

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, 18 June, 1986.

Time — 2:00 p.m.

OPENING PRAYER by Madam Speaker.

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

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MADAM SPEAKER: The Honourable Member for Burrows.

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

I move, seconded by the Member for Inkster, that the Report of the Committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MADAM SPEAKER: The Honourable Minister of Industry, Trade and Technology.

HON. V. SCHROEDER: Thank you, Madam Speaker. I would like to table the Annual Report of A.E. McKenzie Co. Ltd., Consolidated Financial Statements as of October 31, 1985 and 1984, together with the Auditor's Report.

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker. I, too, would like to table a report, the report of Flyer Industries Limited, Report and Financial Statements, for the year ending December 31, 1985.

MADAM SPEAKER: Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before we proceed to Oral Questions, may I direct the attention of honourable members to the gallery, where we have 34 students from Churchill High School under the direction of Mrs. Ogren. The school is located in the constituency of the Honourable Minister of Community Services.

We have 12 students from Grades 7, 8 and 9 from the Community Bible Fellowship School under the direction of Mr. Jack Dyck. The school is located in the constituency of the Honourable Minister of Natural Resources.

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

ORAL QUESTIONS

MPIC - appoint of new president

MADAM SPEAKER: The Honourable Leader of the Opposition.

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

Following upon reports of the last couple of days, I wonder if the Premier could indicate whether or not the government has ruled out all of the vice-presidents of MPIC as potential candidates for the presidency of MPIC.

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, this morning the Cabinet in its meeting appointed Robert Silver as the new acting manager of the Manitoba Public Insurance Corporation.

Mr. Silver is the Deputy Minister of Crown Investments, and we're very proud to appoint him during the upcoming period as the acting chairman.

MR. G. FILMON: Madam Speaker, a further question on that topic, given the lack of confidence that that move shows in the current vice-presidents of the corporation, will the Premier be instructing that the Auditor review their conduct over the past couple of years?

HON. H. PAWLEY: I'm sorry, I missed the latter part of the question.

MR. G. FILMON: Madam Speaker, given the lack of confidence that that move shows in the current vice-presidents of the corporation, will the Premier be instructing that the Auditor review the actions of the vice-presidents over the past couple of years?

HON. H. PAWLEY: Madam Speaker, that is being done as a result of a request which the Minister indicated was forwarded to the board of directors to review the work of the vice-presidents and also to bring to him a plan of action insofar as ensuring that the Manitoba Public Insurance Corporation is put on a basis that we can all, as Manitobans, be justifiably proud of its operations.

MR. G. FILMON: Madam Speaker, given the review that was done which led to the firing of the president was done by the Auditor and that the board was totally unaware of the actions of the president that led to his firing, I wonder if he would not consider having the review done by the Auditor, rather than the board who obviously weren't in touch with the problems and concerns that had been raised in the corporation.

HON. H. PAWLEY: Madam Speaker, I thought that the Minister made it very, very clear that it was his action

as Minister responsible for the Manitoba Public Insurance Corporation that resulted immediately on his part in forwarding the allegations to the Provincial Auditor. As a result of the Minister's action, a report came from the Provincial Auditor which resulted in the action by this administration ensuring that the general manager be fired insofar as the poor judgment on the part of the manager of the Manitoba Public Insurance Corporation.

Madam Speaker, we are also anxious to check out all sales or any other improper actions, particularly in respect to the overruling that took place apparently in January 1985 of the policy pertaining to the sale of salvaged vehicles, to ensure that there are no other instances of the kind of abuse that was pointed out to us by the Provincial Auditor.

MR. G. FILMON: That's exactly my point. The allegations were brought directly to the Minister, and the Minister admitted that the board knew nothing of them or of the conduct that was alleged.

MADAM SPEAKER: The Honourable First Minister on a point of order.

HON. H. PAWLEY: Let me assist the Leader of the Opposition, because I wouldn't want the Leader of the Opposition to base his presumption on an incorrect assumption.

The Minister in the House indicated that he had shared the information with the chairperson of the board insofar as . . .

MADAM SPEAKER: Order please, order please. A dispute over the facts is not a point of order.

The Honourable Leader of the Opposition with a supplementary with no preamble.

MR. G. FILMON: Madam Speaker, it is the Premier who doesn't understand. My point is . . .

MADAM SPEAKER: Order please. Question Period is not a time for debate. Does the honourable member have a question?

MR. G. FILMON: Absolutely, Madam Speaker. The board was unaware prior to it being brought to the attention of the Minister. Therefore, I ask the Premier, since the board was unaware of the first set of allegations that led to the firing, should he not ask the Auditor to do the review rather than the board who are not in touch with the concerns of the corporation?

HON. H. PAWLEY: Madam Speaker, I indicated that the Provincial Auditor had already been requested to do a review insofar as all sales of salvage vehicles between January 1985 up to the present time.

MR. G. FILMON: Madam Speaker, given the lack of confidence in the vice-presidents to assume the presidency of the corporation, is the Premier satisfied that they are still competent to act in their current circumstances?

HON. H. PAWLEY: Madam Speaker, let me say that as far as we are concerned, if the board or the Provincial

Auditor feel that there is need, based upon any additional information for a further audit, then I would encourage them to do so and, in particular, the Provincial Auditor to do so in respect to any other areas.

We are anxious to ensure that the Manitoba Public Insurance Corporation is put on a sound basis that Manitobans can have confidence in because I do not want the Manitoba Public Insurance Corporation to be placed in the kind of position again that they were between 1977 and 1981 when the Conservative Party, while in government, spent \$0.5 million trying to destroy the Manitoba Public Insurance Corporation in Manitoba.

MR. G. FILMON: Madam Speaker, we had no scandals in 1977 to '81 that resulted in the firing of a president.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please. Order please. I have already reminded honourable members that Question Period is not a time for debate. It's time for questions.

Order please. I am reminding all honourable members. Are the honourable members ready to proceed with Question Period?

MR. G. FILMON: Absolutely.

MADAM SPEAKER: The Honourable Leader of the Opposition with a question.

MR. G. FILMON: Madam Speaker, given the loss of confidence in the vice-presidents of the corporation, is the Premier satisfied that they are competent to act under current positions?

HON. H. PAWLEY: Madam Speaker, I did not indicate that we had lack of confidence in the vice-presidents. What I indicated at this time was that Mr. Silver was being appointed the president of the corporation as an acting position in lieu of the elevation of any one of the present vice-presidents to the position of acting president.

Gag orders on officials - MPIC

MR. G. FILMON: Madam Speaker, on a new question, with a preamble, to the Premier.

Yesterday the Premier indicated that he didn't understand what my colleague from Lakeside was talking about when he referred to the gag order that had been imposed on the communicators of Manitoba Hydro by the Chairman, Mr. Eliesen. Today we find that a similar gag order has been placed on the communicators at MPIC by the Minister responsible. Now, I wonder if the Premier will indicate whether he is now prepared to act to remove the gag orders so that these high-priced communicators can do their job of discussing things with the public and indeed with the media.

HON. H. PAWLEY: Madam Speaker, the actions pertaining to the firing of Mr. Laufer as the President of the Manitoba Public Insurance Corporation is a

responsibility of this government, the responsibility of the Minister and myself. We will not pass the buck. We will deal with any questions in respect to Laufer rather than delegating the response to those questions to others.

Gag orders on officials - Manitoba Hydro

MR. G. FILMON: Madam Speaker, my question is will the Premier allow the high-priced communicators at Manitoba Hydro, MPIC to communicate with the media and answer their questions?

MADAM SPEAKER: May I remind the honourable member that a question should not repeat in substance a question already answered or to which an answer has been refused. Does the honourable member have a new question?

MR. G. FILMON: Yes, Madam Speaker.

MADAM SPEAKER: Or a supplementary?

MR. G. FILMON: Okay, thank you.

Given that there are gag orders in existence on the communicators at Manitoba Hydro and at MPIC, will the Premier now act in the openness of the government that he said he would lead to allow these high-priced communicators to answer the questions and to discuss matters under their purview with the media of this province?

HON. H. PAWLEY: Madam Speaker, for the third time in response to the question posed in three different ways, the communicators, whether it be of Manitoba Hydro, whether it be of the Manitoba Public Insurance Corporation are there to provide support in preparation of communication. There can and there must be only certain individuals that assume the responsibility of communication and on policy, and that may be the president of a corporation, that may the Minister.

In specific reference to Manitoba Public Insurance Corporation, the matters pertaining to Mr. Laufer, it is the Minister in this case, because of the Minister's absence, myself that will provide information as requested.

MR. G. FILMON: On what items of information are the communicators at Manitoba Hydro not permitted to speak to the media?

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Thank you, Madam Speaker.

I was assuming the Leader of the Opposition was asking a question of the Premier and I was not paying attention. Could the Leader of the Opposition repeat that question?

MR. G. FILMON: On what items of information are the communicators at Manitoba Hydro not permitted to speak to the media?

HON. V. SCHROEDER: Madam Speaker, I believe there's a basic readiness on the part of communicators at Hydro to speak generally in the same way they have in the past and that will continue on. There have been some concerns raised with respect to people and their children being asked questions about Hydro policy, and so on, by one specific media outlet. There have been requests from people to have the personal harassment stopped. The chairman of Hydro has indicated that questions from that outlet can come to them in writing and they will be dealt with.

Just while I'm on my feet, there was a suggestion yesterday in my absence by the Member for Lakeside that somehow that was applied to members of this Chamber, and I want to assure members of this Chamber that that is not true; that any member of this Chamber can ask any questions they like and they will be answered.

MR. G. FILMON: Because, Madam Speaker, I know that the Minister would not want to tar all members of the media with the same brush. Which specific media outlet has been barred from asking questions directly of communicators and staff of Manitoba Hydro?

HON. V. SCHROEDER: Madam Speaker, I understand that it is the people who are asking questions of people's children.

MR. G. FILMON: Well, again, Madam Speaker, I know that all of the professional people in the Press Gallery would not want to have their reputations involved in this accusation, so I wonder if he could clarify of which media outlet are these people members, so that they're not all tarred with the same brush?

HON. V. SCHROEDER: Madam Speaker, I do want to point out to members of the House that there have been an awful lot of questions being asked of staff who, if they were to answer all of those questions, basically we would be paying for their time to do the research for the Winnipeg Free Press. We have said that if they want questions answered, they can put them in writing.

There are some other problems, quite frankly, with that organization and Hydro. There have been suggestions made by reporters that have, in fact, later proven to be incorrect and we feel that the appropriate way to deal with them is to have them list their questions, in writing, and they will be answered, in writing; so that there's no misunderstanding afterwards as to what the questions were and as to what the answers are.

MR. G. FILMON: Madam Speaker, I wonder if the Premier could indicate: have all government departments then put a gag order on their communicators not to deal directly with the Winnipeg Free Press?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I must say that the government's Ministers and whatnot have had no difficulty in dealing with particular questions from reporters of our gallery up above, and will continue to do so. I think probably, by way of comparison, this has been one of the most open governments . . .

Freedom of Information Act - proclamation of

MR. D. ORCHARD: What about The Freedom of Information Act?

HON. H. PAWLEY: The Member for Pembina asked about where The Freedom of Information Act is, Madam Speaker. The Freedom of Information Act was proceeded with, Madam Speaker, by this administration, despite repeated promises for years by honourable members across the way.

MADAM SPEAKER: Order please. Answers should deal with the matter raised.

The Honourable Leader of the Opposition.

MR. G. FILMON: Yes, Madam Speaker, I'll give the Premier . . .

MADAM SPEAKER: Order please, and also, if honourable members insist on asking questions from their seats, they can't expect to get answers.

The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, I much prefer to ask them standing up, but my question to the Premier then is, given his commitment to open government, would he then assure this House that The Freedom of Information Act that was passed in June of 1985 will be proclaimed by the end of June, 1986?

HON. H. PAWLEY: You know, the Leader of the Opposition complained about his research budget the other day, and I think maybe we should look at some improvement to that research budget because the Attorney-General has several times indicated the processes that are under way in order to ensure that The Freedom of Information Act is in a position to be proclaimed.

MR. G. FILMON: Madam Speaker, my research shows that at one time the Attorney-General indicated it would be proclaimed by November of last year. We are now in June of 1986.

Can he give us the assurance that it will be proclaimed by the end of June 1986, one year after it was passed?

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Madam Speaker, I want to assure the House and the people of Manitoba that this government remains utterly dedicated to the implementation of The Freedom of Information Act. I am a member of, members of my department are members of, members of the Department of the Minister of Culture and Heritage are members of a Freedom of Information Implementation Group.

We recently had a presentation from the Chief Archivist of the province, including what he called a photo essay of the horrible state of the records in this government, something we should all be ashamed of. The problem that they're having, and they're working with departments and we've assigned additional

resources, to complete the job of preparing file schedules, without which you can't implement the act, and the access guide which is dependent upon the preparation of the file schedules.

I can assure the House, Madam Speaker, that just as soon as that is ready, the act will be proclaimed. If we were to proclaim the act before we are able to meet the requests which must be answered within 30 days, we would not be able to, in fact, fulfill our legal obligations. Just as soon as we have the files scheduled, the access guide prepared, the act will be proclaimed. There can be no doubt about that.

Manitoba Energy Authority Board minutes - availability of

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Madam Speaker, my question is for the Minister of Energy and Mines.

Do members of Her Majesty's Loyal Opposition have access to the minutes of the Manitoba Energy Authority board meetings?

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Thank you, Madam Speaker. I'll take that question as notice.

MR. D. ORCHARD: Madam Speaker, while the Minister is taking that question as notice, would he find out from Mr. Eliesen, who is chairman of the Manitoba Energy Authority, a man given \$500,000 of signing authority in the MEA, has to refer requests to view the board minutes to this Minister who just took the question as notice for approval for members of Her Majesty's Loyal Opposition to read the minutes of the board meetings of the Manitoba Energy Authority?

