



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

DEBATES
and
PROCEEDINGS

33 Elizabeth II

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The Honourable D. James Walding
Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY**Thirty-Second Legislature****Members, Constituencies and Political Affiliation**

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 28 May, 1984.

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

MR. SPEAKER: Prior to Oral Questions, may I direct the attention of honourable members to the gallery where we have 60 students of Grade 5 standing from the Southwood School, under the direction of Mr. Dueck and Mrs. Taschke. The school is in the constituency of the Honourable Member for La Verendrye.

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

ORAL QUESTIONS

Legislation - appearance of

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I note again that the Order Paper is bereft of any bills to be presented to this House. I direct this question to the Honourable Government House Leader. When will this House be seeing some of the legislation this government intends to introduce during this Session?

MR. SPEAKER: The Honourable Government House Leader.

HON. A. ANSTETT: Mr. Speaker, it is my hope that there will be more bills on notice and on the Order Paper for First Reading this week. I had given the House a commitment that I hoped the majority of the legislation would be tabled in the House by Friday, June 1st. If I am not able to deliver on that it will certainly be next week, but I expect that some legislation, as the Opposition House Leader asks, will be tabled this week and I expect that it will be, and I expect that more bills will be on the Order Paper for First Reading before the week is out.

Canada-Manitoba Forest Renewal Agreement

MR. SPEAKER: The Honourable Member for Swan River.

MR. D. GOURLAY: Thank you, Mr. Speaker. I have a question for the Minister of Natural Resources.

I wonder if the Minister can advise whether the Canada-Manitoba Forest Renewal Agreement provides

for the establishment of a road network through the forest areas to facilitate the reforestation operation.

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, I would have to take as notice the question because I am not certain as to all of the details of work that is possible under that agreement. Under that agreement there is forestry initiative that is the exclusive prerogative of the province alone; that is, the province funds it completely. There is also an area of activity that is federal initiative alone; the Federal Government funds those initiatives exclusively. There is a shared responsibility where there is shared funding. I don't believe, under the shared portions in which Manitoba and the Federal Government are involved, there is funding for forestry road development. I may be wrong about that, now. I'll verify that, but I don't believe there is. I'm not certain about the federal involvement, whether that might possibly include some road development.

Livestock, loss of, due to storm

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Mr. Speaker, I have a question for the Minister of Municipal Affairs. In view of the fact, for some weeks now, we've had the Minister responsible for the Emergency Measures Organization telling the House and suggesting to the farm community that if they had a loss due to the severe ice storm and snow storm that struck southern Manitoba in the last few weeks, have the municipalities been notified as to the proper procedure in handling those requests for payment on livestock losses? Have they been notified and are they aware as to how to handle the claims?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. A. ANSTETT: Thank you, Mr. Speaker.

Mr. Speaker, the first response in an emergency, whether it's of a local or provincial character, is at the municipal level. Municipalities, many of them, have disaster assistance plans in place and their co-ordination of those plans with the Department of Government Services has been something of which all municipalities have been advised and are aware of as part of placing themselves on a disaster footing, should some unforeseen natural disaster occur. That is co-ordinated between the municipalities and the Department of Government Services and I'm sure the Minister of Government Services can reply more fully to the member as to the details of that co-ordination.

MR. J. DOWNEY: My question is more specific than that. Mr. Speaker, to the Minister of Municipal Affairs, in view of the fact that the people who have incurred

losses have been instructed to go to the municipalities to report and register those losses, have the municipalities been alerted as to how to handle it and who to forward the information to for consideration of compensation? Are the municipalities aware of, or have they been made aware of, the way in which they can handle the claims that are coming in?

HON. A. ANSTETT: Mr. Speaker, to my knowledge there has been no specific advice to date to municipalities on claim procedures because, to my knowledge, no final decision on those procedures has been made.

MR. J. DOWNEY: Mr. Speaker, then I direct a question to the Minister of Government Services. Will he move, as he should have moved initially, to instruct the municipalities as to direct the farmers and to direct those claims to his appropriate department so that the confusion can be removed? There are still many people who are wondering how to go about applying for and getting a claim from the storm loss. Will the Minister of Government Services notify the municipalities as how to handle the claims that are coming in; will he take it upon himself to do that?

MR. SPEAKER: The Honourable Minister of Government Services.

HON. A. ADAM: Mr. Speaker, I am advised by the Manitoba Disaster Assistance Board that some forms have been forwarded to municipalities that have been in the path of the recent storm at the end of April; and that we are also receiving claims direct from Individuals and municipalities coming forward at the present time. What I am doing at the moment is reviewing the guidelines that should apply to this particular type of storm which is unique, is not similar to storms experienced in the past, such as flooding and fire.

The storm that occurred at the end of April was somewhat different than what we normally have to deal with and we are putting guidelines together to apply to this kind of storm; and when that is completed I'll be forwarding this for Cabinet's review and for Cabinet's decision.

My understanding from the Disaster Assistance Board is that they have met with municipalities that were in the path of the storm and that forms are available for private Individuals. Most of the municipalities themselves are aware of how it should be handled.

As you are perhaps aware, Mr. Speaker, there are 80 municipalities that now have emergency plans in place, with another 26 which are under way and there are still a number that haven't expressed interest in emergency plans for their areas; but we're very very pleased with the response that we've received up to this point in time on the number of municipalities that are involved.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Mr. Speaker, the Minister has indicated that forms have been sent out by the Disaster Relief Board. Will the Minister provide the House and the Assembly with those forms, will he provide us with

a copy of them so that we can provide them to some of the individuals in our constituencies?

As well, Mr. Speaker, could he give us a list of the municipalities that have received the information and those forms so that we're as well aware of them and can, as well, notify some of our municipalities if they have been missed by the government or the government organization? Will he provide the forms, the applications and, as well, a list of the municipalities that have been contacted?

HON. A. ADAM: Yes, I'll try and obtain that information from the Disaster Board and when I have it I'll provide it to the member.

Homeowners' relief - sewer collapse

MR. SPEAKER: The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: Yes, Mr. Speaker, I have a question for the Minister of Urban Affairs.

Does the Minister plan to bring in amendments to The City of Winnipeg Act to enable the city to pay homeowners' cost of sewer collapse on city property?

MR. SPEAKER: The Honourable Minister of Labour.

HON. M.B. DOLIN: Thank you, Mr. Speaker. That subject is under discussion with the city with regard to the details of it. We are certainly in favour of that kind of assistance being available. The question is, what is a homeowner, whether it's a single family dwelling, a duplex, a triplex or whatever and those discussions should be concluded very shortly.

MRS. G. HAMMOND: To the same Minister, Mr. Speaker, in light of the fact that there will be no cost to the province and it'll save the homeowners' living in single family dwellings thousands of dollars, and the program has to start somewhere, I wonder if the Minister would reconsider and plan to bring that in immediately because there are homeowners whose claims have been accepted and everything is ready but the pay out of cash and it depends on this Minister; so I wonder if she would just stop nit-picking over who and what and just bring in the amendment.

HON. M.B. DOLIN: Mr. Speaker, I think the member's question was based on a different answer from me. I think she expected a different answer than the one she got; she asked the same question anyway.

I didn't say that we were not going to bring it in. I said the details were under discussion and we would make a determination about it very shortly. Check the bills as they're introduced; they will be introduced shortly.

Alcohol tax - Town of The Pas

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

MR. G. MERCIER: Mr. Speaker, three or four weeks ago I asked the Minister of Finance when the Cabinet

would consider the Town of the The Pas' request for approval of a by-law to impose a 5 percent tax on liquor sold within the municipality.

In view of the interest now expressed by the City of Thompson and the City of Winnipeg, could the Minister indicate whether or not that matter has been considered and if not, when?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Thank you, Mr. Speaker. We are hoping to have it dealt with this coming Wednesday.

MR. G. MERCIER: Mr. Speaker, I thank the Minister for that answer and I hope that he would undertake to advise the House of the results of that consideration.

North of Portage Development

MR. G. MERCIER: A question to the Minister of Industry, Mr. Speaker, responsible for the Jobs Fund. Last summer the province approved a \$30,000 grant to the Manitoba Federation of Labour for a feasibility study related to the North Portage Development. The province was to pay out immediately \$15,000, and the payment of the second 15,000 was conditional on whether or not the Federal Government was willing to contribute. Could the Minister indicate whether the Federal Government has contributed or whether the province has paid the full \$30,000 to the Manitoba Federation of Labour?

MR. SPEAKER: The Honourable Minister of Culture.

HON. E. KOSTYRA: Thank you, Mr. Speaker, I'll take the question as notice and provide the information, once I'm able to get it, for the member.

Students - reduction of wages

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

MR. G. MERCIER: Mr. Speaker, I have another question for the Minister of Employment and Security. I raised a matter with the Minister of Labour during her Estimates and she referred me to him.

In view of the fact that there will be some 16,000 to 18,000 unemployed young people in the province this summer and, in view of the fact, that many young people are shortly about to be employed in jobs where the wages pay anywhere from \$11 to \$14 or \$15 an hour because of rigid union classifications and wage rates, would the Minister advise the House whether he'd be prepared to engage in discussions with the union leaders and major employers involved as to whether or not a method could be developed so that more young people could be employed, at perhaps lesser wage rates - \$6.00 or \$7.00 an hour would be better than nothing that 16,000 or 18,000 of them will receive this summer - would he be prepared to engage in that type of discussion with union leaders and employers with a view to employing more young people in these jobs this summer?

MR. SPEAKER: The Honourable Minister of Employment Services.

HON. L. EVANS: Mr. Speaker, I know we all share the desirable objective of employing more young people than ever before if we can this summer, given the unemployment situation, but we believe that it is a problem that should be resolved between employers and employees, between unions and management, as to what are fair wages in whatever the industry, whatever the occupation. While a person could make an argument that perhaps certain employers might be able to employ more if wages were lower, nevertheless, in the long run we do not believe it's advisable for a government to be involved in something which is really the traditional area for employer and employees, or management and unions to resolve.

Careerstart

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Speaker. I have a question for the same Minister and would ask him if he could confirm that certain employers, who have been lucky enough to have a Careerstart application approved, are being asked by letter now to contact the Employment Standards Branch of the government before hiring a student?

MR. SPEAKER: The Honourable Minister of Employment Services

HON. L. EVANS: The honourable member raises a question of administrative detail. I'll take the matter as notice, Mr. Speaker, and advise the honourable member.

MR. R. BANMAN: Mr. Speaker, I wonder if the Minister could also confirm that employers in the construction industry are being told, when contacting Employment Standards Branch, that they will have to pay wages up to \$13.45 an hour for certain construction jobs in order to qualify to hire the student for the Careerstart Program.

HON. L. EVANS: Mr. Speaker, there is a Construction Wages Act in effect and employers, whether they get any government grant or not, are required to abide by that particular act, and there is no change from any previous year, it's been operating this way for some time.

MR. R. BANMAN: To clarify that, is the Minister saying that an individual, a small contractor, who is involved in construction is forced to pay a student \$13.45 to qualify for the Careerstart Program.

HON. L. EVANS: Mr. Speaker, I can assure the honourable member that the conditions of the Careerstart Program are set out and we are prepared to provide \$2.00 per hour toward the wage that is paid by the employer, whatever the wage that employer chooses to pay.

MR. R. BANMAN: Mr. Speaker, in light of the fact that this employer chooses to pay \$6 or \$7.00 an hour and

is now being forced, if he wants to hire this student, to pay \$13.45 an hour, how can the Minister in his department be advertising the Careerstart Program for youth employment and then, on the other hand, have another department of government going ahead and tell that employer who finally gets a Careerstart student that he can't pay that student what he wants to pay him? How many phone calls has the Minister received with regard to employers saying they're just not going to hire a student under these guidelines?

HON. L. EVANS: Mr. Speaker, I can assure the honourable member that the situation is no different from last year. There is a law regarding construction wages and that law applies to everyone whether they get a government grant or not. But having said that, Mr. Speaker, there will be more young people employed — (Interjection) — the last year of government under the Conservative Party of Manitoba in 1981, that government, that party provided \$3.5 million as grants for student employment, young people's employment. This government, Mr. Speaker, is spending over \$8 million this year for jobs for young people, employing

MR. SPEAKER: Order please.

HON. L. EVANS: . . . over 6,000 young people and that is a very significant increase over '81, far more of an increase than would be dictated by any change in a rising unemployment rate. Having said that, Mr. Speaker, I'm going to remind the honourable members that the unemployment situation this summer is far better than last year. We're still going to have over 6,000 young people working under the Careerstart Program.

MR. R. BANMAN: Mr. Speaker, in light of the large number of young people who are trying to find jobs this summer, will the Minister not look into this matter of the Employment Standards Branch forcing employers to pay someone under the Careerstart Program as high as \$13.45? Surely the Minister would like to see more people employed. Can he not undertake a study of this matter to see if we cannot employ more people in this province under this program?

HON. L. EVANS: Mr. Speaker, we have no trouble finding applicants under this program. In fact, we have more applications than we can possibly accommodate. That's the problem. If we had a budget of a few more million dollars possibly we could expend that, so that is not a problem. That particular act, while it may give certain employers in the construction industry some problem is not a problem in terms of our identifying employers who will put thousands of young Manitobans to work. As I indicated, we have far more applications than we were possibly able to accommodate. We've got well over 6,000 young people at work this summer.

Indian Treaty land - entitlements

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, my question is for the Attorney-General. Can the Attorney-General advise the

House whether the government has yet adopted a formula for settling Indian Treaty land entitlements.

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: That's a question within the administrative competence of the Minister of Northern Affairs. It should be directed to the Minister of Northern Affairs, whom I notice is not in the House, so I'll take it as notice for him.

Metis land claims

MR. B. RANSOM: A supplementary question to the Attorney-General, Mr. Speaker. Is the government engaged in any negotiations concerning Metis land claims in the province?

HON. R. PENNER: No.

MR. B. RANSOM: Mr. Speaker, a further supplementary to the Attorney-General. Is the government refusing to enter into negotiations with the Metis people over land claims? Or is this issue something that simply hasn't been brought to the government's attention?

HON. R. PENNER: Neither, Mr. Speaker. The fact is, some years ago now, I believe in the time when the opposition was government, the Manitoba Metis Federation, the Native Council of Canada and another organization sued both the Government of Manitoba and the Government of Canada with respect to matters arising under The Manitoba Act and the grant of 1,400,000 acres to the Metis at that time. Indeed, the action was an action asking simply for a declaration about the validity of certain legislation. The Government of Manitoba and the Government of Canada both filed statements of defence, and there the matter lies.

There was a period of time when an exchange of views on the legal issues took place with the officials in my department for a period of time. The advice that we have is that the claim, in our view, has no firm legal basis and that view is known to the Manitoba Metis Federation, which of course is at liberty to pursue the action if it sees fit.

MR. B. RANSOM: A final supplementary to the Minister, Mr. Speaker. Since the government is not negotiating with the Metis people and doesn't recognize any legal validity to their claim, is it the Attorney-General's intention and the government's intention simply to let the Metis people pursue it in court and see whether or not in fact the Attorney-General's view is correct?

HON. R. PENNER: The Manitoba Metis Federation has been advised that that is our view and that, of course, as a plaintiff they are free to pursue it or not as it sees fit.

Permit re herbicide spraying

MR. SPEAKER: The Honourable Member for Niakwa.

MR. A. KOVNATS: Thank you, Mr. Speaker. I would like to direct my question to the Honourable Minister of Environment, Workplace Safety and Health.

On Friday of last week, the Honourable Minister was asked a question concerning the Manfor resources and the Manitoba Forestry Resources concerning the spraying and the use of Valpar, a herbicide in The Pas area. I wonder if the Honourable Minister can advise, after he had made the statement, that he is still prepared to monitor the tests and if the appropriate information is forthcoming and if sufficient notice is provided, will the Honourable Minister advise whether the appropriate information has been provided to him, and will he be allowing the proceeding of the spraying?

MR. SPEAKER: The Honourable Minister of the Environment.

HON. G. LECUYER: For the member's information I would like to inform him that that test was to be conducted by Du Pont, by use of a helicopter and I don't know if either Manfor or Du Pont are going to supply that information. The test thing was being done in a number of provinces and whether they have decided that to proceed onward, and not proceed with this test, I don't know at this point in time.

But to come to the gist of the question asked, they haven't supplied any additional information, haven't been in touch with us since that incident. So I don't know at this point in time whether they will supply us with the information and ask us to proceed at some later date because I haven't received any further requests from them.

MR. A. KOVNATS: To the same Minister. Is the Minister advising that they will not be given permission to proceed unless they do provide that information?

HON. G. LECUYER: Yes, that is correct.

MR. A. KOVNATS: Well, as the critic of Environment, Mr. Speaker, I received a call today from some people up in the North that are directly involved, and they are under the impression that the spraying is going to proceed.

Can the Honourable Minister advise those people if and when he will be giving permission when the spraying will proceed so that they can take the necessary action to protect themselves, if they feel that action should be taken?

HON. G. LECUYER: I believe, Mr. Speaker, that is why the Member for The Pas advised me that he wanted to ask that question the other day, and I indicated that I had been forewarned when I started replying to the question. For that very reason, I think that in my reply last week, it was clear, or at least it was to me, that in indicating that we had asked for a design, a spray design, and we hadn't received it and as result, in conjunction with Natural Resources, had indicated that the spray could not take place. Having not heard any further they cannot proceed, obviously.

MR. A. KOVNATS: Just one more question to the same Minister, if I may.

The people who were in contact with me were very disappointed because they had contacted the Honourable Minister and had received no reply. Will

the Honourable Minister advise them as to what he has told us here in the Legislature, tell the people up in The Pas and the Snow Lake region who are directly concerned? Will he let them know what his intentions are and what he has told us here?

HON. G. LECUYER: I don't know whom the member refers to. If he has some specific individual in mind, he shouldn't confuse that with the people of the North in general, nor the people of The Pas. If I have any letters pending from somebody from that area, I am not aware of it. Those questions or letters that I have received, I have already replied to. By providing that information in the Legislature last week, I have a feeling that I was speaking publicly at that time. If the member is seeking a general letter to all the people of the North - I am not sure if that is what he is referring to - perhaps if that kind of information is required, maybe we can advise people of The Pas in the local newspaper as to what has taken place.

Licensed Practical Nurses

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Thank you, Mr. Speaker. My question is to the Honourable Minister of Health. I would ask him whether he has any knowledge of any plans under way at the Flin Flon General Hospital to phase Licensed Practical Nurses out of the Flin Flon General Hospital or the health system in Flin Flon generally?

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: If my honourable friend would repeat the last part of his question please?

MR. L. SHERMAN: The question was whether the Minister had any knowledge of any plans to phase Licensed Practical Nurses out of the Flin Flon General Hospital or the Flin Flon health system generally.

HON. L. DESJARDINS: First of all, Mr. Speaker, if I may, I would like to congratulate the honourable member on his recent nomination.

As far as the question, I have no knowledge of that, although we have informed the hospitals that there is a study being made, the O'Sullivan study, and we had requested the hospital - I remember seeing a letter sent to the Health Sciences Centre asking to disrupt things as little as possible until we have a result from that study.

MR. L. SHERMAN: Mr. Speaker, I thank the Minister for his kind words with respect to my federal nomination, and also for that answer.

But I would ask him whether he has been deluged - and I use the term literally - with letters and petitions from persons either in or associated with the health care system in Flin Flon and the Flin Flon General Hospital in recent days on this subject? I ask that question because I can assure him that members of the opposition have been so deluged.

HON. L. DESJARDINS: Mr. Speaker, I will have to check with my office. It might be that I wasn't given all the mail as yet, and I will let you know.

Farm Lands Ownership Act - proclamation of

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Thank you, Mr. Speaker. I have a question for the Minister of Agriculture.

Almost a year ago now, this Assembly was asked to pass The Manitoba Farm Lands Protection Act in an urgent way and there was a lot of pressure put on to do it. To my understanding, that act still has not been proclaimed. When does the Minister plan to proclaim The Farm Lands Ownership Act or Protections Act?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, very soon.

MR. J. DOWNEY: Well, Mr. Speaker, in view of the fact that the Minister and all his colleagues had made such a case for the need of this, how many land transactions have taken place in the last year that would contravene the act that they are proposing, or would be against the wishes of this particular government? How many land transactions would he say aren't in favour with this government?

HON. B. URUSKI: Mr. Speaker, I will take the specifics as notice in terms of all the transactions, because I would not be party to all the transactions that are going through and being investigated.

However, the honourable member should know that we are and have been in the process of dialogue and consultation with farm groups in the developing of the regulations and those meetings are near their final stages. As soon as all the regulations are prepared in consultation with the farm groups, we will be moving the proclamation of the statute.

MR. J. DOWNEY: Mr. Speaker, in view of the fact that there hasn't been an urgent need for the proclamation of it, and possibly the present act is working quite well, would he reconsider the introduction of the regulations and just leave the act as it presently is and appears to be working well? Would he give that a consideration?

HON. B. URUSKI: Mr. Speaker, the opposition wants to develop two scenarios. First of all, in answer to the member's question, they would have liked to come to the Legislature and blame this government for lowering land prices during the difficult times that our farmers went through. That didn't work and they didn't have that option open to them.

Secondly, Sir, many of the farmers who are in financial difficulty today and have experienced financial difficulty, are in difficulty as a result of having to compete against some of those who have no interest in direct farming.

