



First Session — Thirty-Fourth Legislature
of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS
(HANSARD)

37 Elizabeth II

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Speaker*



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**MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fourth Legislature**

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	LIBERAL
ANGUS, John	St. Norbert	LIBERAL
ASHTON, Steve	Thompson	NDP
BURRELL, Parker	Swan River	PC
CARR, James	Fort Rouge	LIBERAL
CARSTAIRS, Sharon	River Heights	LIBERAL
CHARLES, Gwen	Selkirk	LIBERAL
CHEEMA, Gulzar	Kildonan	LIBERAL
CHORNOPYSKI, William	Burrows	LIBERAL
CONNERY, Edward Hon.	Portage la Prairie	PC
COWAN, Jay	Churchill	NDP
CUMMINGS, Glen, Hon.	Ste. Rose du Lac	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DOER, Gary	Concordia	NDP
DOWNEY, James Hon.	Arthur	PC
DRIEDGER, Albert, Hon.	Emerson	PC
DRIEDGER, Herold, L.	Niakwa	LIBERAL
DUCHARME, Gerald, Hon.	Riel	PC
EDWARDS, Paul	St. James	LIBERAL
ENNS, Harry	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Laurie	Fort Garry	LIBERAL
EVANS, Leonard	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen Hon.	Virde	PC
GAUDRY, Neil	St. Boniface	LIBERAL
GILLESHAMMER, Harold	Minnedosa	PC
GRAY, Avis	Ellice	LIBERAL
HAMMOND, Gerrie	Kirkfield Park	PC
HARAPIAK, Harry	The Pas	NDP
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HEMPHILL, Maureen	Logan	NDP
KOZAK, Richard, J.	Transcona	LIBERAL
LAMOUREUX, Kevin, M.	Inkster	LIBERAL
MALOWAY, Jim	Elmwood	NDP
MANDRAKE, Ed	Assiniboia	LIBERAL
MANNES, Clayton, Hon.	Morris	PC
MCCRAE, James Hon.	Brandon West	PC
MINENKO, Mark	Seven Oaks	LIBERAL
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rossmere	PC
OLESON, Charlotte Hon.	Gladstone	PC
ORCHARD, Donald Hon.	Pembina	PC
PANKRATZ, Heilmut	La Verendrye	PC
PATTERSON, Allan	Radisson	LIBERAL
PENNER, Jack, Hon.	Rhineland	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren	Lac du Bonnet	PC
ROCAN, Denis, Hon.	Turtle Mountain	PC
ROCH, Gilles	Springfield	LIBERAL
ROSE, Bob	St. Vital	LIBERAL
STORIE, Jerry	Flin Flon	NDP
TAYLOR, Harold	Wolseley	LIBERAL
URUSKI, Bill	Interlake	NDP
WASYLYCIA-LEIS, Judy	St. Johns	NDP
YEO, Iva	Sturgeon Creek	LIBERAL

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, December 13, 1988.

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Elijah Harper (Rupert's Land): I beg to present a petition of Ken Nelson, Nelson Keeper and others, calling upon the Attorney-General (Mr. McCrae) to consider the submission made by Assembly of Manitoba Chiefs and others who are planning to make presentations before the Aboriginal Justice Inquiry.

Mr. Clerk (William Remnant): "The Aboriginal Justice Inquiry is conducting hearings in Manitoba that are of vital importance to restoring confidence in the administration of justice in this province.

"The need for effective, carefully prepared presentations by aboriginal groups to the inquiry is obvious to anyone who understands the purpose for the inquiry.

"The success of the inquiry will depend to a large degree both on the participation of aboriginal people and the documentation of the extent of the problems of the current judicial system.

"We, the undersigned, request the Attorney-General to seriously consider the submission for funding by the Justice Committee of the Assembly of Manitoba Chiefs and other Aboriginal organizations wanting to make presentations to the Aboriginal Justice Inquiry.

"And as in duty bound your Petitioners will ever pray."

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to oral questions, may I direct Honourable Members' attention to the public gallery where we have from the Isaac Brock School, forty-five Grade 9 students under the direction of Mr. John Marshall. This school is located in the constituency of the Honourable Member for St. James (Mr. Edwards).

We also have with us from the Pembina Crest School, forty-five Grade 9 students under the direction of Mrs. Leslie Mesman. This school is located in the constituency of the Honourable Member for Fort Garry (Mr. Laurie Evans).

On behalf of all Honourable Members, I welcome you here this afternoon.

ORAL QUESTION PERIOD

Health Department Capital Projects Statement

Mrs. Sharon Carstairs (Leader of the Opposition): My question is to the Minister of Health (Mr. Orchard).

Yesterday I asked the Minister why it was necessary to refer the Klinik project to the Health Advisory Network and the Minister replied, "Klinik's construction is not being referred to the Health Advisory Network. I do not know where that incorrect impression came from." The incorrect impression, Mr. Speaker, came from the Minister of Health's own Capital Program statement on page 7. My question to the Minister is, is it the Minister's position that the information contained in the capital statement for his department is incorrect?

Hon. Donald Orchard (Minister of Health): No, Mr. Speaker, the only person incorrect in this House on that issue is the Leader of the Opposition.

Mrs. Carstairs: We are under the impression on this side of the House that Government documents which are released under the name of the Ministers are supposed to contain factual information. Can the Minister explain to the House why there seems to be this difficulty in the presentation in his statement in the presentation in his comments in this House?

* (1335)

Mr. Orchard: My statement to this House has been consistent, that what will be referred to the Health Advisory Network is reference of Municipal, Concordia, Grace construction projects in relationship to Deer Lodge opening. I have indicated that the Klinik and other capital projects become part of the Government's normalized process of deciding on the capital budget. Confusion only exists in the mind of the Liberal Leader.

Mrs. Carstairs: Well, confusion lies in the minds of anybody who reads this capital statement.

Klinik Community Health Centre Capital Funding

Mrs. Sharon Carstairs (Leader of the Opposition): Can the Minister tell us how long the process is going to take to evaluate the projects he has listed on page 7 and when decisions will be made particularly with regard to capital funding for Klinik?

Hon. Donald Orchard (Minister of Health): Capital funding for Klinik, Mr. Speaker, will be considered in context of approximately 100 other capital projects in preparation of the tabling of capital Estimates during the consideration of the spending of the Department of Health and, more importantly, the spending of the Manitoba Health Services Commission.

Tour

Mrs. Sharon Carstairs (Leader of the Opposition): I tried to get an answer from the Minister yesterday with regard to a visitation to the Klinik Health Centre.

Can the Minister tell us today if he has yet managed to schedule a visit to Klinik?