HON. V. SCHROEDER: Madam Speaker, the member had a number of days just recently to ask any question he wanted of the Manitoba Energy Authority at the Public Utilities Committee. Madam Speaker, if this was such an urgent question, he certainly could have asked it at that time.

MADAM SPEAKER: The Honourable Member for Pembina with a supplementary?

MR. D. ORCHARD: Yes, Madam Speaker. Is the Minister of Energy and Mines now indicating to us that we have no access to the board minutes of the Manitoba Energy Authority until next year's hearings at which Manitoba Hydro and MEA will be before the committee?

HON. V. SCHROEDER: Madam Speaker, I suppose the Member for Pembina didn't hear me the first time. I said I'd take it as notice.

C-96 - status of

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Thank you. My question is to the Minister of Finance.

In view of the meetings held with the Federal Government by our Ministers of Education and Health on Bill C-96, could the Minister inform the House of what the present status of that bill is, and will there be any room for further negotiations between the provinces and the Federal Government?

MADAM SPEAKER: The Honourable Minister of Finance.

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

The committee hearings that were in progress by the Federal House have concluded and the bill is back in debate in the House of Commons.

I learned, regrettably, just today that the Federal Government has invoked closure on the debate on that bill by a time allocation motion which was introduced today, Madam Speaker, in the House.

I quite frankly regret that action because as members are aware, initially we asked for cross-Canada hearings to deal with this bill. That was rejected. The Federal Government committee rejected any representation from groups other than national organizations and now they've moved closure on the debate.

I would hope that the Federal Government would still relook at this, hold back on the bill, and allow for negotiations to take place by Ministers of Finance on the overall financial issues; by Ministers of Health and Education on those issues regarding the impact on those two areas. I will be meeting later this week with the Federal Minister of Finance and I would again put that position forward to him.

MADAM SPEAKER: The Honourable Member for Kildonan with a supplementary.

MR. M. DOLIN: A supplementary, Madam Speaker.

Would the Minister advise the House as to whether or not submissions will be made to the committee or will that be, as he stated, via the Federal Minister of Finance?

HON. E. KOSTYRA: Unless the Federal House agrees to go back into committee, there can be no further representations to the Federal House, though I intend to certainly let all Senators, particularly Senators from Manitoba, know of the concerns and share with them a copy of the presentations that were made, so they will be informed once the bill is referred to Senate, since it appears it's being rammed through the House of Commons.

I intend to suggest to the Minister of Finance that we pull back and allow for an opening up of discussions on these important issues again because I believe, as I believe most Manitobans do, that these issues are far too important to be simply rammed through in a bill through the Federal House.

MR. M. DOLIN: A final supplementary, Madam Speaker, given the last comments of the Minister.

Is the Minister considering meeting with his equivalent Ministers of Finance from the other provinces to develop some form of joint strategy to try and take action to prevent C-96 from having its effect on Manitoba?

HON. E. KOSTYRA: Most Finance Ministers, and indeed Health and Education Ministers, have taken the same position with respect to this issue and that is to say that there ought to be negotiations with respect to these issues, and not arbitrary actions by the ramming of the bill through the Federal House.

I will be meeting with the Federal Minister of Finance and the Provincial Ministers of Finance this Friday and I will raise the issue with them to discuss it further with them.

Eliesen, Marc - contracts

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Madam Speaker, a question to the Minister of Energy and Mines.

Over two weeks, or about two weeks ago, the Minister took as notice a question that I asked him, to table a copy of Mr. Eliesen's contract. He also took as notice my questions for information with respect to rental of a car, personal expenses, and a signing bonus. Can he provide that information to the House today?

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Thank you, Madam Speaker.

I don't have the contract here. I received the numbers in terms of the vehicle and if the member has another question, maybe while he's asking it, I will be able to find it here.

MPIC - appointment of new president

MADAM SPEAKER: The Honourable Member for River Heights.

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

A few moments ago, the Minister said that he had no lack of confidence in the vice-presidents of MPIC. Surely you're not allowing any of them to rise to the level of acting president; that's exactly what in fact they have said.

MADAM SPEAKER: Does the honourable member have a question?

MRS. S. CARSTAIRS: Does the government no longer have confidence in the vice-presidents?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: I answered that question. I indicated earlier, by way of a question from the Leader of the Opposition, that the non-appointment did not mean lack of confidence in the vice-presidents.

MRS. S. CARSTAIRS: A supplementary question to the First Minister, Madam Speaker.

Is it appropriate at this time that we wait six months to a year before a new president is sought after?

HON. H. PAWLEY: Madam Speaker, I thank the Leader of the Opposition for that question — (Interjection) — I'm sorry, the true Leader of the Opposition.

Madam Speaker, I would certainly hope that it will not take six to eight months in order for us to have a president of the MPIC. For the time-being, the position will be filled in an acting president capacity. There will be a competition. At that time any one of the vice-presidents, or others, will be in a position to apply. I concur with the Member for River Heights, we would want to be in a position to appoint a president well before six to eight months. But in the meantime there will be an acting president from outside the corporation.

Bill C-117 - the Farm Debt Review Act

MADAM SPEAKER: The Honourable Member for Virden.

MR. G. FINDLAY: Thank you, Madam Speaker. My question is for the Minister of Agriculture.

Given the fact that Bill C-117, the Farm Debt Review Act that has been tabled in the House of Commons of Canada, encompasses a mediation board and panels to negotiate an arrangement between a farmer and a creditor, with recourse to the court still available to each party after the agreement is struck, I would like to ask the Minister, has he held discussions, or is he planning discussions in the short term in connection with this bill that was brought into the Federal House of Commons, to speak with the Minister of Agriculture federally?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I have in fact just analyzed the present legislation that was tabled in the House of Commons, and I would say that legislation is what I characterize as a toothless tiger.

There is no incentive in the legislation to bring lenders to the table. In fact, if they don't wish to come to the table and discuss the financial plight of farmers, they don't have to come. It's a total voluntary process.

Madam Speaker, in Manitoba we've had that voluntary process in place here since 1983. We know there has been some successes in that area and of course there have been some failures. If the financial institution is not willing to come and discuss and renegotiate and set aside, there is no compelling portion of the legislation that can force them to do that. As a result, Madam Speaker, this legislation is totally ineffective.

We are saying to the Minister of Agriculture — and I intend to follow up on my letter but as yet I've had just an acknowledgement from his office that they have received the letter — we intend to be in contact with him to indicate to him now that farm organizations nationally and in Manitoba have basically supported the Manitoba legislation; that the Federal Minister of Agriculture should be prepared to pass the procedural amendments that we have asked, so that any province may follow the lead of Manitoba. Or if they don't wish to follow the lead of Manitoba, they don't have to be

forced into any type of voluntary arrangement that they don't like.

MADAM SPEAKER: Could I remind the Honourable Ministers to keep their answers as brief as possible.

The Honourable Member for Virden.

MR. G. FINDLAY: Given the fact then that there is a possibility that both bills may be enacted, what conflicts do you see for your provincial legislation when both bills are enacted?

MADAM SPEAKER: That question is hypothetical. Would the honourable member like to rephrase his question?

MR. G. FINDLAY: There are potential conflicts between the two bills. Will the Minister outline what conflicts exist for Manitoba?

HON. B. URUSKI: Madam Speaker, there certainly could be conflicts in terms of the possibility of having a set of separate boards with no mandate to force lenders to the table, and the legislation that may come in would be, certainly, as I have indicated, be confusing to Manitoba farmers and to other farmers in Saskatchewan where there is also legislation in place in that province; that process we expect will be negotiated as a result of the passage of legislation.

But, as well, Madam Speaker, that legislation has no basis for follow-up as our legislation does in terms of providing some measures of financial support in terms of negotiations. In fact, Madam Speaker, we are told that if there will be a removal of the moratorium on FCC foreclosures, coupled with the rural transition program, this process could in fact be the slide to take more people out of agriculture in a very easy way. We are totally opposed to that, Madam Speaker.

MR. G. FINDLAY: Will the Minister meet with the farm community to let them help in making decisions as to which is the better piece of legislation?

HON. B. URUSKI: Madam Speaker, there is no piece of legislation in terms of principle that has ever been discussed as widely as this piece of legislation in the Province of Manitoba. Madam Speaker, just last winter, we met with over 1,100 Manitoba farmers at public meetings — 14 meetings.

Madam Speaker, in fact, the Opposition accused me and this government of not moving fast enough on this whole process. Now they say they want more consultation, Madam Speaker. What do they want? They want consultation or they want legislation? We've done both, Madam Speaker.

Eliesen, Marc - contracts

MADAM SPEAKER: The Honourable Minister of Finance . . .

HON. V. SCHROEDER: Thank you, Madam Speaker. The motor vehicle cost to . . .

MADAM SPEAKER: . . . excuse me, the Honourable Minister of Industry, Trade and Technology.

HON. V. SCHROEDER: The motor vehicle cost to the Manitoba Energy Authority, there is a lease at \$529 a month, in answer to the Member for St. Norbert.

MR. D. ORCHARD: How does that compare to the K-car, Howie?

HON. V. SCHROEDER: Oh, Madam Speaker, the Member for Pembina says how does that compare with the K-car? This car, in fact, replaces a Buick Electra which had been purchased by the previous government, which would now be at about \$30,000 or more dollars, and is a much more economical car and is a Canadian built car.

Bill No. 4

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Madam Speaker. I direct my attention to the Minister of Cooperative Affairs.

Madam Speaker, as was indicated by the Minister of Agriculture that there is some conflict between these two farm debt bills, one provincial and one federal, and certainly there is a lot of confusion within the agricultural community, I would ask the Minister of Cooperative Affairs whether he has had any representation from members of Credit Union Central with respect to their concerns where they have registered some of their apprehensions with respect to certain parts of Bill No. 4?

MADAM SPEAKER: The Honourable Minister of Co-op Development.

HON. J. COWAN: Thank you, Madam Speaker.

It is my understanding that representatives of the credit union and the caisses populaire systems both are reviewing the bill and intend to make representations to the government in a detailed way as to their particular response to provisions of that bill.

I have indicated to them, as I have on all occasions where they have suggested there is a concern with activities that they would like to discuss with the government, that I and other Ministers are available to them for those discussions. I look forward to them; I have always found that dialogue a way to discuss issues of particular concern in the past and in many instances to resolve particular concerns or at least to gain a better understanding of the positions of the different parties.

MR. C. MANNES: Madam Speaker, I would ask either Minister, given that he has admitted that there are some concerns that the Credit Union Central has, can he indicate specifically to the House what those concerns are?

HON. J. COWAN: Had the member listened carefully, he would have heard me say that I am expecting to meet with representatives of the credit union and the caisses populaire systems. When they have identified the specific items that they wish to bring forward, and

when they do that, we will have that dialogue with them. Until I have had an opportunity to have that sort of a meeting with them, I think it would be pre-empted and probably not — (Interjection) — well, the members opposite are yelling from their seats that we should discuss it with them first.

I believe that a grassroot system like the credit union and caisses populaire system should discuss among their own membership and themselves the positions they want to bring forward to government. Then we can deal with those positions, rather than having the Minister stand in here and try to tell members opposite or anyone what the positions of that particular independent system should be.

MR. C. MANNES: A final supplementary, Madam Speaker.

Is the Minister then indicating that the government is prepared to make major amendments to this bill when and if the Credit Union Central brings forward their major concerns such that they want to protect and safeguard the interests of the rural depositors who have lodged deposits within their institutions?

HON. J. COWAN: The Minister of Agriculture has indicated that he is prepared to receive representations and submissions as Minister of Agriculture responsible for the bill. As Minister responsible for the credit union and caisses populaire system, I have indicated that I am prepared to receive representations from those parties and to enter into a dialogue which I believe will be productive at the very least in enabling us to identify for each other our particular concerns and discuss them in a positive fashion.

Once we have had the opportunity to do that, we will take the appropriate action, but government must govern in the best interests of all the citizens. We are a government that has shown consistently that we are committed to bring forward legislation which provides benefits to a society as a whole while at the same time attempting to deal with individual concerns as they are brought forward. It has worked in the past. It has enabled us to bring forward good legislation. It will work in the future and we will continue to do that.

Western Grain Stabilization Act

MADAM SPEAKER: The Honourable Member for Lac du Bonnet.

MR. C. BAKER: Thank you, Madam Speaker. My question is to the Minister of Agriculture.

The Federal Government is considering recommendations of the committee chaired by Lee Clark which have the farmers increase their share of the contribution paid under the Western Grain Stabilization Act. Could the Minister indicate the impact this change would have on Manitoba farmers?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I understand that the committee is considering additional levels of support in terms of the Western Grain Stabilization Program.

We have made proposals and recommendations to the Federal Standing Committee on Agriculture for fundamental changes to the Western Grain Stabilization Act.

Madam Speaker, western farmers are being discriminated against by the Federal Government whereby wheat producers in Eastern Canada pay no premiums for a stabilization plan and Western Canadian farmers have to pay one-third of the premiums in terms of the Western Grain Stabilization plan. That is discrimination, Madam Speaker, and that's the kind of support that should not be put into place.

MADAM SPEAKER: Order please, order please. Order please.

Legislation - visiting rights re children

MADAM SPEAKER: The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: Thank you, Madam Speaker. My question is to the Attorney-General.

In light of Mr. Justice Monnin's reported comments during a hearing in which the Appeal Court threw out the visiting rights a single mother's former boyfriend had to her five-year old, that sections of Manitoba provincial legislation that allow non-relatives visiting rights to children are ridiculous, will the Minister change the legislation to protect single mothers or fathers from having to go to court to stop non-relatives getting visiting rights against parents' wishes?

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Madam Speaker, it is the better part of wisdom in this case, as in other cases, where the court pronounces on legislation to await the written reasons for judgment so that we can see precisely what the court decided and on the basis of what facts.