Mr. Speaker, the honourable members forget the details that I gave them, and I gave them case upon case of quick flip sales and transactions in which hundreds of thousands of dollars were made on single transactions. The fact of the matter is this legislation is designed to — (interjection) — Mr. Speaker, the honourable members ask a question but they obviously

don't want an answer. Maybe they don't like the answers, Sir, but the fact of the matter is, if they ask a question then I am free to give them an answer. The honourable members obviously don't want any kind of a reply.

Police Commission hearings

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

MR. G. MERCIER: Mr. Speaker, I asked the Attorney-General a question a number of days ago about the cost of the Manitoba Police Commission hearings. Can he now advise us of the daily cost of the hearings, including the cost of the commission, the staff, rental, counsel, etc.?

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: I am meeting with members of the Commission later today, and I hope to be able to obtain sufficient data to give an answer later this week.

North of Portage development

MR. G. MERCIER: Mr. Speaker, a question for the Minister of Urban Affairs.

In light of the government's decision to confirm the expropriation North of Portage Avenue, can she advise the House and the 50 affected business operations, Mr. Speaker, when those expropriations will be effective, when will they have to leave their stores and what will exist in the area after the development?

MR. SPEAKER: The Honourable Minister of Labour.

HON. M.B. DOLIN: Mr. Speaker, since the decision has now been taken, the North Portage Development Corporation can proceed to negotiate with the various groups interested in becoming involved in the development of North Portage.

I can't give an exact date and I believe that the expropriation question might possibly be answered more adequately by the expropriating authority, which is the Department of Government Services, although I would be happy to get the information from that department and give more complete information at a future date.

Certainly it would depend on a whole lot of variables which I don't have on hand at the moment.

MR. G. MERCIER: Mr. Speaker, I would ask the Minister of Government Services then, the expropriating authority, when will the expropriation be effective? When will the business people have to leave their stores? When will they know what will exist in the area after redevelopment?

MR. SPEAKER: The Honourable Minister of Government Services.

HON. A. ADAM: Mr. Speaker, that question was answered by the Minister of Urban Affairs and she gave

the information that the development corporation would be reviewing their programs and how each individual merchant will fit into that picture and they will be so advised.

It's difficult at this point in time to give an exact date as to when each individual business would be incorporated into the overall plan. That's something that has yet to be finalized and the member should be aware of that.

Transit operating grant

MR. G. MERCIER: Mr. Speaker, the Ministers keep referring the questions back to each other. It's obvious that they cannot answer those questions, unfortunately.

I'll ask another question, Mr. Speaker, to the Minister of Urban Affairs. In writing to the city on February 6th of this year, she said that as a condition of the 1984 transit operating grant, recognition of the provincial contribution to the operation of the Winnipeg Transit will be required. The specific requirements for identification of provincial assistance will be confirmed shortly with the city.

Would she advise us what self-serving advertising the Provincial Government is requiring from the City of Winnipeg and at what cost to the City?

HON. M.B. DOLIN: Mr. Speaker, I think the member knows that Urban Affairs Estimates are due to be discussed this afternoon and some of this, I would certainly think, would be more appropriate discussed in that Committee hearing.

With regard to the member's first comment, which I don't think was a question, but was a preamble to a later question but didn't relate to it - which I find very curious - let me say that I can speak for, in this House, the North Portage Development Corporation and its activities and I can report them to this House and I will be happy to do that.

Obviously the North Portage Development Corporation has not had time to meet and deliberate and draw up a book indicating the exact usage of North Portage between Friday and Monday. Friday was the announcement and this being Monday, they obviously have not done that yet. As soon as there's more information, I'll be happy to bring it to the House. I think it's a very exciting prospect and I would not keep any information from the members.

With regard to the buses - the unrelated part of the preamble - I would suggest that that question would be appropriately asked and answered in Estimates because that's where Urban Transportation grants will be discussed.

MR. G. MERCIER: Mr. Speaker, I thank the Minister very much for her suggestion, Sir, but I would like the answer to the question right now. What self-serving advertising is the province requiring from the city with respect to transit and at what cost to the city?

Legislation - appearance of

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, I have a question for the Attorney-General. While the members opposite were

in opposition, they were strong advocates of freedom of information, especially the present Minister of Energy and Mines.

Can the Attorney-General advise the House whether or not they will be introducing freedom of information legislation this Session?

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Not during this Session, Mr. Speaker. I can say that the preparation of that legislation is in a very advanced stage. What we have been doing is working with interest groups, working particularly however with the departments and the branch of government primarily responsible for the collection of documents. The problems are really more administrative than that of policy. The major policy decisions have been made.

I expect to be in a position to table a White Paper, either before the end of this Session or shortly thereafter, to distribute a White Paper, so that indeed the major policy issues will be available to the opposition and members of the public; so that when we come back in the next Session, there will have been all of the opportunity, or at least much of the opportunity, we would want for public input.

I think that bill is coming along very well and I think the members opposite will be very pleased with it, unlike the one that's been introduced in Ontario.

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

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House leader.

HON. A. ANSTETT: Mr. Speaker, I propose to move that the House resolve itself into a Committee of Supply. I would propose, by leave, to add at the end of that motion, that we dispense with Private Members' Hour today if there is leave to do so.

MR. R. DOERN: Nay.

MR. SPEAKER: Leave has not been given.

A MEMBER: There was a nay.

HON. A. ANSTETT: There was a nay? Oh. Mr. Speaker, I would move then, seconded by the Minister of Health, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for River East in the Chair for the Department of Agriculture and the Honourable Member for Burrows in the Chair for the Department of Urban Affairs.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - URBAN AFFAIRS

MR. CHAIRMAN, C. Santos: Committee please come to order. This section of the Committee of Supply shall

be dealing with Estimates of the Department of Urban Affairs. We begin with the opening statement from the Honourable Minister responsible for the department.

HON. M.B. DOLIN: Thank you, Mr. Chairperson. I am pleased to introduce the 1984/85 Estimates for the Department of Urban Affairs.

We all share a common interest in improving the general well-being of the citizens of the City of Winnipeg and in promoting the City of Winnipeg as a major focal point for economic, cultural and social activities in the province. Such improvements can only come about through the recognition of the unique role that the City of Winnipeg plays in the Province of Manitoba and therefore our interest in our capital city.

Although most all departments interact in one way or another with the city, either through grants, regulatory responsibilities, or the direct delivery of services to citizens, the focal point for inter-governmental relations between the city and the province is the Department of Urban Affairs. The primary responsibility of this department is the administration of The City of Winnipeg Act and the co-ordination and implementation of provincial urban policies and programs in the City of Winnipeg. Experience has demonstrated that these responsibilities are best met with the co-operation of the city council and with the Government of Canada.

The provincial mandate given to me as the Minister of Urban Affairs remains unchanged from last year: it is to ensure the maintenance of the legislative, financial and planning framework that will effectively meet the needs of the citizens of Winnipeg.

In general, the basic legislative mechanism, The City of Winnipeg Act, will soon be reviewed thoroughly by an independent committee appointed by the province. There are various aspects of that act which either the province, the council of the City of Winnipeg, or individual citizens of the City of Winnipeg have requested to be amended or reviewed.

The financial framework is under continuing review with the city. Our general policy of seeking a return to conditional grant funding in the City of Winnipeg reflects the basic policy position of this government that it will be accountable to the Legislature for the expenditure of provincial funds and furthering the provincial policy and program objectives in the city.

With respect to the planning framework I am happy to report that detailed discussions with the city on the proposed Greater Winnipeg Development Plan - which we call Plan Winnipeg - have continued over the past year and a high degree of consensus has been achieved. The province remains committed to supporting the final plan with both policies and programs that reinforce its basic direction and with financial resources that complement the efforts of city council. Plan Winnipeg governs the long-term urban land use, transportation, and development plans for the coming decades. The province's financial commitment to urban transportation in 1984/85 is but one example of the province's intention to support the transit-oriented option that is found in Plan Winnipeg. Substantial monies will be directed towards the renewal of Winnipeg's bus fleet through the purchase of new vehicles and the refurbishing of older buses.

In addition to the City of Winnipeg Act and the provision of financial assistance to the City of Winnipeg, the Department of Urban Affairs is responsible for the administration, negotiation or implementation of several Canada-Manitoba-Winnipeg agreements, including the Core Area Initiative Agreement, the Agreement for Recreation and Conservation for the Red River Corridor (ARC), the Urban Transportation Assistance Program Agreement, and the more recent tri-level agreement respecting the development of the North of Portage area.

Before concluding my opening remarks, Mr. Chairperson, I wish to reiterate the general policy approach of this government in its dealings with the city. Insofar as a provincial statute creates the City of Winnipeg and provides for a direct accountability between its citizens and its elected council, it is the policy of this Provincial Government to enhance that accountability wherever possible. But the province cannot ignore the fact that the City of Winnipeg is the capital of this province and contains 60 percent of its population. We have a very keen interest in the manner in which the City of Winnipeg develops, and the degree to which its city council provides those essential and desirable services to its citizens. In the past year the province has opened up new opportunities for city council to exercise its independent decision making process. As an example, we provided a financial incentive for the City of Winnipeg to moderate increases in its transit fares but left the decision to city council as to what those fares should be.

The province does believe that there is a role for the Provincial Government in assisting the City of Winnipeg in achieving its objectives, particularly those in which the Province of Manitoba and the city share a priority. This assistance is provided in two ways. First the province offers financial assistance to the city in respect of certain undertakings. In all instances, the city is free to accept or to reject that assistance. We as a Provincial Government are prepared to defend in the Legislature the expenditure of tax revenue raised by the province for purposes of providing services and facilities in the city. The City of Winnipeg has the same responsibility for its expenditure and tax decisions. The second means of assisting the City of Winnipeg is the negotiation of inter-governmental agreements involving the Government of Canada. This same role was seen to be a legitimate function by the previous provincial administration when it negotiated the original Core Area Initiative Agreement. The present administration has progressed in that approach by negotiating the tri-level agreement respecting the development of the North Portage area and the transfer of lands in the CNR East Yards from CN to Parks Canada.

Mr. Chairperson, that concludes my opening remarks. I would be happy to provide additional information and answer questions throughout our discussions.

M.R. CHAIRMAN: In accordance with customary practice in this Committee of Supply, the Chairperson now calls upon the leading opposition critic to give her reply to the opening statement.

The Member for Kirkfield Park - henceforth I will say K.P.

A MEMBER: As in "duty" - I don't know if I like that too well - that's peeling potatoes.

MRS. G. HAMMOND: Mr. Chairman, I have listened with great interest to the Minister talk about co-operation with the City of Winnipeg and that it's their duty and policy to enhance the city, and that it contains 60 percent of the people. Well, in the last election the NDP certainly tried to run a slate, I think, I don't know if there were 29 councillors, but there was close to it, plus a mayor; they failed miserably in that and now, by funding, are planning to take over the function of the City of Winnipeg.

While we recognize that there are some projects that the city and province may wish to agree to share funding, such as, water main replacement, the Minister's intent, in a letter that she sent to the Mayor, indicated and I quote: "That I can also advise you of the province's intention to conditionalize this \$8,500,000 in the 1985 fiscal year" - this is referring to the grants. "During the next 10 months the city and province can enter into discussions for the 1985 fiscal year that will relate this \$8,500,000 to specific capital projects to be undertaken by the city." Now that can only be seen as an attempt to prop up this government's image at the expense of the City of Winnipeg in what may well be an election year; that this Minister intends to pick and choose which community clubs, which arenas, which parks and playgrounds, which roads, will be upgraded or built is an insult to the taxpayers of the City of Winnipeg. It is no wonder people are cynical about politicians. Actions such as this can only lead to distress and frustration.

We have 29 elected councillors who every year prioritize the projects that need to be done. They are often trade-offs by community committees. These are the people who know what needs to be done this year or what can wait for two or three years. For this Minister to come along and say that the city and province can enter into discussions re specific public works projects. "But what happens if you don't do it my way?" says the Minister; "We'll withhold the grants." She indicated that in her opening statement, that they are there to accept or not accept.

So the proposed 1985 Conditional Grants Program is nothing but a giant pork barrel for this government to prop up their ailing fortunes, and the opposition will be watching where this money will be spent; and so I imagine will the press.

I want to deal, again, with the taxes for the homeowners in Winnipeg. When this government campaigned, the Premier campaigned that he would ease the tax burden on the property owner and I'll use an example of the City of Winnipeg, the School Division No. 1, a home assessed at \$7,000 - and we've often used this table but it gets worse every year. Under four years of Progressive Conservative government the total increase was \$78.00. We're into our third year of the NDP government and the total increase is now \$298 approximately. The freeze is off Hydro so the homeowners are getting hit every which way and I don't consider this an example of great co-operation or helping the city taxpayers.

One year ago our leader introduced a resolution that the Government of Manitoba protect the rights of the people of Winnipeg to an unpolluted water source without necessary cost to the taxpayer of Manitoba. The Federal Government is holding hearings with regard to the 350 cottage and condo developments in Shoal

Lake, but nowhere do we see that the Provincial Government is supporting the city who plan to oppose the development.

Since this is an issue which will vitally affect the City of Winnipeg, we would hope that the province will strongly speak in favour of the city's position. I hope to ask the Minister a couple of questions on that later.

Then we'll get to the former Deputy Minister, Mr. David Sanders, the NDP candidate in the last election, where the Minister signed a two-year, no-cut contract to review The City of Winnipeg Act. He will receive over \$66,000 a year with increases, use of a government car, four weeks vacation with pay.

Mr. Sanders formed a consulting corporation while he was under this contract, or just shortly before, made a submission to the North Portage Development Corporation and when found out the Minister at first could see no conflict and at best, called it a fine line.

The Acting Minister indicated in the Minister of Urban Affairs' absence that he thought Sanders was in conflict. Now the Minister agrees that it is a conflict and since Mr. Sanders will be suggesting proposals to change The City of Winnipeg Act, to ensure - I believe this is the reason - councillors are responsive to the City of Winnipeg, I suggest that Mr. Sanders has lost all credibility and should be replaced.

Then we come to the North of Portage Development. I asked a question in the House about the Tonn Report and the Minister indicated that - and I'll quote her here - "The recommendations that have been made in the report and all of those recommendations may be made to fit very nicely together and the property owners and tenants that were allowed to appear before the inquiry officer may be very pleased with the result. It will take consultation and there is a time allowed before the consultation."

Rather than the Minister announcing to the House on Friday that they have chosen to not go along with the Tonn Report and go ahead with the expropriation, I understand that she gave a press release Friday afternoon - I've got an article here from the paper - which indicates that she said the decision to go ahead was not taken lightly. Well certainly it was not, but it was a sham all the same. The province had already agreed to the development plan with the two other parties in the agreement, and for her to put the people in the downtown area, who are having problems enough, the business people, through this type of a sham I think is a disgrace.

In this press report that I have here, it indicates that the owner of a clothing store said she wasn't surprised; the province's decision wasn't unexpected. I think she could have saved a lot of time and probably heartache and money for some of these people because I am sure they hire lawyers to represent them in many cases. I think all in all the Minister should have come clean with the business people in that area to begin with and we wouldn't have had this problem and they would be a month into starting the development.

MR. CHAIRMAN: At this point in time, the Chairperson calls upon the members of the departmental staff of the Department of Urban Affairs to take their respective places.

We shall also defer the consideration of the first item in the Estimates, which relates to the Minister's Salary,

and proceed immediately to Item 1.(b)(1) and 1.(b)(2), Executive Support, Salaries, Other Expenditures. These two items, I suppose, are broad enough to include all those broad areas of concern so that questions that may not fall in any other specific item may be asked under this item.

The Member for Kirkfield Park.

MRS. G. HAMMOND: Mr. Chairman, where will we consider the North of Portage Development, the Core Area Agreement?

MR. CHAIRMAN: The Honourable Minister. There is a question under what item we considered the North of Portage Agreement.

HON. M.B. DOLIN: I believe that could be considered at any place that the critic wishes to do, as long as there is a decision made that is considered in one place and not brought up all the way through.

MRS. G. HAMMOND: Yes.

MR. CHAIRMAN: If there is any place suitable, that will be right now in Item 1.(b)(1) and 1.(b)(2).

MRS. G. HAMMOND: I will just ask the first question on this. Are there any changes in this first item as far as the Executive Support is concerned?

HON. M.B. DOLIN: There is a Communications Administrative Officer included in this area now and that person will be situated in the Deputy Minister's office, the time divided between communications and administration.

MR. CHAIRMAN: The Member for St. Norbert.

MR. G. MERCIER: Could the Minister explain why the government appointed an inquiry officer into the expropriation North of Portage? What was the objective of that?

HON. M.B. DOLIN: The objective, certainly, of any inquiry officer is to gain as much information as possible from both sides, from the expropriating parties, from the parties to the expropriation, and from the owners of the property. In this particular case, the inquiry officer determined that it was wise to hear the views of the tenants as well since, I presume - and here I'm speaking I guess for the inquiry officer - that most of the buildings are occupied by tenants, as opposed to being owner occupied, so tenants were heard. I think that there certainly is an appropriateness to that.

The concerns that were raised will be dealt with and, in fact, we are pleased to have heard these concerns raised and they will be passed onto the North Portage Development Corporation and, in fact, already have been for their consideration and determination of how to handle these particular concerns.

Had we had not had an inquiry there would have been no formal way of bringing those concerns forward publicly and referring them then to the corporation. We might have thought we had covered everything off in our instructions to the corporation, but I believe that

having the public hearings allowed us to know exactly what was of greatest concern to either the tenants or the owners and to pass along those concerns to the North Portage Development Corporation so that in their deliberations and in their plans they can address these concerns.

MR. G. MERCIER: Mr. Chairman, does the Minister reject the inquiry officer's conclusion on Pages 86 and 87 of his report wherein he says: "It is my conclusion that the expropriation of the specific lots which are subject to objection is not fair and reasonably necessary in order to achieve the objectives of the expropriation authority." Does she reject that conclusion and on what basis? Obviously she's rejected it.

HON. M.B. DOLIN: If I can read to you from the Province of Manitoba Confirming Order signed by the Honourable A.R. Adam - "The confirming authority" and this is a quote from the central part of it I should say, "The confirming authority is not in agreement with the report and is of the opinion that the objectives of the unanimous shareholders' agreement between Canada, Manitoba and the City of Winnipeg and the North Portage Development Corporation, dated December 16, 1983, cannot be met, and the final concept and financial plan dated March 26, 1984, cannot be initiated without first expropriating all of the lands contained in the Declaration of Expropriation which is attached hereto and marked Exhibit A."

I think that should answer the question.

MR. G. MERCIER: Mr. Chairman, the power of expropriation is an awesome power that government holds and it should never be used in any high-handed manner.

The inquiry officer has said on Page 89, "In my view, this concept of fairness requires that the individual land owner who is faced with expropriation ought to be in a position where he can be confronted with the proposed use to which his property is sought to be put and given an opportunity to convince the expropriating authority that objective can be accomplished in some manner that will not require the expropriation of his property. In this inquiry, such a scenario was not possible."

Mr. Chairman, is not the Minister concerned with the process of expropriation in this case, where there is no, where she today can't tell the owners when they will be expropriated, when they will have to leave their stores or what will exist in the area after redevelopment? I've gone through this report, Mr. Chairman, and when you read through the summary of the concerns expressed by the individuals who appear before the inquiry officer, all of which appear to be well-meaning, well-intended people, operating, in one instance, the Junior Achievement of Manitoba, for example, who are extremely concerned with having to move from this area, and business people, all of whom are operating successfully and are being expropriated with a large degree of uncertainty over their head, is she not concerned with the process of expropriation that is taking place in this matter?

HON. M.B. DOLIN: Mr. Chairperson, I can only repeat that the decision was not taken lightly. If the member

will recall, the Federal Government and the City of Winnipeg, the other two shareholders, before we had made our decision with regard to the outcome of the inquiry with regard to expropriation, before the province had done that, had publicly stated that they understood the problems involved, that the concerns of the individual lessees, lessors, property owners, etc., could be met. They felt that they could be met in other ways and that expropriation had to take place in order to have the North of Portage Development continue.

Certainly with the example that the member gives, of the Junior Achievement Office, there is no reason in the world, to my mind, that the Junior Achievement Office could not be located in some part of the office space that is planned for the North Portage Development. I really fail to see how, other than the disruption of a temporary office, perhaps while there's construction going on, why they couldn't negotiate with the North Portage Development Corporation to be included in the retail or office space.

The same thing is true of the other retail outlets. I would think that their business could only improve in new surroundings, new and enhanced surroundings, and I don't believe that the enhancement of those surroundings should be delayed, should be stopped until one or the other of them, who may not agree with this redevelopment, although I haven't heard any really good reasons not to proceed, so that one of them can hold it up.

You have to have a mass of land and I'm sure that the knowledge of business that is claimed - and I think probably justifiably claimed - by the opposition members would tell them that in a three-block area, that's not very much land in the first place and you must have it to negotiate with when you are talking to development companies who wish to come in and construct retail space, office space, parking garages, certainly the all-weather connections between these. You must have at least have that three-block space to deal with.

MR. G. MERCIER: What is the estimated cost of expropriation?

HON. M.B. DOLIN: In the range of \$25 million to \$35 million, I believe.

MR. G. MERCIER: What is going to replace the existing businesses?