Hon. Donald Orchard (Minister of Health): No, Mr. Speaker, and I suppose that if I follow the path of my Honourable Leader of the Opposition, I would visit Klinik. I have chosen, quite deliberately, to attempt to visit the major health care institutions in the City of Winnipeg and the Brandon General Hospital. That involves the Health Sciences Centre, the St. Boniface Hospital, Misericordia Hospital, Victoria General Hospital, Grace Hospital, Seven Oaks General Hospital, Concordia General Hospital and Municipal Hospitals.

Those tours were arranged at my behest, at my request, to familiarize myself with the intent of those individual institutions to get a better understanding of the magnitude of their capital redevelopment projects and where they might fit into the health care system, delivery system, which is appropriate for the year 2000 and beyond. I, with regret, have not had time to visit every capital project in the Province of Manitoba that is requesting a renewal. Hopefully, over the number of years that we possibly are Government, I will have that opportunity.

Health Care Community-Based Clinics

Mrs. Sharon Carstairs (Leader of the Opposition): By the Minister's own words he indicates of course that he is going to perpetuate the institutional model of health care delivery in Manitoba because the only place he admits to visiting is an institutional model of delivery. Klinik is five minutes away. Can the Minister not find a half an hour to go up the street and to visit Klinik so that he can learn about the delivery of community-based clinic care?

Hon. Donald Orchard (Minister of Health): This is the whole reason I have often regretted mention to the House that the Liberal Party does not understand health care and demonstrated that by taking 30 minutes to discuss and debate \$1.4 billion of capital spending. Because, Mr. Speaker, had they taken more than 30 minutes, and they were only going to take five minutes to debate the whole \$1.4 billion budget, had they taken time they would soon realize that those institutions that I mentioned represent close to \$500 million of annual spending. I think it would be very inappropriate for a Minister directing those kinds of expenditures on behalf of the people of Manitoba would not want to familiarize themselves with that level of funding to those institutions and I regret my honourable friend, the Leader of the Opposition's narrow perspective.

* (1340)

Mrs. Carstairs: Well, Mr. Speaker, but it was seven hours more than he ever spent in health care Estimates. But the question is does this Minister listen to his advisors who have been telling him as they have been telling previous Ministers before him that it will be only going to a community model of health care that we will begin to control costs. He must visit in order to learn. When is he going to learn?

Mr. Orchard: Mr. Speaker, I want to assure my honourable friend I learned a fair little bit when I was Opposition Health critic, by spending more than 30 minutes debating \$1.4 billion dollars of spending in the Manitoba Health Services Commission. That took 8 to 10 to 12 hours of debate.

The Liberal Party, in its absolute knowledge of everything in this Province, decided they had all the answers and did not need to debate \$1.4 billion of spending, wanted to pass it in five short minutes. I talked the Deputy Leader of the Liberal Party (Mr. Carr) into another 25 minutes. Is that not a shame that we took 30 whole minutes to discuss \$1.4 billion of spending?

Home Care System Funding Cuts

Mr. Gary Doer (Leader of the Second Opposition): Last week we raised the freeze of the Klinik project, the preventative community-based program, the Klinik project. Yesterday, we raised the Health Action Centre, a core area program to keep people out of the hospital. Previously, we have raised the issue of cutbacks in the Home Care service. We have not gotten anywhere with the Minister of Health (Mr. Orchard) in terms of preventative, innovative, health care programs in terms of this Province.

I would ask the Minister of Health, in light of his statements that there have been no cutbacks in the health care services, can he please advise Manitobans why one Mrs. Atkinson, who has had home care since 1983, has had a triple by-pass, is operating with only one lung, whose husband has had a triple by-pass, whose three adult children are in wheel chairs, has been cut off by his department because of cutbacks in their spending in the Home Care Program in this province?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, my honourable friend, the Leader of the New Democrats (Mr. Doer) attempted to paint a picture of cutbacks in home care three months ago and failed, because one can hardly make the case that with an increase of \$10 million year over year in the home care budget, that there has been a cutback.

As I have indicated to my honourable friend in times passed, if he has a legitimate concern to help individuals who he feels might have had incorrect assessment decisions made in home care, please bring them to my attention. We will have them fully investigated as we did three months ago. I am prepared to investigate my honourable friend's allegations today, and I will provide him with reasons for any decisions made. I reiterate, if an incorrect assessment has been made, that will be rectified as was the case this year, last year, and as long as the Home Care Program has been in place.

Housekeeping Services

Mr. Gary Doer (Leader of the Second Opposition): Mr. Speaker, the percentage increase of spending has been the same from the two Budgets. What is happening is the cutbacks on a daily basis are taking place in the home care system. My question to the Minister of Health (Mr. Orchard) is, there is a letter we have received saying that Manitoba is a peregrine for the rest of Canada in the health care system for the elderly and the rug is being pulled out from under us and the seniors in this very vital area of care. The senior goes on to quote the Filmon Government as being similar to Ronald Reagan in terms of dealing with the needs of the needy in this city.

My question to the Minister of Health (Mr. Orchard) is, if there are no cutbacks going on, why is his staff referring people to the private cleaning services outside of the Home Care Program? They are handing out material for \$5 to \$7 per hour for cleaning services that they used to get under our universal home care system in their community.

Hon. Donald Orchard (Minister of Health): Mr. Speaker, as I have indicated to my honourable friend, and he full well knows, cleaning services where available in the community were never part of Government provided services. I want to simply reinforce to my honourable friend who does not understand the program that was put in place by the NDP Government previously, in 1985, they reinforced the decision that more not-for-profit services ought to be available to citizens throughout the Province of Manitoba including home care services and such diverse services as visiting, shopping, meals on wheels, etc., etc., and all of those programs have been provided since 1985 through enhanced Government support through support services for seniors in setting up a number of community organizations which economically establish volunteer and not-for-profit services to those seniors. And those programs are in place and available and it is the same program that my honourable friend was part of developing in 1985.

Health Care Seniors' Support Services

Mr. Gary Doer (Leader of the Second Opposition): Mr. Speaker, the purpose of the Home Care Program is to keep people out of institutions, to keep them in their own homes and their own communities. I would ask the Minister of Health (Mr. Orchard) why a person in our community, an 88-year-old Esther Hochman who used to receive home care for the last three years, and cleaning services for the last three years in her own home to keep her out of institutions is being cut off by his department and potentially may have to go into a higher cost nursing home, and is also reporting that her cousin who is 92 years old has been cut off the last number of months under this Minister's health care program which does not have any ability to deal with inventive community-based programs in our own Manitoba communities.

Hon. Donald Orchard (Minister of Health): Mr. Speaker, it is with regret that I have to tell my honourable friend that in the six years, the most recent six years that my honourable friends were in Government, there was very little innovation into community programs, with an exception—an exception that came out of the Department of Gerontology in the Department of Health. That program was Support Services to Seniors. It was given substantially increased mandate and financial commitment in 1985, again in 1986, again in 1987, and certainly again in this year's Budget.