My understanding of that case is that indeed the decision of the Court of Appeal turned, at least in part, on an error in fact made by the trial judge below. To what extent the decision turned on problems with the legislation, we'll have to see, waiting for the judgment. I can assure the member, and I thank her for that question, that when we have a chance to peruse the judgment, if it calls for remedial action in the legislation, then indeed the Minister of Community Services and I will meet and make recommendations perhaps even for an amendment at this Session if necessary.

MADAM SPEAKER: The time for Oral Questions has expired.

SPEAKER'S RULING

MADAM SPEAKER: Before we move to Orders of the Day, I have a statement. — (Interjection) —

Order please, order please. Order please.

I wish to take this opportunity to draw to the attention of the House my concern about speech content and some of the language which is being used in debate,

language which comes close to breaching our Rules and Beaudesne's Citations, and in some cases actually does. Members who share my concern also have a responsibility to draw to the attention of the Chair infractions which they believe have occurred.

Our Rule 41(1) and Beaudesne's Citations 316, 320, 322 to 326 apply. Infractions against the dignity and decorum of debate reflect unfavourably on the Legislative Assembly and upon all MLA's. The use of references such as "utilize the public purse for whatever purpose necessary," "dishonest statement," "piece of misinformation," "misinform the public," "play a little loose and careless with the truth," border on unparliamentary language and certainly would be considered so if specific members were identified.

More specifically now, I wish to refer to the point of order raised by the Honourable Member for Morris on June 16 respecting statements made in debate by the Honourable Member for Thompson as recorded on Page 913 of Hansard for that date. The Member for Thompson has alleged, respecting a particular letter, that: "A member or members of the Opposition intercepted that mail, opened it, copied it, and returned the original to my office and then used that in question period."

Such charges must be raised as matters of privilege in an established manner, but when raised in debate, as they were on Monday, contravene our Rule 41(1) and Beaudesne Citation 316(e) and (f), regarding the use of offensive language against another member, imputing bad motives and making personal charges.

I should add that in order for the matter to have been dealt with as a matter of privilege, the Member for Thompson would have had to establish that the matter was being raised at the earliest opportunity and have presented sufficient evidence in support of the claim that his privilege as a member, in his parliamentary work, had been interfered with to warrant giving the matter precedence over the regularly scheduled business of the House.

Before proceeding, I remind all members when they are uncertain about how to deal with a particular matter that they are welcome to consult myself or the Clerk for advice.

I find that the Honourable Member for Thompson has contravened our Rule 41(1) by using offensive language against other members and I must therefore ask him to withdraw the charges made.

The Honourable Member for Thompson. — (Interjection) — Order please.

MR. S. ASHTON: Madam Speaker, I regret that I did not follow the prescribed form for matter of privilege as you outlined and that I did raise that matter in a grievance. I did outline in my speech various matters of concern to me, which relate to the interception of my mail. However, out of respect to yourself and this House, I certainly will withdraw any of those statements which you felt were unparliamentary.

I will go further, Madam Speaker, and say that I accept the statements that have been made to me by members in this House and outside of this House that they had no part in this matter. I still have a concern about the interception of my mail, Madam Speaker, but I will withdraw any of those comments, which were

considered unparliamentary, on the understanding that I still feel there was a very serious breach of my mail privilege which did take place.

MADAM SPEAKER: The Honourable Opposition House Leader.

MR. G. MERCIER: Well, Madam Speaker, I ask you to consider whether the qualification that the Member for Thompson put on his withdrawal fits in with your ruling asking him to withdraw in total the charges made. I do not, for one, as a member of this side of the House, accept that conditional withdrawal that he just made.

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, I think the Member for Thompson very clearly indicated that in respect for the traditions of this House that he accepts the word of members opposite that they did not in fact intercept the mail, that they did not open the mail, that he was prepared to do so and I believe that is what was asked of him.

He also indicated at the same time that he had concerns, which he expressed in his grievance, and those concerns are still concerns of his, but he did not relate them directly to members opposite, and I believe that was the substance of the point . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order. Order please.

HON. J. COWAN: . . . of order and for that reason has complied with the suggestion that in fact he provide to the House an assurance that he was not reflecting upon members opposite in the manner in which it was suggested had been done.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please. This is a very serious matter. I would hope all members would be very calm until it's settled to everyone's satisfaction, including mine. — (Interjection) — Order please.

Could I ask the Honourable Member for Thompson whether the understanding, as expressed by the Honourable Government House Leader, that all imputations against any member in the Chamber has been withdrawn to their satisfaction, and that any concerns the honourable member do not relate to any member of the House.

MR. S. ASHTON: Madam Speaker, I accepted the word of those who stated that they were not involved in this matter.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. S. ASHTON: Further, Madam Speaker, you cited . . .

MADAM SPEAKER: Order please, order please. We will deal with this calmly.

MR. S. ASHTON: Further, Madam Speaker, you cited one section of my comments, which I understand you considered to be unparliamentary, which I withdrew. I thought I made that clear in my remarks. I stated I still have a concern about the fact that I feel my mail was intercepted and if it is your guidance that I cannot say anything further on this matter, beyond what I've already said, that would be unparliamentary, I will not do so, Madam Speaker. But I certainly don't understand the concerns of the House Leader of the Opposition.

MADAM SPEAKER: Order please. There seems to be some confusion. All I have asked the Honourable Member from Thompson to do, specifically to the satisfaction of members opposite, is that any imputation that any members of the Opposition have been the ones interfering with his mail should be withdrawn. Whether the member has concerns or not about who in the world took his mail, I do not want any imputation left that it was members of this Chamber.

Could the Honourable Member for Thompson please clarify it to that extent?

MR. S. ASHTON: Madam Speaker, I'm not sure in this matter that I can say anything which would satisfy the Opposition. Certainly in my own situation I have not received satisfactory explanations in regard to the — (Interjection) — question of my mail . . .

MADAM SPEAKER: Order please, order please.

MR. S. ASHTON: I did, Madam Speaker, withdraw the specific comments as outlined by the Government House Leader, the specific comments that you cited in the ruling . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please. Order please.

MR. S. ASHTON: . . . and I expect . . .

MADAM SPEAKER: Order please, order please. I cannot hear the honourable member. I am trying to have this matter resolved to the satisfaction of everyone in the Chamber. The matter is not debatable. I am only asking for clarification, and if the honourable members would give the floor to the Honourable Member for Thompson so we can clarify this once and for all, calmly, we would all appreciate it.

The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, I believe from what I heard from the Member for Thompson that he did in fact fulfill the requests of your Speaker's Ruling. I would suggest that perhaps if there is some doubt as to whether or not that has been done to your satisfaction that we take an opportunity to peruse Hansard when Hansard becomes available, and I think that from what I heard at least one would agree that he has very clearly, very clearly, separated his concerns about his mail from members opposite, and that in fact is what was required . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order. Order.

HON. J. COWAN: . . . and he has very clearly withdrawn language which you suggested in your ruling was not parliamentary. I believe those are the two requirements of the ruling and would hope that we would take the opportunity to review Hansard and in fact would find that that is the case.

MADAM SPEAKER: The Honourable Opposition House Leader.

MR. G. MERCIER: Madam Speaker, you have clearly asked the Member for Thompson to withdraw the offensive language against all members of this House. On four or five occasions up until now he has refused to do so. I suggest he be asked immediately to withdraw it or he be named.

MADAM SPEAKER: We will not have any interference from members of the gallery.

I distinctly heard the Honourable Member for Thompson say that he withdrew the phrase which I cited. The concern seems to be on the addition at the end of his statement, that notwithstanding withdrawing that statement he still had some concerns about the interception of his mail.

I want the Honourable Member for Thompson to make it very clear, once and for all, very briefly to the House that any concerns he might have do not involve any members of this Chamber.

The Honourable Member for Thompson.

MR. S. ASHTON: Madam Speaker, I find this incredible that I have to apologize when a piece of my mail ended up in the hands of the Leader of the Opposition.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

MR. S. ASHTON: Madam Speaker, I withdrew the statements that you cited as being unparliamentary. I went further and accepted the word of those who have indicated they were not involved with this particular matter, Madam Speaker, which I understand basically to be keeping in both the letter of your ruling and also the spirit of your ruling. I cannot go further, Madam Speaker.

MADAM SPEAKER: The honourable member has withdrawn the statements I requested in my ruling. He has not withdrawn the statements that I have since requested based on his apology, which I will ask him again to withdraw the statements that he made today suggesting that he still has concerns about mail interference from members of this Chamber.

The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, with all respect, perhaps I could request a clarification in respect to the ruling and the matters which have flowed from it.

My understanding of the ruling is that there was language not considered to be parliamentary that was used and that has been withdrawn. The last line of

your ruling says that you find the "Honourable Member for Thompson has contravened our Rule 41(1) by using offensive language against other members, and I must therefore ask him to withdraw the charges made."

I believe that he very clearly indicated that in keeping with the letter of the ruling and the spirit of this Legislature that we must accept the word of each member of this Legislature that when they tell us a matter to be factual and truthful that it is factual and truthful. He has indicated that in keeping with the spirit of that tradition of this House and that requirement of this House, he has withdrawn the charges against the members opposite, which I believe in my opinion fulfills the ruling as laid out.

To ask him to withdraw his concerns about a matter which he believes, and has given evidence to the effect, happened is I think perhaps asking him to go a bit beyond what is required by the traditions of the House.

He has very clearly isolated his concerns from members opposite; he has separated his concerns from members opposite; he has withdrawn any charges based on their assurances, which is in the tradition and keeping of this House and members opposite, and I believe for that reason has fulfilled the ruling as laid out and would hope that if there is any question further to this that we would all have an opportunity to peruse Hansard to determine exactly what was said so that we can deal with this issue with some finality.

MADAM SPEAKER: The Honourable Opposition House Leader.

MR. G. MERCIER: Thank you, Madam Speaker. The Member for Thompson clearly qualified his withdrawal by referring only to those members who had spoken to him, and then further qualified his withdrawal at the end of his first set of remarks by still indicating his concern, which leads to, if not explicit, implicit innuendo about members, particularly on this side of the House.

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, I think the members of this Opposition are carrying this one step beyond what was required and anticipated in the Speaker's Ruling. The fact is that there was a letter and a memo, which was in the possession of the Leader of the Opposition, and that there are concerns about that. Those concerns are the . . .

MADAM SPEAKER: Order please, order please. Order please. We are not debating the ruling in any way, shape or form; we are debating whether the apology of the Honourable Member for Thompson has been sufficient. In fact, you are on a point of order giving me advice, not debating.

The Honourable Government House Leader on the point of order.

HON. J. COWAN: Yes, thank you for that correction, Madam Speaker.

On the point of order and in respect to the advice, I believe that, again, the requirements which were set out in the Speaker's Ruling have been clearly met with

by the Member for Thompson. The members opposite do not seem to accept that same opinion, or hold that same opinion. I would suggest that if we would have an opportunity to peruse Hansard, they would have the chance to read through the remarks specifically made by the Member for Thompson, and that is a normal course of action when we run into a situation such as this. Then if they at that time believe that the remarks made by the Member for Thompson has not fulfilled the Speaker's Ruling - I believe it has very clearly - but if they believe it has not, they can bring it to the attention of the House; or you, yourself, Madam Speaker, can bring it to the attention of the House, and we will at that time have the opportunity to see the specific words in front of us and to judge accordingly.

MADAM SPEAKER: The Honourable Member for Sturgeon Creek on the point of order.

MR. F. JOHNSTON: On the point of order, Madam Speaker. I was one of the members who has never spoken to the previous member and I want to make this brief and to your advice. You, Madam Speaker, have asked the member to qualify his accusations that he made, that they do not reflect on any member of this House. You have asked him that three times. I believe the member has the courtesy to the Chair, to either tell Madam Speaker that he does not have any accusations on any other member of this House, Madam Speaker, or say that he has and then you will have to make your decision if he does not withdraw.

MADAM SPEAKER: The Honourable First Minister on a point of order.

HON. H. PAWLEY: Madam Speaker, I think that insofar as your ruling was concerned, that the Honourable Member for Thompson has met the requirement by indicating clearly in this Chamber — and that's subject to your review of Hansard — that he is not suggesting, not accusing any particular member of this House, any one of the 57 members of this House, of intercepting his mail. What did exist was an interception. There can be no argument about that, Madam Speaker.

What is the matter, the subject of discussion, is whether or not the honourable member accused any member of this Chamber of interception. The Honourable Member from Thompson indicated that he accepted the word of honourable members, accepted their assurance that it was not a member of this Chamber that had undertaken the interception.

So that, Madam Speaker, the Member for Thompson, in fact, has withdrawn the offensive language referred in your judgment. He cannot deny the fact that there was an interception.

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, I want to tell the Premier that he has made a statement . . .

MADAM SPEAKER: Order please. You're addressing the point of order.

MR. G. FILMON: Madam Speaker, on the same point of order. The Premier has now raised a new issue. He has suggested that no one can deny there was an interception. I brought the issue here to the Legislature and it was a piece of information that happened to be in my mail — delivered in my mail.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

MR. G. FILMON: Madam Speaker, it may well have been that one of the Premier's staff . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order, order, please. Would the honourable member please take his seat. We are discussing a point of order. Now, I am satisfied that the Honourable Member for Thompson complied with my initial request by withdrawing the specific words that I quoted from Hansard, Page 918. I am not satisfied, and I would hope that the honourable member would, very clearly, unequivocally and briefly state that any of his concerns about his mail interception do not relate to members of this Chamber, in that, he has withdrawn those words which say, "A member or members of the Opposition."

The Honourable Member for Thompson.

MR. S. ASTHON: Madame Speaker, I believe my intent was clear, was to withdraw the words which require that I withdraw and to respect your ruling. If that is your question, I certainly do that.

MADAM SPEAKER: And the second part?

