil, Hildebrand and Associates.

14. Ibid., p. xii.

Table VII  
 Building Permits Issued  
 (Number of Dwelling Units) By Region  
 1971-1976

Region \ Year	Total	1971	1972	1973	1974	1975	1976
Winnipeg CMA	35,081	8,110	8,782	7,592	5,360	4,986	7,843
Winnipeg Region	2,809	263	309	484	474	589	690
South Manitoba	6,811	870	1,220	1,315	1,060	1,169	1,177
North Manitoba	820	134	137	98	83	209	159

SOURCE: Statistics Canada. Catalogue No. 64-203.

Table VIII  
 Estimated Value of Construction  
 (Institutions & Government) By Region  
 In Thousands of Dollars  
 1971-1976

Region \ Year	Total	1971	1972	1973	1974	1975	1976
Winnipeg CMA	175,679	27,357	31,643	18,467	30,506	29,735	37,971
Winnipeg Region	15,451	2,988	4,190	2,557	3,079	1,145	1,692
South Manitoba	42,454	7,866	8,749	6,789	5,819	4,213	9,018
North Manitoba	10,663	2,305	2,524	142	262	1,229	4,196

SOURCE: Statistics Canada. Catalogue No. 64-203.



Table IX  
Employment By Sector, 1971

<u>Sector</u>	<u>Canada</u>	<u>Manitoba</u>
Primary	9.1	14.6
Secondary	36.8	31.1
Tertiary	54.1	54.2

SOURCE: McNeil, Hildebrand and Associates,  
Economic Base Study, p. 10.

Table X  
Employment (Manitoba)  
1951 -- 1971

Type	Year					
	1951		1961		1971	
	No.	%	No.	%	No.	%
All	298,034	100	342,642	100	413,915	100
Agriculture	73,362	24.6	58,990	17.2	47,065	11.4
Other Primary		2.3		2.4		2.1
Manufacturing	44,262	14.9	46,487	13.6	56,945	13.8
Construction	15,889	5.3	21,211	6.2	22,320	5.4
Transportation	35,987	12.1	40,122	11.7	40,465	9.8
Unspecified	2,426	0.8	7,622	2.2	29,155	7.0
Services	102,836	34.5	133,916	39.1	175,550	42.4
Public Administration And Defense	16,323	5.5	26,136	7.6	33,570	8.1

SOURCE: Statistics Canada. 1971 Census, Catalogue no. 94-716.

Table XI  
 Distribution of Labour  
 Force By Region  
 1951-1971

Region	Year	Goods Producing %	Services %
Manitoba	1951	51	49
	1961	42	58
	1971	36	64
Winnipeg	1951	35	65
	1961	29	71
	1971	27	73
Manitoba Less Winnipeg	1951	68	32
	1961	58	42
	1971	50	50

SOURCE: McNeil, Hildebrand and Associates, Economic Base Study, p. 30.

## 2-3 Economic Base<sup>15</sup>

The rate of increase in gross provincial product and personal incomes demonstrate that the province has lagged behind average Canadian economic growth. GPP increased at 4.6% per year while the GNP was 5.1% for the 1961-1976 period. Personal incomes in the province grew at an annual rate of 5.2% compared to the national average of 5.9% for the 1966/1968-1973/1975 period.

The two key industries of the Manitoba economy are agriculture and manufacturing. Land in Manitoba is farmed more intensively than in the other prairie provinces and most useable land is under cultivation. For these reasons, plus the ongoing decline in the agricultural labour force, there is little possibility of the industry becoming a growth industry under the existing crop mix and technology. Nevertheless, it still provides the backbone of the Manitoba economy: 60% of all farm inputs are purchased through regular retail outlets, providing a strong demand for the manufacturing and service sectors; and its outputs are utilized by the food and beverage industry. Many of these firms are located in the smaller towns.

The manufacturing industry can be characterized as being diversified, concentrated within Winnipeg and composed of a high proportion of small businesses. Manufacturing is similar to agriculture in that a large portion (50%) of the goods produced are sold out of the province. The manufacturing industry has not performed well nationally and Manitoba based firms have suffered accordingly. Winnipeg, however, has increased its share of Canadian workers employed in manufacturing.

The diversity of exports of agriculture and manufacturing and the linkages between the two industries give the Manitoba economy a fair degree of stability. It is less dependent on a few exports in generating cash returns. However, the conclusion of the Winnipeg Economic Base Study was that neither of these industries is likely to generate a high rate of growth.