HON. M.B. DOLIN: I wonder if the member has received the Final Concept Financial Plan for North Portage Redevelopment. If you would like, I can go through the various portions of that report, but I don't know that is what he wants me to do. Perhaps he could clarify the question.

MR. G. MERCIER: Mr. Chairman, when does the Minister anticipate construction of new buildings to be taking place?

HON. M.B. DOLIN: By the spring, next spring.

MR. G. MERCIER: What project would that be?

HON. M.B. DOLIN: I can't tell you which project that would be. It will depend on the deliberations of the

North Portage Development Corporation, but there are certainly portions of the development that can begin within a year.

MRS. G. HAMMOND: Are there any developments that are slated to go in at this time, in any specific area?

HON. M.B. DOLIN: There have been suggestions made, as the member knows, by the North Portage Corporation. The North Portage Corporation did not have the power to finalize those arrangements until the agreement was signed by the three shareholders turning over responsibility to the corporation, so they had to come in with a plan. We had to agree to the plan - all three levels of government - and following that they would then have the authority to firm up the various offers they have.

Their problem right now, as I understand it, is that they have far too many offers for the amount of land they have available and it's going to be a matter of picking and choosing and getting the best possible mix of various portions of this, whether it's retail or office or residential or the connecting passageways or parking and so, to get the best possible mix that they can. They have more - and more by way of interest in the area - than they have land to provide to the various groups so I would hope that they would proceed quickly; but of course they've had to wait for our decision as well, so as my answer in the House, as between Friday and Monday, I haven't heard anything but I wouldn't expect they would have met over the weekend, so they will have to meet and now proceed with their negotiations, with the hiring of consultants, architects and various other people. Now they have the power to do that.

MRS. G. HAMMOND: The cost of expropriation, I believe the high cost was \$39 million was indicated. Is there any possibility that it may go over that and if there is, will there have to be more money put in by the three parties to the agreement?

HON. M.B. DOLIN: To give you the specific financial arrangement, if you will, perhaps it will clarify the issue, each party to the agreement contributed \$22 million, the Federal Government, the Provincial Government and the City of Winnipeg; 5 million came from the Core Area Agreement, and then there is borrowing power that the corporation has if it needs it.

The Core Area Agreement, of course, was signed sometime ago during the last government, I believe, the Member for St. Norbert was the signator on that. This is really a part of the whole core area redevelopment.

MRS. G. HAMMOND: I believe my question was, if it goes over the 39 million will they have to go and get extra money from somewhere?

HON. M.B. DOLIN: That decision would have to be up to the North Portage Development Corporation. That corporation you remember was made up of three representatives appointed by each of the shareholder groups and a chairperson who is accepted by all three.

MRS. G. HAMMOND: For the Kennedy Street businesses, and some of the others, especially maybe

one or two who will be expropriated for the second time, what kind of consideration is being given to these people to make sure that they end up not on the short end of the stick.

HON. M.B. DOLIN: I would have to refer the member to The Expropriation Act, and that determines how people are expropriated and so on.

MRS. G. HAMMOND: Is there going to be any special consideration given to these businesses; they're viable businesses and I'm sure the city is getting tax money from them. I'm just wondering what consideration is going to be given, if they will be among the first to have a plan set up for?

HON. M.B. DOLIN: I can't assure the member of the order in which people will be relocated or any determination will be made. What I can assure the member, as indicated in the press release, is that we have asked the North Portage Development Corporation to develop a relocation policy. I have no reason to believe that they would do otherwise. I believe that they will develop a relocation policy and that it will take into consideration the items mentioned by the Member for Kirkfield Park, as well as by myself.

MR. CHAIRMAN: 1.(b)(1) - the Member for St. Norbert.

MR. G. MERCIER: What is the total estimated expenditure by the corporations in this north of Portage Avenue area, from the province . . . ?

HON. M.B. DOLIN: I gave you the breakdown. \$22 million from each of the shareholders, plus \$5 million from the core area, and then borrowing authority if they need it - limited borrowing authority - but they do have some borrowing authority. I can't really be much more specific because they haven't begun to literally spend their money yet.

MR. G. MERCIER: The Minister can't give us any further idea as to how the monies will be expended, other than the amount that's allocated for acquisition of lands which is somewhere between 25 and 39 million.

HON. M.B. DOLIN: I'm not sure that I would be answering the member's question. The expropriation costs of course must be spent out of that. Are you talking about any expenditures beyond that that I may be aware of? Other than their administrative costs they have to have meetings and they have to have a secretary and so on. Is that what you're asking about - the additional costs?

MR. G. MERCIER: Yes.

HON. M.B. DOLIN: That's up to the corporation. I understand they will be hiring a consultant. I couldn't tell you anymore about that; they have the authority to do that and to expedite the process by which they work.

MR. CHAIRMAN: 1.(b)(1) - the Member for Kirkfield Park.

MRS. G. HAMMOND: Yes, do the businesses that are south of Portage have any consideration in this development at all?

HON. M.B. DOLIN: I am aware that the corporation has taken into consideration the effect on the building south of Portage and I believe that they have - staff can correct me if I'm wrong - I believe they have spoken to a number of them. So the planning is being done with that in mind, the effect it will have on south of Portage, how there might be a connection to the south of Portage and so on, so that we don't, of course, have an isolated three-block area that doesn't relate to anything else.

MRS. G. HAMMOND: Yes, the Federal Research Centre that's being built, I believe, on the St. Paul's College grounds, it was indicated at one time that is a facility that should be built where other like facilities could be built, or facilities or businesses that could use the centre, does the St. Paul's College grounds have adequate land space?

HON. M.B. DOLIN: You mean for the building that they're building.

MRS. G. HAMMOND: No, for other buildings other than that. I was under the impression that when this research centre was being built that it's a good idea to have space so that other research, like the science centre that's being thought of, would be close to this centre; is there room for the science centre?

HON. M.B. DOLIN: it would really be up to the Federal Government whether they would extend the plan that they have for the research facility that you're talking about or to what I think you are referring to, as sort of a hands on publicly available building or area. It would be up to the Federal Government if they wanted to do that in that space, and there is some land adjacent to where they are building that could be used. That certainly would be determined by them. This is a federal project that you're talking about and I don't have the details of it.

MRS. G. HAMMOND: Who made the decision to build the research centre on the St. Paul's College grounds?

HON. M.B. DOLIN: The Federal Government owned that land, it was CBC land, so they built it on their own land.

MRS. G. HAMMOND: So they made the decision then that that was outside of the Core Agreement then.

HON. M.B. DOLIN: Yes, certainly outside of the North of Portage Agreement.

MR. CHAIRMAN: 1.(b)(1) - the Member for Kirkfield Park.

MRS. G. HAMMOND: Would we deal with the Logan Industrial Park under the Core or would that come down under urban?

MR. CHAIRMAN: it will be under Urban Policy Branch so we can pass this item.

The Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, I think the Minister indicated at the beginning that this might be a good area . . .

MR. CHAIRMAN: That's right.

MR. G. MERCIER: . . . to raise a number of individual subjects as long as they weren't raised again at least in the same context.

Mr. Chairman, the Minister has referred to The City of Winnipeg Act Review. Could she advise us as to the status of that? Will there be a committee appointed, for example?

HON. M.B. DOLIN: Yes, I am not sure this is the place for it but I have no problem with answering the question at this point.

The City of Winnipeg Act Review Committee has been very nearly appointed for some time. We would like to see the inclusion of someone from the additional zone who has some experience with that area and can relate, perhaps, on a more personal and experiential level to those questions that may arise with regard to the additional zone. We are waiting for the appointment of that person. We thought we had someone appointed but the city determined that there would be a conflict of interest for this person so we have had to look for a replacement.

MR. G. MERCIER: How many persons will be on this committee?

HON. M.B. DOLIN: There will be five.

MR. G. MERCIER: Will they hold public hearings?

HON. M.B. DOLIN: That is my understanding. Of course, they haven't been appointed yet but that's certainly the plan that we have for them. They, in being recruited, understand that so I think I can say with some assurance that they will.

MR. G. MERCIER: What will they be paid? How much will they be paid?

HON. M.B. DOLIN: The final information, until the Order-in-Council is passed, I think is subject to that Order-in-Council, and that would be available when we finally get the committee appointed. I must say that I am as impatient as the members, indicating to me they are with this, but we did have the problem of thinking that we had a committee, having the city indicate that one of the members didn't meet with their approval, the one that we asked them about and, therefore, we have had to replace that member. It is not as easy to find a member who has experience with the additional zone as it might be to replace a member with some other kind of experience, there aren't that many people out there.

MR. G. MERCIER: What specific areas is the Minister concerned with in The City of Winnipeg Act that she wishes to have reviewed?

HON. M.B. DOLIN: I wish to have the entire act reviewed. The government wishes to have the entire act reviewed, that is the task of this review committee.

MR. G. MERCIER: Is the Minister dissatisfied with the entire act?

HON. M.B. DOLIN: I am not indicating dissatisfaction with the entire act, nor am I implying that on behalf of my colleagues but, whenever you review an act, I am sure the members know that one section relates to another and, if you change one section, you have to perhaps change several others that relate to it. In order to do that one must look at the whole, not at the parts as separate entities.

MR. G. MERCIER: Mr. Chairman, surely the Minister, or the government, must have some overriding concerns with respect to The City of Winnipeg Act to want to embark upon a review by a committee of five to retain Mr. Sanders at his salary scale to chair this review, to go on with public hearings which will be costly and which will involve a report. Surely the review of The City of Winnipeg Act may be one of the greatest job creation projects NDP Governments have ever had because they just seem to go on and on and on doing this. Now, surely the Minister or the government must have some serious concerns or reservations about portions of the act, or some significant changes she wants looked at.

HON. M.B. DOLIN: It will have been 12 years from the last review by the time this review is received by the government and studied - or 10 years, I guess I should say it finished - 1976 to 1986, actually, by the time the review is completed and decisions are taken on it.

Certainly, the people of Winnipeg, the people of Manitoba, have indicated to this government, and I believe even to the last government, that there were areas where they thought improvements could be made, or they thought something should be changed. It is timely to have a review.

Those areas of the act, just as in any other review, that are still appropriate and do not need to be changed certainly will not be changed, but if there is a feeling among the citizens of this province, and particularly the citizens of this city, that there are improvements that can be made, then I expect that is what the Committee of Review will advise us of and that is what we are hoping for.

As you asked before, public hearings, yes, we expect and intend that there will be public hearings. We want the public to have the chance, both as groups and as individuals, to indicate to the Review Committee their particular concerns and we expect that the Review Committee will then report to us with an indication of what should be retained, what should be changed, what modifications might be made. I don't think a 10-year period is too short a period to do that. Certainly in my experience with curriculum in the educational spheres, 10 years meant a review was long overdue so one would certainly want to take a look at any act that hadn't been reviewed for quite a while, I would think.

MR. G. MERCIER: Could the Minister indicate whether she is interested in considering a reduction in the

number of councillors, or embarking upon more of a two-tiered system of government with more responsibility for expenditures in local areas? Is she interested in reviewing those types of areas?

HON. M.B. DOLIN: I am interested in hearing the report of the Review Committee. I am not interested in any particular format or structure or arrangement for the City of Winnipeg and, quite frankly I don't think it's appropriate that I do become involved in that. I might say that I don't even have the time to become involved in building a model city. We have a city that already exists; we have a structure that already exists. What we are talking about is reviewing that, reviewing the financial arrangements as well as the structure, reviewing the entire City of Winnipeg Act as it relates to the City of Winnipeg and the province in its helping role and I will form opinions, as will my colleagues, upon receipt of the report of the Committee of Review.

MR. G. MERCIER: One last question, Mr. Chairman. Can the Minister indicate how long this review will carry on and what amount of money will be budgeted for it?

HON. M.B. DOLIN: I believe that the deadline, if I can use that word, that we have indicated for the Committee of Review for reporting to the government is August of 1985. So it's about a year-and-a-half or a year-and-a-quarter.

MR. G. MERCIER: What is the budget?

HON. M.B. DOLIN: For the first 12 months, some of which has already expired of course, \$192,000 is in our Estimates for that Committee of Review.

MR. CHAIRMAN: The Member for River Heights.

MR. W. STEEN: Yes, through you, Mr. Chairman, to the Minister. Further to questions that my colleague from St. Norbert had regarding this review committee, there are two areas often referred to by the taxpayers at the urban level, and that is the day-to-day service that the city delivers to them; then you often hear the people from what I call the creative world, the developers and the contractors who are trying to build and make Winnipeg a better place, say there's a lot of red tape in regard to the City of Winnipeg and with Unicity, we have a very cumbersome city with a bureaucracy that sometimes is difficult to get through. I guess with largeness, you do get this.

I was wondering if, in her appointment of members to the committee, she would be considering some persons that have worked within the city, persons such as Dunc Lennox, a former city solicitor; or maybe someone who has left the city in very recent times, taken retirement, who may have worked in the planning and zoning fields - that seems to be a very cumbersome area. Perhaps one person on her committee might be a former senior City of Winnipeg employee who has had to administer this 10-year-old act that the Minister refers to.

HON. M.B. DOLIN: Certainly both the areas that the member mentioned are worthy of review, that's just a

part of the reason why this undertaking is going forward. I will take his suggestions into consideration at this point. That's about all I can say.

MRS. G. HAMMOND: I asked a question in the House a while back - I think around the end of April - to the Acting Minister, about the changes to The City of Winnipeg Act, with reference to the pension that the government gave the powers to council to set its own pension. The question that certainly we've been asked very often, and I'm sure the Minister has been petitioned - are they going to bring in legislation to curtail or eliminate the pension?

HON. M.B. DOLIN: I think that the member is aware of the comments I made at the opening of this Session, where we talked about the accountability of council members to their electorate. We still feel very strongly that that accountability must be taken into consideration. Normally the setting of salaries, benefits and so on, is handled by elected members in whatever way they wish, whether it's by an independent board, whether it's by self-determination, but they have to answer to their electorate for that.

The petition that the member refers to is, as I understand it, still being circulated. I would hope that it would be presented to city council members because I believe that is the group that made the initial determination and that would be the group that would be most impressed by whatever the results of the petition happened to be.

MRS. G. HAMMOND: The Minister, I take it, said no.

MR. CHAIRMAN: In short, that's what she said.

MRS. G. HAMMOND: I have a further question about the other possible change and that might be to the referendum that they changed. Is there any thought to changing the referendum, that part of the act, to eliminate it?

HON. M.B. DOLIN: To my knowledge that discussion has not been held.

MR. G. MERCIER: Mr. Chairman, on the same subject of the City of Winnipeg Act, could the Minister indicate whether or not the ward boundaries will be reviewed in this review of The City of Winnipeg Act because of the existing inequities in populations in wards?

HON. M.B. DOLIN: I would think that is one of the things that the committee would look at. They would first look at whether they want to talk on ward boundaries and if they did, they would then proceed. I guess we would have to wait and see whether they determine that that was appropriate.

MR. G. MERCIER: Mr. Chairman, I believe The City of Winnipeg Act provides . . .

HON. M.B. DOLIN: For a ward boundaries committee, yes.

MR. G. MERCIER: . . . for what I think would be a separate committee to review ward boundaries. I think

it wasn't done prior to the last election - maybe the last two elections - but that is one area that deserves consideration before the next civic election. I ask the Minister what she intends to do.

HON. M.B. DOLIN: I would think similar to the provincial - every 10 years look at boundaries. Before the next civic election it would be almost that same amount of time. I would think the member would be correct in thinking that we ought to be looking at that but whether it will proceed simultaneously and parallel to a review of the act itself, I really couldn't say at this point.

MR. G. MERCIER: As to the last comment, it wouldn't really be necessary for it to proceed until perhaps the fall of 1985 or early 1986 I think, in preparation for the next civic election. The Minister may not be in a position of authority at that time but if she is, I hope she will undertake the review.

HON. M.B. DOLIN: It was a comment and certainly no decision has been taken on it yet but I suspect that we will be looking at it. We will certainly take your remarks into consideration.

MRS. G. HAMMOND: Mr. Chairman, I have a question about the French Language Services in the City of Winnipeg. Has the SFM approached the Minister or the government to help them get more services from the city?

HON. M.B. DOLIN: No, they've made no presentation to me or to my Deputy.

MR. G. MERCIER: Has the Minister had any further conversations with Mr. Sanders to explain to him that he cannot become involved with the North of Portage Development Corporation in any way whatsoever?

HON. M.B. DOLIN: There has been correspondence from myself to Mr. Sanders indicating the difficulty and in fact, the peril of that particular situation. To my knowledge nothing more has developed in that area at all. I have heard nothing more either from the corporation or from Mr. Sanders that anything has proceeded.

MR. G. MERCIER: Mr. Chairman, has the Minister asked the North of Portage Development Corporation not to deal with Mr. Sanders?

HON. M.B. DOLIN: No, I haven't.

MR. G. MERCIER: Why not?

HON. M.B. DOLIN: I don't believe that it is the prerogative of one shareholder, first of all, to direct the corporation. Secondly, I believe and have great faith and trust in both the chairperson and the members of the corporation that they know exactly what they're doing and with whom they're dealing. They have been doing this sort of thing for a long time, that is, dealing with developers and entrepreneurs and so on, and they will make appropriate decisions.

MR. G. MERCIER: Mr. Chairman, it is not the North of Portage Development Corporation's responsibility

to settle the conflict of interest matters within the Provincial Government; it is the Minister's responsibility. I'd ask her what steps she is taking to ensure that in the event that Mr. Sanders proceeds to attempt to do business with the North of Portage Development Corporation that she will be informed and be in a position to, at the very least, cancel his contract immediately.

HON. M.B. DOLIN: Mr. Sanders is aware of the conflict of interest guidelines that this province has adopted, and it is Mr. Sanders's responsibility to live by those conflict of interest guidelines. I certainly don't run around the country telling all kinds of people not to deal with Mr. Sanders or with any other person who is involved with the Civil Service, it is up to the people themselves to not make these kinds of contractual arrangements. You don't warn off any potential groups that might deal with him, you do it from the other side, the other end, and that in fact has been done as I mentioned through correspondence and discussion with Mr. Sanders, basically through written correspondence so there is a written record of this.

MR. G. MERCIER: Mr. Chairman, in a news report in the Free Press of March 12th, Mr. Naimark, President of the North Portage Development Corporation, is quoted as saying, "Whether Mr. Sanders is in a conflict of interest is something the Provincial Government has to decide." That's why I said it's the Provincial Government has to deal with this matter, not the corporation.

Further, Mr. Sanders is quoted as saying he has no intention of giving up either the contract - I assume referring to the contract with the Provincial Government - or his interest in the private development company which has proposed a comprehensive lease agreement with the North Portage Development Corporation. Mr. Chairman, I think the Minister has to do more than write a letter to Mr. Sanders; she is going to have to get some confirmation from him that he is not going to be a part of any private corporation that does business with the North Portage Development Corporation. She has to get actively involved to make sure this doesn't happen, or cancel his contract.

HON. M.B. DOLIN: As I have said, I have indicated publicly that, should Mr. Sanders conclude a contract with the North Portage Development Corporation, that we would find that he was in a conflict of interest situation, but I can hardly tell the North Portage Development Corporation not to open their mail. That is what has happened, there has been a proposal submitted, they have received that proposal. To my knowledge there has been no contract between Mr. Sanders and the North Portage Development Corporation. As I have indicated publicly again, and I will say it once more, that should that happen this government feels that there would be a conflict of interest and would proceed on that basis with whatever actions it felt were appropriate.

MR. G. MERCIER: How will the Minister know whether Mr. Sanders does business with the North Portage Development Corporation?

HON. M.B. DOLIN: I would certainly have to, I suppose, research that question but I can't imagine how you would do business secretly in the middle of downtown Winnipeg. Contracts such as that are not signed in secret, to my knowledge.

MR. G. MERCIER: How do you know they haven't signed any yet?

HON. M.B. DOLIN: Exactly, that's exactly the point. I personally, do not believe they will. As I said, I believe that the North Portage Development Corporation Directors understand the situation; I believe that Mr. Sanders now understands the situation.

MR. G. MERCIER: Mr. Chairman, the Minister appears reluctant to ensure that Mr. Sanders will not be doing business with the North Portage Development Corporation. They will not be doing business openly on Portage Avenue. We don't know whether their contracts or their hirings are going to be made public. The Minister and the other levels of government have indicated that this is almost a private corporation that has been set up to administer the program in accordance with the wishes of the three levels of government.

Why has the Minister not asked Mr. Sanders to confirm to her in writing, that he will not be a part of any private corporation doing business with the North Portage Development Corporation, that he has no interest in any contracts with that corporation?

HON. M.B. DOLIN: Since there is no conflict in Mr. Sanders establishing a consulting firm or being a part of a consulting firm, certainly that is not a conflict. It is only a conflict when that consulting firm gets a contract, or has a contract, that is based on prior knowledge - which is what we're talking about - knowledge that he has of the North Portage area and the plans for it. I'm wondering what the member is asking me to do, specifically.

I think the member asked earlier that I tell the North Portage Development Corporation not to have anything to do with him, and that is not appropriate. I believe he asked me whether Mr. Sanders was in fact in conflict, and that is not the case because no contract has been signed, certainly to my knowledge. And then he asked me how I would find out if one was, and the information I would have to give him there is that the North Portage Development Corporation very clearly listed every single person or group from whom it received a proposal, no matter how small or how large. I have no reason to think that they wouldn't continue to do so.