MR. S. ASHTON: The remainder of my speech which discussed this item — of which I believe there was no citations on in terms of unparliamentary references — would still remain, I would understand from your direction. I would certainly accept, out of deference to yourself, as Speaker in this House, your ruling.

MADAM SPEAKER: Is that a withdrawal?

The Honourable Member for Thompson.

MR. S. ASHTON: Madam Speaker, it seems we could go on indefinitely on this. I thought I said that out of respect to yourself and this House, that I accepted your ruling.

MADAM SPEAKER: I am asking . . .

MR. S. ASHTON: . . . which was the withdrawal of those statements which were considered unparliamentary, which you cited specifically.

MADAM SPEAKER: I want the Honourable Member for Thompson to withdraw the words he uttered today, saying that he still had concerns that members had intercepted his mail.

MR. S. ASHTON: On a point of order, Madam Speaker, I did not state that.

MADAM SPEAKER: Order please. I will ask one more time. The honourable member said he was satisfied that the members who had spoken to him had not intercepted his mail. I want, from the honourable member, one last time, an assurance that he is not reflecting on any members of this House, as to their interference with his mail — any members of this House.

The Honourable Member for Thompson.

MR. S. ASHTON: Madam Speaker, I believe, and Hansard will show this, that in my comments, I said I still had a concern about the interception of my mail, but I made no aspersions on any member of this House. Any statements which had indicated anything of that sort, which was cited specifically in your ruling, I withdrew. Madam Speaker, I can't go any further than that. I withdraw any unintended aspersions on members of this House, Madam Speaker.

MADAM SPEAKER: Thank you.

ORDERS OF THE DAY

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Thank you, Madam Speaker.

On Orders of the Day would you please call the Debate on Second Reading for Bill No. 3; Bill No. 17; and then the Adjourned Debates on Second Reading for Bills 4 through 22, as shown on Pages 1 and 2 of the Order Paper in the order in which they are shown please?

MADAM SPEAKER: Order please, order please.

COMMITTEE CHANGES

MADAM SPEAKER: The Honourable Member for Ellice.

MR. H. SMITH: Changes on the Economic Development Committee. I'd like to amend the Committee. The Member for Rossmere in place of the Member for The Pas; the Member for Transcona in place of the Member for Lac du Bonnet.

MADAM SPEAKER: Thank you.

The Honourable Government House Leader.

HON. J. COWAN: I'm sorry, Madam Speaker, I thought you were about to call the bills as suggested. I'll await that calling.

MADAM SPEAKER: I wonder if the Honourable Government House Leader could repeat that order once more.

HON. J. COWAN: Thank you, Madam Speaker.

Could you please call Second Reading of Bill No. 3 followed by Bill No. 17, then the Adjourned Debate on Bills 4, 9, 11, 18 and 22 in the order in which they appear on the Order Paper?

MADAM SPEAKER: Second Reading on Bill No. 2.

The Honourable Minister of Co-op Development.

HON. J. COWAN: Bill No. 3, Madam Speaker.

MADAM SPEAKER: No. 3, sorry.

SECOND READING

BILL 3 — THE CREDIT UNIONS AND CAISSES POPULAIRES ACT; LOI SUR LES CAISSES POPULAIRES ET LES CREDIT UNIONS

HON. J. COWAN presented, by leave, Bill No. 3, The Credit Unions and Caisses Populaires Act; Loi sur les caisses populaires et les credit unions, for Second Reading.

MOTION presented.

HON. J. COWAN: Bill No. 3, The Credit Unions and Caisses Populaires Act represents three years of both extensive and intensive consultation with the credit unions and the caisses populaire systems and hundreds of representatives and members of Manitoba's financial cooperative sector. In effect, it is a comprehensive rewriting of the existing Credit Union and Caisses Populaire Act. The overall intent of the legislation is to provide a modern and progressive legislative framework and regulatory environment in which Manitoba's credit unions and caisses populaires can provide financial services to their 330,000 member-owners and grow and expand as a system, as required.

Manitoba's 96 credit unions and 23 caisses populaires strengthen the financial fabric of dozens of cities, towns and communities throughout the province through democratically-controlled financial institutions. Hundreds of thousands of Manitobans and their families have collectively deposited nearly \$2 billion in their own credit union or caisses populaires.

(Mr. Deputy Speaker, C. Santos, in the Chair.)

Those financial institutions have served Manitobans well for generations now, as the system is about to celebrate its 50th anniversary. Over those 50 years, it has earned the trust and confidence of those it serves.

It has grown from a small caisse populaire in St. Malo, the first in the province, which opened in February 1937 with 12 members and deposits of \$61.35 to the comprehensive system it is today. For example, Mr. Deputy Speaker, the St. Malo Caisse Populaire, from those early days of 12 members and \$61.35 in deposits, has grown to where it now has 1,386 members and assets of \$8.1 million, and that type of growth is increasing all throughout the system.

Last year, assets in Manitoba's credit unions grew by over 13 percent, while assets in the caisse populaire system grew by 16 percent. I believe this indicates a very healthy state for our financial cooperative sector in Manitoba. That growth is illustrative of Manitobans' fate and confidence in their financial cooperatives. That confidence and faith has proven to be well placed.

Credit unions, caisses populaires and the system in which they operate have provided reliable financial services and helped to strengthen our provincial fiscal community. Thousands of volunteers in leadership roles and staff that support them operate an efficient and effective fiscal system. They protect the investment of the membership, through dedication to their responsibilities and commitment to cooperative principles.

Those directors and officers of those credit unions, and caisses populaires as the central organizations,

the stabilization funds, all operate within a legislative and regulatory framework. This legislation that we have before us today is designed to meet several general objectives.

Firstly, it sets out the definitions of the individual components of the system, which, when taken together, provide a comprehensive picture of the entire system and the legislated relationships of its different parts.

Further to those basic definitions, the legislation identifies the fundamental functions and responsibilities of the different partners within the system. It must clearly identify the roles that they are expected to play, if we are to have responsibility well suited to the task which those members must undertake. In effect, this legislation undertakes to do that. It also provides adequate checks and balances in order to ensure that the interests of all the participants, but most importantly, the interests of the membership and the depositors are protected.

Legislation such as this encourages the development of sound, flexible, consistent and progressive operating procedures within the entire system. This includes provision for appropriate financial procedures and reporting mechanisms throughout the entire system. These procedures and reporting systems are essential in order to ensure the protection of the members within the overall system.

The legislation and the regulations reflects the uniqueness of these financial organizations which are in fact operated on a cooperative basis, but at the same time, compete with other financial institutions in an increasingly complex and competitive fiscal environment.

The legislation defines the basic parameters that allows the credit unions and the caisses populaires to operate in that cooperative fashion and meet the needs of their membership. This legislation seeks to address the new needs of the entire system that have arisen since the last major revisions to legislation governing credit unions and caisses populaires were made in 1979.

The legislation has been developed through extensive and intensive discussions and consultation between the credit union and caisse-populaire system and the government. Since 1983, representatives of the following organizations: the Credit Union Central, La Fédération de Caisses Populaires, la Fonds de Sécurité, the Stabilization Fund, and the Government — have been meeting as a Law Review Committee which was expressly constituted to examine the present legislation; throughout that examination, identify key issues and recommend possible changes so that the legislation may be brought up to date with current needs and demands.

I think it's appropriate to take this occasion to personally thank that committee, their support staff and departmental officials for their dedication and commitment to that task. I believe, and I believe that members of the credit union and caisse populaire system, as well as members opposite, will accept that they have fulfilled their mandate extremely well, once they have had an opportunity to review the completed legislation.

Following the committee's initial work, the government circulated a discussion paper to interested parties within the credit union and caisse-populaire system to members of the Legislative Assembly and to other interested individuals. This paper contained

a government review of the key issues and was distributed in July of 1984.

Following the distribution of that paper, a series of regional meetings were held by the system itself and others in a number of communities with presidents and managers of individual credit unions and caisses populaires. These meetings provided an opportunity for further consultation on many specific issues. As a result of that dialogue and numerous other discussions that were ongoing at the same time, several more key issues and recommendations were identified as requiring further refinement and adjustments. At that time a series of internal discussions resulted in the Law Review Committee commencing its work again early in 1985.

Their work at that time resulted in draft legislation which was tabled in this Legislature on July 11, 1985. That draft was also circulated to key leadership and interested memberships within the credit union and caisse-populaire system. Again it was discussed at a number of meetings and at the Credit Union Central and the Federation de Caisse Populaire level.

As well, tens of thousands of individual members were informed of the proposed legislation through circulars and meetings. Since that draft legislation has been circulated, continuing consultation at the grassroots level and discussions with the Law Review Committee have resulted in further refinement of the bill.

I believe that it now represents the best possible consensus on many complex and complicated legislative and system issues. Some of the more significant changes proposed in the new bill include the following legislative and regulatory provisions. The private acts concerning the Credit Union Central and the Federation de Caisse Populaire is to be repealed and the centrals will be included in the new act.

Only investments in the centrals and the funds will qualify for liquidity purposes. The centrals and credit unions and caisses populaires will be permitted to designate associate membership criteria within certain parameters. The numbers of centrals will be limited and membership in them would be compulsory for credit unions and caisses populaires.

Credit unions and caisses populaires would be allowed to issue shares for the purpose of raising capital at the local level. The stabilization fund will be able to sell debentures within the system for the purpose of raising capital at that level. Distribution of surplus and patronage dividends will be limited with prescribed reserve levels and limited to the extent until those particular levels are reached.

There will be limited proxy voting allowed at meetings under certain circumstances. Disclosure provisions for directors and officers regarding conflict-of-interest situations will be clarified and strengthened. Members at their meetings will be allowed to appoint their own auditors.

These changes, as outlined above, and other revisions to the existing legislation are designed to enhance the operations and viability of the credit union and caisse populaire movement, while at the same time maintaining the necessary degree of accountability for deposit-taking financial institutions.

I would suggest that they represent a fair consensus that can only come about through a willingness by all

parties for progressive and positive change and can only be developed through the type of extensive and intensive consultation and dialogue at all levels within the system, that has been undertaken around the development of this legislation for the last few years.

There will be opportunity, Mr. Deputy Speaker, to review the legislation in detail during the debate in the committee stage of its review. I am forwarding to the Opposition critic at this point in time a side-by-side comparison of the proposed and existing credit union, caisse populaire legislation which, I hope, identifies some of the key issues.

I will look forward to his comments and the comments of his colleagues when they have had an opportunity to review it. It is a fairly lengthy bill encompassing some 144 pages and over 200 specific clauses, so I expect that they will have questions on specific issues as we undertake the full discussion of this particular bill. As always, we respect their opinions and appreciate their comments and their suggestions and their criticisms.

I know they share with members of the government a sincere desire to shape the best possible legislation to enable credit unions and caisses populaires and the stabilization funds and the central organizations to not only grow but to flourish within our province, because those credit unions and caisses populaires provide so many important and necessary services to hundreds of thousands of Manitobans and their families.

In closing, Mr. Deputy Speaker, just last week I had the opportunity to present first prize in the cooperative promotion board's "Cooperatives in our Community Essay Contest." The winning essay entitled "Carpathia Credit Union" focussed on that credit union and its growth from its establishment in 1940 with a collection of \$92.50 to a major financial institution, such as it is today, with 8,000 members and assets of over \$50 million.

I'd like to read just a bit of the essay by Mr. Peter Doberoski of Miles Macdonell Collegiate in Winnipeg, because I believe it reflects the essence of Manitoba's credit union and caisse populaire system. In writing about the history and the development of the Carpathia Credit Union, he outlined that it has been an integral part of the North End Winnipeg community for 46 years. Credit unions and caisses populaires are, in fact, an integral part as I had mentioned earlier of dozens of communities whether they be communities within an urban environment, such as neighbourhoods or communities; in a rural environment such as small towns and villages, such as I indicated with the St. Malo Caisse Populaire earlier on.

But he's talking to one of the clientele, one of the member-owners of the Carpathia Credit Union and asking him why it is he belongs to that particular institution rather than another financial institution. That individual outlined in the essay says, and I quote, "The credit union is willing to sit down and assist a member with resolving a financial problem since the member is a co-owner of the institution." That, in effect, is the essence of our credit union system. That, in effect, is the goal and the objective of this legislation to enable credit unions and caisses populaires to operate within a legislative environment that allows them to sit down and discuss with their member-owners the financial needs, the financial programs, the financial policies that they believe are in the best interests of their own membership.

With that sort of grassroots control, with that sort of democratic operation, we know that those financial institutions, because those member-owners represent the fabric of this province, will indeed reflect the needs, the aspirations and the values of Manitoba.

This legislation enables them to conduct those affairs in such a way as to flourish in today's complex and complicated financial institution and to build upon the very substantial growth and health that they have experienced over the past few years.

MR. DEPUTY SPEAKER: The Member for Niakwa.

MR. A. KOVNATS: Yes, just one question, not for clarification, but does the Honourable Minister have an extra copy for the deputy critic?

HON. J. COWAN: I can make an extra copy available as requested.

MR. DEPUTY SPEAKER: The Member for La Verendrye.

MR. H. PANKRATZ: Mr. Deputy Speaker, I'd like to move, seconded by the Member for River East, that we adjourn debate.

MOTION presented and carried.

SECOND READING

BILL NO. 17 - THE TAXICAB ACT; LA LOI SUR LES TAXIS

HON. J. PLOHMAN presented, by leave, Bill No. 17, An Act to amend The Taxicab Act; Loi modifiant la Loi sur les taxis, for Second Reading.

MOTION presented.

HON. J. PLOHMAN: Yes, Mr. Deputy Speaker, you have a copy of a portion of my remarks for the Opposition critic. I guess I'll have to use the copier, the Opposition House Leader has asked for the Deputy Critic.

Mr. Deputy Speaker, the amendments for The Taxicab Act will allow the taxicab board to set fees for licences for taxi drivers and businesses by regulation. Presently these fees and licences are prescribed in the act. The taxicab board is operating with a fee structure at the present time that was put in place in 1935.