That Support Services for Seniors Program is designed to establish in the community support services as I have mentioned in an earlier answer, designed entirely to harness the wealth of community volunteer support to help seniors remain in their homes and out of institutions. That program is working very, very, successfully and is one of the few successful innovations that my NDP friends brought and focused on care delivery to seniors in Manitoba.

Mr. Doer: Mr. Speaker, my supplementary is again to the Minister of Health (Mr. Orchard). And he knows it has been documented as the finest program in North America which unfortunately this Minister of Health, through his subtle action and the direction in his department is cutting back drastically in terms of the seniors of this province.

Can the Minister of Health (Mr. Orchard) please advise us why one Ellen Shannon, a 90-year-old senior who has been living in her own home, is now going to have to go, unfortunately, to a nursing home because of the cutbacks made in his department in terms of this very vital Home Care Program?

Mr. Orchard: Mr. Speaker, my honourable friend can refer those individuals to my department and, as I have said before, I will fully investigate every one of them and I will report back to my honourable friend the circumstance of each of them.

I know my honourable friend is desperate for some public recognition, and he is attempting again—

Mr. Speaker: Order, please. Order. The Honourable Member for Concordia, on a point of order.

Mr. Doer: Yes, I think one Minister of Health (Mr. Orchard) is impugning motives on a very serious issue for the seniors of this province. He should be dealing with the merits of the case, not cheap political shots on a very important issue.

Mr. Speaker: Order, please.

Hon. James McCrae (Government House Leader): Mr. Speaker, I believe past practice during Question Period in this House would indicate to the Honourable Member and to everyone else that he does not have a point of order.

Mr. Speaker: Order, please. The Honourable Member does not have a point of order, but may I remind the Honourable Minister that answers to questions should

be as brief as possible, should not provoke debates and should deal with the matter raised?

Mr. Orchard: Mr. Speaker, I simply indicate to my honourable friend if politics were not the reason for the questions, my honourable friend could have referred those individuals to me, probably the day he received them rather than banking them and leaving those individuals suffering because I would want to know how long ago my honourable friend had these cases referred to him and how long he saved them up for the politically opportune time to bring them to the House.

Free Trade Agreement Adjustment Strategy

Mr. John Angus (St. Norbert): My question concerns free trade and is directed to the Minister of Industry, Trade and Tourism (Mr. Ernst).

I am tired of the anti-business, the "sky is falling" negativism of the NDP.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please; order, please.

Mr. Angus: Mr. Speaker, I am equally tired of the pie in the sky "trust us" mentality of the Government in Manitoba.

Today, in Ottawa, the free trade debate will begin and it undoubtedly will be passed. As always, our concerns are for the Manitobans and there are two general areas of specific concern: No. 1 is to help those Manitoba companies that will be hurt by the American invasion, help them readjust and be able to compete in Manitoba; and No. 2 is to help those firms—

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please; order, please.

Mr. Angus: Mr. Speaker, the second area is to help those firms in Manitoba that want to compete to improve their technology and their marketing abilities so that they are not suppressed by the Free Trade Agreement.

Large firms have the resources and staff to make adjustments, but what about the backbone of the Manitoba economy—small business? What plans does the Minister have to make the 80 percent of Manitoba businesses that are considered small businesses aware of the effect of the Free Trade Agreement? What adjustment programs and assistance programs are available to help them make the transition?

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): I want to thank my honourable friend from St. Norbert for that question. Firstly, the Canadian Federation of Independent Business, the voice of small business in this country, is the biggest supporter that free trade has.

In addition, I have met with representatives not only of the Canadian Federation of Independent Business

but the CMA, the Chamber of Commerce, the Manitoba Export Association and others with regard to the question of free trade and how it is going to affect their members. As a matter of fact, there is a joint program right now between my department and those organizations where one on one; that is one member of their organization and one member of mine is going out to small businesses and medium-sized businesses in this province so that they can get together with those businesses to make sure they take full advantage of the opportunities of free trade.

Mr. Angus: Mr. Speaker, I have a supplementary question through you to the Minister. While I appreciate the words that he has given, it is not an anti-free trade or a pro-free trade argument. It is for businesses in Manitoba that I am speaking. Has the Minister identified the winners and the losers and will he let the Manitoba business community, the citizens of Manitoba and the Legislative Assembly know who they are and what specifically is being done to assist them?

Mr. Ernst: Both I and the Members of this Government have every faith in Manitoba business that they are going to be able to effectively compete in the marketplace of North America and particularly after free trade is implemented.

Mr. Speaker, to try and determine just the question that the Member asked, some months ago I undertook a series of meetings not only with the organizations mentioned in my earlier answer but with sectoral people from across the province to try and determine how free trade was going to affect their businesses. We have not identified any losers.

* (1350)

Adjustment Committee

Mr. John Angus (St. Norbert): The briefing notes from all of the western provinces, the Minister was kind enough to share with me, indicate there are winners and losers and almost everybody has suggested there is going to be an up and down.

Daily we hear about aid and initiatives that are being undertaken—plastic industries getting money, the grape growers are getting money.

Mr. Speaker, my question to the Minister is, will the Minister establish a committee made up of representatives of all Parties of the Legislature, and include people from the Chamber of Commerce and labour and the small business community, to address the challenges and the effects that free trade will have so that we can cooperatively and collectively have the most positive impact for the businessmen in Manitoba?

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): The responsibility for the well-being of the economy of this province is collectively that of the Government.

With regard to the specifics of dealing with businesses, it is the responsibility of my ministry. We will accept the challenge. We will be meeting with these

people on a regular basis. My staff will be, on a sector-by-sector basis across the economy of this province, attempting to identify problem areas where they may occur. If and when they occur, we will meet the challenge.

Let me say this, Mr. Speaker. There may be individual corporate problems associated with free trade. There has been no identified major sectoral problem anywhere that we have been able to determine either through the people of the department who have done an analysis, through conversation and discussions with every single business association that we have been able to meet with, nor have we been able to identify that through a whole series of meetings that I have been having throughout the economy.

Adjustment Funding

Mr. Speaker: The Honourable Member for St. Norbert, with a final supplementary question.

Mr. John Angus (St. Norbert): No, it is a brand new question, a new set of three.

Mr. Speaker: Okay.

Mr. Angus: Thank you, Mr. Speaker. Everybody in Manitoba saw the positive effect of a cooperative legislative committee that investigated the problems we had in Churchill. This Government has waxed eloquently about openness, honesty, a Government that is prepared to listen to the people and is prepared to cooperate and to try and help. If the Minister wants—and I will specifically bring to his attention that Winnipeg is the largest clothing manufacturer centre of the west. However, it is generally agreed that certain amounts of adjustment and new technology will be required. Some segments of the garment industry will grow at the expense of others.