### 3. The Expected Future

Throughout the history of public intervention, economic development has been proposed as a means of reducing rural depopulation and migration out of the province. The Winnipeg Economic Base Study and the data in table IV support the validity of such a conclusion. But it is difficult to estimate how rapidly the economy will grow because it depends to a large extent on the Canadian and world situation.<sup>16</sup> Some of the factors that can influence the

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15. This section is drawn largely from McNeil, Hildebrand and Associates. chpt. 3.

16. Economic Development Advisory Board. Annual Report 1975; Guidelines. p. 30ff.

growth of Manitoba's economy include: Canadian fiscal policy, the comparative advantage of manufacturing in Manitoba vis a vis the availability of capital, the corporate tax rate, the extent of industrial regulation etc., and market demand for the goods produced. It is noteworthy that these factors are primarily institutional or economic in nature.

The settlement pattern within Manitoba is affected substantially by technical and organizational changes, but these changes are largely the resolution of innovations that were introduced some years ago. Morton and Stabler have documented many of the factors.<sup>17</sup> They include:

1. The shift in employment from a goods producing to a service economy with the accompanying decline of the family farm and the rise of larger corporate units;
2. The regional consolidation of public sector activities which has reduced the number of jobs in rural areas;
3. Improved transportation has reduced the need for local service centres and promoted the rise of the regional shopping centres; and
4. The rise of the multi-national corporation has encouraged centralization and limited access to venture capital to the larger firms.<sup>18</sup>

In addition, the recent displacement of native bands because of hydro-electric developments in the northern region has been cited as a reason for native migration into Winnipeg.<sup>19</sup>

The impact of rail line closings on the viability of the small towns is still a hotly debated issue. The Hall Commission claimed that rail line closing would not adversely affect an otherwise viable community; the authors of Guidelines for the Seventies argued the opposite.

17. W. L. Morton. Manitoba: A History; and J. C. Stabler, "Regional Economic Change and Regional Spatial Structure: The Evolving Form of the Urban Hierarchy in the Prairie Region." in Ministry of State for Urban Affairs, The Future of Small and Medium-Sized Communities in the Prairie Region. Ottawa: MSUA, 1978.

18. Manitoba, Guidelines for the Seventies. Vol. 1, Chpt II; and Economic Development Advisory Board. "Second Report to the Standing Committee on Economic Development of the Legislative Assembly of Manitoba." (mimeo. June 5, 1972).

19. Manitoba, Intergovernmental Relations Sub-committee of Cabinet. Program Analysis of Government Services to Status Indians in Manitoba. 1976.

Interviews with representatives of the grain industry found a similar diversity of opinion.

Associated with rail closing is the rail tariff structure. If the differentials were sufficiently large between raw and finished goods, the food processing industries could be induced to locate their firms in smaller centres. Although the logic behind the location decision based on transportation costs can be understood using a Weberian model, its application is considerably more complex. The Manitoba government has just formed an interdepartmental agricultural transportation group to study the issue. At present they are unable to give an opinion as to the effect of the rate structure on small town viability.

A second issue related to rail closing is the consolidation of grain elevators: grain elevators are viable only as long as they are served by a rail line and grain elevators are often the chief reason for the existence of a small town. From 1970 to 1978, the number of licensed grain elevators fell from 642 to 438.<sup>20</sup> Apart from rail closings, economics of scale have encouraged the elimination of smaller elevators and the construction of larger terminals by making more efficient use of manpower and by reducing marginal tariff costs. One grain elevator company estimated that the amount of grain required to make a viable operation has increased in the space of 20 years from 100,000 bushels per year to the present 500,000 bushels. In addition, many of smaller elevators are obsolete and are too expensive to maintain. The benefits of grain elevator rationalization accrue primarily to the mid-sized towns.

Apart from the developments discussed above, no other technological or organizational changes were found which could in the future effect the settlement pattern. It is conceivable that some technical developments could allow the decentralization of industry to smaller centres. For example, a low pressure sewer system utilizing a combination of septic tanks, pumps and small diameter pipes has been developed to allow small communities to install a modern water-waste system at an affordable cost. Thus, the way is prepared for the introduction of an industry.