There have been many changes needless to say and I don't have to remind members in this House, that there have been many changes to the taxicab industry over that period of time. Administrative costs have obviously escalated since the days of the Depression in 1935 when these fees were set in the act, and in recognizing changing times and changing costs we have moved to implement amendments to The Taxicab Act that will govern the fee structure. I think they are long overdue and I think most people would agree with that.

Inspection costs and administrative costs have escalated to the total budget now for the taxicab board is \$127,000 per year. This pays for the staff, 2 inspectors, 1 secretary, 1 administrative secretary, plus three board members and also covers operating costs for office supplies, telephone, advertising and so on.

Inspections are carried out by these two inspectors; inspectors patrol the streets of the City of Winnipeg; they check cars for vehicle cleanliness and that has been an issue that has been raised recently about the cleanliness of cabs in the City of Winnipeg, so we need to have those inspectors there. They also check for body damages, proper registration, mandatory taxicab board seals on meters, mandatory licences, and mandatory information stickers on windows.

As well, photo equipment was purchased last June at a cost of \$3,000.00. This enables the taxicab board to provide the service of photo identification for taxicab driver licences. Previously, the taxicab provided a paper licence which was folded and placed in the wallet of the taxicab driver.

Insofar as the other matters that the Taxicab Board is concerned with insofar as developments in the past year, stickers have been also required to indicate to passengers that, if a taxicab meter is not on, there is no charge for the ride. As well, passengers wishing to make comments to the Taxicab Board are instructed to note the driver's photo identification number which should be visible at all times.

Services provided by the Taxicab Board naturally represent administrative costs, as I've mentioned, and amendments to The Taxicab Act will give the board the flexibility in regulating fees for services provided to cover these administrative costs.

Total revenue of the Taxicab Board under these 1935 provisions is a mere \$2,306 at the present time with expenditures, as I indicated, of 127,000.00. These changes will recognize the costs of providing various services and will move towards a break-even point, but certainly will not realize that initially insofar as the board is concerned, but it will allow some more realistic assessment of fees. The fees will reflect somewhat the current costs and will still be well below those charged in other jurisdictions across the country.

For example, the fee comparisons for taxicab driver licences, in Manitoba, the present fee is \$1, as set in 1935. Calgary's present fee is \$45; Toronto's present fee is \$32.00. So you can see the difference, and the Manitoba fee as proposed would be \$10, so it would be far less than in other jurisdictions, at \$10.00. — (Interjection) — Mr. Deputy Speaker, the Member for Lakeside says that this is a 1,000 percent increase. I should point out that the previous administrations have obviously been negligent in not addressing this issue over the last 51 years. So I think there's something that the member can reflect upon, having been in government on a number of occasions in the past.

Mr. Deputy Speaker, the current fees range from \$1 to \$3 totally, each individual fee. Taxicab driver licence is \$1; taxicab business licence, \$1; limousine business licence, \$1; seasonal taxi business licence, \$2; U-drive business licence, \$1; licence for each U-drive vehicle, \$2; and transfer or replacement fee, \$3.00. Those fees have been in place all of the 51 years.

What we are simply going to do here under these amendments, Mr. Deputy Speaker, is provide for regulatory adjustments to those fees, as required in future years.

Thank you, Mr. Deputy Speaker. I just want to add as well that I think these amendments will provide the flexibility that is necessary on the part of the Taxicab Board to provide regulations and services to the taxicab

industry and services and standards that the public expect.

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

MR. G. MERCIER: Mr. Deputy Speaker, just a question for clarification.

Is the Minister indicating to the House that in this bill at this particular time when taxicab drivers are facing unprecedented demand for safety improvements to their vehicles in terms of plexiglass or other measures that have been outlined recently which will be at significant cost to them, that at this very time the Minister is proposing to pass legislation which will further increase the costs of operation of operating a taxi upon the individual taxi owners and then eventually, through them, to the consumer when we already have higher than average taxi fare rates?

MR. DEPUTY SPEAKER: The Minister of Transportation.

HON. J. PLOHMAN: The member may want to reflect on his statement that the rates are higher than average and give some examples, and we may have an opportunity to discuss that further during the debate.

I'm not certain that I accept the premise of the Member for St. Norbert that the taxicab industry is facing unprecedented costs. There are discussions currently taking place with Workplace, Health and Safety on some changes that will address safety concerns. It hasn't been determined how those will be paid for and the nature of those costs. So I think it's premature to say that they are facing unprecedented costs. Perhaps in terms of their overall costs of supplying the vehicle, they may be considered minor additional costs.

But the fact is that there will be an adjustment in the fee structure which is totally out of line, and I don't think that any member on this side of the House or the other side of the House could say that fees set 51 years ago in any way reflect the current costs of providing regulation and service to the public, related to the taxicab industry.

MR. DEPUTY SPEAKER: The Member for Minnedosa.

MR. D. BLAKE: Mr. Deputy Speaker, I move, seconded by the Honourable Member for Rhineland, that debate be adjourned.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Minister of Education.

HON. J. STORIE: Mr. Deputy Speaker, I think that concludes the Second Readings. I therefore move, seconded by the Honourable Minister of Workplace Safety and Health, that Mr. Deputy Speaker do now leave the Chair and the House resolve itself into a Committee to consider the Supply to be granted to Her Majesty.

MR. DEPUTY SPEAKER: The Member for Niakwa.

MR. A. KOVNATS: May I make a committee change, Mr. Deputy Speaker?

MR. DEPUTY SPEAKER: Yes, the member may do so.

COMMITTEE CHANGES

MR. A. KOVNATS: On Economic Development, the Honourable Member for Arthur to be replaced by the Honourable Member for Gladstone.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Burrows in the Chair for the Department of Agriculture; and the Honourable Member for Kildonan in the Chair for the Department of Highways and Transportation, and the Department of Community Services.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY — HIGHWAYS AND TRANSPORTATION

MR. CHAIRMAN, M. Dolin: Item 1.(a), Minister's Salary—pass.

Resolution 90: Resolved that there be granted to Her Majesty a sum not exceeding \$3,261,000 for Highways and Transportation, Administration and Finance, for the fiscal year ending the 31st day of March, 1987—pass.

Committee rise.

SUPPLY - COMMUNITY SERVICES

MR. CHAIRMAN, M. Dolin: We will now proceed to the Estimates of the Department of Community Services. We are on Page 31, Department of Community Services, dealing with Resolution 29, Administration and Finance. Deferring 1.(a), Minister's Salary, we will begin with 1.(b), Executive Support. Prior to that, the Minister has an opening statement.

The Honourable Minister.

HON. M. SMITH: Thank you, Mr. Chairperson.

I am pleased to introduce the 1986-87 Estimates of Manitoba Community Services, and, in so doing, to outline briefly the highlights and directions of my department's activities for the current fiscal year.

My department is proposing expenditures of \$182.8 million or 11.6 percent more than in 1985-86. This reflects the government's continuing commitment to a strong network of social services. Our stress on services to people is based on a partnership with the community that uses and supports those services. This partnership also extends to the wide range of external organizations that operate social services within our fields of responsibility.

My department's budget increases are based on the social vision and outlook of the government. Within this framework, we are operating with three major areas of direction for services and programs.

One is improving the quality of life for Manitobans. This will be seen in increased appropriations for developmentally disabled persons living in the Manitoba Developmental Centre or in the community, in funds earmarked for day care, and in continued emphasis on community participation in the justice system.

Second is reform, the continual adjustment and evaluation of existing services where needed. Noteworthy examples are the Welcome Home Program, the considered development of wife abuse services and children's special services.

The third is access. This means making services more accessible to Manitobans and more responsive to need in the community. Our reorganization of Child and Family Services, the support services in Welcome Home developed through government and community partnership and the counselling and referral services at the Public Safety Building for abused women are outstanding examples of improving access to social services at point of need.

At this point, I should like to review our funding commitments and briefly describe a few programs that illustrate these directions. Child and Family Service agencies will receive grant increases totalling more than \$3.5 million or 12.1 percent over last year. The higher grants reflect a number of things, increased support for child abuse prevention; support to Native agencies for care given to children who are a provincial responsibility; greater agency work loads identified in the new Winnipeg agencies because of greater access to services; more support and preventive services to families.

Further, we have allowed for a 12.8 percent increase in spending on family services, such as parent aides and homemakers and on specialized child care staff, all of which help families in the community and help reduce the risk of family breakup.

There are also more funds for agency foster care services which are up 10.9 percent over last year. Some of these funds will consist of support for children with special needs so that they may be cared for in foster homes instead of in institutional settings.

In Child and Family Support, we are completing the work arising from the reorganization of Child and Family Services. We are also moving forward to anticipate the demands for services, including child abuse prevention resulting from the operation of the system under the new Child and Family Services Act.

Members will recall the act's emphasis on finding permanent homes for children in agency care, and the requirement for annual review of permanency planning for all children in care. Consequently, we have added provision for more staff in Child and Family Support. They will handle work concerning permanency planning and counselling relating to the more active post-adoption registry introduced in the legislation and to confidentiality and access to records.

In Child Day Care, allocations for subsidies to parents and grants to day care centres are up 13.6 percent over last year.

In Family Violence Services, 1986-87 will be the first full fiscal year for the enhancement programs that were announced last fall. A major portion of the enhancement funds has been used to establish new programs. These include the Domestic Counselling Program for battered women and abusers at Klinik, funds to support a family violence coordinator at Ma Mawi-Wi-Chi-itata Centre, who will work with Natives in Winnipeg, and the Women in Second-Stage Housing Program. We have also earmarked funds for the Wife Abuse Unit at the Public Safety Building in Winnipeg.

My department is maintaining its financial commitment to support existing Non-residential

Women's Crisis Services throughout the province. From all these efforts, we expect a better range of family violence services and better service access for battered women and their children.

Among the more positive and wide-ranging series of programs my department has undertaken in recent years are the Welcome Home and related initiatives for developmentally disabled persons. As honourable members know, Welcome Home, initiated in the spring of 1984 will see the transfer of about 220 residents at the Manitoba Developmental Centre to the community by 1987. It also consists of services in the community for mentally handicapped persons at risk to ensure that they will be able to remain in the community.

One of the major achievements of Welcome Home has been the planning and development of the services needed to support mentally handicapped persons in the community. This has been accomplished through the work and dedication of community and regional planning and implementation teams which consist of both government and community members.

Our commitment to these services is shown in major increases in funds for community placement of institutional residents and for associated services. These services include increases in per diem rates for community residences and occupational activity centres and increases for day programs. The programs serve both Welcome Home participants and developmentally disabled persons already in the community. For instance, funds earmarked for community residences for developmentally disabled persons have been increased 41 percent over 1985-86 to accommodate persons placed through Welcome Home. Through Welcome Home, we are developing a service network for mentally handicapped persons which recognizes that they are a part of the community.

Mr. Chairman, we will continue to fulfill our commitment to a better quality of life for residents of MDC. One aspect of that commitment is a major project at the institution, the new physical activities building, for which we expect construction to begin shortly. This project will add new physical education and recreation facilities and consolidate vocational training facilities under one roof. Completion will be a major step forward in facilities at MDC.

In Corrections, we are continuing our emphasis on community-based options to incarceration, and our policy of making the justice system responsive to the views and standards of Manitoba communities. As an example, we are building up the Working Together Program under which communities, through Community Justice Committees, will have a role in finding alternatives to sentences that will benefit communities and give them a sense of partnership in the Manitoba justice system.

I should also like to draw honourable members' attention to the Fine Option Program which is working very well as an alternative to incarceration for non-payment of fines for minor offences. Under Fine Option, offenders undertake a variety of assignments made by community committees, working off their fines at rates approximating the minimum wage. There was an 11.9 percent increase last year in the numbers of people registered in Fine Option and the hours of work completed in lieu of fines went up by 11.3 percent.

In a related community-based program, Community Service Orders, participation has increased 30 percent

in the past six months. This program gives offenders the opportunity to redress offences through community work instead of serving a term in jail.

Mr. Chairperson, these programs reflect our commitment to a comprehensive network of social services, our willingness to exercise leadership and our interest in working with Manitobans to adjust and improve services and programs.

MR. CHAIRMAN: Thank you, Madam Minister. If the staff would come forward. Oh, I'm sorry, just hold it for a second.

The Member for Rhineland.

MR. A. BROWN: Thank you, Mr. Chairman, and I thank the Minister for her opening statement.

Unfortunately again she sees her department in a somewhat different light than what I do, but as we go along and examine the expenditures of the department, hopefully we'll be able to get some of these things ironed out.

We intend to examine this department carefully because of the many problems that we and the Opposition and members of the press have found in every area of the Minister's department. The Minister has been fortunate in receiving more money for this department because other departments have not received that same type of consideration. For instance, the Department of Highways actually received less money than last year, and we sincerely hope that this new-found money in this department will go towards services for children and not be eaten up by administration.

We welcomed the Minister's announcement the other day, in which she declared extra funding for 440 day care spaces, but we must question why this extra funding is only designated towards government-run and non-profit day care centres? Should not service for children have top priority and political hang-ups about private day care, which also provides much needed space, take a secondary role?

I do not think that any private day care centre can make a lot of money. At best, a half decent salary is all that these people can expect that are running private day care centres. These private day care centres, they have to be licensed, they have to adhere to the same standards as all the other day care centres, and I really cannot see where the Minister thinks that huge profits can be made by private licensed day care centres.

I think the concern we must have is that there are still some 3,000 children in Winnipeg who are seeking day care space. So one must wonder where the hang-up is about private day care, because certainly they have a role to play and a role to fulfill in our entire delivery system towards children.

The Minister has implemented a new program such as the Welcome Home Program and it still is too early to evaluate this program because to date, not too many persons have benefited from this program. We will, however, watch this program with great interest.