Certainly it is not an area that I'm not going to keep watching, I certainly am, but we have made the rules clear. To this point no one has pursued anything that would break the rules, and I simply have to proceed on that basis, to watch the situation and to act if anything further develops.

MR. G. MERCIER: Mr. Chairman, I think I and other members of the operation and members of the public, are simply seeking confirmation that Mr. Sanders, who has entered into a contract with the Provincial Government for an annual salary of \$66,600, indexed

in accordance with salary increases, who has all government benefits plus a personal vehicle; works full-time for the Provincial Government, does not engage in private business interests, particularly those about which he has previous and inside knowledge. Mr. Sanders has indicated in news reports that the private company of which he is a part has proposed a comprehensive lease agreement with the North Portage Development Corporation. Could she tell us if Mr. Sanders has withdrawn that proposed lease agreement from consideration by the North of Portage Development Corporation?

HON. M.B. DOLIN: I don't have that information but I can assure the member that an audit of the North Portage Development Corporation, which they would have to go through, would certainly disclose whether any further contract had been signed, at some future date. I don't know whether Mr. Sanders has withdrawn his offer.

MR. G. MERCIER: Mr. Chairman, will the Minister then undertake to enquire as to whether or not Mr. Sanders has withdrawn the proposed lease agreement with the North Portage Development Corporation, and if he has not, will she terminate his contract?

HON. M.B. DOLIN: There is no conflict of interest yet. I think the member should be clear on that. The conflict of interest would occur if Mr. Sanders signs an agreement or a contract with the North Portage Development Corporation because that's what we have indicated would be a conflict of interest under our new guidelines.

Mr. Sanders' contract that he has with the government, which by the way has been quoted in great detail by many members in the opposition, is exactly the same, basically, as his Deputy Minister's salary and benefits; his contract calls for disclosure, so if he were to proceed in any way that might be a conflict, it would have to be disclosed. If it wasn't disclosed he would be breaking his contract with us and we would then proceed on the basis of that infraction.

MR. G. MERCIER: Did Mr. Sanders disclose his interest in this corporation before proposing the lease agreement?

HON. M.B. DOLIN: Yes, he did. He indicated to me that he was sending a proposal to the North Portage Development Corporation.

MR. G. MERCIER: Does the Minister agree or is she of the view that the proposed comprehensive lease agreement with the North Portage Development Corporation for the financing, design, construction, ongoing operation and management of all components of the final concept plan does not involve Mr. Sanders in a conflict of interest position with the government?

MR. CHAIRMAN: There is a rule here under which we operate. It says that no question can be asked as to what advice a Minister proposes to give, but may ask what advice the Minister has already given.

HON. M.B. DOLIN: In response to that and following on that, I have indicated that having heard from Mr.

Sanders that he had submitted such a proposal to the North Portage Development Corporation, then indications of what would be a conflict of interest - and remember, our conflict of interest guidelines were adopted at about that time - that was made public by both myself and the previous Minister. As far as either of us knows, and I think I can speak with great certainty on this, there has been no contract signed between North Portage Development Corporation and Mr. Sanders.

I, personally, would find it very difficult to believe that a small company such as Mr. Sanders himself and perhaps one other person - I'm not even sure - could do such an immense design, so I really am not terribly worried that the North Portage Development Corporation is going to sign a contract with David Sanders and we would have a conflict of interest situation. I think we are talking about a hypothetical case.

MR. G. MERCIER: Mr. Chairman, the Minister has told us that she doesn't know whether the proposed lease agreement has been withdrawn by Mr. Sanders. I've asked her now whether the proposed comprehensive lease agreement would put Mr. Sanders in a conflict of interest position. I think that's a reasonable question and she should be able to provide us with an answer.

MR. CHAIRMAN: I think the member's question, on Beauchesne Rule 357 (1)(m), asks a solution of a legal proposition, such as interpretation of a statute - like conflict of interest statute - and such kind of question, asking for a legal solution to a legal problem may not be asked.

The Member for St. Norbert.

MR. G. MERCIER: Can the Minister tell us if she's examined this proposed agreement and whether or not it involves Mr. Sanders in a conflict of interest position?

MR. CHAIRMAN: Again there is a rule which says a question which requires an answer involving legal opinion, that's not an appropriate kind of question that should be asked. It's against the rule in 358 (1)(c).

The Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, I suppose you can bring up all the rules you want to protect the Minister, but we have a situation here, where she hasn't asked him to withdraw, she hasn't asked him to confirm that he will no longer do business with the North of Portage Development Corporation. There's been no review of this proposal to determine whether or not it puts him a conflict of interest position. In the meanwhile he's making \$66,600 per year plus all government benefits and using a government car. The Minister told us earlier she's going to leave it up to the North Portage Development Corporation, when Mr. Naimark rightly has said whether Mr. Sanders is in a conflict of interest is something the Provincial Government has to decide.

When is the Minister going to get actively involved in this case and satisfy the public interest in this case? There have been too many instances . . .

HON. M.B. DOLIN: If the member wishes to be hypothetical, I can certainly proceed on that basis. If

Mr. Sanders signs a contract based on his proposal or any other proposal with the North Portage Development Corporation, Mr. Sanders knows that the province will consider him to be in conflict of interest. We will then proceed on that basis.

Mr. Sanders may consider that he is not in conflict of interest and may choose to fight that decision, to appeal it, to take it to court, to follow whatever rights he has under the law; but he knows that the province would consider him to be in conflict of interest. I don't know what more I can say on that point to the member to assure him that everybody knows where everyone else is at and we are proceeding on that basis. Nothing more has happened so therefore no further action has been taken.

MR. CHAIRMAN: I have to intervene here. The Minister is saying "if" and then a statement and that's a hypothetical situation. In fact, it's answering a hypothetical question and that's against the rule.

The Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, Mr. Sanders is apparently employed to review The City of Winnipeg Act and has done so under his contract since November 9, 1983. Is he provided with secretarial and office space in addition to the other benefits under his contract?

HON. M.B. DOLIN: The office space is a part of the office space to be provided for the support staff for the review committee and that is the same support staff that would be responding to the needs of Mr. Sanders.

MR. G. MERCIER: Has the Minister received any reports from Mr. Sanders on his review of The City of Winnipeg Act?

HON. M.B. DOLIN: Yes, from time to time. We meet regularly and I do receive reports on the work of Mr. Sanders. Some of this has involved a great deal of research, job descriptions for the STEP students that are hired as part of this program. The research is ongoing and the job descriptions and the type of research done has been a subject of our conversations and reporting periods.

MR. G. MERCIER: Mr. Chairman, is the Minister satisfied that Mr. Sanders is working full time for the province as required by the contract while at the same time he is proposing a comprehensive lease agreement with the North of Portage Development Corporation for the financing, design, construction and ongoing operation in management of all components of the final concept plan?

HON. M.B. DOLIN: I'm not sure I heard the very last part of the member's question. But yes, in fact I am assured that Mr. Sanders is doing the job as outlined by myself and the Deputy and he is reporting to us at regular intervals and is working, shall we say, the normal hours of any employee of the government. What he does on his own time is his own business.

MRS. G. HAMMOND: I have one question on Mr. Sanders. What is the penalty if he is found in conflict?

MR. CHAIRMAN: Is that a question that asks again for a legal opinion?

MRS. G. HAMMOND: Well, I wouldn't think so. I would think if the guidelines are set down there must be some answers.

HON. M.B. DOLIN: Yes, there are some answers and that's the problem. There are several steps that could be taken and I would think that the determination would have to be made not only by myself but by my colleagues as well. The Deputy Minister is the person directly responsible for reporting or determining the situation.

If the member will wait just a moment we have the conflict of interest guidelines here. I believe the member probably has a copy as well, but we'll quote the relevant part.

MR. CHAIRMAN: I think it is in the interests of the public that we have a record of what will happen.

HON. M.B. DOLIN: I wonder if the members are satisfied with what it does say in the conflict of interest guidelines, that disciplinary action will be taken and that there is an appeal process available to the employee when such discipline comes forward. It does not define the discipline because, of course, the incident of conflict of interest may be as widely divergent as the members of the Civil Service that we have and their own personal activities.

MRS. G. HAMMOND: Yes, Mr. Chairman, did Mr. Sanders make a report on the report of Mr. Tonn, the inquiry officer?

HON. M.B. DOLIN: No, I have received nothing of that sort. I'm not sure why the question.

MRS. G. HAMMOND: I just have a further comment on Mr. Sanders and the conflict of interest. I would think that whether you had guidelines or not - I don't think you need guidelines for the type of conflict that Mr. Sanders is certainly allowing himself to be in. As the Minister had said before, there's a fine line. I don't think it's a fine line. I think he stepped well over it and the Minister should take action in this case and make sure that he does not sign a contract because I think that is just beyond all levels of reason or propriety in dealing. Here is a man who has, right from the beginning, been in on the Core Area development, knows every part of it, and is allowed to be in this situation while under contract with the government.

I think the Minister is completely out of line by not pursuing this any further and just leave it up in the air and say, well we'll wait until it happens, is simply not good enough.

I wanted to ask a question . . .

MR. CHAIRMAN: I gave you the last say.

HON. M.B. DOLIN: That doesn't mean it's correct.

MRS. G. HAMMOND: . . . on the free trade zone that the mayor had suggested for the City of Winnipeg and

to see if the province was giving any help to the city as far as petitioning the Federal Government to establish Winnipeg as a free trade zone.

HON. M.B. DOLIN: That is a matter between the City of Winnipeg, the mayor and his desire for a free trade zone for Winnipeg, and the Federal Government. The Federal Government is of course, the only authority that can deal with that.

MRS. G. HAMMOND: I wasn't suggesting that the Minister sign the agreement. I was suggesting that she petition the Federal Government, in fact help the City of Winnipeg to establish a free trade zone here especially when we now have the situation in, I believe it's Grand Forks, that's a free trade zone. Is the province doing anything to help them or is it another Shoal Lake situation where we just lie back and leave the city to fight it's own battle?

MR. CHAIRMAN: This is a matter within the jurisdiction of the Federal Government. I don't think the Provincial Government . . .

HON. M.B. DOLIN: Excuse me, Mr. Chairperson, I do believe that the Department of Industry, Trade and Technology is looking at this situation. It's not one in which we would make a determination but we might become involved in a co-operative way with the other departments should they proceed. But that in no way indicates that I agree with the member with regard to her remarks on Shoal Lake.

MR. CHAIRMAN: 1.(b)(1) - the Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, I asked the Minister a question at the end of question period which she referred to Estimates. She said in a letter to the city that as a condition of the 1984 Transit Operating Grant, recognition of the provincial contribution to the operation of the Winnipeg Transit will be required. The specific requirements for identification of provincial assistance will be confirmed shortly with the city. What sort of self-serving advertising is the province requesting and at what cost to the city?

MR. CHAIRMAN: A question should not be framed so as to suggest its own answer. That is according to Rule 358.

MR. G. MERCIER: Perhaps we could judge that better after the answer.

HON. M.B. DOLIN: I want to thank the member for making the answer easier if he's giving it to me, although I may not agree with it. Actually, I believe the question should be asked under the Urban Policy section where we deal with transit grants and so on but in fact, the short answer is that it's a little decal that goes onto the bus indicating that the province is a part of the purchase of that bus. After all, we're paying for half of them. If it just says City of Winnipeg, nobody ever knows.

MR. G. MERCIER: Is that all that the province has so far asked for?

HON. M.B. DOLIN: There's one on the outside of the doors of the buses that are purchased, I believe, and then there's a little decal that goes behind the driver in some of the other buses. I would have to wait until we got to that section. I found the appropriate paper to tell you exactly which decal went in which place, but it's not a major, great, expensive attachment to the buses.

MRS. G. HAMMOND: Would they be wearing caps that indicate that they're . . .

HON. M.B. DOLIN: Only if I can have one, too. I'll add it to my collection. No, to answer seriously, I have no knowledge of anybody wearing any caps saying - I don't know what they would say - that half-and-half province and city, or something like that, no.

I have indicated what the designation will be, and it's a small sign in the form of a decal which you can put onto these vehicles, which simply indicates that part of the transportation grant for this is made by the Province of Manitoba.

MR. CHAIRMAN: The Member for Wolseley.

MS. M. PHILLIPS: Thank you, Mr. Chairperson. I would just like to add to that, having returned from Toronto and ridden on the subway where every single subway car has a decal that notes the contribution to the Toronto Transit System by the Province of Ontario; so it's not an unusual situation.

MR. CHAIRMAN: The Member for Kirkfield Park.

MRS. G. HAMMOND: Yes, I wanted to ask the Minister a question about Shoal Lake. I had referred to it in my opening statement. Is the government taking the part of the city? Are they going to speak on behalf of the city, as well, as far as the development in Shoal Lake?

HON. M.B. DOLIN: By way of explanation, the Minister of Environment's deputy is the person who is taking the lead within this committee and in the sort of round robin chairing, is the person who takes his turn chairing the meetings. Certainly, the province has not backed off from any of its responsibilities with regard to this area.

MRS. G. HAMMOND: Is the Minister saying then, that the Minister of Environment is where this question should be asked?

HON. M.B. DOLIN: I certainly don't want to say that we don't have any interest. My deputy attends as an observer at these meetings, and I am not sure, but he may occasionally even take part, I don't know if he's said anything lately. The Minister of the Environment is the lead ministry in this area because the provincial concerns, with regard to the whole Shoal Lake issue, are particularly those of the environment, and water being one of them, of course. Somebody has to take the lead and that is where we have decided the lead will be. We do attend, however, as observers and offer assistance wherever possible.

MRS. G. HAMMOND: Possibly the Minister could give us a list of all the different departments that we might

find the answers as far as urban affairs and the City of Winnipeg are concerned. There seems to be a very narrow line that the department has charge of, but I would think that if the Deputy Minister is attending the meetings that he might have some idea, through you and through the Chair, whether the province is planning to speak in favour of the city's position as far as Shoal Lake and the cottage development is concerned.

HON. M.B. DOLIN: With regard to the first comments by the member there are two areas that are handled definitely by other departments as the lead authorities. Water quality happens to be an environmental issue; it is most appropriately led by the Department of the Environment, therefore. It doesn't mean that we don't have a close co-operative approach to the entire issue.

The other area is expropriation which is handled under The Expropriations Act which is part of the responsibility of the Department of Government Services.

So those two areas, with regard to their legalities and so on, are handled as responsibilities of the two departments I have just mentioned. I don't know what great wealth of other areas the member refers to as not being those for which we can answer.

MR. G. MERCIER: Mr. Chairman, does the Minister support the letter written by the Chief City Commissioner, Mr. Diakiw, to the Indian Affairs Department and Shoal Lake Indian Band No. 40, which says that the bid for a road supposedly to a proposed garbage disposal site is a ruse to secure the first leg of a road to the Trans-Canada Highway which would open the area for cottage development and which would, explicitly or implicitly, affect the quality of the water supply to the City of Winnipeg.

HON. M.B. DOLIN: I am sorry for the delay. I was getting caught up on the last meeting or so of the Shoal Lake group.

MR. G. MERCIER: The statement was last October.

HON. M.B. DOLIN: I realize that, but they occasionally meet, not very often, but they do occasionally meet and I would want to report on the most recent developments. As far as the province is concerned our overwhelming concern is for water quality and that is what we would be most concerned about. Again, the responsibility for speaking to that concern would be with the Minister of the Environment, since water quality is a part of the Minister of Environment's concerns. There has to my knowledge, been no agreement for a road on the part of the province to wherever. So the member can, I guess, draw his own conclusions without indicating that there should be some kind of formal response from the province to a letter from the city to someone else.

MR. CHAIRMAN: The time being 4:30, the Chair is interrupting the proceedings of this committee. We shall return at 8:00 p.m.

SUPPLY - AGRICULTURE

MR. CHAIRMAN, P. EYLER: Committee come to order. We are considering the Estimates of the Department

of Agriculture, Item 5 - Farm and Rural Development Division, (a) Administration.

Mr. Minister.

HON. B. URUSKI: Thank you, Mr. Chairman. For the information of the honourable members, I know that members of the committee would like to have and I would like the staff to distribute information, just an update, with a bit more information that is normally provided by the department dealing with the moisture situation and seeding costs for the last week of May.

Mr. Chairman, as well, in terms of the staffing in the Administration area, there is no change to staff years. In the Water Services Board there is a decrease of one staff year, from 38.28 in '83-84 to 37.28 in '84-85, totalling the regions 192.21. It is a decrease of one from the previous year, for the regions.

I gave you the Water Services Board and then there's Crown Lands yet, (h). No change in Crown Lands, 45.36.

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, there are some concerns here that I want to bring to the attention of the Minister and I would hope he would respond to dealing with them - I think this is the appropriate place - this is where we cover the ag reps and the services provided to the different regions of specialists and that type of thing, is that correct?

The concerns that I have, Mr. Chairman, what I would say appears to be and I've received a little bit of indication of this happening, that there is again a swing away from the providing of home economists and home economic services from the Department of Agriculture to the Director of Health or to that particular department. Now if that's not so I would ask the Minister to clearly state that it isn't because I would not support such a move.

I think that many arguments and debates have taken place over the past few years as to the continued need for a home economic service to the farm community, particularly now with the extremely tough financial situation that people are facing in the farm community, a lot of the farm wives are playing a pretty major role in the operations of the farm business and the home economists, to a large extent, have worked with good money management programs for in-home and I think have played a very meaningful role. I would hope the control of the home economics division stays, as much as it is now, with the Department of Agriculture. I do not want to see that hived off and moved into the Directorate of Health as has been some of the desires in the past.

Another area of concern, Mr. Chairman, and I would ask the Minister to respond to it, and that's the removal of an assistant ag rep in the Town of Deloraine. I think probably the case could be made for putting assistant ag reps in quite a few of the towns that don't have any of the agricultural services that are now provided. We made that move, not just simply placing it in an office in the former Minister's constituency, but I believe that it was important, Mr. Chairman, to place assistant ag reps in communities where there aren't the kinds of agricultural services that are provided in some of the other centres. It's a good training ground, Mr.

Chairman, to give to both the assistant ag rep and I think to provide a service to the communities that they're stationed in.

I believe the productivity factor for all people goes up, particularly when they're government employees, when they're not assembled together in one regional group; that, if you have the staff provided throughout the different communities in Manitoba, you can get a little more productivity from those individuals. I would hope the Minister would reconsider his decision to move that person out of that particular office, as I would hope he would consider expanding assistant ag rep positions in quite a few of the other smaller towns and villages that haven't had them.

I say that because I think I would far sooner have the assistant ag reps spread throughout the regions than I would all assembled in say a group like one main office like Brandon or Portage. If you could get these people out in the communities in some of your other towns that it would be helpful to the community, not only to the community but as well to the people who are training for future work within the agricultural field. So I again request on behalf of the community of Deloraine, to reconsider the placement of a person there and put someone in that particular position.

I think, as well, Mr. Chairman, the need for a — (interjection) — Well I would like to see it - a breakdown of the structure and who's in the different positions, because I know we have farm management specialists who deal with some of the farm management problems. I know recently I had written a letter to the Minister asking his department to take a look at a particular problem and they've done that. I would like some of the names if possible and some of the breakdown, as to the reporting of who's in what position and what their jobs are; it's helpful to understand it. If we could have a breakdown, because I know the Estimate book is somewhat different than it has been. He's made a few organizational changes and I can relate a little better to some of the personalities and I think it would be extremely helpful.

But I want to make the case, Mr. Chairman, now is not the time to remove the kind of staff that the Minister is doing from the regional offices or from the regions of the agricultural community; that's the time when you have strengthen those kinds of positions and make sure that the farm community is well served because, with the economic conditions as they are today there are a lot more people with a lot more problems and depend upon the resources that the government can provide. So it's not a time for less people in the rural part of the province, it's a time to maintain or increase in critical areas.

He's given the commitment that he's going to provide management consulting services, he's going to provide all these kinds of additional situations when difficult cases develop, yet he's not providing the kind of information that we need to say that that's happening. I'd like a breakdown of the complement of farm management people, soils management people; that type of information would be extremely helpful so we could get a picture of what is happening.

We, Mr. Chairman, will debate each of these as we go through them. There are some areas that I know my colleagues are interested in so we will proceed to take each region on as we come to them.

MR. CHAIRMAN: Mr. Minister.

HON. B. URUSKI: Thank you, Mr. Chairman.

I appreciate the comments made by the Honourable Member for Arthur in the general sense and in the specific sense of this division.

With respect to his initial concerns regarding support and services provided by the Home Economics Directorate, there is no change in the staffing component in that area. The Directorate is very heavily involved in the area of farm management and family support services. In fact, their contact sheet, in terms of direct contacts, is over 40,000 last year in the various regions, with the central region being the highest contact and the south-west being the next highest, in terms of numbers of contacts. Central region over 13,000, and the southwest over 9,000, and the other three regions lesser than 9,000. So that the Home Economics Directorate is an active participant and is involved as an active part of this department.