A recent set of growth projections were constructed by McNeil, Hildebrand and Associates for Manitoba and Winnipeg.<sup>21</sup> The growth in personal incomes was expected to decline from the 1971-1976 rate of 5.0% per year to 3.0% per year over the 1977-1981 period. Because of increased energy costs, they suggested that personal income may grow by as little as 1.0% per year.

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20. Interview with G. Allen (representative of Canadian Grain Commission). Feb. 1979.

21. McNeil, Hildebrand and Associates. Chpt. 7.

This projected range of personal incomes was then translated into employment rates for Winnipeg under different scenarios. Two key findings emerged: (1) only under the most optimistic projections would the demand for employment be sufficient to meet expected growth in the labour force; and (2) the least favourable projections were generated when government restraint was assumed to reduce the expansion of public sector employment to 1.0% per year. Except for the most optimistic result, all other projections imply increased unemployment or continued migration out of the city to other provinces.

#### 4. Impact of Economic Development on the Settlement Pattern

The Manitoba economy will likely continue to be dependent on agriculture and manufacturing as the key sectors of employment. Both of these industries are expected to experience low rates of growth. Given the relationship between economic growth and settlement patterns, the prospect is for little overall change in the present settlement pattern.

Attempts by the government to accelerate economic growth must be tailored to Winnipeg's needs by virtue of the large proportion of the province's industrial base located within the city. Increased investment within Winnipeg will to a large extent exacerbate existing regional disparities. The alternative of diverting resources into the secondary centres is unlikely to generate as high a return initially, although it could assist in stabilizing the populations of the smaller towns.

Finally, the current government's policy of fiscal restraint may be counter-productive to its expressed intention of stimulating industrial development. Projections indicate this to be true for the Winnipeg economy. If these projections apply equally well to the whole of Manitoba, then we could expect increased rates of inter and intra provincial migration. The migration figures for 1978 do indeed suggest that this may be the case, but in the absence of a detailed analysis, it is difficult to confirm.

#### IV GOVERNMENT POLICIES AND PROGRAMS

The previous sections have demonstrated that the problems associated with balanced regional development are the consequence of structural changes in the economy and the product of a long period of rural depopulation. The economic base of the province, its unfavourable geographic location to large markets, the absence of strong stimulants

to growth such as population increases or natural resources, and the general commitment to the rural areas -- all are constraints which do not allow a great deal of flexibility in allocating public funds. These constraints have obliged the government to support, regardless of political stripe, the policies of agricultural development, manufacturing and the amelioration of regional disparities.

New interventions are, of course, possible and the present government's departure from past policies is expressed through, (1) the Task Force on Government Organization and Economy and (2) the recent signing of the general development subsidiary agreements with the Federal government. The former argues for fiscal restraint by the public sector through the elimination of "wasteful" programs and promotion of more efficient operations. The GDA commits almost \$80 million in combined federal-provincial funding, shared on a 60-40 basis for a 5 year period. The funds are intended to promote the growth of agriculture, tourism and selected manufacturing industries. These two initiatives could have a strong impact on the settlement pattern and are discussed in more detail below.

Other government ministries stated that there is no broad settlement policy requiring departmental support. They perceive their responsibility as meeting the functional obligations of their department; their actions are primarily the response to stated needs for service, be it roads, schools, or hospitals. Informal comments indicated that the provision of social and physical infrastructure services is largely ad hoc and without any co-ordination.

#### 1. Conformity of Federal Policies with Province

No systemic disagreements were revealed between the provincial and federal governments. Several inferences can be drawn, however. The signing of the GDA illustrates the Provincial government policy of maximizing its use of federal dollars. Also, the dependence of the Manitoba economy on exports to the rest of Canada means that the province has an obvious interest in promoting macro-economic policies supportive of its industrial base. These would include the reduction of personal and corporate taxes, and the elimination of restrictive industrial regulations.

Two specific problems were listed by provincial representatives. The Federal government, in the opinion of the province, has been withdrawing services from the natives. This action is throwing the financial burden of providing health and social services onto the province. While constitutional responsibilities are discussed, the natives in the meantime are suffering from neglect. The lack of material improvements on the reserves has been inducing the native to migrate

to the city in search of a better economic future.<sup>1</sup> The second area of concern was expressed over the withdrawal of federal funds from the "highway strengthening program" in 1973.

The apparent lack of conflict over federal policies is probably due to the absence of a strong provincial settlement strategy. As was previously noted, the Province has yet to define what issues of immigration and demography are important to the province and to describe a desired federal role. Similarly, rail policies and grain movement were topics of a recent conference convened by the Province, but discussion was limited to finding more efficient ways of transporting grain.