The question is that the federal Government has put \$60 million on the table to help that readjustment. Do we even have a player at the table, Mr. Minister? How much of that money is coming to Manitoba? What programs—

Mr. Speaker: Order, please; order, please.

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): It is full-well recognized that the garment industry represents a significant segment of employment in this province. Eight thousand people work in the garment industry in this province. We have had ongoing negotiations with those people through the Manitoba Fashion Institute, through individual corporate employers, including the major corporate employer with whom the Premier (Mr. Filmon) and I met last week. If there are problems associated with that, we have an opportunity to tap into federal funding for adjustment purposes. We will do exactly that if it is necessary.

Impact Furniture Industry

Mr. Speaker: The Honourable Member for St. Norbert, with a supplementary question.

Mr. John Angus (St. Norbert): The American furniture market is expected to expand in a very great fashion. To be competitive, Manitoba furniture manufacturers will have to develop and maintain specialized product lines. Will this Minister advise what specific plans he has or will devise to assist in the transition which will occur in the furniture manufacturing? When can we expect the Minister to table these plans?

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): As an example, Palliser Furniture is expanding to meet that North American demand in those export markets in the United States. This Government a matter of two months ago participated with the Western Diversification Office in funding to allow that expansion to happen and to allow them to be more competitive in the U.S. market.

Retraining Programs

Mr. Speaker: The Honourable Member for St. Norbert, with a final supplementary question.

Mr. John Angus (St. Norbert): Mr. Speaker, the final supplementary to the Minister, we have asked questions about Canada Packers redevelopment and retraining plans, we have asked questions about the brewery and the effect on free trade and a number of other businesses we have not seen.

Will the Minister please put on the table some definitive plans to address these particular industries? If he is not prepared to cooperate with the elected Members and other members of the business community to address this problem, will he at least table a plan so we can see what he is trying to accomplish?

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): Mr. Speaker, to put plans on the table to address a problem needs a problem. So far we have not found a problem.

* (1400)

Economic Stimulation Population Decline

Mr. Leonard Evans (Brandon East): I would like to address a question to the Minister of Finance (Mr. Manness). Recent indicators reveal a weakening in the Manitoba economy. Unemployment is up, retail sales are lagging, the labour income growth is very sluggish, construction is down. Yet this Government, this Minister, continues to insist that the Manitoba economy is strong and that the Conservative economic policies are good for this province.

Data just released by Statistics Canada show that for the first time since January of 1981, the population

of Manitoba is declining. As of October 1, 1988, there were fewer people in Manitoba than there were in July 1 of this year. Will the Minister reconsider the Government's economic policies and take a more activist approach to stimulate the economy and to stop the decline of the population of this province?

Hon. Clayton Manness (Minister of Finance): There is so much in the Member's preamble that is incorrect, I hesitate to begin to address him.

Let me say with respect to the economy, the economy is well-postured by way of anybody's estimates as we move into 1989. The Conference Board of Canada, who is conservative to the nth degree, as we know, has indicated that Manitoba's growth in 1989 will be in the measure of 3.3 percent above the national average. That is as a result of agriculture hopefully coming out of its incredible drought year. Had the Province of Manitoba not experienced such a serious drought in 1988, this province would have experienced a growth rate which would have been at least the level of the national average.

This Government has nothing to apologize for with respect to the state of economic affairs in this province. The economy is doing well. The figures as we put forward by way of the Budget are still within the context of strong economic growth.

Manitoba Jobs Fund Reactivation

Mr. Leonard Evans (Brandon East): It is obvious we do not have enough jobs in Manitoba for our people. Will this Minister, will the Government, consider reactivating the very successful Manitoba Jobs Fund that was developed by the previous Government since it is obvious that the population decline is a result of insufficient job opportunities causing an increase in outward migration?

The second quarter of this year's outward migration doubled. In the third quarter, it increased by 76 percent. Will he now bring forward either the Jobs Fund or some version of it to provide additional jobs for our people so they will not have to go out of this province to seek employment?

Hon. Clayton Manness (Minister of Finance): Let the record state that net out-migration began to decrease since 1984; every year since 1984. So let the record speak loudly and clearly with respect to that and not let the Member opposite try and leave the illusion that there is major net migration from the province.

Secondly, with respect to the question, we are in the Estimates process now. There is no doubt that we are looking at all elements of an economic plan that is going to continue to place this province in a good position relative to economic growth.

Economic Stimulation Budget Request

Mr. Leonard Evans (Brandon East): Will the Minister consider bringing in another Budget earlier than

perhaps he would otherwise, bringing it early in the new year to deal with this economic situation that is weakening and it is reminiscent of the Lyon administration. Mr. Speaker, the loss of outward migration, the loss of population in the two-quarters, the second- and third-quarter is 5,300 people-plus, equivalent to the town of either Winkler or about the size of Morden. That is what we have lost through interprovincial migration; the point is the interprovincial migration is so great. We have had it for many years. It is so great now, that it is superseding the natural rate of increase, therefore the total is beginning to drop.

Mr. Speaker: Order, please; order, please.

Mr. Clayton Manness (Minister of Finance): I have learned long ago that ex-professors, particularly of economics, tend to like to use numbers out of context.

Mr. Speaker, I do not know what image that the Member opposite is trying to conjure up here. Let me say that the Manitoba economy, for the tenth time I will say this, is doing well. All the Member has to do is reflect to the sales, the retail tax revenue by way of the second quarterly. Those Estimates are holding on par. There is no better estimate as to the state of the economy than the sales tax revenue and the Member opposite knows that. They are holding firm.

Manitoba Telephone System Wrongful Dismissal Suit

Mr. Gilles Roch (Springfield): Mr. Speaker, my question is to the Minister responsible for the Manitoba Telephone System (Mr. Findlay). Former employees of MTX began a lawsuit for wrongful dismissal against MTS and the provincial Government sometime ago. Both MTS and the provincial Government filed statements of defence. No new developments have been recorded in this lawsuit for some time now.

Mr. Speaker, I recognize that this matter is a subject of a lawsuit, therefore I do not wish to prejudice the Parties as they attempt to settle, that is indeed what they are hoping to achieve. On the other hand, we have a duty to the ratepayers and taxpayers of this province, indeed an obligation to ensure that they are not unduly penalized because of the mismanagement of the Crown corporation for which they have already had to pay. My question to the Minister is are there any developments in this lawsuit that he is free to disclose to the taxpayers and ratepayers of this province?

Hon. Glen Findlay (Minister responsible for The Manitoba Telephone Act): The Member did not identify what nature of lawsuit he was referring to. If he would be more specific, we might be able to answer it.

Mr. Roch: I referred to the wrongful dismissal suits. Are there any developments in these suits for wrongful dismissal that he is free to disclose to the taxpayers of the province at this time?

Mr. Findlay: The answer to that will have to be "no," because it is before the courts.