There is an ongoing review between the Department of Health and the Department of Agriculture of how to better utilize the resources of the two groups because there is a Home Economics Directorate in the City of Winnipeg and I believe in Northern Manitoba handled through the Department of Health and the Home Ec Branch of our department doing their work rurally. So there's an ongoing activity between the two groups to make sure that their activities are co-ordinated as best they can, although at times the focus on the specific target groups and needs in an area might be somewhat different but, in terms of working relationship, they do work through the one directorate under the Department of Health and handle our work rurally.

They're involved in nutrition, money management, clothing, energy conservation, 4-H - I've just given some broad categories. They have been very actively involved this year in a course called, "Only You Can Manage Your Money, which I had the privilege of kicking off, I believe it was in the community of Carman, last fall to a very good turn out of a seminar dealing with money management. I believe there was somewhere in the neighbourhood of 200 participants at the conference in Carman, very well attended, and there were smaller groups in many other communities throughout the province.

During these difficult times of financial stress the Home Economics Directorate has played and will continue to play an active role in support of farm families in rural Manitoba along with our other support staff.

With respect to the assistant ag rep in Deloraine, the honourable member knows that the individual was promoted to a full-time ag rep and stationed in an office in Pilot Mound. We have utilized the position of the assistant ag rep to basically deal with some of the more pressing needs, and that is dealing with financial management and financial problems of the farm community. We intend to utilize that position in a farm management specialist position to be placed somewhere in a region, I believe, where there is greatest need and greatest shortage.

It may be even a rotating position that may move from area to area. That has not been finalized as yet. That position has not at this time been filled, but that is the targeting of the assistant ag rep positions. We

are targeting them into areas which we feel are of greatest importance and greatest need, to get a better understanding in the farm community and assist in the farm management area, money management and as well, operating information for farmers.

I should mention to the honourable members before we go into the regions, that it may be advisable to mention since there have been a number of changes in the department, a number of promotions of staff into the regional directors. The honourable member knows the regional director for the Southwest Region is John Neabel, who is the director there. In the Central Region during the past year, Brian Manning was promoted to the regional director position. In the Northwest Region, Roger Chychota is the regional director and he was the farm management specialist previously in that area and Brian was the wheat specialist in the Central Region. In the Interlake, the regional director is Andrew Dickson, who was previously the director of 4-H, and in the Eastern Region is Dave Donaghy, who was the director of wheats in the Central area.

Those are the new regional directors around the province. Mr. Chairman, I'm pleased to have their support and their knowledge and I know that they are certainly a very energetic group of young individuals who I'm sure, will do their utmost to make sure that agriculture is No. 1 in the regions they serve. There's no doubt that the farmers in those regions will be well served by those individuals.

MR. CHAIRMAN: The Member for Emerson.

MR. A. DRIEDGER: Mr. Chairman, I have a question for the Minister. Under which section would 4-H be dealt with?

HON. B. URUSKI: Mr. Chairman, the main functions of 4-H we had passed under Technical Services and Training Branch the other night, but there are 4-H activities in every region, so if the honourable member wishes to discuss 4-H, once we get into any region . . .

MR. A. DRIEDGER: To the Minister, why is there not a specific area like there has been in the past where it illustrates the amount of monies expended under 4-H so that we could get into proper dialogue on that thing?

I wasn't here for the last 10 or 15 minutes the other day. I don't know whether it was covered at that time, but if 4-H was not covered, I'm just wondering why an important issue like that does not rate at least a line somewhere in the Estimates to be debated here.

HON. B. URUSKI: Mr. Chairman, the whole area of 4-H has always been under the Technical Services and Training Branch, but there's always been funding provided on the regional basis, and so rather than trying to lump it all into one, we have both - and that, in terms of areas of debate for the honourable members, is an open question, because there are funds for 4-H in every region and the reporting mechanism for 4-H is through the Director of Technical Services and Training Branch, where it's always been. Morris Deveson

is the director of the combined branch, and that's where the central functions of the directorate are housed.

MR. A. DRIEDGER: The reason I raise that is because what I'd like to establish if possible is the package figure, for example, the expenditures under 4-H, whether there's an increase or decrease. If the Minister indicates that it's throughout the whole regions, etc., it's very hard to establish if there is an increase or if there is a decrease. What is the status of the 4-H right now? Can the Minister possibly give us a figure as to what the total expenditures under 4-H are, compared to other years, whether it is an increase or not?

This is the area that I'd be interested in getting some information on. It's very difficult to do this when the Minister says it's in all regions. We can't establish whether he is putting a bigger priority on 4-H or whether he's trying to . . . One almost gets the impression it's trying to be shuffled or hidden among the figures somewhere along the line.

If he can give us a definite figure of status, then we know where we're at.

HON. B. URUSKI: Mr. Chairman, I'll be pleased to provide as much information as I can for the honourable member.

First of all, in terms of dollars and staff in the regional budgets, the amount of money is the same as last year and that is \$448,000, with a staff complement of 5.4. That is on the regional basis.

In 1982-83, and that is the latest statistic that we have on 4-H Clubs, there were 320 clubs with a total of 6,072 members and 2,180 leaders. Average age of members was 12.1 years, with an average tenure of 2.9 years. In other words, young people have stayed in 4-H between two and three years, with the length of time that young people have maintained.

There is a slight increase in membership; 1981 had 5,925 members, which was a decrease from '80 and a further decrease from '79; 1979 was the highest 6,722; '80, 6,373; '81, 5,925; '82 has stabilized at 6,072, so it's a slight decrease, about a 2 percent or thereabouts increase in youth membership. The number of leaders has as well, increased over the previous years from a low in 1979 of 1,944, up steadily to 2,180 this year.

The number of provincial activities - and I believe I gave, the other night, a number of those activities to the honourable members - that club members are involved in, that is, Community Service Project Winners weekend in March; Annual 4-H Conference in March; A.D. Leaders Provincial Public Speaking Competition; Discover Manitoba 4-H Leaders Tours in June; North Dakota State Fair trip in July; Provincial 4-H Dairy Show in July; exchange trip with Alberta in July; National Careers Conference in October; Provincial 4-H Show and Provincial 4-H Livestock Judging Competition, both in October; Provincial 4-H Sugar Beet Achievement in November; a Clothing Speaks Conference in October; U.S. National 4-H Conference in Washington; Citizenship Seminar in Ottawa; Canadian Forage Council Annual Meeting in St. John; Inter-Provincial Exchange in July; John Deere Summer Work Exchange to New Brunswick; Saskatchewan Speciality Camp; Western Provinces 4-H Seminar in Manitoba; National U.S. 4-H Dairy

Conference in Wisconsin in October; National 4-H Members Conference in Toronto in November; National 4-H Leaders Conference in Toronto in November; Alberta Leaders Conference in November.

Those are some of the provincial, national and international conferences that 4-H leaders and members both are represented in and participate in. They are involved in, as well, the 4-H summer camping program - 287 4-H members participated in five regional 4-H summer camping programs in '82-83; 4-H ambassadors - 24 ex 4-H's, age 17 to 22 years, celebrated their fifth anniversary as an organization. They continue to serve as volunteers for demonstrations, public speaking, meeting management, recreation and project workshops, as well as staffing conferences and training events.

This group organizes the Provincial 4-H Public Speaking Competition with the support of the Winnipeg Kiwanis Club. Their most recent undertaking is a city survival weekend, preparing 12 senior 4-H members for moving away from home. They are sponsored by Cargill, Monsanto, Canada Safeway, Feed-Rite, Imperial Oil, as well as departmental support. So there is funding from all sources. 4-H Public Relations and Promotions Council encourages promotion by providing radio tapes, press releases, pencils and buttons for club use.

There are scholarships, as well. The 4-H Scholarship Program offers two scholarships for first- and second-year student past 4-H'ers enrolled in agriculture, human ecology studies; the Canadian National Exhibition Scholarship of \$1,000, and Horst Canada Inc. Scholarship of \$500.00.

That is some of the information for the honourable member on the 4-H program.

MR. A. DRIEDGER: Mr. Chairman, with the same amount of money being expended this year as last year, does that mean that the Minister is giving it a lower priority, because certainly just the normal increase in wages would indicate an increase in this department. The fact that there is not, does that mean that the Minister is giving less priority to the 4-H at this stage of the game, or is there a different thrust that he is looking at? Just, in a short statement, maybe he can indicate exactly what his vision of 4-H is, or whether it is just a status quo that is being maintained.

HON. B. URUSKI: Mr. Chairman, the honourable member, no doubt, is aware that the bulk of the activity in 4-H is the recruitment and development of local volunteer leaders, and we have done an excellent job in that development with the staff that we have. As I have indicated to the honourable member, the number of volunteers is up and 4-H is generally run as a volunteer program with leaders in communities. Our staff are there as basically resource and motivating and organizational to make sure that things do happen, but really the skills come from the community themselves. People who had been in 4-H in their youth are recruited and attempted to be brought into the 4-H program as leaders, as volunteers. With the success that we are having, and continue to have, increasing the number of volunteers, our program, even with the amount of money that we have as a static amount, and the same staff, we are doing a very adequate job in light

of the decline over the years in the number of participants in the program.

We have now stabilized, we hope, the declining numbers that have happened over the last number of years where we hope we are now on the increase and, coupled with the increase in volunteers, we will continue and have 4-H play the role that it has in the past as a very worthwhile activity for young people in building their human development, their human relationships with one another, working together and experiencing a lot of fun in most projects that they undertake.

MR. CHAIRMAN: 5.(a)(1)—pass; 5.(a)(2)—pass; 5.(b)(1)—pass.

5.(b)(2) - the Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, the Member for Swan River just came in. We are in the northwest region, I wondered if he had any questions there. Okay, pass.

MR. CHAIRMAN: 5.(b)(2)—pass.

5.(c)(1) - the Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, the Member for Emerson raised the 4-H question, and I have had a number of people contact me dealing with the funding that is going to 4-H in the southwest region. Has there been a cutback in dollars, total amount of monies allocated for the program in the southwest region from the government? I would like to know, specifically, if there are any regions of the province that are receiving less money this year than last year for their 4-H programs?

HON. B. URUSKI: I thought I answered the Honourable Member for Emerson quite clearly. There is no change; no region is receiving less in staff or dollars than they did last year in 4-H.

MR. J. DOWNEY: I am pleased that the lesson we gave the Minister last year had some impact on him and that he didn't cut it back as he did last year. He does listen after he gets some pressure put on him and I am pleased that he hasn't cut it back further this year.

HON. B. URUSKI: I should advise the honourable member that I have received very many letters and cards from 4-H leaders and clubs thanking this government for the support that it continues to show in 4-H. Maybe, Mr. Chairman, the exercise that we went through in this House during the last Estimates, dealing with the whole camping situation, was a good one because it did recognize, and it did show to 4-H people rurally that this government did not do them any harm in terms of funding and in terms of support for 4-H.

What we did say, and I think generally it was recognized by most regions, and I will put it again on the record, that assistance in terms of summer camping activities should be on a joint participation by the clubs raising some local funds, and also the province participating, so there would be a real incentive and a real sharing in the costs of those camps. The amount of money was very limited and, in fact, if anything, it has really truly demonstrated that 4-H is a community activity where everyone in the community participates

regardless of what kind of a program it is, whether it's camping, whether it's sewing, whatever project it is.

MR. J. DOWNEY: I asked earlier in my opening comments about the assistant ag rep position at Deloraine, but could the Minister tell us how many other regions, or what is the total shift of regional staff from the communities like Deloraine to other centres, or to fill other positions? Is that the only one or have there been other shifts taking assistant ag rep positions from some communities and putting them into positions of, he said, specializing in economics or helping in difficult areas? I would ask the Minister to give us that information, if there are other shifts taking place?

HON. B. URUSKI: Mr. Chairman, there were two positions, another assistant ag rep position which was vacant, which we are utilizing for farm management specialists. The Deloraine position and one other one are the only two positions in the regional network that the focus is on to financial management and upgrading of those positions so that we deal with what we believe a priority area in the department to assist the farm community and farm families dealing with financial difficulties. Those are the only two changes. It's a beefing up of our whole farm financial structure.

MR. J. DOWNEY: Mr. Chairman, is there any chance of the Minister reconsidering his decision to remove that position from Deloraine and reimplement one there? Would he reconsider it and act on it?

HON. B. URUSKI: There is always a possibility to reconsider that. If the honourable member has some advice that he wishes to share with me that I may not be aware of, I would be pleased to hear his representations on that. We have not, in general, in terms of our shifts, we believe that the shift of assistant ag reps and the upgrading to the positions of financial management specialists, we believe is a move in the right direction.

However, the honourable member may have some opinions that he would want me to reconsider and I'd be pleased to hear from him, but I believe there's always room for a reconsideration. There may need to be some other shifting take place but I'm certainly open to suggestions that the honourable member might have.

MR. CHAIRMAN: 5.(c)(1)—pass; 5.(c)(2)—pass; 5.(d)(1)—pass; 5.(d)(2)—pass.

5.(e)(1) - the Member for Emerson.

MR. A. DRIEDGER: Mr. Chairman, first of all under the Eastern Region I want to pay tribute to the ag rep that we have in the area, a fellow by the name of Wally Happychuk, who serves out of Vita, a very capable individual. I think people of that quality do an awful lot to enhance the agricultural community. In fact he acts like a jack of all trades, I suppose, for the Eastern Region.

The thing that I'd like to draw to the Minister's attention is that this poor, overworked ag rep we have out there, he covers the area from Middlebro all the way down the southern border up to the Town of Emerson, Dominion City, Letellier. He's got a heck of

a big geographic area to cover and if there's a possibility of looking at possibly an assistant ag rep for that area . . . The man we have out there is doing a fantastic job but he's really overworked and he's got a tremendous job ahead of him. This is an area which is possibly not the most lucrative farming areas, there are major problems there, the diversification of the farm community out there and everybody relies on this individual as an adviser in all respects, financially and otherwise. He's got a tremendous job ahead of him there. I'm wondering if the Minister would . . .

MR. CHAIRMAN: Order please.

MR. A. DRIEDGER: I'm trying to make a plea to the Minister and I'd like to have his attention. I'm wondering whether the Minister would consider looking at the possibility of establishing an assistant ag rep out in the area, because when you consider just the mileage itself that is involved, it makes it extremely difficult for this individual to cover all the areas that he has. He had tremendous demands on him, splits up his time between the Vita office - I think he tries to put in some time in the Sprague area, he tries to have some office hours in Dominion City and it's extremely difficult. I think the situation is relatively unique and I think the work is very worthwhile work. I'm hoping that the Minister would possibly look at giving him some kind of additional assistance through whatever means, just so that the service that is being provided - and it's a good service - could be enhanced to some degree.

HON. B. URUSKI: Mr. Chairman, I thank the honourable member for his comments. As to additional assistance to any of our staff, I'm sure that many of our staff have their hands full in terms of client and farmer dialogue and advice. However, at this time we are not providing additional staffing assistance in rural areas other than in the key areas of financial matters.

MR. CHAIRMAN: 5.(e)(1)—pass; 5.(e)(2)—pass; 5.(f)(1)—pass; 5.(f)(2)—pass.
5.(g)(1) - the Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, the Water Services Board. I have a few questions in this particular area, one dealing with the Dugout Filling Program and I think it was a year ago that government reimplemented a charge to fill dugouts. What is the demand right now for the filling of dugouts, as this last year saw an extremely low snowfall? I know some of the water holes filled up with the recent storm that the Minister of Government Services is trying to monitor. I would ask the government if they'd give us the kind of information as far as the dugout filling is concerned, the demands placed on the department and the availability of equipment. What is the current status of it? Is there any taking place at all?

HON. B. URUSKI: Mr. Chairman, to give the honourable member a bit of information. Last year in '83-84 there were 170 applications received for dugout filling; 42 of those applications were cancelled by the farmers themselves and all dugouts were filled. In other words, last year 128 dugouts were filled. This year, we've had 56 dugouts that were filled this spring.

MR. J. DOWNEY: What are the charges imposed by the department for this service, Mr. Chairman?

HON. B. URUSKI: Mr. Chairman, the services are charged \$300 per dugout for distances less than one-half mile and \$350 for distances greater than one-half mile. An hourly charge is made beyond the time 18 or 48 hours depending upon the size of pump required to fill a standard farm dugout.

MR. J. DOWNEY: Mr. Chairman, that is a substantial amount of money. What consideration would it take for the Minister to change his decision on this particular charge? In view of the fact that we haven't seen any major improvements of the economy of agriculture, would the Minister consider waiving this particular charge at this time? It isn't a lot of money - 50-some dugouts, \$300 - it's not as if the department is showing a great return on it and I'm sure it's causing some people some hardship. Would he consider removing this charge as has been done by previous governments?

HON. B. URUSKI: Mr. Chairman, as you know, once you have a service provided in this sense here at no cost, you have a number of private operators who are also filling dugouts, whose rates are very close to ours. You will also have the argument that now the government is there to take over our business and we're providing a service at a competitive rate with the Province of Manitoba. We've not changed our rate in the last year. It's pretty well the going rate. I believe that the charge was lifted. There was a charge, it was lifted during the drought year. The province does provide assistance for the finding of water source, and trying to get a water supply for farmsteads and there is financial assistance there whether it be on pumping, whether it be on the supply of a common water source.

We have not gone ahead and implemented what I would say, a no-charge free service to whoever desires it. It would be difficult. I would venture to say that we would have a whole host of requests if the service was provided with no charge, with anyone and everyone wanting to fill a dugout you would have a difficult time, and you'd get into the argument of saying, which is the greatest need — (Interjection) — well, depending what it's used for. It may be empty and if it's not being used it can stay empty. The Honourable Member for Lakeside says the one that's empty. It's a fine comment to make about the one that . . .

MR. A. DRIEDGER: You wouldn't fill the one that's full.

HON. B. URUSKI: Whether it's going to be used or not is really the question and then there will be those that will want to have a dugout filled regardless of whether they're going to use it or not and as a result, the charge is minimal. It is not a major charge in terms of one's ability to have a water supply and at the present time there is no intent to reduce or eliminate the charge for pumping.

I see the Honourable Member for Emerson kind of flinching his head and saying, gee, that's tough. I think he should talk to some of the operators who are also providing the service and get their thoughts as to whether or not this service is an exorbitant charge made

by the province because he would be the first to say, you are now forcing these people out of business by providing a service at no cost; because I can just see the Honourable Member for Emerson standing up in this Chamber and denouncing a government action of that kind, he'd be the first one to stand here. But, sir, the charge is not exorbitant and it is a service.

We recognize that a water source is of great need in areas of the province where water supply is not adequate. We are and will be re-examining - I should mention to the honourable members - our whole formula structure dealing with the provision of water services to communities and the like and we hope that within a short while that revision of the formula and the funding made available to communities will be announced. I'm not in a position to announce them here at the present time but hopefully within the next several weeks we'll be able to make those changes known.

MR. CHAIRMAN: The Member for Arthur.

A MEMBER: He'd knock all the buildings down.

MR. J. DOWNEY: Mr. Chairman, this is where we normally would get a list of projects that are under way and are completed or taken on by the department and I'm interested by the comments the Minister makes, is he going to make it so that the communities - it's a funding structure - so is he changing the loan portion of it or is he changing the forgiveness portion of it or what is his intention? If he could, this would be an opportune time for him to tell us. As well, if he would give us a list of projects, we'd appreciate it, plus I'd like to know from the Minister, how much money has been diverted from the Manitoba Water Services Board to the Jobs Fund?

There has been transfers of money back and forth and I've heard of water projects coming under the Jobs Fund Program, or are some of the water projects now that are taking place within the province now not falling within the jurisdiction of the Water Services Board and are going outside for decision-making and control? Is that what's happening? Who controls the programs that are taken on by the Jobs Fund and is there money gone from the Water Services Board to the Jobs Fund allocation?

HON. B. URUSKI: Mr. Chairman, I'm pleased that the honourable member mentioned the Manitoba Jobs Fund.

For his information, we were — (Interjection) — I'm very pleased that he raised the comment because it is a very worthwhile comment to know and to remind honourable members in this Chamber, that we were able to proceed with 50 percent more projects last year by the additional \$1.5 million increase, a 50 percent increase, in our grant structure of support to rural communities for sewer and waterworks.

Mr. Chairman, this year I'm pleased to announce that there will be a \$2 million increase, an additional half-million dollars so we will be going up to \$5 million worth of financial support to rural and Northern communities for the provision of sewer and water services. It is because of the Provincial Jobs Fund that we will be able to assist communities to better the quality of life

throughout rural Manitoba. It is a program like this that was established in the early '70s by my colleague, the Minister of Small Business, the Member for Lac du Bonnet, who had the foresight during those years to establish a program such as the Manitoba Water Services Board Water Program for rural communities. I'm pleased to say that it has carried on through two administrations and now the third administration and we are now in the process of reviewing the entire funding mechanism as it now exists with the board and with the department to see what changes can be made to provide assistance.

There have been many areas where there have been communities with - well, I'll give you the example of Stonewall - where that community is built primarily on bedrock, the cost of excavating in those communities with those kinds of problems have been far higher than the normal and those are the kinds of area that we are looking at. But I am not at liberty today to provide honourable members with all the possible changes but just to hint at what we are looking at, in terms of the program.

In terms of the Capital Works, under Design or Construction, there's Ashern, Austin, Birtle. Do you want the amount of money associated with each project?

MR. CHAIRMAN: The Member for Arthur on a point of order.

MR. J. DOWNEY: What has been traditional is that they would table a list of those projects and the costs, the amount of money and the whole thing.