In addition, federal housing funds could provide a tool of regional development, but the Province has not aggressively promoted their use, as is shown in section V,2-6.

## V. PROVINCIAL INTERVENTIONS

### 1. Direct Investment

The main source of direct funding is the General Development Subsidiary Agreements. This has proven to be true in the past as well where RDIA and ARDA provided a similar vehicle. Each of the three subsidiary agreements are discussed in turn.

The funds allocated for industrial development account for over half of the total allotment of the GDA. The intent of the programs is: to expand and diversify manufacturing activities in Winnipeg and the major regional centres; and to develop the food processing and agricultural service industries in the smaller centres.

The strategy is to select those industries where the products are of high quality, require a more sophisticated technology or have strong linkages to other industries in the Manitoba economy. The tools used to facilitate accelerated industrial development are the provision of technical assistance, research, the construction of advance office and industrial space and financial assistance for infrastructure development. This strategy is intended to strengthen the comparative advantage of Winnipeg vis a vis the potential markets in Saskatchewan and Alberta.<sup>2</sup> In addition, it is also intended to improve the efficiency

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1. Institute of Urban Studies. The Second Core Area Report.

2. Bob Banman. "Draft Speaking Notes".



of the agriculture and resource extraction by developing the secondary centres.

As table XII shows, there is no obvious bias in the funding programs toward either the large cities or to the small communities. Indeed, it is the stated purpose of the government "to strive for balanced economic development . . . spreading the benefits of industrialization as broadly as possible . . .".<sup>3</sup> Until the actual dollar allocations are made, it is impossible to estimate the effective level of support given to the policy of balanced economic development.

Support for tourism amounts to \$20 million. The objectives are to enhance destination areas and to improve the productivity of the tourism industry. The importance of tourism as an employer in the forest transition area coupled with the decline of tourists in Manitoba since 1974 are cited as reasons for the tourism subsidiary agreement. Assistance is provided through research, technical support and incentives for upgrading facilities. Table XIII indicates that the established programs provide about equal support for Winnipeg and the other communities.

The subsidiary agreement for agriculture is for \$18.5 million. The purpose of the program is to encourage more efficient agricultural practices and the production of specialty crops suitable for industrial processing. Like the other two subsidiary agreements, emphasis is on research and technical assistance with an additional sum allocated to direct investment activities. Because Winnipeg and Brandon are designated as the centres for agricultural research and development, it is expected that the subsidiary agreement will be of considerable benefit to the two cities.

There are two other agencies responsible for direct investment that are of interest, Manitoba Agriculture Development Corporation (MADC) and the Communities Economic Development Fund (CEDF). The MADC is used primarily as a lending agency of the last resort by family farms. It can provide up to \$100,000 to purchase a farm or smaller loans to upgrade equipment. A slight credit advantage is given to younger farmers.

The CEDF has the mandate to encourage economic development firms in remote and isolated communities in Manitoba. This is accomplished by funding small to medium scale firms which are unable to obtain credit elsewhere for reasons of inexperience, lack of assets, or the higher risk nature of the enterprise. They also provide bridge financing for ARDA loans and some technical advice. The firms assisted include general stores, restaurants, tourist facilities, logging operations, native handicrafts and community owned and operated

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3. Manitoba. Department of Economic Development. Industry Policy and Regional Development. 1968.

Table XII

Federal-Provincial Cost Sharing  
Agreements - Estimates Of Regional Distribution

Program	* Definite Beneficiary of Funds + Possible " " "	Allocation of Funds		
		Winnipeg	Large Communities (5,000 +)	Rural Areas & Small Communities (5,000)
CANADA/MANITOBA SUBSIDARY AGREEMENT ON INDUSTRIAL DEVELOPMENT, 1978, \$44 Million				
SECTOR I <u>INDUSTRIAL PROCESS</u>				
PROGRAM 1	Industrial/Commercial Support \$5 Million			
Project 1	Industrial Development: investi- gating and promotion of industrial development	+		
Project 2	Commercial Development: organi- zation and development of industrial and commercial services in rural-urban centres			
A	COMMERCIAL INFORMATION		*	* (700+)
B	COMMERCIAL DEVELOPMENT PLANNING		*	* (1500+)
PROGRAM 2	Technology Assistance \$16 Million			
Project 1	Food Products Centre: contribute to increasing value-added content to food products			*(Portage la Prairie)
Project 2	Industrial Technology Centre: to expand technology application in industrial sectors	*		
PROGRAM 3	Enterprise Development Centres \$5 Million	*		* (Brandon)