Mr. Roch: Assuming the possibility of settlement does exist, what procedures are in place to ensure that both

MTS and this Government are held accountable by the ratepayers and taxpayers for the settlement?

Mr. Findlay: The situation of the question is before the courts. I do not think it is justified to make comments on a hypothetical question.

Out-of-Court Settlements

Mr. Speaker: The Honourable Member for Springfield, with a final supplementary question.

Mr. Gilles Roch (Springfield): Can the Minister tell us today if any out-of-court settlements have been reached and, if so, with whom have they been reached, and for how much?

Hon. Glen Findlay (Minister responsible for The Manitoba Telephone Act): I will take that question as notice.

Asbestos Products Disposal

Hon. Edward Connery (Minister of Environment and Workplace Safety and Health): Friday last, the Member for Selkirk (Mrs. Charles) asked me a question on asbestos disposal in a land site fill. I thought it was of immediate concern, so we had our department inspect it immediately.

On December 12, our department went to that place. There is no major asbestos removal taking place now. The asbestos that was removed was double bagged and there is none stored on site. Mr. Speaker, the last load was hauled there approximately 30 days ago. It is obvious the Member has been taking advice from the Member for Wolseley (Mr. Taylor) and from Niakwa (Mr. Herold Driedger) with not responding to a concern. If she believes it is a concern—

Mr. Speaker: Order, please; order, please.

Mr. Connery: —the concern should be addressed immediately, Mr. Speaker.

Mr. Speaker: Order, please; order, please.

Mrs. Gwen Charles (Selkirk): On a point of order, Mr. Speaker.

Mr. Speaker: The Honourable Member for Selkirk, on a point of order.

Mrs. Charles: If the Minister will look into the matter, he will find that they are beginning the procedure once again. I hoped to avoid the circumstance where people's health may be put in danger because of the procedure taking place.

* (1410)

Mr. Speaker: Order, please. The Honourable Member does not have a point of order. A dispute over the facts is not a point of order.

ERDA Negotiations Churchill, Manitoba

Mr. John Plohman (Dauphin): During the Estimates discussion, the Minister of Highways and Transportation (Mr. Albert Driedger) said on no less than four separate occasions that the ERDA Ministers were negotiating a new agreement for Churchill, a succeeding agreement to replace the agreement that expires on April 1, 1989.

I would ask the Minister to confirm to this House that indeed the ERDA Minister, the Minister responsible for Business Development and Tourism (Mr. Ernst), in this province—and technology—is in the process of negotiations and that indeed a proposal has been put forward by the Province of Manitoba to the federal Government for an agreement on Churchill.

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): Mr. Speaker, we probably have 10 or 12 ERDA agreements that expire at the end of March in 1989. A committee of Cabinet chaired by myself is dealing with Ottawa with respect to all of those ERDA agreements, not only the one for Churchill, but the Northern Development Agreement and a wide variety of others and that those negotiations are ongoing.

ERDA Negotiations All-Party Committee

Mr. John Plohman (Dauphin): The Minister of Highways and Transportation (Mr. Albert Driedger) agreed in the minutes of the committee on Churchill that was formed, the all-Party committee, on September 8, 1988, that all Parties and the committee would have input into the Manitoba position in an agreement on Churchill. Yet we hear from the Minister of Business Development and Tourism (Mr. Ernst) that indeed they are negotiating at this time.

I asked the Minister of Highways and Transportation why he broke his promise to have the all-Party committee consider all of the details of a proposal by Manitoba before taking it forward to the federal Government? Why did he renege on that promise and breach the privileges of the members of that committee?

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): Mr. Speaker, perhaps I was not clear enough in my first answer to the Member for Dauphin (Mr. Plohman). The question of ERDA agreements now, in global terms, is under discussion between our Cabinet committee and the federal Government. Whether it is called an ERDA agreement, whether it is specifically in nature dealing with one particular topic or another, has not yet been determined. The position of the federal Government had been that rather than tie it to specific individual agreements for individual things, they might wish to look at a broader scope of funding formulas and then perhaps classify them into maybe two or three different areas. Those matters are under discussion.

When we get down to the point of individual analysis associated with the funding formula, then the Minister of Highways (Mr. Albert Driedger), I am sure, will live up to his commitment.

Mr. Plohman: I think what we hear here is contradictions from the two Ministers as to exactly what is happening and I wonder whether they in fact know what is happening.— (Interjection)— Well, Hansard has four references by this Minister to the negotiations and the Member should look at the November 22, Hansard, and he would get the information.

Canadian Jobs Strategy Funding Cuts

Mr. John Plohman (Dauphin): In view of the fact that the federal Government has indicated recently that it is now going to be cutting back on its investment in the Canadian Job Strategy for rural areas of this province, which will be a dramatic cutback, I ask the Minister responsible for rural development what representation he has made to the federal Government to have this reversed which is going to have a negative effect on rural Manitoba, and what action he is taking to ensure that rural Manitoba is receiving its fair share of economic development initiatives in this province?

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): Firstly, I have written to the Honourable Bernard Valcourt, Minister of State for Small Business, to deal with that exact issue, the question of the Community Futures Program. Certainly, our commitment to rural economic development is one that is solid, that is of major concern to us and one that we are going to carry forward. I have, as a matter of fact, met already with two of the rural development corporations. I will meet again with the third one this Thursday evening and will meet with the balance of them immediately after the Christmas break.

Mr. Speaker, we are concerned and I have written to the Honourable Bernard Valcourt with regard to that and we will be in subsequent discussions with him to ensure that Manitoba receives its fair share of real economic development funding.

Legal Aid Report

Mr. Speaker: The Honourable Member for St. James, with time for one short question.

Mr. Paul Edwards (St. James): Thank you, Mr. Speaker. My question is for the Attorney-General (Mr. McCrae). In September of 1987, the Evaluation Report of the Legal Aid Plan in Manitoba was completed. This Attorney-General (Mr. McCrae) has now been in office seven months and my question is, has he read this important and very thorough report and has he—what plans, if any, does he have to implement any of the 21 recommendations?

Hon. James McCrae (Attorney-General): Mr. Speaker, I will take the Honourable Member's question as notice.

Mr. Speaker: The time for oral questions has expired.

ORDERS OF THE DAY COMMITTEE CHANGES

Mr. Edward Helwer (Gimli): I move, seconded by the Member for Minnedosa (Mr. Gilleshammer), that the composition of the Standing Committee on Law Amendments be amended as follows: Hammond for Mitchelson, and that the composition of the Standing Committee on Statutory Regulations and Orders be amended as follows: Oleson for Mitchelson.

Hon. James McCrae (Government House Leader): Mr. Speaker, would you be so kind as to call, by leave, from Private Members' Business, Bill 52, followed by Bills 48, 49 and 53.

Hon. Clayton Manness (Acting Government House Leader): Mr. Speaker, given that Bill No. 52 has not been printed, then I would revise the orders to Bills 48, 49 and 53.