HON. B. URUSKI: Well, we'll get a list.

MR. J. DOWNEY: It's no difficult thing to do. As I say, if you look back two or three years ago, probably even last year, there was a list of those that are worked on, those that are completed, those that are projected.

HON. B. URUSKI: Mr. Chairman, what we will do is we will photostat for tonight for the honourable members, what we have and we'll provide them with a list of projects that have been constructed in the mill and kind of at what stage. As much information as we've got, I'll provide the honourable members with; that will be tabled and can be put into the record.

MR. J. DOWNEY: Mr. Chairman, that's the Minister of Municipal Services' open government. My goodness, that's what's been going on for the last few years, so that members of the opposition, rather than asking about specific projects in their own communities, it's laid out for them and they can see as to what stage it's at.

Mr. Chairman, the Minister has indicated a million or two dollars coming on from the Jobs Fund. In other words, the money came from the Jobs Fund to the Department of Water Services, is that correct? But he didn't lose any money to the Jobs Fund.

HON. B. URUSKI: Mr. Chairman, again I will repeat for the honourable member, the Annual Budget, since the beginning of the program, which wasn't changed when they were in office either, was \$3 million. Last

year it was increased from \$3 million to \$4.5 million. The additional \$1.5 million was from the Jobs Fund. This year it's from \$3 million to \$5 million. An additional \$2 million is coming from the Jobs Fund to augment the budgeting of the Manitoba Water Services Board.

MR. J. DOWNEY: Mr. Chairman, the question I have is, is there another decision-making body other than the Water Services Board dealing with the approval of projects that are going to be taken on? Does the Premier or the Chairman of the Jobs Fund have any say into what projects, the prioritization of it or does the Water Services Board per se as it has been, made the decision, negotiated with the towns, villages on one of these projects, is that still the same or is the decision-making process taken away from that body and gone to the Jobs Fund or any other group? Does it stay with the Water Services Board or have there been decisions made without the knowledge of Water Services Board?

HON. B. URUSKI: Mr. Chairman, the program is the same as it has been, in terms of the additional funding. The response comes from the communities, through the Manitoba Water Service Board and the projects are targeted by the board and recommended, in terms of how quick they can be done. There is no sense trying to go out and, in my mind as one would say, beat the bushes to develop projects when the engineering works and the preliminary data is not done. It has to be plugged into the system that is here in order that normal scheduling can occur and that's what's occurring here.

I should mention to the honourable member that there have been some projects that were carried on under the Municipal Capital Assets Program which did not come to the Jobs Fund. It came to the Municipal Capital Assets under the Jobs Fund and the chairmanship of the Jobs Fund, it didn't go through the Water Services Board; but that was separate from the \$4.5 million. That was in addition to the \$4.5 million that we had last year.

MR. J. DOWNEY: That is the question. Really, we are seeing water service provided by government with government money, without the Water Services Board having a say and control and looking after it as it normally would do. They are diverting around the Water Services Board.

The Minister says that they were putting in other projects without having to go through the board. If the board approves everything and has that control over it, I think it is important that they keep their finger on it and that that be the mechanism that's used rather than having two or three agencies, or government, providing funds through two or three different channels. The Water Services Board should be the sole controller of the projects and the negotiating on behalf of the province.

HON. B. URUSKI: Last year, of all the projects that we did, with the exception of one, all of them were cleared through the Water Services Board. All the projects, even though the funding came from other sources. So this year, in terms of the budget, all municipal water and sewer projects are being handled through the board as they were last year. There was

only one that didn't have the prior concurrence of the board and it was the Village of MacGregor.

MR. J. DOWNEY: Who made the decision for the approval and who handled it as to whether the funding was proper or whether the agreement was proper? Who looked after that particular project?

HON. B. URUSKI: The funding was made through the Ministers of the Jobs Fund, based on the criteria of the Municipal Capital Assets Program as being a worthwhile program of municipal capital assets. It did not, at that time, coincide and the town, I guess, made presentations through that program. We weren't advised on that one and, as a result, it was not cleared through the board but it's not one that wouldn't have been cleared, but I give the honourable member that information.

MR. J. DOWNEY: It appears as if the government lacks co-ordination and leadership and direction, Mr. Chairman, if that kind of thing happens.

A MEMBER: Of the \$5 million, one small project - \$200,000.00.

MR. J. DOWNEY: . . . the government would clean up their act a little. Mr. Chairman, in the area of Water Services Board, there was a subsidy to the different towns and villages to help equalize the water rates. Have the water rates been changed or is there a proposal to change the water rates? I believe they were something like \$3.85. They were all equalized at \$3.85 per so many gallons, was it? What is the current subsidization on water for towns and villages? It would be somewhat higher than that particular level. Has there been a change in policy or is there a proposed change in the water rates?

HON. B. URUSKI: As the policy was established, I believe last year, or it came into effect last year, there is an annual change based on the - I think there is a utility kind of Consumer Price Index that all utilities are subjected to and the rates change by virtue of that change.

MR. J. DOWNEY: Strictly by your signature.

HON. B. URUSKI: Well, Mr. Chairman, the honourable member should know, should be aware, and I should tell him if he is not, that what we did when the policy came into play - for the 37 water treatment plants billed by the board prior to 1972, prior to this program, the board owns and operates these facilities and recovers its costs by selling treated water to the communities.

Since there has been no provincial subsidy for the construction of these plants, the water rates were fixed at a maximum level with the province providing a grant to subsidize the operation. Effective April 1, 1984, the level at which the provincial subsidy will begin has been revised to \$4.50 per 1,000 gallons and, thereafter, adjusts the rate upward annually by the annual utilities Consumer Price Index, calculated the previous October.

The province provides approximately \$600,000 in grants this year and will continue to provide that for

the operation of 27 of these plants - 27 of the 37 plants are being subsidized.

What we are doing, and I should advise the honourable member that we are looking at, although there is a contract and the contract will remain in force for the life of - I believe the average contract goes to the year 2000 or 2005, and that will continue to be in place. What we are reviewing and what I want to see is, if those plants were built under the present program, what would be the costs of water to that community and how would the communities benefit under the old contract versus the new program that was established in 1972 or any revisions thereof, and see what difference there is, if any, and how the program should be operated, because the honourable member knows that for any plants or any distribution systems that were built since 1972, there is no provincial subsidy on the operation of those plants.

The subsidy or the assistance came at the construction phase, and what I want to see is how the two very different programs compare. What would the community have received in assistance from the province had they built those plants under the present program vis-a-vis the subsidy that they are receiving today and how does it come out over the life of the contract? We are doing that kind of work to see where it will end up, so that no community gets any less or relatively the same as they would under the present program, so they would not be short-changed, but so that there is some relationship between what communities today are faced with vis-a-vis what those communities under contract did, prior to 1972.

MR. J. DOWNEY: Really, if I understand it correctly, the Minister has raised the price of water to those 27 communities from \$3.85 per 1,000 to \$4.50 as of the 1st of April. Is that what he is saying? I didn't see any public announcement or any press release that the Minister was raising. I didn't hear anything like that, but now they do know that the price of water has gone up from, I think it was \$3.85, to \$4.50. He has done this prior to the review that he is suggesting and the changes that he is implementing. I would have thought he would have waited for the increase in the price of water until after he has done a review and a comparison of the new policy and the new program of installation and helping to pay for the cost of installation versus the old program. He's moved, I think, a little prematurely on the increase of the water prices. I know he had to deal with it, but I am wondering why he hasn't done it the other way around.

The other question, Mr. Chairman. The government, when they were in opposition, made a lot of to-do about the fact that we had made the decision to decentralize and move the Water Services Board and the branch to head office in Brandon. In fact, there was a great opposition to it by the present government, as opposition, that it was going to be the worst thing that happened to the department. I would ask the Minister if he is going to propose to move the Water Services Branch back to Winnipeg. Is that his intention?

HON. B. URUSKI: I'll answer that question when I finish my comments dealing with the water rates. The honourable member should recall that I announced the

policy during last Estimates, that there was a change in policy, that we would be reviewing the water rental rates annually. What we have and will continue to provide is generally the subsidy that is there up till now, and that is approximately \$600,000 a year to 27 of the 37 communities that are on the program. So that subsidy continues to be there. The policy is very clear that the rates will change annually as the utilities, consumer price index is calculated . . .

MR. J. DOWNEY: It didn't change under our government.

HON. B. URUSKI: Mr. Chairman, the honourable member says it didn't change. I believe that there should be equity, as between communities, under the old program and under the new program, and that's what we are reviewing, but we shouldn't stop the clock because we are reviewing. We have set the policy and the policy will be there and will continue to be there.

The honourable member says that the rates will go up. That is true, Mr. Chairman. When you provide a service that costs additional money those costs have to be calculated and someone has to pick them up. Twenty-seven communities generally have been receiving a \$600,000-a-year subsidy from the taxpayers of this province. Should that subsidy continue to escalate year after year, or should there be at least some calculation or some review as to what benefits are received, as a result of this subsidy to a community, vis-a-vis the present program where there is no subsidy given to those communities. There is an assistance provided, by virtue of the construction, and what we are trying to see is whether there is any equity or what is the difference between the two.

Mr. Chairman, the honourable member speaks about decentralization. He should be aware that I, as one critic, was not critical of his government for decentralizing. We have not been critical and were not critical of the move to decentralize. What we were critical of was how it was carried on, and how it was carried out. I think he, as the former Minister, surprised everybody in the department frankly by that move.

One day he made up his mind that we're going to move, and we moved. Maybe that is one way of operating. Sir, and that's how he preferred to operate; Mr. Chairman, I have tried to take a different approach, maybe not always will it work and I may get myself into trouble with any moves or changes that may come about, wherever they may come about in the future. But it is not that we are opposed to decentralization, in fact, if any government in this province made the move to decentralize it was this administration, not this particular one, but previously under the leadership of the Honourable Edward Schreyer, Premier of this province.

We set up the entire regional system in the Department of Agriculture to provide the support services, and moved many government offices and decentralize those services throughout rural Manitoba. So we have not been, and I am certainly not critical of decentralization. Where it can be shown that it will be effective to provide the service on a regional basis, we certainly support that, but what we were critical of and the honourable member should recall, was how that move was carried out.

MR. J. DOWNEY: Mr. Chairman, I have a couple of other questions, one dealing with the Town of Souris and the sewage treatment system that they have put in place. My question is what have been the results of the monitoring, and are the Regional Water Services Board and the Environmental Branch satisfied with the quality of the water that is being produced by that plant? It appears to me it looked like a fairly good operation and process as far as initial investment was concerned, as well as the cost of operating it and the purification of the water to go back into the river.

I think and I would like to put on the record, Mr. Chairman, that the Town of Souris should have received, from either the Research Branch of the department or as a special fund, funds to help because of the initiation of that kind of a project. I wonder if there are other ones being planned such as that, and if there still couldn't be some way in which the town could receive some additional support from the province in dealing with the cost. First of all, I want to know the acceptability of the project, and then why can't there be consideration given, because it is a pilot project really.

I know when we were in government, for example, the Town of Roblin received a substantial amount of federal-provincial money when they put in the irrigation project to use the effluent from the Town of Roblin where it was a problem. I wonder why the same principle wouldn't apply to the Town of Souris under this government as to why they couldn't find additional funds to help that town when I think it is an extremely good pilot project.

I would like the answers to that and, as well when I'm on my feet, there was a program and I think still is a program in place that assisted smaller towns and villages to put water and sewer in. It made it affordable for low populations. I know at one time when I became Minister of Agriculture, there was a policy where communities of 300 or less were not prioritized. That was changed in our term of office, and we implemented a program to support all communities, because we thought it was within the achievability of those town and villages obtaining funds for projects.

Are those programs still in place and being carried out? How about the on-farm support programs? Have there been any changes to the programs of assisting farmers to implement water supplies or piping of water for long distances?

HON. B. URUSKI: Mr. Chairman, I'll try and recall the questions, and maybe staff will remind me if I forget some of the questions. I'll start from the reverse.

There is no change in the support for on-farm and small communities at this time. The programs that are in place are continuing, and we are continuing with those programs.

With respect to research and development work in the Water Services Board, the Water Services Board does have an internal budget as part of the \$3 million for research and development which they do utilize. We are trying to do some research and development work internally, however, because of the amount - it's an additional 120,000, in addition to the \$3 million in the budget. We have not done as much research and development work internally, as a result, and part of the problem has been the move to Brandon. There has

been a fair bit of turnover in terms of staff as a result of that transfer, and we hope that we are finally settling down that issue of decentralization and it was how it was carried on; that's what has created a lot of the difficulties. We have lost a number of our professional people, so we hope that we will be able to do more research and development with the monies that we do have and have provided annually.

Specifically with respect to Souris, we are in the process of finalizing a contract with the University of Manitoba for a monitoring program that will be, I believe, cost-shared between the Federal and Provincial Governments. The monitoring costs, we estimate, will be somewhere in the neighbourhood of \$100,000.00. We hope that by the end of June that will be in place and the monitoring process will be there.

It is an innovative system, and our department certainly has supported the trial of that system. I think there are probably some problems there, some bugs to work out in the Cowatt system, however, we certainly supported it, and the work is continuing to put into place the monitoring system that I spoke of.

MR. J. DOWNEY: So I'm clear on this, I understand there aren't any funds to help pay for the project, but there will be funds provided for the ongoing monitoring of the project; is that correct? Are there any other systems?

HON. B. URUSKI: Mr. Chairman, the honourable member should be aware that the system in Souris was cost-shared between the municipality and the province under the regular program.

MR. J. DOWNEY: Yes.

HON. B. URUSKI: Yes, okay. I wasn't sure what you were getting at.

MR. J. DOWNEY: What I was asking was a similar kind of a funding program for the installation and the costs of installing it as were in place in Roblin where we put in a pilot project dealing with the irrigation system and the removal of the effluent from the Town of Roblin. The installation charges were cost-shared by the Federal and Provincial Government. Those were the kinds of costs that I was thinking of, cost-sharing being provided for the Town of Souris.

The monitoring, I'm sure they will appreciate the cost-sharing of the monitoring, but I don't think it'll take any weight off the backs of the taxpayers of Souris. That's the point I'm trying to make and I still put a plea to the Minister to reconsider, if at all possible, a means to help pay for the project because it is one that is the first of its kind in this country. I feel that they should have some benefits coming from the province because of that.

HON. B. URUSKI: Mr. Chairman, just so I understand the honourable member, I don't want to argue with him because I just want it to be clear in my own mind. The Federal Government, it is true, did not put up any funding towards the construction of this system. That is true. If that's the point he was making, he is right. We hoped that they will cost-share in the monitoring

of the system and that is our intent. We are providing funding and so will the Federal Government for the monitoring, they are not insofar as the construction.

We're in the process of sitting down with the Federal Government to see whether we can in fact strike a long-term agreement for the provision of sewer and water services to other communities in the province, in addition to the work that we are now carrying on. Those negotiations have just begun and I can't say any more than that, but that is our intent to provide for longer-term, additional funding in addition to the \$5 million that we have now over a longer-term package of the provision of water supplies and sewer and water services throughout rural Manitoba to augment what we have done at the present time. But specifically there is no program in place now with the Federal Government to cost-share specifically on constructed works of the Manitoba Water Services Board, but we're going after a much larger than a project by project. We're looking at a longer-term agreement in which the whole sewer and water program within the Province of Manitoba can be enhanced by the participation of all three levels of government.

MR. J. DOWNEY: I'll just conclude, Mr. Chairman, by saying that there was a precedent set. There was a project at Roblin; it was cost-shared by the Federal-Provincial Government. He doesn't need to say there isn't a program. The example has been set. All I'm asking for is the same thing for Souris.

HON. B. URUSKI: Mr. Chairman, as I indicated to the honourable member, I don't know and maybe staff have some information as to what the difference of the similarity of the projects that one can - I'm not sure whether the benefits from Souris can be looked at in the same light as the Roblin situation. As the honourable member knows, the Roblin demonstration project was the use of effluent on the production of the forage crops. There was an irrigation system set up. I don't believe that the actual construction within the town of the system was cost-shared by the Federal Government, it was strictly the use of the effluent on the production of forage. If there was something like this, in terms of Souris, we certainly would look at that, but I'm not sure that is the case.

I think, and the member probably will remember maybe better than I, that the amount of federal dollars came into play only on the distribution of the effluent from the lagoon to the fields where it was being distributed and no other cost-sharing for the town. If it's in that light that he makes the request, certainly that can be considered.

MR. CHAIRMAN: The Member for Rhineland.

MR. A. BROWN: Thank you, Mr. Chairman.

I understand that this is the area that was involved in helping some small communities and towns along with some of their water problems. I wonder if the Minister can specifically tell me how construction is coming along at Rosenfeld and whether it's on target and when can they expect to have their water system in operation.

HON. B. URUSKI: Mr. Chairman, I'm advised by the general manager of the Water Services Board, Mr.

Griffin, who is here with us, that they are slightly ahead of target in that project and hopefully by early this fall the project can become operational.

MR. A. BROWN: My next question is that a study has been done to supply the Town of Altona for many years, various alternatives have been discussed, has a final decision been made now as to get water in from Letellier, pipe it in or are other alternatives still being looked at?

HON. B. URUSKI: Mr. Chairman, I'm advised that there were 19 possibilities looked at by the Water Services Board. One has been selected and there are some engineering estimates and work being done on the one. The one in particular is the piping system to service not only Altona but a number of communities looking at the cost of building separate water treatment plants for every community or building one large water treatment plant and piping it into a number of communities. That's the kind of scenario that is being examined and costed out now.

It is for projects such as this that we are discussing with the Federal Government a longer term cost-sharing arrangement to participate in the provision of water and sewer for rural Manitoba. It would be a project such as this that I would foresee any federal-provincial agreement triggering into and being involved in. We certainly see this type of a process being in the long run, engineering wise, much more superior and less expensive in terms of, especially the provision of water for many communities. From the cost of operation, from the cost of construction, it is much less expensive to build one large water treatment plant, run well and pipe the water to a number of communities because - and I go from memory, staff will correct me if I'm wrong - the life of a water treatment plant and equipment is normally 20 years. The life of piping that has to be put into send the water can last about 60 years so that it is very clear that the building of one large water treatment plant and a lot of piping is far more economical and engineeringly superior.

MR. A. BROWN: Can the Minister tell me when he expects that these studies are going to be finished on this Altona study?

HON. B. URUSKI: Mr. Chairman, I should mention one other fact there, that with the piping there will be somewhere in the vicinity of between 50 and 100 farmers who, along the way between the communities, could also be and probably likely would be served by this pipeline. The study that is under way now should be finished within a month or so.

MR. A. BROWN: A considerable concern has been expressed on the PFRA Agreement and the Provincial Government. I understand that it was supposed to end sometime this year. My question is: is the Minister optimistic that he's going to be able to arrive at some kind of a long-term agreement that he was talking about in regard to providing water to . . .

HON. B. URUSKI: Mr. Chairman, the member speaks of the agreement dealing with pipelines I'm assuming,

because there is no other long-term agreement with PFRA. It's our hope that in our present discussions we'll be able to go beyond the agreement that is now in place just dealing with pipelines and which would evolve in additional funding for more than just pipelines. That's what our intent is and we have begun those discussions.

MR. A. BROWN: Is the Minister saying that when you're supplying, let's say, reservoirs for water and so on, that there is no agreement there with the PFRA, that that is strictly paid for by the community and the Water Services Commission or is there also some involvement with PFRA in those projects?

HON. B. URUSKI: Mr. Chairman, dealing with the reservoirs, that is under the Interim Subsidiary Agreement with the Department of Water Resources or Natural Resources and that ends a year from this fall. That is still in place as well.

MR. A. DRIEDGER: Mr. Chairman, I understand that the Water Services Board is involved with the Town of Emerson, in terms of bringing in water from the States. Can the Minister indicate the cost sharing or how is the financial arrangements made with the situation where they're piping the water or planning to pipe in the water from across the line? Are they going to be treated the same way as a town that puts in their own water system, cost-wise, or is there any difference in the sharing arrangement?

HON. B. URUSKI: Mr. Chairman, this bringing in water supply is treated as a regular program. It's part of our regular program. They're eligible, under their mill rate, for assistance. I believe on water it's 8 mills and they're eligible. Under the regular program, they would receive cost sharing to whatever the formula allows for.

MR. A. DRIEDGER: Can the Minister indicate, is that project on this year's program, the project that the Town of Emerson is undertaking in terms of bringing in water from the States?

HON. B. URUSKI: Mr. Chairman, I'm advised that request is at the feasibility stage. There are some concerns, I should mention, that have to be examined. I'm not sure that they're insurmountable but the member should be aware is the contract for the water supply and, basically, the long-term contract to make sure that there are sufficient years in the contract to make the investments of the money into the piping financially sound.

MR. A. DRIEDGER: Can the Minister indicate what the implications are of bringing in water from the States? Does this have to go through the International Joint Water Commission? Are there problems, other than the feasibility end of it, in terms of bringing the water from across the line? — (Interjection) — As long as it isn't Mississippi water, eh?

HON. B. URUSKI: Mr. Chairman, I'm advised that the water - in the case that we're speaking of - is well water and that there are ongoing discussions between

the community and the Department of Natural Resources who are responsible for the allocation of, whether it be licencing or whatever, for ground water supplies and any permits would be there.