Table XII, continued

Program	* Definite Beneficiary of Funds + Possible " " "	Allocation of Funds		
		Winnipeg	Large Communities (5,000 +)	Rural Areas & Small Com- munities ( 5,000)
PROGRAM 4	Industrial/Commercial Promotion \$2 Million	+	*	*
PROGRAM 5	Co-ordination and Assessment \$1 Million	*	+	
SECTOR II <u>INDUSTRIAL ASSISTANCE</u>				
PROGRAM 6	Small Business Incentives \$5 Million		*	*
SECTOR III <u>INDUSTRIAL INFRASTRUCTURE</u>				
PROGRAM 7	Industrial Site Preparation		*	*
CANADA/MANITOBA SUBSIDIARY AGREEMENT ON VALUE- ADDED CROPS PRODUCTION, 1978, \$18.5 Million				
PROGRAM 1	Value-Added Crops Investigation And Evaluation \$.8 Million	+	+	
PROGRAM 2	Special Crops Products \$3 Million	+		*
PROGRAM 3	Livestock Products \$5.7 Million	+	+	+
PROGRAM 4	Related Productivity Measures \$9 Million			*

Table XII, continued

Program	* Definite Beneficiary of Funds + Possible " " "	Allocation of Funds		
		Winnipeg	Large Communities (5,000 +)	Rural Areas & Small Communities (5,000)
CANADA/MANITOBA SUBSIDIARY AGREEMENT ON TOURISIM DEVELOPMENT, 1978, \$20 Million				
SECTOR I <u>DESTINATION AREAS</u>				
PROGRAM 1	Tourism Industry Studies and Planning \$1 Million	*	+	
PROGRAM 2	Winnipeg Destination Area \$3.5 Million	*		
PROGRAM 3	Rural Destination Areas \$6.0 Million	+	*	*
PROGRAM 4	Tourism Attractions Program \$1.5 Million	*	+	
SECTOR II <u>PRODUCTIVITY MEASURES</u>				
PROGRAM 5	Tourism Industry Organization \$1 Million	*	*	*
PROGRAM 6	Rural Tourism Industry Incentives Program \$7 Million		*	*

enterprises engaged in forestry. An estimated 628 jobs were directly created or sustained through the CEDF. The success of the fund in developing the local economy of isolated communities has attracted Canada-wide attention.

## 2. Indirect Investment

Many of the departments of the provincial government provide services to the rural areas and the small towns. These services can be important in encouraging population stability by: the provision of goods and services that would not otherwise be available; as a source of employment; and as a buyer of locally produced goods. As was stated previously, the departments that were examined indicated that their services are not distributed in accordance to any broadly defined settlement strategy. More specific comments on the relevant government activities are discussed below:

### 2-1 Water Services Board

The board has used a combination of federal, provincial and municipal funds to plan and build water and waste systems in small towns. Funds from the "Agricultural Services Centres Agreement" have been exhausted, but are replaced under the GDA. The Board has been able to assist many small communities and provide technical assistance to 14,000 to 15,000 farmers.

### 2-2 Hospital and Social Services

Most of the existing hospital system has been brought up to date. The major concentration of new facilities has been in the principal regional towns. Local support for the smaller, obsolete rural hospitals is preventing their closure. Therefore, the hospital system is unlikely to have further impact on settlement patterns. Other facilities such as day care and nursing homes are provided in response to need: the larger the population the easier it is for the town to justify the need for health care and social service facilities.

### 2-3 Schools

The major period of centralization of rural schools occurred in the mid 1960's. The adjustments being made now are in response to declining enrollments. The Provincial government has no policies on school closing vis a vis a settlement strategy; it responds only to local school board requests to close schools. Its principle concern is to ensure that school service is maintained. However, some assistance is given to rural areas through declining enrollment grants and transportation grants.

## 2-4 Highways

The Department of Highways and Transportation builds roads according to need as is defined in regularly updated reports. Three major programs are carried out: overall upgrading and maintenance, urban arterial construction, and paving of gravel roads. Highway construction in the north was the responsibility of the Department of Northern Affairs, but has now been returned to Highways and Transportation where the economic development aspects have been de-emphasized. Funds for highway development have been greatly increased by the Conservative government to compensate for recent rail line closings.