The closure of the Psychiatric Nursing School in Portage still smacks only as a political move and not a move of sound judgment. I am sure we will spend some time on that issue.

In Corrections, the Minister started a fine option program, and I understand that this program is not

operating too well. I must be talking to different people than what the Minister is talking to because, from what I understand, the police are continuously arresting and rearresting sentenced people who are in default of their fine option payments. This, of course, is of great concern and it gets to be a very expensive option when the police have to go chasing all over the country trying to find these sentenced people who are not living up to their commitments.

Racial tension and lack of disciplinary action at Headingley are also areas of great concern, especially for the people involved at Headingley.

The Minister has failed to provide adequate service for children suffering from child abuse. There is an absolute lack of responsibility when a case of child abuse is brought to the department's attention and no action is taken. Later on, this child dies because of sexual abuse. Mr. Chairman, that is deplorable. How many other cases are there?

A report in the Free Press stated that child abuse has reached a critical proportion in the core area of the city and that emergency shelters were required. Has the Minister responded to this situation?

Wife abuse, another area in which the Minister takes great pride in setting up a program to help identify cases of wife abuse, but little or no follow-up is done in these reported cases. There is a lack of funding to carry out a proper program. Shelters seldom know whether they will receive funding to allow them to provide the services required.

The largest abrogation of responsibility, however, incurs in the area of breakdown of child relationship with family. This can be caused when a child becomes involved with drugs, steals, or absolutely makes living together with the family impossible. Child and Family Services receive temporary custody with the hope that the child will receive the necessary counselling and return home to the family. Counselling services are not available. A case that ought to take no longer than three weeks takes forever because of lack of discipline, lack of counselling and, in general, lack of caring for the child.

Children are shunted from foster home or group home to group home. They do not have to attend school. They can stay out as late as they want at night and they can sleep in as late as they want in the morning. There is no discipline whatsoever. These children receive clothing, spending money, and are given the opportunity to earn extra money, but no or very little counselling so that families could be reunited.

This, Mr. Chairman, is why caseloads are growing at alarming rates because cases are not resolved. The Minister does not have the teams of experts that used to be able to cope with these situations.

This is an area, Mr. Chairman, where thousands upon thousands of dollars are wasted. The whole area of Family Services needs to be examined, and I welcome my colleagues who will participate because I know that they have a keen interest in this department.

Mr. Chairman, I look forward to the examination of these Estimates.

MR. CHAIRMAN: With apologies from the Chair, I believe the staff can now come forward. We are dealing with Item 1.(b), Executive Support — the Member for Rhineland.

MR. A. BROWN: Mr. Chairman, I wonder if the Minister could give us a chart outlining the structure of her department, along with the names of the various people who are heads of the various departments.

HON. M. SMITH: Yes, that will be made available shortly.

I'd just like to introduce my staff who are present here: Michael Mendelson, the Deputy Minister; Ken Gray, the Executive Director of Administrative Services; and Jim Bateman, who is staff in that directorship.

MR. A. BROWN: While her staff is looking for these charts which, hopefully, we will be getting, maybe the Minister can explain just exactly what the Executive Support, what their function is.

HON. M. SMITH: There are eight staff in the Executive Support group providing for the operation of the offices of the Minister and the Deputy Minister.

Do you want the detail on the number of staff, or would you like that just distributed to you?

MR. A. BROWN: It would be helpful.

HON. M. SMITH: It's unchanged from last year.

MR. A. BROWN: It would be helpful if we could have the details. I don't have last year's numbers with me.

HON. M. SMITH: In the Minister's office there are five people, one special assistant, one executive assistant and three administrative support staff. In the Deputy Minister's office, there is one deputy, one administrative assistant and one administrative support staff.

MR. A. BROWN: I notice, Mr. Chairman, that there has not been too much of a change in the overall funding in this particular area, but when we do take a look back, going back to the 1985 Salaries, I notice that there was \$266,200 being spent in (b)(1), Salaries. We are now spending \$249,800.00.

I wonder if the Minister can explain. Is there less staff out there now, or what has happened?

HON. M. SMITH: I think you're working from a . . .

MR. CHAIRMAN: That's not the correct figure.

HON. M. SMITH: Not from the adjusted vote. You may have the previous year.

MR. A. BROWN: I'm working from the Estimates here, comparing 1985 to 1986 and 1987.

MR. CHAIRMAN: Well, just to clarify for the honourable member, the figures I have here are 235,200 in salaries, 249,800.00.

MR. A. BROWN: 1984-85, we're going back further than that.

MR. CHAIRMAN: Oh, I see.

HON. M. SMITH: That was answered last year.

MR. A. BROWN: I don't believe it was.

HON. M. SMITH: I guess you had your opportunity to ask that question last year.

MR. A. BROWN: Because I am going to be making considerable comparisons just in order for us to see where this particular department is going over more than just a one-year period.

MR. CHAIRMAN: The Member for Rhineland, would you like to repeat the question?

MR. A. BROWN: So, I'm wondering, what has happened to staff? Has there been a decrease, or what has happened?

HON. M. SMITH: We would have to double-check. But to our knowledge, it doesn't represent any different numbers; just any differences, it would be the length of time that people have been on staff and their salary level.

MR. A. BROWN: But there has been a substantial decrease. If there would have been an increase, I could understand increase in salaries. But there has been from 266,200 that we now are up to 249,800 under it. I'm sure that the Deputy Minister has not received a drop in salary. I'm sure that he has received his increase along with everybody else. So I would like to know, what happened?

HON. M. SMITH: Well, we'd have to look for the detail, but certainly at least over one-third of that would be accounted for by the shift from a deputy who was at the top of the range to one that was coming in. That accounts for the reduction. Now the increase this year over last year is as people move up the salary ranges year by year. But you're asking for a change two years back, a significant reduction, and that would be certainly almost half because of the shift in deputies.

We'll get that information for you and make it available at a later sitting.

MR. CHAIRMAN: The Member for River Heights.

MRS. S. CARSTAIRS: Can the Minister distinguish between the functions of a special assistant and the executive assistant?

HON. M. SMITH: Yes, in general, the special assistant is a support for the Minister on issues relating to the department and the executive assistant relates mainly to the constituency.

MRS. S. CARSTAIRS: The salaries have increased, but I would agree in proportion to the general overall increases required. But the other expenditures have not deviated at all. Is there any particular explanation for that?

HON. M. SMITH: It's the result of an effort on our part to run a very tight ship at this level.

MRS. S. CARSTAIRS: Beyond the normal office expenditures, is there any large lump sum in that Other Expenditures?

HON. M. SMITH: I'll just read you the components of it that make up the 63,800: 5,000 in grants; 4,000 in transportation; 14,000 in aircraft transportation; telephone communications 10,000; office supplies 1,600; publications 1; and other 13.8.

MRS. S. CARSTAIRS: The Minister is using books which I have actually in fact received with great pleasure from the Minister of Education who is here. When does the Minister of Community Services anticipate that kind of detailed estimate would be provided to the members?

HON. M. SMITH: The departments are on a phase basis for the preparation of supplementary detail and we're scheduled to be included in next year's Estimates.

MR. CHAIRMAN: 1.(b)(1)—pass.
The Member for Rhineland.

MR. A. BROWN: I would like to go to that top figure over there of 3,266,700; and, again, there was not too much of a change from the previous year, 3,129,900. But, if we go back one year to the 1985, then we're at \$2,496,800, and that is why I am going back two years in order to find out what is happening with this department. Now that is an \$800,000 increase in administration. I would like to have the Minister explain what is happening in this particular department. Where are we spending that extra money?

HON. M. SMITH: Well, again, I think the member will likely find the key explanations for changes in the previous year's Hansard.

As I recall the development in the department, we did build up our research and planning capacity because we are delivering complex programs and quite a high budget. It was our belief that we needed good research and good planning to manage that expenditure effectively.

MR. A. BROWN: That accounts for about \$200,000.00. Where did the rest of the \$600,000 stay?

HON. M. SMITH: I think I really would have to refer the member to last year's Hansard because that's when the year-over-year changes occurred. I'm prepared to give detail on the changes in this past year to supplement what was asked last year.

MR. A. BROWN: As I indicated earlier, it is necessary for us to go back to that particular period of time because there have been so many changes made, and in order for us to do a proper comparison we will have to go back over a period of two to three years in order to get a true picture of really where we are going in this particular department. So I would appreciate it if her staff could have that information here with them, if they could have their Estimates of Expenditure here, so that we could have meaningful discussion on where this department is going and where we are spending these extra monies, because there certainly is a huge increase of monies being spent in this particular department and we would like to know whether we're getting, quite frankly, our money's worth, whether we're getting value for the dollar spent.

HON. M. SMITH: I understand that the Estimates discussion this year is to give the current year's budget and relate it to last year's. We can bring along the books from the previous year but it seems to me we'll only be duplicating the very questions that were asked last year.

MR. CHAIRMAN: The Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, the Minister indicated that Executive Support includes eight persons: one special assistant, one executive assistant, I think it's three administrative secretaries, one Deputy Minister, an administrative assistance and another administrative secretary.

Could she indicate where the Assistant Deputy Ministers are located? I thought they would be included in this.

HON. M. SMITH: They will show up in each branch. For example, the Community Social Services, Item 3, is where Joe Cels, the Assistant Deputy Minister, will be located. Item 4, Child and Family Services, is where Aleda Turnbull, the Assistant Deputy Minister, will be found. Item 5, Corrections, is where John Bock, the Assistant Deputy Ministers for Corrections will be found.

Our Administration and Finance is operated by an Executive Director, Ken Gray, and that will appear under 1.(e).

MR. CHAIRMAN: 1.(b)(1)—pass.
1.(b)(2) — the Member for Rhineland.

MR. A. BROWN: Can the Minister give us a list of the Other Expenditures?

MR. CHAIRMAN: The Minister just did that in response to a question from the Member for River Heights.

MR. A. BROWN: Okay.

MR. CHAIRMAN: 1.(b)(2)—pass.
1.(c)(1) Research and Planning: Salaries — the Member for Rhineland.

MR. A. BROWN: Mr. Chairman, we are spending additional money in this particular department, in Research and Planning. I wonder if the Minister can give us a lowdown of just exactly the type of research and the type of planning that is going on within this expenditure.

HON. M. SMITH: Basically, it's a support to the planning that the Deputy Minister chairs. There's an executive management committee and it plans, coordinates and monitors the department's annual and multi-year planning cycles and any particular planning process.

There's policy analysis and research that is used to identify critical or emerging policy issues, to formulate and implement policies and prepare related documents.

There's also a liaison function with other government agencies. The branch will coordinate or prepare material for the Social Resources Committee of Cabinet, deal with other government Research and Planning Branches where interdepartmental issues are involved, and ensure

that we have a consistent and orderly relationship with the Federal Government on many items that affect our department. They often will represent our department on federal-provincial, or interprovincial committees of officials.

We have added some new responsibility areas. They have taken a more active role in reviewing the federal-provincial cost-sharing arrangements related to the Canada Assistance Plan, The Vocational Rehabilitation of Disabled Persons Act, and the Young Offenders Cost-Sharing Agreement. They're our basic cost-sharing instruments.

They have also taken a more active role in coordinating policy development with Native people, and services in relation to them.

There is also a change to the program base in that we have hired a coordinator for the Decade of the Disabled. This person has been hired on a one-year term basis to assist all government departments to develop plans for the Decade of the Disabled, to better meet the needs of this target group. That accounts for a \$63,000 increase to the base. That would be salary and operating.

Currently they're working on renegotiating VRDP, and negotiation to extend the tripartite Indian Child Welfare Agreements. VRDP was what I referred to earlier, Vocational Rehabilitation of Disabled Persons Act.

MR. A. BROWN: In 1986, the expenditures show that, for salaries, we were going to be spending \$505,200, yet in this appropriation this year, it shows that as \$582,400.00. I wonder if the Minister can explain why we have that difference, from what was proposed and what was actually spent.

HON. M. SMITH: During the year, there was a transfer of two staff, one from the Child and Family area, and one from Youth Corrections. Then in this year's budget, there has been the coordinator for the Decade of the Disabled, and then a minor amount for general salary increase.

MR. A. BROWN: How many SMY's do we have additional now? We have the two that the Minister mentioned and?

HON. M. SMITH: The first two I mentioned would show up in an adjusted vote. That's a reconciliation from the print of last year to the print of this year. We started then — the reconciled number was 17. We have added one more, the coordinator for the Decade of the Disabled, so we're at 18 now.

MR. CHAIRMAN: The Member for River Heights.

MRS. S. CARSTAIRS: You have 18 staff years in this department, as opposed to 17 staff years for last year?

HON. M. SMITH: Yes.

MRS. S. CARSTAIRS: And the rest of that, I assume it's about \$60,000, is taken up with just annual wage increases?

HON. M. SMITH: The general salary increase, plus associated operating costs for the coordinator. It's

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about 48.7 in general salary increase and \$23,000 for the operating costs for the co-ordinator.

MRS. S. CARSTAIRS: I must be misreading this, Mr. Chairman, because I see approximately \$90,000 in just salary increases, which I assume Other Expenditures have gone into too.

HON. M. SMITH: The increases, as I calculate it, 88.7 thousand is made up of 40,000 for the coordinator, Decade of the Disabled, and 48,700 for the general salary increase.

MRS. S. CARSTAIRS: This budget, interestingly enough, has gone up by 17 percent, or this section of the budget, and through the Minister's term of office, some 71 percent. I have difficulty reconciling that against the figures that she gave earlier about 12.1 for Child and Family; 12.8 for Family and Homemakers. Why is this department still receiving such a large chunk increase?

HON. M. SMITH: Well, it has to do with the functions they perform. We've located the coordinator for the Decade of the Disabled in this area, because we have felt very strongly the need to respond to the disabled who want programs, and a plan of action for the decade; but also because many government departments deliver programs to the disabled and we felt it important to lodge a coordinator somewhere, not necessarily to manage programs, and this seemed to be the best location for that individual.