We're not aware, at this point in time, that there are any difficulties there and those discussions are proceeding; but in this case here, it's strictly well water, in terms of the transfer, so other than the long-term guarantees of supply from our standpoint, it would be our concern. There may be some others that we're not aware of at this time but they're being worked on because discussions are ongoing between the community and I think maybe even internally between our staff and water resources.

MR. A. DRIEDGER: Another question to the Minister. Is there a possibility that if these problems can be overcome, that this project could possibly be taking off this year sometime yet or is that not a likelihood at this stage of the game?

HON. B. URUSKI: Mr. Chairman, the honourable member should be aware that in terms of the budget of Water Services Board, it's kind of a Highways Department situation, because you are committing construction funds. What you are doing is committing yourself to more than 100 percent of what actually can be done so that 100 percent of the funds can be spent.

When it comes to construction, in the Highways budget, the department there commits itself to 160 percent of an actual 100 percent construction budget. We are not far different, in terms of the Water Services Board, in that we have to over-commit to be able to actually expend those amounts of money, and there are many projects that, in fact, take several years to complete. They are staged, and depending when the commitment is made and depending on the curtailment of previously begun works, that's when it can be fitted in.

There are still funds available at the present time, but it really depends on the scheduling and the time line when those negotiations and discussions are concluded. It's possible, but I would not want to say that, yes, it will be done if everything goes ahead. I don't know what other requests are in the mill. At the present time, it can be accommodated. That's all I can tell the member.

MR. CHAIRMAN: 5.(g)(1)—pass; 5.(g)(2)—pass.

5.(h)(1) Agricultural Crown Lands - the Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, this is an area that I have some concern about and I want to discuss briefly the policies of the allocation of Crown lands. I think that there are some things that have to be checked out. I some time ago sent a letter to the Minister of Agriculture and, again, it was a constituent for the Member for Ste. Rose, who apparently isn't looking after his constituency too well, and I spend a fair amount of time with constituents from the Ste. Rose area.

Mr. Chairman, the individual I'm talking about, he is aware of it because he does have a letter on it; but there was an allocation made of Crown land where in fact the person who had given up the Crown land, had

negotiated a private sale, a private quarter-section sale to an individual and apparently there were two or three other individuals had bid the same price. However, the allocation of the Crown land was contingent upon the sale of this individual's cows and that, to me, was somewhat I think a deviation from policy. The Minister's letter says, well, it was a unit transfer; we'll disregard it and that's the way it is.

It really wasn't a unit transfer, Mr. Chairman. A unit transfer, in my definition, would have been the man would have walked into a particular person or Farmer A would have said to the purchaser, I have a piece of private land with the cows. The price is X number of dollars and the Crown lands would go along with it, if the government approve it. That would be a unit transfer, but the way this particular situation was, there was a quarter section of land or so that was negotiated with the farmer who wanted Crown land. He thought he had the Crown land allocation given to him, and then all at once, because a few other people got interested, the farmer said, well if I can get \$800-and-some-dollars or I'll put my cows up for bid and whoever bids the most for my cows gets the Crown land.

That turned the decision-making away from the government to the person who was using his cows to maximize his income and the person who needed the Crown land was left out in the cold. I think it's a deviation from policy because the point system was kept in place and I think that one particular person got the shaft by this government. Now I don't say it was intentional. I don't think it was a political game being played. I'm not making those kinds of accusations at all. I just think that the whole thing was poorly handled and if the Minister of Government Services had been looking after his constituent, this wouldn't have happened; but he had apparently no interest in his constituency at all.

I do lay before the Minister of Agriculture . . .

MR. CHAIRMAN: Order please. The Minister of Government Services on a point of order.

HON. A. ADAM: On a point of order, the . . .

MR. CHAIRMAN: Order please.

HON. A. ADAM: The Member for Innuendo has raised a point about some leases. Apparently, Mr. Chairman, on practically every lease that is available, you will have a number of applicants. There are going to be almost in every case, there will be four individuals that will be unhappy, and there will be one that's happy. One will be accepted. There is a point system there that is used, Mr. Chairman, there is an appeal mechanism that is available to them, and there is an independent review board that looks at all the leases. — (Interjection) — The Member for Innuendo is talking again through his hat that he doesn't even wear at the moment.

MR. CHAIRMAN: The Member for Arthur to the same point of order.

MR. J. DOWNEY: Mr. Chairman, I am pleased that the Minister of Government Services added to the debate. I am sure he has thrown another pile of dirt on the Minister.

No, my concern is one that's legitimate — (Interjection) — no it isn't the first time, every concern is legitimate.

But what I am saying, Mr. Chairman, is that the individual who fully believed he would get the Crown land on the basis of having negotiated a price on the private land, and that was in fact the way in which he would get the Crown land. It was negotiated and everything was set until there were other interests shown. When that came about, apparently there was equal price offered for the private land. All at once, there was a cow deal thrown into the transfer of Crown land. There were a herd of cows offered for sale by the person that owned the quarter and they said, well, whoever bids the highest for the parcel of cows gets the Crown land.

That's wrong, Mr. Chairman. It's wrong, Mr. Chairman. It wasn't fair. It wasn't allocated on the point system. It wasn't a unit transfer as we understand it in policy, Mr. Chairman. It was wrong, and I asked the Minister, I pleaded with him to reconsider to have the Appeal Board relook at it.

MR. H. ENNS: If Mr. Rockefeller buys the cows, he gets the land.

MR. J. DOWNEY: Not only, Mr. Chairman, did it take pasture away from a legitimate young farmer in the constituency of the Member for Ste. Rose who wanted to continue on and be a part of the farming operation in that area, it gave the new tenant an opportunity to buy it. You see, there are more serious implications.

So that land that could have helped expand that farmer's base, the opportunity for him to have it as a part of his operation is now gone. Because when you allocate these leases, then they can be bought, thanks to the policy implemented by the former Conservative Government in this province. This, Mr. Chairman, is a concern. I asked the Minister to look at it, he looked at it, but he comes back saying, it was unit transfer. I would hope he could rethink it.

The answer, of course, that he has given is that, "I trust that there's other property or something. I want to say we have sympathy for this particular individual, this young farmer who is anxious to expand his beef herd. Accordingly, we are actively searching for alternative grazing land."

Well, in my estimation, that isn't good enough, Mr. Chairman. I think it could have been corrected from Day One. I would hope that the policy of the government now isn't that if a person can outbid the next for a herd of cows, that's how he gets Crown land. Let's put this example: what if, Mr. Chairman, the person who initially needed the Crown land already had enough cows. He'd expand on his own and needed this additional pasture, and he put a legitimate bid in on the land to buy the quarter. His point system was right at the top, but all at once he is forced to buy more cows to get land to look after the cows he already has. It doesn't make sense, and I would hope the member for that area would pay attention to it and delve into it, because he is not doing his job as a responsible member.

HON. B. URUSKI: Mr. Chairman, what the Honourable Member for Arthur has highlighted for me very clearly

is the difficulty of administering a unit transfer policy, a policy which — (Interjection) — well, Mr. Chairman, he says, he didn't have any difficulty. The fact of the matter is it was his administration which brought in a unit transfer policy. Mr. Chairman, one has to examine what the policy is to do. It is to try and keep a farm unit intact, rather than splitting it up. If there is, in fact, a prospective purchaser, then the unit is evaluated, land and buildings, but in this case here the prospective purchaser or the second or third party who was interested in this land decided to say, look, I will take the cows because it will make my unit even better. Because in many unit transfers, everything goes. Not only the land goes, but the machinery and all the cattle go, all one and one.

Mr. Chairman, when the member says, one and one, what if there are three prospective purchasers? Provided that the value of the property, which could include animals, could include equipment, and would include all the land and buildings, what if all the items that are there for sale . . .

MR. H. ENNS: There would be no trouble, you'd give it to the guy with the PC card.

HON. B. URUSKI: Well, the Honourable Member for Lakeside now makes an interesting observation. You give it to the individual who has a PC card. Mr. Chairman, we don't use that as part of the criteria. We don't use that part of the criteria.

What happened here, Mr. Chairman, was that, yes, there was more than one person interested in the property. That is the case dealing with any kind of lands where there is a system of competition for the land on the basis of - in this case here, it's not on the basis of a point system, because the unit transfer is not calculable on . . .

MR. CHAIRMAN: Order please. The hour is 4:30, time for Private Members' Hour.

Call in the Speaker.

IN SESSION

PRIVATE MEMBERS' HOUR

RES. NO. 4 - FARM FUEL TAX

MR. SPEAKER: Order please. The time being 4:30, Private Members' Hour. The first item on the agenda for Monday's Private Members' Hour is proposed resolutions.

Resolution No. 4 - the Honourable Member for Rhineland.

MR. A. BROWN: Thank you, Mr. Speaker. I move, seconded by the Member for Lakeside,

WHEREAS agricultural production of food requires substantial use of petroleum and natural gas energy; and

WHEREAS the Federal Government has placed substantial taxation on petroleum products and natural gas; and

WHEREAS the costs of the Federal Government's taxation policy on petroleum products and natural gas results in higher food prices to the consumer; and

WHEREAS depressed prices for farm commodities and increasing costs of production are placing the farming community in severe financial difficulty causing many farm bankruptcies; and

WHEREAS the Governments of Manitoba, Saskatchewan and Alberta have exempted provincial taxation on fuels consumed for agricultural production of food;

THEREFORE BE IT RESOLVED that this Legislative Assembly urge the Government of Canada to remove federal taxation from all petroleum products and natural gas consumed by the agriculture community for the production of food, and that this Legislative Assembly forward copies of this resolution to the Prime Minister of Canada and the Federal Ministers of Finance, Energy and Agriculture.

MOTION presented.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. A. BROWN: Mr. Speaker, this resolution is almost identical to the one that was presented by the Member for Pembina last year and, indeed, the year before that. We have tried for three years now to get this resolution passed and unfortunately we have not received the cooperation from the government side.

Last year, there seemed to be a considerable amount of urgency to get a resolution such as this passed, and if there was urgency last year, Mr. Speaker, then there certainly is more urgency this year because what we see this year is that we see lower prices for our commodities, especially in the grain prices. They are continuing on a downward trend and this of course is of great concern to all the producers of grain. Combined with that, the interest rates seem to be increasing again, and there has also been a tremendous increase in the cost of production.

For example, a 140 HP row-crop tractor, which is what is required in many of our farming communities, will cost up to \$80,000.00. A combine is going to cost up to \$120,000.00. There has been a tremendous increase in fertilizer prices, implement prices, and even to overhaul a tractor now. If you can get away with \$6,000 you are very lucky. Besides that, the cost of labour is up and we are going to see a tremendous increase in freight rates. With all these items that I have just mentioned that the farmer has to combat with, he has to battle with the elements which has not been easy this year because of the high winds and the low temperatures that we have had in the last while. That has a very depressing effect on the farming community.

All these items that I have mentioned, Mr. Speaker, there is no doubt about it, it's going to force more farmers into bankruptcy, and this certainly is not advantageous to the province and then to the industry as a whole. The farming community is facing really an intolerable situation and there only seems to be one avenue that is left open to us, and that is to reduce the cost of production wherever possible. The only other thing, of course, would be that if the Federal Government would go on a massive price stabilization program, and we certainly don't see that happening, and I would prefer us to take this other route first of

all and lower the costs wherever possible because I don't think that stabilization policies are necessarily the answer on all commodities such as grain.

There are many areas in where we could be lowering the cost. For example, there is the cost of chemicals, of herbicides and pesticides for special crops. I talked about this the other day in the Legislature that there would be another area in that these are herbicides and pesticides, the price of them could be lowered, especially those that are being used in the production of special crops.

There is a herbicide over here by the name of Sonalon which is used extensively in the United States. The cost of application per acre is \$8 an acre. Anything that we have that approached anywhere near what this herbicide is going to do is going to cost us \$30 an acre. The only reason that we cannot bring this herbicide across the border is because it has not been registered in Canada and the company, that is Elanco, says that there is no way are they going to register this particular chemical in Canada because of the hassle that they have to go through and because of the small amount of usage in Canada.

We see this with many of the herbicides and pesticides which have been registered in the United States. They are being used over there. We import the vegetables that these are being used on. There is no problem getting the vegetables across the border that have been treated with this particular chemical and yet, when we want to use that particular chemical, then we are told no, sorry, but you cannot import this into Canada.

These are some of the things, Mr. Speaker, that the farming community finds very frustrating, and what is needed is more co-operation from government departments so that when chemicals are available which will do a good job, which are being used in the United States, and the products from which we are importing into Canada, then surely somewhere along the line we should be able to put pressure on the government to be able to import some of these herbicides. We used to be able to do this. It was stopped because of lobbying by some dealers who saw that they were not getting any revenue from anything that we purchased in the United States, and that was the main reason really why these chemicals could no longer be imported. We take strong exception to that and I believe that we all must work together so that we, again, can import some of those chemicals which are probably never ever going to be registered in Canada because of the small usage.

The Conservative Agriculture Caucuses of Manitoba, Saskatchewan and Alberta met in the beginning of March in Regina and some of the problems which we are facing mutually were discussed. One of the areas which we did discuss and we paid special attention to was the federal tax pertaining to farm fuel. This is a tax which all of us feel that if we're going to lower the cost of production then certainly this is one area in which it could be done.

I would just like to give a breakdown of what is happening in the various provinces regarding the price of gasoline and the prices of diesel fuel, comparatively, are the same. Now, in Saskatchewan, per litre - I should probably go down to the gallon figures - the dealer margin is 15.5 cents a gallon; in Alberta it's 14.6 cents a gallon; and in Manitoba it's 11.8 cents a gallon.

Provincial gas tax: in Saskatchewan there was none; in Alberta there was none. This breakdown that I have

over here is for gasoline at the pump. So we will have to deduct this later on but we'll deduct this later on when I get down to the total. But in Manitoba it is 34.1 cents.

Federal excise tax - if the Minister would like I'll table this chart with him after I've finished. Federal excise tax is 6.8 cents a gallon in all the three Prairie provinces. Federal sales tax is 13.8 cents for all the three provinces. The cost of refining, manufacturing and distributing is 32.3 cents in Saskatchewan; it's 39.6 cents in Alberta; and it's 34.1 cent in Manitoba. Then there is a Canadian ownership charge. This is 3.2 cents in Saskatchewan, and 3.2 cents in Alberta and Manitoba. Then there's a petroleum compensation charge. That's 10.9 cents a gallon in all the three provinces, a petroleum compensation charge. Then there are the pipeline tariffs. This is 1.8 cents in Saskatchewan; .9 cents in Alberta; and 2.3 cents in Manitoba. The producing provinces royalty tax is 33.6 cents in all the three Prairie provinces.

A MEMBER: How much?

MR. A. BROWN: 33.6 cents. There's a federal tax at the wellhead. This is for petroleum gas and gas corporate income tax, it's 20.9 cents in all the three Prairie provinces.

The cost of production is 9.1 cents in all the three Prairie provinces, and the producer net-back is 27.3 cents in all the three Prairie provinces. So this gives you a price of gasoline for Saskatchewan of \$1.75 a gallon; of Alberta \$1.81; and in Manitoba \$2.08 a gallon. The farm price for Manitoba, if we would subtract the 34 cents, it would be \$1.74. In addition to that, there's a federal sales tax and a Canadian ownership tax as a percentage of price; this federal tax amounts to 16.4 cents in all the provinces. So in total the government tax that we're paying is 71.4 cents per gallon. Now that certainly is a very high tax to pay and, the provincial provinces, they have removed their portion of the tax from farm fuel and we certainly hope that the Federal Government can be persuaded to do the same.

Now, the resolutions, similar to the one that we are presenting over here, are being forwarded to Ottawa from Saskatchewan and Alberta, and I hope that we will get agreement to do the same thing so that we can get that 71.4 cents a gallon federal tax on farm fuel removed.

Then, of course, this includes the federal tax on natural gas which is used for farm fuel, because natural gas is used in the manufacturing of fertilizers. The price of anhydrous ammonia, which is your nitrogen that you supply to your plants, has increased this year by 25 percent over last year's price.

Now, the question is: why did we have to have this huge increase in price on fertilizers? I posed that question to the Minister of Agriculture a while back, and to date I have not received an answer, so I don't know whether he has made any inquiries as to why we do have this tremendous increase in price on nitrogen fertilizers this year.

We don't know just exactly what the cost is of the federal tax per tonne on the anhydrous ammonia but we know for certain that it is at least \$20 per tonne which again would give you a fairly good saving because nitrogen fertilizer, as I mentioned earlier, is the fertilizer

which is most used in the production of crops. So, Mr. Speaker, we certainly would like to see this tax removed from natural gas as well as from the other petroleum products.

Now, Mr. Speaker, this certainly would be to everyone's advantage to keep the agricultural community in a healthy state. We realize certainly that it is the No. 1 industry, in spite of what the Minister of Health thinks, in Manitoba. If you listen to any of the Liberal leadership candidates, especially when they're out in Western Canada, they say that there is no doubt about it that agriculture is the No. 1 industry in Canada.

Of course, if the agricultural community is not healthy, this does affect thousands and thousands of people all the way from those people who are mining the ore, the steelworkers and dealers, the people that overhaul machinery and so on. It affects everybody because when the farming community ceases to purchase farm machinery, or cars, or trucks, you know, it certainly has an effect on all the other industries. It certainly does affect the lumber industry too because a lot of lumber material that is used for farming business, in that you will build machine shops, granaries and so on, and this also affects your logging industry and all the other areas which are affected by the lumber industry.

Of course, I don't have to remind anybody that when the farming community is not in a healthy state, then of course government is affected, that less tax revenue is coming into government coffers. At a time when we see these huge deficits which are incurred both by this Provincial Government and by the Federal Government, then certainly it is important that we try to get as much revenue as we can by keeping the agricultural community in a healthy state.

So, Mr. Speaker, I am hoping that we will not see what happened last year to this resolution where it was amended to the effect that it really made no sense whatsoever. I hope that the members opposite will be able to accept this resolution and see that this gets passed with all expediency.

Thank you.

MR. SPEAKER: Are you ready for the question?
The Honourable Member for Thompson.

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

I had hoped to hear the comments of the Member for Elmwood. I know he had not given leave for dispensing with Private Members' Hour today. I hope perhaps that he will give comments on this particular resolution later, so that he gets the opportunity to place his views on the record. Certainly I think it would be greatly appreciated by members in this House since we did forgo the possibility of continuing with Estimates discussion to hold Private Members' Hour on this particular day.

I'd like to say from the outset, Mr. Speaker, that I have a certain feeling of *deja vu* when I view this resolution. It's somewhat similar to a resolution that was debated in this House last year and was brought in I believe by the Member for Pembina at that time. There's been a few changes in wording but the same basic approach is there. I won't indicate that I have

some problems with that approach, not because I disagree with the content of it, but because I don't think the approach is comprehensive enough. I'll get to that in a few minutes, Mr. Speaker.

First of all, I want to say from the outset that the record of this party on the question of the taxation of fuels used in the production of food is quite clear. At the federal level we've indicated, as I believe has the party of the members of the opposition, that we're in favour of giving farmers relief from such taxation of farm fuels. That's fairly clear I think. It's interesting to note in that regard that similar relief has also been discussed by a number of Liberal leadership candidates including Agricultural Minister Eugene Whelan, Justice Minister Mark MacGuigan, and Immigration Minister John Roberts. That might indicate I suppose that there is some change of heart in the Liberal Party federally at the present time. I certainly hope so. However, I understand that Finance Minister Mark Lalonde has made it pretty clear that there will be no such relief as long as he is Finance Minister. At least, that was the indication he gave prior to the most recent federal Budget. I think that is rather unfortunate. In fact, he makes reference to the fact that other people are paying high taxes, and he says that farmers should recognize that and share the burden with others.

I think if one looks at this particular situation, however, I think it's clear that it is not just a question of paying one's fair share of taxes. It is a question of a particular situation that's facing farmers nowadays in terms of the cost-price squeeze, if you want to use that term, that they're faced with.

In fact, I find it rather ironic too that the Finance Minister should make reference to other taxpayers paying their fair share of taxes. As we all know, that is simply not happening in a large number of cases. A significant number of high-income Canadians are paying no taxes at all. Now if that's what he is calling paying his fair share of taxes, then I think there is something wrong with his logic because he's expecting farmers to contribute through farm fuels and he's expecting - some of the people earning over \$100,000-a-year who are paying no taxes, they get away with it, that's not fairness in my book, Mr. Speaker. I believe there is a resolution being put forward by the Member for River East in which we'll get a chance to look at that particular question somewhat more substantially.

So as I said, Mr. Speaker, in general I think I can support the general purpose of this resolution. I'm sure my colleagues on this side can as well. But as was the case last year, the problem with the resolution, I think, is not so much what it says but what it doesn't say, its lack of comprehensiveness and its particular, I think, attempt to boil down the question into a rather simplified form without looking at some of the other problems that are facing farmers and other people in terms of gas taxation, all taxation and the oil industry generally.

I would just comment in terms of that, for example, in one of the WHEREAS'S there is reference to the cost-price squeeze that farmers are faced with. I would hope the members opposite learn from the situation in the last number of years and also pay some attention to the possible negative effect of the increasing interest rates, because certainly it had a major negative impact on many Canadians including farmers a number of years ago. I know I put in a resolution on that very topic. I would hope that they would look at that particular item.