## 2-5 Government Services

There has been a freeze on all construction projects over the past year and the senior officers are unwilling to discuss this year's plans until the tabling of the budget in February.

## 2-6 Housing

Housing policy is presently in a state of flux because of recent changes in CMHC cost-sharing programs. However, the Manitoba Housing and Renewal Corporation is divesting itself of most major building programs; its main mission now is to subsidize rents, leaving construction to private industry or the third sector. In any case, their past policy has been to provide housing according to need. The viability of the community where housing units were constructed was not considered.

An examination of some of the programs cost-shared by MHRC and CMHC shows that most of the funds have been spent in Winnipeg. Public housing commitments for 1976-1977 amount to 2060 units for the province of which 1518 units were allocated to Winnipeg. Similarly, 4,484 of the 6275 available units for senior citizens are located within Winnipeg. Other major cost-sharing programs such as the Neighbourhood Improvement Program and the Municipal Incentives Grant (Section 51, National Housing Act) show a consistent bias towards Winnipeg. (Table XIII).

Of the two programs which could provide substantial support for small communities, NIP and the Rural and Native Housing Program, we find little commitment. Only 16 rural communities were eligible to receive funds under NIP. Under the RNHP, funds are restricted to communities less than 2,500 population. However, only 1604 units have been built or repaired since 1975.

Table XIII  
 CMHC Total Funding  
 By Region  
 In Thousands of Dollars  
 1974-1977

Region \ Year	Total	1974	1975	1976	1977
Manitoba	30,283	7,452	8,529	4,808	9,494
Winnipeg CMA	22,066	5,758	6,140	2,019	8,150
Winnipeg Region	4,795	1,506	1,228	1,952	110
South Manitoba	2,201	22	1,158	505	516
North Manitoba	1,220	166	3	333	718

### 3. Land Use Planning

There are two major acts controlling land use, The Planning Act and The City of Winnipeg Act. The intent is to bifurcate land use issues into those centred around Winnipeg and the rest of the province. A set of land use policies was released in 1978 to guide future development. Some of the major goals included:

- the avoidance of land use conflicts;
- the protection of valuable agricultural land and other resources;
- the minimization of investment in infrastructure and the protection of existing public investment; and
- the strengthening of existing urban centres.

These policies are indicative of the perceived need to co-ordinate and control settlement patterns, particularly in the Winnipeg region where rural residential development is prevalent. Although these policies were prepared under the previous administration, they have been approved by the current government.

The Planning Act allows for the devolution of planning authority to district planning boards. These boards are to be formed on the municipalities' initiatives. Traditional associations or shared problems are to be used in establishing municipal membership on the board. Encouragement to form district boards is given by the senior government by providing planning and engineering assistance.

The primary function of the board is to ensure the efficient use of land (Section 27(1)), but provision is made in the Act for: the co-ordination of economic, social and physical development of the district; and, the scheduling of public investment for private or public development activities. Thus, the district planning board concept could serve as a focus for regional development. However, this is unlikely to happen for some time as there are only eight planning boards in existence.

The second area of concern is planning for urban growth around the City of Winnipeg. At present, the overlapping jurisdictions have precipitated a confusion of authority between the Province, the City, the rural municipalities and any potential planning board. As a result, little progress has been made in formalizing a rational development strategy.

In planning for Winnipeg, the Province has taken some tentative steps in asserting its viewpoint. Recent amendments of the City of Winnipeg Act allow the Province to adopt specified planning documents which could in turn control long-term growth policies.



#### 4. Government Organization

The organizational structure of a government can reveal the priorities of the party in power. Accordingly, changes made in the organizational structure by the Conservative government were examined.

##### 4-1 General Organizational Structure

The major statement on the preferred government structure is contained in the Task Force on Government Organization and Economy. When the Conservatives assumed office, they reduced the number of portfolios from 20 to 14. The task force recommends a further reduction to 11. The other major recommendation was to propose the elimination of the "softer" services such as information services, public education and community development. The emphasis is on the provision of direct services. Also, any duplication of programming with the federal government was to be eliminated. These proposals have been carried out to a large extent; the impact of these changes has been to reduce social development aspects of the stay option.