MR. CHAIRMAN: 1.(c)(1) — the Member for Kirkfield Park.

MRS. G. HAMMOND: Would this be the area that would be liaising with the Federal Government for funding for the women's resource centres?

HON. M. SMITH: I wish there were active and productive liaison with the Federal Government for cost-sharing women's resource centres. To date we've had no indication from them of willingness, or even of a department that would look at it.

MRS. G. HAMMOND: What initiatives has the Minister taken in this area to try and get cost-sharing?

HON. M. SMITH: At federal-provincial meetings we have consistently raised the whole family violence area, women's needs, day care, as well as the vocational rehabilitation issues, the Native Child and Family servicing, possible changes in the Canada Assistance Plan.

MRS. G. HAMMOND: Yes, I was speaking in particular about the liaison with the Federal Government about the funding for the women's resource centres and, in particular, the Fort Garry Women's Resource Centre. I was wondering what initiatives had been taken to get further funding.

HON. M. SMITH: While I was Minister for Status of Women, we liaised with the Secretary of State who was

at that time funding resource centres, but has since discontinued. We will, because we have the Women's and Human Resource Centre Program in this department, be actively approaching the Federal Government for some kind of cost-sharing under Canada Assistance Plan.

MRS. G. HAMMOND: So, what the Minister is saying that it hasn't been actively pursued before this time?

HON. M. SMITH: Currently, the Canada Assistance Plan does not have a program category, as it were, a criterion that would permit a human resource centre to be funded, so the negotiation must involve opening up the Canada Assistance Plan. The Provincial Ministers have all been interested in improving and making more flexible the Canada Assistance Plan and there are quite a few items on the table.

MR. CHAIRMAN: The Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Mr. Chairman, I'm just doing a little arithmetic here. The Minister said that the actual salary increases were 48.7, 48,700 which represents about a 7.5 percent increase. Is that reflective of the increases in staff throughout the Department of Community Services?

HON. M. SMITH: No, overall averages are down more in the 3 percent area, I think. There are variations area by area depending on the particular staff, their level of pay, where they are in the range. There's merit increments plus increments as they gain experience, but there's only so many steps and then they level off, so there's not an exact distribution, if you like, of increase.

MR. CHAIRMAN: The time being 4:30, it's time for Private Members' Hour.
Committee rise.

SUPPLY — AGRICULTURE

MR. CHAIRMAN, C. Santos: Committee, please come to order. We have been considering the Estimates of the Department of Agriculture. We are now in Item No. 4.(e)(3), Agricultural Societies.
The Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, before we begin, I'd like to introduce to you — most of the members know him, I'm sure — Morris Deveson who is the director of our Technical Services and Training Branch. He's been in the service a long time.

For the information of honourable members, I'd like to present them with the 1986 Manitoba Fairs Guide that might be of interest to all members. As well, we did get our hands on two copies — there will be a new one out — of the February 1986 summary of approved Agri-Food projects for members opposite, and I would like to share some information with honourable members dealing with the questions of pesticide residues in honey.

Limited testing of honey for pesticide residues has been carried out for some time by the Federal Health

Protection Branch. The most recent testing was in 1985 on honey from western Manitoba with no significant residues being found. Similar results were obtained from tests carried out by a graduate student of the University of Manitoba.

The chance of significant residues occurring in honey is slight because honeybees themselves are extremely sensitive to pesticides. Significant residues in nectar would kill the bees before they return to the hive so that there is very little chance of having any significant pesticide residue in honey.

For the information of the Honourable Member for Portage, dealing with wood preservatives in vegetable storages, the only acceptable method of preserving wood used in application subject to a high decay hazard is through the use of pressure-injected fungicides. At present there are no preservatives registered for use in direct contact with food in long-term fruit and vegetable storages.

Recent health concerns related to cancer have eliminated the possible use of chemicals such as creosote or pentachlorophenyls. Pressure-treated chromated-copper arsenate, as well as a small number of other chemicals, appear to be relatively safe preservatives; however the appropriate testing required for registration has not been carried out. Staff have pursued a number of issues since the problem is national in scale. We feel that the responsibility lies with the Federal Government to initiate the research necessary for registration. Clarification has been obtained from Ag-Canada under recommendations regarding exactly where in vegetable storage CCA lumber can be used; condensation moisture which collects in the insulation system of vegetable storages is a major factor in wood decay.

Our engineers are presently developing innovative methods of insulating vegetable storages and, to the best of our knowledge, none of the research required for registration or a preservative for direct long-term contact with food products has been carried out or is under way by either Agriculture Canada or the private industry.

MR. CHAIRMAN: The Member for La Verendrye.

MR. H. PANKRATZ: Thank you, Mr. Chairman.

To the Minister, I would just like to make a correction before you actually get too seriously into debate. Yesterday, I made the statement that the price of fuel was higher this year than last year. I did check that out this morning and I will have to retract that statement. Due to the lower price in the world oil prices, the price has come down below. So for the record I should make that withdrawal.

HON. B. URUSKI: Thank you.

MR. CHAIRMAN: The Member for Virden.

MR. G. FINDLAY: I was away yesterday afternoon, and you may have answered this question, but when I look at line (e)(3) there, the Ag Societies are down some almost \$77,000.00. Why there?

HON. B. URUSKI: Mr. Chairman, I believe that I explained this matter yesterday. The member should

be aware that we did take out of the budget the whole estimate budget of Austin Museum of \$123.6 thousand. That was the reason.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. G. CUMMINGS: Under the appropriations for Ag Societies, does that include any capital allocations or grants that would go to societies?

HON. B. URUSKI: Yes, Mr. Chairman, there is a board, the Agricultural Societies Board, who are provided with a budget. We have just under \$121,000 towards building grants in the budget, and then there are other funds for Keystone in terms of capital, and other grants like to the Agriculture Hall of Fame, horse racing meets, judges' fees, prize money for the different categories of fairs, totaling the \$566.2 thousand. That would be the breakdowns that we would have. The largest one of the total would be the building grants of \$121,000, and the fair's prize money of just under \$232,000.00. They would make up the bulk of that \$566,000.00.

MR. G. CUMMINGS: The \$121,000 that you refer to, the formula used for that is broken down between what used to be referred to as the Class C and Class B fairs, the size of the fairs in societies. Was there a formula used for the allocation of those funds or how are they allocated now?

HON. B. URUSKI: Mr. Chairman, there is no definitive formula. The advisory board, and really the advice totally comes from the advisory board, they take all the applications that come in, they look at what has been granted in the past, they look at the scope of the application, and try as best they can to allow some portion of the request to be met by these funds. The advice is totally submitted by the Ag Societies Advisory Board and we act upon that advice.

MR. G. CUMMINGS: I stand to be corrected on this point. The information that came to me was that there was an allocation which is considerably less than this, but an allocation of \$40,000.00. I was wondering if that was divided as being appropriated solely for "Class C" fairs or is there any division in that manner?

HON. B. URUSKI: Mr. Chairman, I'm advised that there is a division of monies, as the member points out, between the various classes of fairs. Mr. Chairman, I will provide the honourable member information based on last year's figures; that will give him some indication. The primary purpose, of course, is to assist societies with the upkeep of facilities, but it has never meant to provide new facilities. These are ongoing maintenance grants.

The Provincial Exhibition in Brandon received \$34,000, including \$10,000 to reduce the stall-fee charges at the Ag Ex; Red River Exhibition received \$8.5 thousand for educational display and upkeep; six "Class B" societies received \$35,000 — (Interjection) — shared, yes, shared the \$35,000; and 58 "Class C" societies shared \$44,350 and the distribution of these funds was made by the Advisory Board directors who have been there for, I guess, quite a number of years.

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MR. G. CUMMINGS: The Minister indicated that these are generally maintenance funds. The societies then will continue to have to fund any capital expansion from local resources, or are they eligible for Lottery funds? Perhaps this is the wrong area to ask.

HON. B. URUSKI: Mr. Chairman, I guess I briefly touched upon that last night about the competing interests in a community. I would think if there were facility grants being provided by Lotteries, and the Ag Society in terms of the community and the municipality and the local governments that were involved would be the area set out as a priority, there's no doubt that they would qualify for that support. But usually what occurs and in many instances you'd have applications from three or four entities and that, of course, happens that the requests are watered down. The greatest impact for the resources or the money that's available may not happen in terms of the community with a whole host of requests.

MR. CHAIRMAN: The Member for Gladstone.

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

To the Minister, since the horse harness racing falls under the umbrella of the agricultural societies, is it on this line that you pay out the purses to the horsemen? And how much money is that?

HON. B. URUSKI: Actually I am advised there are two levels of support, but the Department of Agriculture does provide support to the amount of 2.5 percent of the parimutuel betting pool, last year that amounted to \$21,000. But there is additional support that is being paid out in terms of support to the horse racing industry in general and I don't know what those specifics are. That would be handled under the Minister of Small Business and Tourism.

MRS. C. OLESON: Is the regulation of the harness racing, for instance, is it under this department, or are they all run by the Commission?

HON. B. URUSKI: Mr. Chairman, by the Commission.

MR. CHAIRMAN: The Member for Roblin-Russell.

MR. L. DERKACH: Mr. Chairman, to the Minister, the parimutuel betting, is that under your department as well? What department is that under?

HON. B. URUSKI: Mr. Chairman, the whole horse racing betting area is actually administered by the Federal Government, usually enforced by the Royal Canadian Mounted Police. I remember when I was in Ontario, our members did the assessment and kept track of the auditing of the purses bet, and that is a federal matter enforced by the RCMP.

MR. L. DERKACH: Is there any revenue to the province from what is bet at parimutuels in the province?

HON. B. URUSKI: Mr. Chairman, there is a 7.5 percent tax collected by the province for parimutuel betting.

Mr. Chairman, I'm advised that in terms of the rural meets we refund everything to the rural race meets,

so we don't collect anything from the rural ones. Basically it's to keep the industry going and the support there. We don't get a penny out of the rural ones. The revenues that we receive — the province, not our department — the department would not collect any of these revenues, it would be centrally collected.

What we do is we receive the funding from the Department of Finance and turn it over to the local race meets on an annual basis. It's only in Assiniboine Downs where the province may get some revenue, but I'm not even sure as to how great that is because of the input of the province into the support of the horse racing meet. Those questions would have to be asked of the Minister of Small Business and Tourism.

MR. L. DERKACH: So could the Minister tell us who owns the parimutuel betting booths that are situated on the Ag Society grounds throughout the province?

HON. B. URUSKI: Mr. Chairman, the responsibility for those booths would be that of the Ag Society. There would be some societies who would own their own, but in many instances they would be rented equipment.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. G. CUMMINGS: Perhaps I should know the answer to this, but when it's rolled into one large sum like this, I would like to know what is the formula that's in place presently regarding joint funding of prize monies in the smaller fairs across the province?

HON. B. URUSKI: Mr. Chairman, The Agricultural Society Act states that prize money will be shared on a 75-25 percent sharing basis to a maximum covered by a regulation. In Class B for example, I'll give the honourable member, there are five classes in the Class C fairs, and they range from \$1,200 to \$3,500 as the maximum for Class 5 that they would share in the prize money. Class B societies are eligible for a maximum of 7,200 on the 75-25. Class A fairs, the provincial exhibition, receives a total of \$45,000 in a prize money grant to assist with the three major exhibitions, the Royal Manitoba Winter Fair, the Summer Provincial Ex, and the Ag Ex in the fall.

The Red River Ex receives \$10,000 as a prize money grant, and Agribition in Regina receives \$5,500.00. In turn, Saskatchewan provides a \$5,500 grant to the Manitoba Ag Ex. Total prize money support, as I indicated, was \$230,000.00.

MR. G. CUMMINGS: In the Red River Ex, would those prize monies be totally in the horse area?

HON. B. URUSKI: Mr. Chairman, there are no horses in the Red River Ex. They would be for other exhibits that would qualify in terms of — what would they be for? — (Interjection) — Yes.

There is a large homemakers' display in terms of homemaking. It would be likely food and items of that nature and sewing and other areas. There is as well, a photography contest in terms of displays where photography qualifies; horticulture flower show, a very large flower show at the Red River Ex; and also the educational exhibits qualify for prize money under the grant system.

MR. CHAIRMAN: The Member for Virden.

MR. G. FINDLAY: Just as a final question in this area, the number of B and C fairs, have they changed very much in the last five years? Are they pretty static numbers of people coming in, going out, or what's going on?

HON. B. URUSKI: Mr. Chairman, I'm advised they haven't changed for 20 years.

MR. CHAIRMAN: 4.(e)(3)—pass.
4.(e)(4)(a) Northern Development Agreement — Canada-Manitoba: Salaries; 4.(e)(4)(b) Other Expenditures; 4.(e)(4)(c) Less: Recoverable from Northern Affairs.

The Member for Virden.

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

Would the Minister give us some explanation as to what the Northern Development agreement is, what its objectives are? When I look down the lines here, I see Recoverable from Northern Affairs 112,700.00. Does that mean that within agriculture there is nothing going in there?

HON. B. URUSKI: The small component of the Northern Development Agreement that agriculture is involved in, and it is precisely the area dealing with 4-H that we are involved in Northern Manitoba. The funding for this would, in fact, come through the agreement, from the Department of Northern Affairs, because it is in Northern Manitoba. We do separate the funding, but because the 4-H Program is part of our whole delivery system, we don't segregate the two because they happen to be Northern Manitoba. But the funding does come from another department.

MR. G. FINDLAY: Did you say Northern Affairs would come from provincial or federal?

HON. B. URUSKI: Provincially, our own Department of Northern Affairs.

MR. CHAIRMAN: The Member for Emerson.