* (1420)

DEBATE ON SECOND READINGS BILL NO. 48—THE EXPROPRIATION AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Attorney-General (Mr. McCrae), Bill No. 48, The Expropriation Amendment Act; Loi modifiant la Loi sur l'expropriation, standing in the name of the Honourable Member for Osborne (Mr. Alcock).

Mr. John Plohman (Dauphin): I just received this Bill from the Minister yesterday, and we have had a very short amount of time to consider. But generally speaking, the issues that the Minister brings forward in this Bill are supportable and understandable from our position on this side of the House with regard to the Land Value Appraisal Commission and the nature of its judgments.

I believe that it has historically been the case that when the Land Value Appraisal Commission ruled on a particular issue, with regard to compensation that the Government would pay, it would in fact be binding. That was the intent and that was the belief that the law was in place, which ensured that would be binding upon the Government, but the individual who was receiving the offer could, indeed, protest that to the courts if they felt it was not a fair offer.

My understanding of this particular piece of legislation is that it is designed to give force to what was believed to be in force all the time, as a result of a contested award dealing with a particular business involved in the North Portage Development scheme over the last number of years. As Members will know, there was a tremendous number of businesses expropriated in the North Portage Development.

Over the number of years, Manitoba, through the Department of Government Services and the Land Acquisition Branch and in conjunction with the Land

Value Appraisal Commission, was the expropriating authority, had the unpleasant job of undertaking that work on behalf of two other jurisdictions of Government, the City of Winnipeg and the federal Government. I guess if we were to do that again we would rather see another level of Government looking after that, perhaps the City of Winnipeg, which has the powers to expropriate as opposed to the province, because as I mentioned earlier, it was an unpleasant task because it was a massive expropriation taking place all at once with many businesses affected. The staff were stretched to the limit in the Department of Government Services, were not able to adequately and fairly assess the fair compensation that should be received by a particular business and therefore had to issue certificates based on nominal offers just to initiate the process.

Many businesses misunderstood the process, were upset with it, did not feel that they were fairly treated by Government as is often the case when expropriations occur, because indeed as I said earlier, expropriation is an unpleasant kind of action, a power that Governments have in the public interest to ensure that the public interest is protected and that major developments can take place because of that power. Without it roads could not be built, various structures could not be put in place, drainage works could not be undertaken, major developments could not take place without the power to expropriate. So it is a very important power. As I said before, it is unpleasant but, at the same time, it is a very important power that Governments have.

At the same time then, the Land Value Appraisal Commission, while this expropriation was happening in the North Portage Development, undertook a number of hearings, of assessments of compensation, issued certificates that indeed they felt were fair compensation for these businesses. One was challenged, a number were challenged, but in one particular case it was ruled by the judge that the value they established was not binding on either party, as I understand it. Therefore, it necessitated the Minister bringing forward an amendment to the Act to ensure that what had been thought to be the situation before was, in fact, the law at the present time.

Unfortunately, the amendment has come forward very late in this Session. I guess we can only say that the Minister must be pleased; Members of the Government must be pleased that indeed the House has sat as long as it has so that they were able to bring in these other pieces of legislation, because if we had adjourned in November we never would have been able to get this remedy into the House. In fact, we would have had to go a number of months longer without this very important piece of legislation being in effect in this province.

I do not know how we would have survived that and sometimes I wonder whether we—I think we probably would have. But under the circumstances, the Minister has brought it in at the last minute and because of the cooperation of all Parties here I think this is going to be able to move through very quickly, through to committee stage, third reading and back again for Royal Assent.

Of course we are doing that because we want to facilitate the actions of the Government. At the same time we have to question why, if the House had not sat, this Bill would not have come here anyway, why the Minister had to bring it in at this last minute as if it was a national emergency.

Having said that, I agree that this is an important piece of legislation with regard to expropriation. It is needed, and therefore we will be supportive of having this Bill proceed through to the committee for public input before going back to third reading.

Now, I would like to speak at some—can I not speak on 49? I would like to say a few more things about expropriation in general. As a Minister of Government Services for a number of years and also a Minister of Highways and Transportation, I had, I guess one could say, the unfortunate circumstance and situation to be the Minister responsible for a great number of expropriations, particularly dealing with Highways and Transportation, but also on the Public Works side. Many programs and projects took place throughout the province in that department, and during my time there I also had to deal with public response to that process which, as I have described earlier, is an unpleasant process, because what it does is confer upon Government rather sweeping powers to take private property—not to take it for frivolous reasons but for legitimate reasons—and to ensure a fair compensation for those individuals who are affected. Of course, it is never a very nice thing, especially when some people have been in a situation where they have owned the property for many years; as a matter of fact, it could have been in the family through many generations, and suddenly they find themselves faced with a situation where the big hand of Government is coming and saying, look, out of the way, we are going to put a road there or we are going to build a building there and you have to get out.

I think that is one of the most repulsive things that a Government has to do and it must be exercised, that power, with a great deal of discretion and thought. I know that it does not always seem that way, having been in the situation where, as Minister, I was deemed to be that person who was not necessarily very sensitive to the needs of those people who were being expropriated. So I appreciate the situation that the Minister will find himself in from time to time in occupying both of the portfolios that I had the honour to occupy as well for a number of years because they both involve many, many instances of expropriation.

In many cases, the Minister will find himself in a situation where he would like to sympathize with the people and he would like to see that expropriation not even proceed, but because of the public good and his desire to ensure that a public development takes place in the public interest, he has no choice but to support it at the risk of viewing himself, I think, and his Government, as being unfair and of having others view him as well as being unfair. So it is a difficult process and we have had many situations where we have tried to consider ways to make it fairer.

Over the years the expropriation process has developed in a way that we attempt to arrive at

settlements through negotiation first so that neither person feels that there is the heavy hand of the law. However, the fact is the civil servants who are doing the negotiations have that power. They know that they wield that power because they have the power of the Government behind to expropriate, and it makes it a rather unfair negotiation, but the negotiation is by far the desirable way to settle on a property for the public good when developments are necessary.

(Mr. Deputy Speaker, Mark Minenko, in the Chair.)

I raise those issues because I think they are relevant to the expropriation process, that we all have to be sensitive as legislators to the expropriation process to ensure that it is fair and balanced as much as possible. There are appeals to the courts and that is why I am pleased that this Bill continues to allow an appeal process through the courts by someone who feels hard done by and put upon by Government during the expropriation process.