I assume by the fact that it was not included in the resolution that it was an oversight, rather than any suggestion on their part that interest rates aren't beginning to place a real strain on farmers as they are with other people at the present time. But I would hope that they would, in looking at the situation more comprehensively, consider that factor.

But there's another thing that's also missing and it was something that we felt had to be raised last year in the way of an amendment, and that is in regard to the whole question of the price of petroleum products in general. That, of course, relates to the question of whether we go to the world price of oil or not in Canada. That's where, I think, we begin to part company with members opposite. You know, they have had some contradictory statements in the past in regard to that particular question, but I believe it is fairly well taken now that the position of the Federal Conservative Party is one of support for going to the world price of oil. Now that may not be the position of the Manitoba Conservative Party.

Certainly we have seen on a number of key issues that the Manitoba Conservative Party for political reasons will part courses with the Federal Conservative Party. We have seen that on a number of major issues of relevance to Manitobans in the last year or so. So perhaps it would be unfair to say that members opposite do not want to see us move to the world price of oil.

I suspect, however, in this case, that the fact that this was not mentioned this year, despite the fact that this question arose last year during debate on a very similar motion, indicates that the silence of members opposite indicates they do support their federal party's position on the world price of oil. Now if that's the case, let's look at the impact that can have.

You're talking basically, I think, between two basic positions in terms of the world price of oil that have been advanced over the last number of years. The one argument is that you should move to the entire world price; that you should peg the price of domestic oil to the price of international oil. That would mean a possibility of fairly substantial increases.

Certainly if we look now at the present time with the world situation where there is danger of the West's oil supply from the Gulf countries, from Iraq and Iran being cut off, from the many other Gulf states. We look at that. It's a real danger that the price of international oil might increase substantially. What one does if one ties the Canadian price to that is one ties the Canadian price of oil and petroleum products directly to a very volatile price, a very high price at the present time but one that could become even higher. That could be very very detrimental to many people, but particularly to farmers who are pretty hard-hit at the present time even under the present pricing system. So that's one alternative.

Now we last year proposed an amendment that indicated support for a different alternative, and that was to peg the price to 75 percent of the oil price. Now that is something of a compromise position, I suppose, in itself. There is no magic about that figure anymore than it would be 76 percent or 74 percent, but it represents a fundamentally different approach.

On the one hand, it says that certainly we should not have the same kind of prices that we had before 1973 when the domestic price and the international

price were \$5 or \$6 a barrel, when the producing provinces did not receive a fair return on their petroleum reserves. We can see a great need for them to get a fair return in that regard. But to go to 100 percent, I think, would be to skew the balance too much the other way, would be to favour the producing provinces at the expense of the rest of the country. That's why we suggest a compromise of 75 percent.

Their federal party and, as I've said, I assume they themselves have said, no. They don't agree with that. They feel that it should be at the 100-percent level. We believe it should be at the 75-percent level. As we look at the situation today, I think as much as we suggested last year, this should be debated. I wish, through the Member for Rhineland, he'd included some reference to that, even if he had included a reference to the fact that all prices should be pegged to the world level. That would be an honest statement on his part. We could then have a debate on that particular question and raise that.

That's important, because if one looks at the amount of additional cost that is involved between a 75-percent level of world prices and 100 percent of world prices, one will see the magnitude is higher than the magnitude we're talking about now. Like it's great to say, we are going to cut the fuel taxes and help the farmers that way. But if they're going to face major increases in the price of oil, it doesn't matter if they are paying less taxes. They are still paying more overall. Because they are in such a difficult situation, surely that will result in more farmers going bankrupt, more farmers having difficulties making ends up. That's something, I think, all members of this House should be concerned about.

That is another factor that wasn't looked at, but there's another one too which was also raised in debate last year. I'm surprised the Member for Rhineland didn't bring that up this time, and that's the state of the oil industry itself. You know, just in this House recently, we had concern raised by one member of this House - I believe it was the Member for La Verendrye - in regard to the purple gas tax; the fact, Mr. Speaker, that the 8.6-cents-a-litre tax exemption on purple fuel tax for farmers was not being passed on to them by the oil companies, that they were not getting benefits from the full amount of that, and they were not getting the benefits of the gas wars which were under way in this city and have been on and off for the last 10 years or so.

I found that interesting, Mr. Speaker, because the member who raised that concern was the same member who justified the action of the oil companies in regard to price wars when I raised a similar concern about the North last year. I said, it was not fair that Northerners pay 9 cents, 10 cents, 15 cents, 20 cents-a-litre more than Winnipeg, depending on the situation, in terms of the gas war. I said, that wasn't fair. It took the member to get the situation in his own backyard before he recognized the problem, but there is no reference to that in this particular resolution. There's no reference to the parallel between the purple tax and what we're talking about here.

You know, it doesn't have to be at a retail level. It could be at any level that the tax is imposed, but if that tax saving is not passed on to the consumer, whether that consumer be the driver of an automobile or a farmer, then there is a serious problem. This, I

think, has to be addressed in this resolution. It's fine to say, we are going to cut the taxes, but we have to make sure that the benefits do accrue to farmers. We have to make sure that those tax savings are not swallowed up by the oil companies.

You know, my experience from Thompson would lead me to say that there is a very good possibility that kind of thing could happen. As I've said, we have never had a gas war yet in my area. We have never seen those kinds of savings that you see in Winnipeg. We pay the same sort of high prices year in and year out. You add it up. It means, we're paying more than our fair share. We are paying too much. It's clear, and a large part of it is the practices of the oil companies.

That has to be taken into account in looking at any possible solution to that because, if you deal through the oil companies without changing the system, you're going to end up in the situation where they are just going to pocket any kind of relief you can give to consumers. They're not going to pass it on and that's exactly the same kind of thing that could happen in this particular instance, if we look at fuel tax relief at the federal level.

So as I said, Mr. Speaker, in looking at this particular issue, I think it's clear that I think all members of the House can support the general intent of giving relief to farmers through eliminating the fuel taxes at the federal level. I don't think you'll get any disagreement in this House at the present time on that particular matter. Everybody I think recognizes the dire straits that many farmers are faced with, and this is one way of giving that relief, but it's not the only thing when it comes to fuel taxes. It's not the only thing in regards to problems facing farmers at the present time. We have to look at, I think, a more comprehensive approach to it.

I know, members of this side of the House had not expected this to come up on Wednesday, which was the, by agreement, was going to be the scheduled time for Private Members' Hour, or one of the scheduled days for Private Members' House, whereas today was going to be used for estimates discussion. I know members of this side of the House are going to be going through the resolution to look at whether we feel it needs to be amended, to strengthen it, to make it more comprehensive - so my colleagues will be addressing that particular matter probably when this item next comes forward debate.

I would like to say, though in saying that now and in anticipating the possibility, there may be an amendment as there was last year that that is not an indication of any disagreement with the content of the resolution. Far from it. It comes from a recognition of the fact that the problem is more than that. The problem is more than what is contained in this amendment. It was more last year than what was contained in the very similar resolution by the Member for Pembina. Yet, if we are going to debate these things year after year, and I'm only a relatively new member I suppose, of this House, and yet I've seen things appear again and again for debate. I would hope though that we would learn from experience. I really would.

The Member for Emerson has a different version of how one learns by experience on this particular item. I think if you look at last year, however though, that the things that we raised in the way of amendments

were legitimate questions, were related directly to the content of the resolution, were intended to indicate our view in other ways in which farmers could be helped. I'm surprised that members opposite didn't come forward with their additional views. It doesn't have to be a suggestion like we made last year, that we follow 75 percent of the world price. It doesn't have to be that, Mr. Speaker, but it does have to be some additional suggestion on their part. It's very easy for them, in this resolution to basically lobby the Federal Government on a particular issue that, I mean wish, everybody in this House I would assume supports. It's very easy for them to say that. I realized it's more difficult when you have to state some of your other policy stats on such questions as the world price for oil and what not. I know that members of their party have had some great difficulty in doing that recently. I look at their federal colleagues, I look at the great extent to which Mr. Mulroney and his federal colleagues have gone not to take stands on certain issues.

If you look at it, Mr. Speaker, it's been amazing the extent to which they've sat back for months and months and months and not taken any stands on issues. We've all heard what John Crosbie says about it. He says, "Watch us, elect us first and then we'll tell you what we're going to do."

Well, Mr. Speaker, we did that back in 1971, we elected a Conservative Government, a Clarke Conservative Government and look what they did. Did they relieve the burden of gas prices, Mr. Speaker? Did they relieve it? No, they raised gas taxes across the board. They raised them. And they fought the election based on that. To show you the hypocrisy of the system, the Liberals fought against it and they came and they raised it even more.

That comes from a particular reason, Mr. Speaker. If members opposite will think about it, it's because, on that particular case the Tories, they took a stand - I give them credit, they took a stand. They were in government, they had to, but the Federal Liberals didn't. They were in opposition. They said, "We're against that." What they didn't say was that they were against the 18 cents, but they were in favour of more.

Same thing in 1974. They proposed wage and price controls - the Conservatives proposed wage and price controls - the Liberals were against that and then two years later they brought it in themselves.

That kind of hypocrisy of the system, as I like to put it, that comes from the fact that parties can get away in this country with not taking a stand. They can fool voters, they can make up a policy statement after their liking and they've done that on these two items that I've mentioned, and it can happen many times. The way to solve that is surely, for all parties, take a stand. As I said, it doesn't really matter what stand it is, just tell us. The same thing here, tell us where you stand, tell us where your federal colleagues stand on the world price of oil. Tell us. Tell us where they stand.

The Member for Rhineland says, "Are we going to support it?" As I said, what's in here, most of it, is something that we can all agree to, but what is as important is what's left out. I really hope that it was not left out for a purpose - that you were afraid to take a stand - because too often I've seen that in the past, and that is that the politicians get up, they make statements because they're afraid to take a stand.

They're great in criticism, but when it comes to taking a stand, well that's different. That can apply to those that are in government or opposition, it can apply to any of the parties. It's not a particular criticism of anyone, but just look at what happened at the federal level. I mean, your federal party has been on both sides of that. They've taken a stand, the Liberals haven't and they've been hurt. I think though, if you look at it now, if they feel that the solution of that is to go the other way and to say, "Well elect us first, and they will tell you," you're wrong, because I think people are beginning to get wise to that. They're asking more and more questions about where the parties stand. They're also remembering what they said in the previous election and the election before. It's the same thing on this issue.

As I said, our caucus will be looking at this resolution. We may be proposing amendments, not because we disagree with the basic intent of the Member for Rhineland, but because we feel it's important to take a stand on the whole spectrum of issues in regards to oil pricing, haul taxation and some of the problems facing farmers.

The Member for Emerson may be cynical of that, but I think that's a political process is it not? Is it not, to discuss not just what might seem to be a good idea at any particular point in time? Surely the political process is here so that we can discuss the whole problem and say where we stand, and then let the voters compare. You know, we're going to be looking at that, but I would make one suggestion perhaps to the Member for Rhineland. We don't have to bring in an amendment. He could amend it himself. He can change the resolution. Bring in a friendly amendment. We'd appreciate that. Tell us where he stands. Then we can have a real debate, and we can get a real political discussion going here. We can let the people of this province, particularly the farmers, know where we really stand. Then I think we might accomplish more than bringing back the same sort of resolution year after year after year and really missing the basic argument in a lot of cases. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, about the only thing that I could remotely come close to agreeing with the last speaker, the Member for Thompson, is the acknowledgment that he made; that option of this or a part of this resolution wouldn't resolve all of agriculture's problems. That of course is true, and that's not what the resolution attempts to do. What the resolution does is point out one specific and fairly restricted area whereby perhaps some relief to the very serious, serious problems that agriculture faces - not only in this province, but right across this country these days - in terms of rising prices, stagnant or in some cases even reduced agricultural prices - the traditional cost price squeeze as it is known - that farmers of this province and farmers of this nation face.

Mr. Speaker, I'm the first one to acknowledge that there are limited avenues open to Provincial Government to help resolve the overall problems of agriculture. I say that from my past experiences as a Provincial Minister of Agriculture, that certainly

Canadian agriculture faces a very tough competitive world in the international markets that we do business in, and Mr. Speaker, I remind the Honourable Member for Thompson, and other members, that that is the kind of world that Canadian agriculture has to live in. I remind the honourable members opposite that the export feature of Canadian agriculture is extremely important to this nation. It earns for us, very important foreign exchange dollars, dollars that are quite frankly one of the mainstays to our whole economic stability in the free world and one that is under very tremendous pressure these days - the \$6 billion, \$7 billion or \$8 billion that agricultural exchange earn Canadians - therefore it plays a very vital and important part to our overall economy.

It's in that context I think that we have to look at this kind of a resolution, because, Mr. Speaker, there are fundamentally two options, two choices open to governments in Canada in trying to address the cost price squeeze of modern agriculture. My colleague, the Member for Rhineland, referred to the one. We can go the subsidized route, subsidizing commodity prices. We could if we wanted to, I suppose, take a leaf out of the European Economic Council's book of solutions to agriculture and begin in a very massive way to subsidize farm prices so that on the one hand agricultural production is maintained, but it is maintained I remind you at a very high cost which now threatens the lifeblood of that organization for which people around the world have and continue to have hope for in terms of bringing about some unanimity not only in economic spheres but also on political spheres of Western Europe.

We have of course entered into this subsidy business to some extent, and I suppose the dairy industry is probably the most notable one where we as Canadians contribute in a fairly substantial way, \$300 million, \$400 million a year - I'm looking to my colleague but it's probably in that range - to ensure that Canadians have at all times a constant stable supply of dairy products available to our consumers. To do that we, in a very substantial way, call upon our federal Treasury to subsidize dairy production in the country generally.

There are other support programs, although one should be very careful to differentiate between those kinds of support programs that are producer-funded, where producers are actually putting in and in fact buying their own insurance, if you like, buying their own stabilization, perhaps with some help from various levels of government, but that is quite different really from the kind of programs that are talked about in the European common market or programs that are funded principally by the taxpayer as a whole and not by the producer in question.

Mr. Speaker, that's one direction that we go to try to resolve the pricing and the costing problems of our farmers today. Mr. Speaker, the other way we can go, and I suggest that that is what this resolution is attempting to point out, lead us to that direction, is to see what we can do as governments, and in this case see what we can do as a Provincial Government by encouraging the Federal Government to reduce some of the costs, reduce the input costs, that a modern farmer is faced with today.

Mr. Speaker, this isn't something that just all of a sudden happened. We're now speaking directly to fuel costs, but taxation generally and fuel costs, as listed

by my colleague again, the Member for Rhineland, has been particularly hit with all kinds of surcharges and taxes and tariffs. We have melded into current fuel prices, National Energy Program objectives. We have decided that it's in the interests of Canadians to own filling stations. We've decided that it's in the interests of Canadians to explore for oil in the vast hinterland of the North. We have decided that's in the interest of Canadians to at least, for the time being, to keep one of the companies, Dome, from going broke by pouring more and more money into. — (Interjection) — Fine, I'm not passing any comment on these decisions. I'm simply saying we have made these kind of decisions and those decisions show up in the various surcharges, the various prices, costs, taxes, tariffs, that have been added to the price of fuel today.

Mr. Speaker, the Honourable Member for Thompson speaks about the question of whether we want to adopt world price of oil or something else. Mr. Speaker, I'm more concerned about the fact that our major competitor, the person who we should never lose sight of; namely, our friendly American neighbours with whom we compete with daily, particularly on agricultural products. They are at the world price, and I will tell you every Canadian farmer would fall down on his knees and vote for that government forever and a day if only he could pay the same oil prices that the Americans are paying. If only he could be so lucky and pay the same oil prices that the Americans are paying, because they are paying about - what is the price of gas, about \$1.29 a gallon in North Dakota, \$1.30?

A MEMBER: \$1.00 a gallon.

MR. H. ENNS: \$1.00 a gallon compared to our \$2.00 and what, \$2.40, \$2.50? And we're not at the world price yet.

So give our farmers a chance to get to the American concept of world price and we'll all be happy for it. Indeed, Mr. Speaker, to pick up something that the Member for Thompson indicated, and I agree with him, it shouldn't just be the farmers. It should be the small businessmen; it should be the private person; it should be the salesman; it should be everybody else, the total consumer of energy prices in this province.

Mr. Speaker, what the Honourable Member for Thompson has contributed to this debate is just how seriously out of whack we have become in this country in the pursuit of other objectives, in the pursuit of owning filling stations, in the pursuit of doing things our way, by government, by Petro-Canada. And, Mr. Speaker, to be fair, not only for those reasons, in our persistence in taxing fuels of all kinds, whether it's for farm or city, using that source as a source of revenue for our ever-increasing costs of government, for ever-increasing deficits to try and cover them, the price has to be paid.

Now, Mr. Speaker, to keep the debate to the resolution before us, we're simply saying that farmers, the agricultural industry, is in serious trouble. We expect our Canadian farmers, our Manitoba farmers, to be able to sell our wheat for the same price that the North Dakota farmer sells it for on the world market, and we can agree to subsidize the domestically-consumed product, and we do; we have a two-tier system with respect to domestic use, but that doesn't cover the

vast majority of the agricultural products that we produce in this country and we have to compete with our American cousins across the line.

So, Mr. Speaker, Canada and Manitoba ought to take a far more serious look at how seriously out of whack we are today and indeed will continue to be if we keep looking at these areas, in this case petroleum products, as a source for ever-increasing revenues for governments at all levels, Mr. Speaker.

I come back to the opening comment that I made, in recognizing that the Provincial Government does not establish the pricing policies, the international pricing of agricultural commodities. Mr. Speaker, we can't control other natural environmental factors that play a heavy role in terms of where agricultural markets are, how they are established from time-to-time, the ups and downs of the markets. It could be a natural disaster three-quarters of the way around this globe that could affect our prices here. All of these things, Mr. Speaker, I'm prepared to acknowledge that this Minister of Agriculture, or indeed any Minister of Agriculture, has difficulty and cannot control.

So, Mr. Speaker, you come down to those areas that we can make some contribution on and I use the one word "taxes," as being the most significant area where we can cut some costs to the Manitoba farmer. Now, Mr. Speaker, the Minister of Agriculture can come back and he can say we can do lots of other things and of course we can. We can provide good extension services; we can provide good research facilities and I know somebody on the other side who would say ah, yes, but we also pay the health premiums for the Manitoba farmer and of course we do.

But, Mr. Speaker, in adding the costs of putting in an acre of wheat in terms of fuel costs, in terms of fertilizer costs, in terms of the other costs that are against that acre, land taxes, education taxes, those are the inputs that our Canadian farmer, our Manitoba farmer has to somehow meet, when at the same time he's selling his product competitively in other parts of the world, where in some cases, the costs are higher, as they are in Western Europe, but then has the support of a very sophisticated and expensive subsidization program or selling it as we are selling it, by and large, in a free and open market against major competitors like the United States, Australia, or New Zealand.

I say to you, Mr. Speaker, that I take the opportunity of putting on the record that the time has come where we cannot indiscriminately keep on adding and using as a source of revenue those areas, in this case petroleum products, for additional revenues for governments without paying a price at the other end, and the end that we're concerned about right now is agriculture. I'm suggesting that we should take seriously this resolution, Mr. Speaker, and not try to fuzz it up with a broader generalization. It's our farmers right now that are trying to sell, trying to compete, our Canadian, Manitoba grown wheat with American grown wheat, or Australian grown wheat and if we are adding to his costs by buying Petro-Canada, by buying filling stations, by doing any number of other things, that may be the policy of the Government of the Day in Ottawa or maybe this government's policy, but it's adding an increasing load to the shoulders of the farmers in trying to meet those costs.

So, Mr. Speaker, let me come back to the suggestion and to the hope that we should at least, whatever the

Americans call it - if they want to call it world price, let's get back to the world price that the Americans are paying for it, but I can assure you that you'll have the gratitude of every producer, every farmer in Manitoba in this country. We cannot keep adding to farmers' costs in the light of today's agricultural markets and this is but one step, Mr. Speaker, in asking firstly our Federal Government, which has been so substantially responsible for recent increases in costs, particularly because of some of the policies that I've already talked about, in asking them to be relieved.

This is a question that becomes more important every year. The Member for Thompson says, are we going to have this kind of a resolution before us every year? You bet we're going to have it before us every year, because it gets worse every year. The problem gets worse every year. The prices of fuel was not a consideration to farmers - Well, it was always a consideration, but it was not anywhere near the consideration it was 15 years ago. It wasn't anywhere

near the problem before we had a Liberal administration take over in Ottawa for the last 18, 20 years. It wasn't as bad until the decision remained to buy Petro-Canada. It wasn't as bad five years ago as it is today.

So, Mr. Speaker, I urge honourable members opposite not to Mickey Mouse around with this resolution. Let's give our Manitoba farmers a break. You know, it is just ridiculous the amount of taxes that we are now asking all people to pay in Manitoba for fuel. I would go so far as to extend the request that we consider seriously in putting a halt to any further increases on fuel costs, because they are beginning to hurt in the wrong places. The taxes that we collect are becoming counter-productive. They are hurting the ability of our industry to be competitive. They are certainly hurting the ability of our farmers to be competitive.

MR. SPEAKER: Order please. The time being 5:30, I am leaving the Chair. The House will reconvene in Committee of Supply at 8:00 p.m. this evening.