Particular recommendations were made which have a direct consequence for shaping settlement patterns. The first was the proposed merger of MHRC, Municipal Affairs and Urban Affairs. By merging the functions of housing, planning and municipal grant programs, an effective unit for implementing settlement policies could have been developed. However, only Municipal Affairs was merged with Urban Affairs, which eliminated the only department with a Winnipeg focus.

The second recommendation was to disband the two major policy-making committees of cabinet, Planning and Priorities, and Management. Although not part of the task force recommendations, the Planning Secretariat to Cabinet was also eliminated. Most decisions are now made through a departmental approval system. The effect of these actions was to remove any high level policy making body capable of formulating and co-ordinating the inter-departmental efforts that would be needed to support a settlement strategy.

The final area of concern is the cutbacks or transfers of programs that have occurred within the Department of Northern Affairs. Under the NDP, the Department provided direct services tailored to the needs of the northerners. Its role has now been redefined as one of co-ordinating the activities of the other departments. In addition, social development has been de-emphasized in favour of promoting resource extraction.

##### 4-2 Other Government-Related Organizations

The GDA calls for the formation of a Federal-Provincial Steering

Committee to co-ordinate the disbursement of fund. As well, trade associations and advisory groups are to be struck for each of the supported industries.

The Manitoba Development Corporation has also received the attention of the new government. Under the previous administration, the MDC was a major instrument for promoting the government's objectives. In 1977, loans receivable amounted to \$7.8 million and equity investments were \$19 million. The agency would loan funds for industrial development in rural areas and would purchase assets to ensure the continuation of key firms. However, the Conservative government has since frozen all loans and are selling off all assets. The future of the MDC is uncertain.

## VI CONCLUSIONS

The economic and demographic trends which underlie the long-term changes in the Manitoba settlement pattern are deeply rooted. To a large extent, these changes are the product of forces which are endemic to much of North American society. How susceptible these economic and demographic trends are to public interventions by the province is not obvious. In particular, the large proportion of Manitoba's population concentrated within Winnipeg and region generate an inertia that would be difficult for the most well-intentioned government to overcome.

Within this context, the range of feasible actions that a Manitoba government can contemplate is limited. Financial obligations undertaken by the previous government reduce the discretionary funds of the current administration. In addition, the persistence of long-term social and economic problems of public concern compel ongoing government attention whether or not they are consistent with a settlement strategy.

Given these constraints, the major initiatives of the present provincial government have been to restrain public spending and to design a more selective policy of economic development. Both of these initiatives have significant implications for the pattern of settlement in Manitoba. However, such implications are largely unstated or not considered by the government. Furthermore, none of the departments which were examined showed any evidence of providing services or goods in accordance to a broadly based settlement strategy.

The review of population and economic trends in sections II and III of the report indicated the principle issues of the settlement pattern to be:

1. Continued loss of population through migration out of the province;
2. Rural depopulation;
3. Increased centralization of population and industrial activities within the Winnipeg area;
4. The migration of natives from their traditional homes in the northern and rural areas into Winnipeg; and
5. The accommodation of exurban growth in the Winnipeg region.

The extent to which current government policies and programs affect existing trends for either better or for worse is difficult to assess: few of the government's activities reveal a consistent attempt to come to grips with the above issues. A continued policy of restraint would depress economic growth and encourage people to leave the province. The extent to which this downward trend in the economy could be counterbalanced through GDA spending is unknown. Similarly, government support of Winnipeg could encourage further centralization of the province's population and economic activities. Whether or not this policy will compromise their intentions of promoting balanced economic growth has yet to be resolved. However, it is clear that the government presence in social development in the rural and northern areas has been substantially reduced. As well, the Province is downplaying its role in guiding the development of the Winnipeg region through the elimination of the Department of Urban Affairs.

Finally, the brief analysis of the government organization showed that there is an absence of any senior level structures capable of bringing together the diverse activities of the government within a broadly based settlement strategy. Admittedly, the party in power is still adjusting to their governmental role and may in the future release a settlement strategy. However, the first step in designing a policy is the perception that it is needed. Whether or not the current organizational structure and overall perspective of the government would encourage the realization of a settlement strategy remains an open question.



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ii. Sectoral Funds	N.A.
iii. Government Decentralization	II.3
iv. Discouragement of Rural-Urban Shift	II.3
v. Capital Investment	N.A.
D. Comprehensive Assessment	VI
E. Lack of Support of Current Federal Policies	IV.1
F. Technological and Organizational Changes	III.3