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

I wonder if the Minister could maybe clarify that a bit more. I had a case where there was a farm operation, a broiler operation in Cormorant Lake, and I was under the impression that the Department of Northern Affairs, would they be the main authority in a project of this nature? It was an experimental basis partly funded federally, partly funded provincially — a broiler operation at Cormorant Lake. I've been trying to get some information as to exactly who is responsible for it. Would it be the Department of Northern Affairs that actually implemented the program, or is the Department of Agriculture? Would there be any involvement through your department at this stage of the game?

HON. B. URUSKI: Mr. Chairman, I'm not aware of any direct involvement in terms of the setting up of an operation or assisting in a broiler operation in Cormorant. I would assume that maybe our staff would

have assisted in providing some technical advice as far as our extension staff in the North. But we're not aware of direct funding or involvement. Our whole area is the Hoe Gardening Program and the 4-H Program.

MR. A. DRIEDGER: Well, I wonder if the Minister could check into that. The reason why I raise this is because the broiler chicks were bought from Carleton Hatchery in the Grunthall area there. To this date, they still have not been paid for them. What I'm trying to establish is, who controls the purse strings so that we could get this issue resolved? That's already been almost a year now.

HON. B. URUSKI: Mr. Chairman, I think the honourable member should advise his constituent that he deals with the farmer directly as any hatchery would have to deal with any one of us in Southern Manitoba who either supplied them of eggs or sell them the poults. Mr. Chairman, I think the honourable member would like to have someone else collect someone else's bills, that's fine. But I think he should advise his constituent to deal with the individual directly.

MR. A. DRIEDGER: Hold it here, Mr. Minister. He's trying to put words into my mouth. That is not necessarily what I said. But the chicks were basically ordered through the federal and provincial program. Based on that kind of information is why they were sent all the way down to Cormorant Lake. Let the Minister not try and push things aside and say these people are trying to have somebody else collect their bills. It was a government-sponsored program, so obviously somebody has got some responsibility for it. He's trying to pass the buck and, you know, if he wants to get cute about it, we can get into more depth over this thing. All I ask him is whether he can have his people check whether they had any role that they played in this project?

HON. B. URUSKI: We will.

MR. CHAIRMAN: The Member for Roblin-Russell.

MR. L. DERKACH: Mr. Chairman, with respect to the Northern Development Agreement, I noticed that any monies that had been spent with respect to this particular section have been recovered from the Federal Government. Does the province in fact contribute any funds towards this section of the Northern Development Agreement?

HON. B. URUSKI: Mr. Chairman, the program is a 60-40 cost-shared program with the Federal Government. All the funding in terms of programming in Northern Manitoba are channelled through this agreement. That's why you see the whole question of recoveries and transfers between departments. Because there is one major agreement, all those calculations and those notations are made so that all the money that is going to be spent under that agreement on the 60-40 basis is in fact accounted for regardless of which department delivers the service.

MR. L. DERKACH: Mr. Chairman, in accordance with the figures here, it shows that the recoverable amount

from the Federal Government is the exact amount that was spent above. Now is that in fact true, or are we dealing with some other Northern Affairs Department here?

HON. B. URUSKI: Mr. Chairman, Northern Affairs is a provincial department; it's not a federal department. It's the provincial Department of Northern Affairs. It's an inter-governmental, within the province, it's not a federal department.

MR. L. DERKACH: So if that 112,000 was recovered from the Department of Northern Affairs, how much of that then was recovered from the Federal Government? Is that a portion of that, or is that over and above that?

HON. B. URUSKI: Mr. Chairman, 60 percent would in fact be part and parcel of the total agreement. Although I would have to check in terms of how the agreement is worded, we have the same type of agreement in the Agri-Food Agreement.

But how we share the funding is that each government in the process of the agreement agrees to do certain things in these areas, and each of us deliver the specifics of the programming and the province does, in a complementary way, deliver its portion of the program and the Federal Government and jointly in terms of jointly funded projects. Not all the projects are in fact under the Agri-Food Agreement funded on a pooling of money. That was done in the past, in the old agreements, and there was a move away from that type of agreement over the last decade. Now we agree on what is going to be funded jointly and some programs are delivered federally and some are delivered provincially and some are delivered jointly.

MR. L. DERKACH: Mr. Chairman, the bulk of the money has been spent in wages or salaries. Can we have some idea as to what the major areas of programming were as far as the agreement is concerned?

HON. B. URUSKI: Mr. Chairman, those questions really should be placed to the Minister of Northern Affairs in terms of the overall agreement. We have but one small component of it and in terms of the 4-H clubs, in this one I can provide the honourable member with information. The program operated in 14 communities with 441 members and 83 leaders. Communities of Shamattawa, Pukatawagan, Thompson, York Landing, Gillam, Easterville, Snow Lake, Cormorant, Flin Flon, Grand Rapids, The Pas, Carrot Valley, Wanless and Split Lake. There are, as I indicated, 14 clubs, 441 members and 83 leaders. The average age of the club members is slightly lower than the provincial average 11.6 years, and the average tenure is 1.8 years, just under two years for the members in the 4-H clubs in Northern Manitoba under this program.

MR. L. DERKACH: Although the Minister says I should be asking the Minister of Northern Affairs for the answers to these questions, they are in fact in the Agriculture Estimates. Therefore, I want to know whether that \$35,000 was spent on the delivery of programs to 4-H clubs or what specifically was that

money spent on. How many people did you have employed for the figure in Salaries?

HON. B. URUSKI: Mr. Chairman, the actual total spent will be 140,000, not 112,000 because, in terms of financial procedures, there's a 20 percent holdback within the Department of Finance. That is not shown in the Estimate Book. So the actual expenditure that will be spent will be \$140,000.00.

Mr. Chairman, there are, in terms of direct assistance to the clubs, three specialists and I don't have the number of 4-H aides. There are monies for leadership training, transportation and projects and activities totalling \$140,800.00. The reason that you only see \$112,000 is that there is, in fact, a 20 percent holdback which, if added to that, would bring it up to the 140,000.00.

MR. L. DERKACH: I see nothing for the figures for 1986. Are they available, or is it just a total there?

HON. B. URUSKI: Mr. Chairman, that's what I gave my honourable friend, for 1986-87. I'm giving him the current year of what the money will be used for. I have not given him anything in the past — (Interjection) — one year? Well the one year was 109,000 — (Interjection) — well, Mr. Chairman, the expenditures would be in the same nature, all the same, the 4-H aides, 4-H specialists, leadership training, transportation and project activities.

In 1985-86, the actual amount spent was \$136,200, and this year it would be \$140,800.00.

MR. L. DERKACH: Can the Minister then tell me where the reduction is taking place in the grand total? We have some 3.263 million over in the left-hand column and 3.119 million in the right-hand column.

HON. B. URUSKI: Mr. Chairman, I indicated to my honourable friend that part of the budget, there have been increases and there have been decreases. The major decrease in this total section occurred with the Austin Museum where we transferred \$123,000 to the Department of Cultural Affairs in terms of their funding. That's been the reduction. But there have been increases in other areas.

So for me to start itemizing the \$140,000, I'm not sure that I can give him all the nickels and dimes in terms of the various areas. The big one is the Austin Museum, and that would account for the most of it. There'd be some increases in some areas and some decreases in others. That would account for the major difference.

MR. L. DERKACH: Well, again, Mr. Chairman, there seems to be a little difficulty in following you because of the transfers.

But with respect to the Northern Development Agreement, Canada-Manitoba area specifically, is there actually an increase of only \$2,000, or are there programs being added to or cut in that area? What is the status of that particular agreement, and where is it going to? Is there any more money coming in from the Federal Government in this area, or what's happening?

HON. B. URUSKI: Mr. Chairman, the programs are basically the same. The change — and let the member not be confused — of the \$3 million figure, the Northern Agreement component in this branch is only the \$112,000.00. That difference would only be made in terms of salary changes.

MR. CHAIRMAN: Technically speaking, there is no money in this item.

The Member for Roblin-Russell.

MR. L. DERKACH: Has there been any more money allocated by the Federal Government in this area?

HON. B. URUSKI: Mr. Chairman, the agreement was signed and carries on for a number of years. They basically are pegged over the five-year period, and they're set on an annual budget, and they're carried on in that way.

The total global agreement would be set initially, and there would have been five-year breakups of that agreement. Unless there were negotiated changes in the agreement to emphasize one area or the other, there would generally not be any changes from what was contemplated in the year's spending of the agreement.

MR. CHAIRMAN: There being no money in this item, we're skipping it, and I'm passing on to 4.(f)(1) Marketing Branch, Salaries — the Member for Virden.

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

As I mentioned in my opening remarks when we got into Estimates, one of the areas that I was quite disturbed in was the fact that the Marketing Branch shows a bottom-line reduction of about \$89,000.00. If I look back over the . . .

HON. B. URUSKI: You want to move to the Marketing Branch?

MR. G. FINDLAY: That's what he just identified. He just moved us on.

Do you want me to proceed?

MR. CHAIRMAN: We may still get the resolution before it's 4:30. I don't know.

The Member for Virden.

MR. G. FINDLAY: As I look back over the years in Manitoba, I live in the western part of the province and, when I'd always look towards the southern part of the province, I always marvelled at their ability to be able to grow crops that we can't grow in our area of the province, particularly things like sugar beets, sunflowers, corn, lupins, beans, whatever, because the soil was there and the climatic conditions allowed them to be grown. The Marketing Branch played a fair role in finding markets and getting development going in those areas.

The Province of Manitoba's agricultural economy has thrived because of diversity. As I look at the statistics for the first few months of 1986, I see that Manitoba's both gross and net farm income is the highest in Canada. I believe it's because of diversity. When I see

the Marketing Branch being cut to this extent in terms of financial support, I wonder if we're not going in the wrong direction, because when I look at sugar beets, sunflowers and corn, their ability to compete in the world market has slipped significantly. We need to come up with more new crops, find some new markets to increase and improve on our diversity in Manitoba so we can maintain our agricultural income. I'd like the Minister to comment on why the reduction in this area at this time.

HON. B. URUSKI: Mr. Chairman, the main reduction in this area is that we've joined forces with the Business Development Department in terms of our promotion of Buy Manitoba. Monies in terms of the advertising area of that have been shifted into that department, so there'd be a joint program of Buy Manitoba, along with other promotions based on Manitoba production and the like. So the two departments have basically joined forces in this major area of Buy Manitoba in terms of advertising. So that money was transferred to the Business Development Department.

MR. G. FINDLAY: So in other words, the entire 89,000 is advertising is being picked up by another department. Is that correct? If that is correct or not correct, give us a breakdown on the number of staff in here, the last three years, and this year, so we know where we're going.

HON. B. URUSKI: Mr. Chairman, I have the two years, but I believe there's been no change in the last three years in staff. There's eight staff, the same number of staff over the last decade. Branch administration of 3; 5 promotion and development, for a total of 8. In terms of requests, it's 424,400.

MR. G. FINDLAY: Are there any new initiatives in this Marketing Branch?

HON. B. URUSKI: Mr. Chairman, I will try and provide some general information in the few moments available to me, in terms of thrust for this coming year. I will start with the whole area, starting with beef, poultry, ducks, geese, special crops, pulse crops and the whole area. I'll try and go through the list.

Mr. Chairman, for this year, we intend to initiate and direct a beef industry marketing committee, composed of Industry, Trade and Technology, Ag Canada Beef Commission, and an industry representative to facilitate information flow for market development.

Through the Canadian Food Products Development Lab, in cooperation with Industry, Trade and Technology, and all the others, and the processing industry, encourage and support development of new processed beef products for food service and retail sectors.

We intend to encourage and coordinate incoming missions to Manitoba, in line with market development activities, and participate in outgoing missions wherever possible.

In terms of poultry, Mr. Chairman, there are three incoming foreign missions from Japan being coordinated by the branch. In terms of turkey sales, this year alone, there was over — it was a major impact in terms of deboning of turkey and it's being done by

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a number of . . . It took many years for us to encourage the processing industry to go into deboning, both of turkey and chicken, but we finally — I believe there are three deboning operations now in the Province of Manitoba. For 1986-87 — (Interjection) — There's only one turkey in this House, according to the members opposite, Mr. Chairman. That's what I heard today, and I don't mind being that big tom sitting over here, I'll tell you.

Mr. Chairman, in terms of this year's encouragement for further expansion of deboning facilities in this province, to replace imports and expand exports, and we continue to host incoming foreign missions and we initiate and coordinate outgoing trade missions, as well. We have assisted the industry in all facets of the meat industry in terms of setting up missions and assisting them in promotion with letters to industry, for introduction to, whether it be Japan or other countries.

We're continuing to work with the Northern Goose Plant in Teulon, in terms of geese and ducks, and the Pembina Poultry Plant at Morden, to encourage market development on geese.

The whole area of duck production for the specialty market in this country is just taking, basically I would say taking off, and that is an area that . . .

Mr. Chairman, we will finish off, I guess, tomorrow afternoon.

MR. G. FINDLAY: One quick question. Could I ask the Minister to introduce the member of staff he has at this time?

HON. B. URUSKI: Mr. Chairman, my apologies. For the honourable members, I'm sure many of them know him, Al Gascoigne, who is the director of the branch.

MR. CHAIRMAN: The hour being 4:30, it's time for Private Members' Hour.

Committee rise.
Call in the Speaker.

IN SESSION

Madam Speaker, the Committee of Supply has considered certain resolutions, directs me to report progress and asks leave to sit again.

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Madam Speaker, I move, seconded by the Honourable Member for Radisson, that the Report of the Committee be received.

MOTION presented and carried.

MADAM SPEAKER: Private Members' Business.
The Honourable Minister of Labour.

HON. A. MACKLING: I think there's a common interest in deeming that the hour is now 5:30, Madam Speaker.

MADAM SPEAKER: Is it the will of the House to call it 5:30? (Agreed)

The hour being 5:30, the House is now adjourned and stands adjourned until 2:00 p.m. tomorrow (Thursday).