What I am finding is that my colleagues and the Members of the Liberals are giving me mixed signals. What they are doing, in fact, is at times saying that this Bill, The Expropriation Act, must get the attention it deserves and have the degree of debate it deserves in this House, and at times it seems to me that it means that one must speak for many, many minutes, perhaps hours, on this issue, and at other times one seems to get another signal from some of the Liberals that maybe only two minutes is all that is required. I have to, from my own point of view, make up my own mind about how important this is to me and go on the basis of my own conscience. In fact, expropriation is very important to me. I do not think it deserves just two minutes as one of the Liberal Members indicated to me. In fact, it—(Interjection)—I—

* (1430)

Mr. Kevin Lamoureux (Inkster): I was just thinking that the Honourable Member was going to be sitting down and I was just asking if he would do me a favour and maybe prolong his speech for an additional two minutes. If he would like to speak for 40 minutes, by all means, speak for 40 minutes. I find all of his debates, on all of the Bills that I have heard him, to be at a very, very high level and I would be more than interested to listen to him go for his full 49 minutes and I strongly encourage him to go the 40 minutes.

Mr. Deputy Speaker: The Honourable Member, if he rose on a point of order, does not have a point of order.

Mr. Plohman: Mr. Deputy Speaker, I understand the way to doing that, and in fact I did not name any Members' names, but yes, it was the Member for Inkster (Mr. Lamoureux) who asked me to only speak two minutes; now that he has put it on the record. In fact, I think he was just trying to do it in a cooperative way and I took it that way, but I wanted to indicate to all of the House Leaders, who are busy having some very important discussions, that I am getting mixed messages.

At times I get this signal—and it is not on Hansard—and at other times I get this signal, and other times I

get this signal. I do not know whether it is "V" for victory or what it is, but the fact is—and now I got from the Minister of Highways (Mr. Albert Driedger) the "time out" signal which means, I feel, that time has run out.

I would indicate, Mr. Deputy Speaker, then, that having considered all the merits—a number of merits, I should say—and the drawbacks of expropriation, and in fact it is a process that is needed in Government for the public good and it will probably always remain as a power of Government, as repulsive as it might be viewed by some in society, but in fact it is necessary and this amendment will in fact continue to ensure fairness because it is not in any way placing a greater burden on the person who is being expropriated. It does leave him or her with the option of going through the court system to appeal any award that might take place by the Land Value Appraisal Commission and I think it is a fair and equitable system.

With that, I think I could indicate, Mr. Deputy Speaker, that the New Democratic Party—perhaps some of my colleagues have some comments but I do not believe so—would be prepared to pass this on to committee.

Mr. Paul Edwards (St. James): I do not know if the Honourable Member spoke for 40 minutes. I certainly do not intend to and I apologize for him having to extend his comments if that bothered him. I was speaking to some school children from my constituency who were here, and I thank him for allowing me some further words from him so that I could stand up and speak to this Bill at this time.

I want to say not too much about this Act. We agree with our fellow Opposition Members in the New Democratic Party that this is a useful amendment to The Expropriation Act in that it tends to add some reliability with respect to offers. It certainly does not get rid of a lot of the hard feelings in this province about expropriation which through the years we all know about and, as my honourable friend points out, expropriation is oftentimes not a very pretty thing.

Manitobans who love their land, love their property, oftentimes greatly loathe being expropriated. It is necessary for a governmental authority to be able to expropriate. Expropriation should be used restrictively and it should be only in absolute situations of necessity that expropriation should be looked to as an option. However, sometimes in the interests of the public good, expropriation is necessary. We all know that.

I personally have had some experience with expropriation and dealing with the expropriation authorities in the Provincial Land Value Appraisal Branch, and I can tell this House that I am confident that our employees in that branch are sympathetic to the great love of the land that many of us as Manitobans have. In particular, I think while not to demean the property owners in the city, farmers and people who have been attached to the land for many generations will oftentimes be the most tied to the land and that emotion is very, very strong in our culture and in our heritage and must be respected.

The expropriation authorities, I am confident, do that with sensitivity, although they have a tough job to do.

It is not an easy job and you are oftentimes seen as the enemy by many people. All of us, I think, have sympathy for property owners who do not want to give up their property. However, as I said, if used restrictively, it is an important tool in the Government's work for the public good.

This Act does, to a certain extent, streamline the process by which offers are made and offers are held open, and to that extent, I believe gives some further protection to the person being expropriated. To that extent, on behalf of our caucus, I am pleased to recommend that this go to the committee stage, at which time I anticipate some of the potential questions which I have with respect to the wording will be answered. I certainly do not quarrel with the intent and the purpose of this Act. Thank you.

QUESTION put, MOTION carried.

**BILL NO. 49—THE PUBLIC WORKS
AMENDMENT ACT**

Mr. Deputy Speaker: On the proposed motion of the Honourable Minister of Highways and Transportation (Mr. Albert Driedger), Bill No. 49, The Public Works Amendment Act, standing in the name of the Honourable Member for Osborne (Mr. Alcock)—the Honourable Member for St. Vital.

Mr. Bob Rose (St. Vital): I would like to put on the record a few comments in regard to this Bill No. 49, which is principally a housekeeping Bill. I have noticed some of the defects in the system myself in the last while and I am somewhat surprised that some of these corrections, some of the blatant ones, were not done some time ago. Although we have not had a lot of time peruse it, I must commend the Government on bringing these amendments forward. On the surface, they look pretty thorough but I guess we will have a chance to talk to them again.

Certainly, there are a few things that I would like to comment on, and that is such as southern Americans, meaning Americans who live in the south of the United States, it seems to be coming a public pastime to deface and steal public property and this can be a very dangerous procedure. Just to name a few, I have seen instances where youngsters steal stop signs and then the next thing we have a big collision in there which is expensive both in terms of human life and injury but as well to our state Autopac. As a matter of fact, on at least one or two occasions, I have noticed this type of regulatory signs in people's rec rooms and that and notified the police and they generally take an attitude like, so what, which indicates again the problem that we have particularly here in the City of Winnipeg with a lack of policing.

I think you can make all the laws in the world but if you do not have the police and the property claims police to carry them out, you will never get any convictions. I think the laws have been too permissive. Certainly, their recent court case ruling of allowing political advocacy groups to put placards on public property in the City of Winnipeg does not help the

situation. So I think that we would like to see the Government even expand on this sort of legislation which would control public vandalism and public mischief.

If I would find any particular fault in this Bill, even though the rise in the fines and penalties are substantial, we must take into account that substantially this is a 35-year old Bill and a lot of things change in that period of time. Certainly, fines that go into the nature of 10 times what they were 35 years ago are still not really excessive. I would support all the action that we can to make the fines a deterrent to people who do this sort of thing. I notice there are complaints in the City of Winnipeg, for instance, that some people remove the hazard notice on transformers and may indeed have problems with PCBs. So we cannot be too tough on this type of public vandalism as far as I am concerned.

* (1440)

Of course, we note with interest that another reason for this Bill is to bring some of the regulations and laws in line with those that do at least deal with Government property, in line with those which are bordering us, which are laws and regulations of the City of Winnipeg. That makes some sense, that the fine that you have for over parking on Government property, for instance the Legislative Building, should be somewhat in the nature of those in the surrounding territories that are missed by the City of Winnipeg. I know one of the first things that I noticed and heard about here in a great degree, and have heard since is when I was on City Council and at the present time is the real problem with parking in this area. It is by far the worst in the whole city.

I know the Government is making some small efforts but I do not think they are substantive enough. I think there has to be some real money spent to make sure people have adequate parking in this area. It is a problem not only for this Government, but for the City of Winnipeg who try to control the three or four streets to the east of the Legislative Building, so there is certainly a need for a parkade in this area.

But certainly I have seen vehicles and I am sure others have parked in here in visitors' parking spots, which are really scarce to begin with, day after day after day of employees and it is no penalty at all to them to only pay a \$3 or \$5 fine because you know, in some major cities they pay more than that for an hour's parking. So I am pleased to see, although I do not like to see people pay fines and I do not like, certainly, paying them myself. But I am pleased to see that if we have a way of controlling where we have certain parking for either people who have designated parking, or designated for the public so they can come into the Legislative Building and surrounding buildings to do their business, that it is not some unthoughtful, non-caring employee who parks their car in there day after day.

So these increased fines will go a long way in solving those problems that exist there, and it may indeed encourage some people to start making use of the public transit which is one of the goals and desires of

the Minister of Urban Affairs (Mr. Ducharme) although he does not really take too many positive steps to encourage that. I know we questioned that on the Estimates and he did not seem to be too receptive to any plans of even communicating with Government employees, or setting up some sort of an incentive arrangement that would allow that we would see more Government employees either car pool or make other arrangements, or indeed use public transit which is available to all.

I noted that there has been, because of the action on Assiniboine Avenue, some opening up of more parking for employees. I do not know whether that is more than a stop-gap measure of improvement because it has disturbed and inflamed the people in the area. Certainly it has taken some of the pressure off and just shows what another 40 or 50 parking spaces can do. But I think that is just the beginning of it because I have heard many times that employees have to come here an hour early in the morning to be half-way sure of a parking spot and then they do not even find one then, so they zip their car over to a spot reserved for public parking. They are prepared to take the fines, whether they be one or two in a day.

I think that is all that I want to say at this point. Again, I think it is a housekeeping move in the right direction, long overdue, and we would support it from that standpoint.

Mr. John Plohman (Dauphin): Just a few points on Bill No. 49, The Public Works Amendment Act. Again we have a Bill that has been brought in less than 24 hours ago for the House to consider at the last minute. I would just urge the Minister to attempt to have his legislation prepared a little earlier for the next Session because it does rush things at the end, and does not do justice to the process and does not indicate respect that we all should have for the public involvement and input in this very important process of lawmaking. I therefore would urge the Minister to attempt to have more advanced notice on legislation that he is bringing in.

I agree with the comments made to a large extent by the Liberal critic on this issue. I just want to point out that there seems to be somewhat of an anomaly in this Bill in that certain sections refer to the limits of fines. They have dollar figures in the Act. Other sections provide for the making of regulations to deal with fines and penalties.

* (1450)

I would ask the Minister to explain when he closes, if he would, debate on this before it passes to committee, if he has the information, why he is bringing in a Bill that doubles the penalty in one area in dollar terms, mentions a dollar figure of 250 in another section for an infraction dealing with damage to public works, and then goes on in another section to provide for the making of establishing of fines and penalties through regulation.

It seems to me that all reference to fines, dollar figures to fines, should be taken out of this Act as is done in

many other pieces of legislation over the last number of years. We have gotten away from dollar figures.

For example, The Taxicab Act, which was brought in by myself a couple of years ago for amendment had not been amended for 50 years. In the 1930s, \$1 was the figure for a licence, for getting a taxicab licence. Now, because of the fact that it took an amendment by the Legislature, that \$1 stayed there for years and years, for 50 years. It would have been revised routinely by Governments to more accurately reflect realities of the Sixties, Seventies and Eighties as we went through them, but for the fact that it was enshrined in legislation which makes it more difficult to revise.

I think that the Government should have the authority and power to revise the fines to meet these specific needs from time to time, without having to bring it into the Legislature to revise the piece of legislation. So I ask the Minister why he has brought in a Bill which provides, in one case, for that power, and in the other case it mentions specific fines and penalties in dollar amounts.

Other than that, Mr. Deputy Speaker, I have to say that we, in the New Democratic Party, support the need to ensure that there are penalties for damaging of public works and, indeed, that there can be fines that are realistically set so as to act as a deterrent to those who abuse the system, whether it be for parking or whatever, around the Legislature as an example. There has not been teeth in the law because of the low fines over the last recent history and, therefore, it has been impossible for Governments to enforce the regulations that they have. So they have to be realistic and, in this case, in tune probably with what the City of Winnipeg has in place for its parking fines.

With those few comments, Mr. Deputy Speaker, I would ask the Minister to perhaps deal with my issue. If he does not have the information, the concerns that I have raised, perhaps we can discuss them in the committee, but I would like to have them before we pass it to committee.

Hon. Albert Driedger (Minister of Highways and Transportation): If nobody wants to make any more comments, then I would like to close debate on this Bill.

Mr. Deputy Speaker: Is the House ready for the question?

Mr. Albert Driedger: I just wanted to close the debate on it, Mr. Deputy Speaker.

Mr. Deputy Speaker: Very well. The Honourable Minister of Highways and Transportation will be closing debate.

Mr. Albert Driedger: Yes, just a few short comments, if I might.

I appreciate the comments made by both critics, and I noted the issue that the Member for Dauphin (Mr. Plohman) raised, in terms of having brought in the legislation relatively late. Initially we felt we would have

a lighter agenda. As the Session kept going on, it was felt that some of these Bills should be brought forward and subsequently we have. As indicated, they are not of major nature.

The point that the Member for Dauphin raised in terms of why some of the amendments pertain specifically to a dollar figure, in terms of fines and others by regulation, I do not have the answer right now but I expect that when we get into the committee stage I will try and have an answer for that. Also, I will try and get any additional information I can gather this afternoon to both the critics so when we get to the committee stage they can feel comfortable working with it.

With those comments, Mr. Deputy Speaker, I would like to have the Bill moved on to committee.

QUESTION put, MOTION carried.

COMMITTEE CHANGE

Mr. Edward Helwer (Gimli): Mr. Deputy Speaker, I move, seconded by the Member for Swan River (Mr. Burrell), that the composition of the Standing Committee on Law Amendments be amended as follows: McCrae for Orchard.

BILL NO. 53—THE MANITOBA OIL AND GAS CORPORATION CONTINUANCE ACT

Mr. Deputy Speaker: On the proposed motion of the Honourable Minister of Northern and Native Affairs (Mr. Downey), Bill No. 53, The Manitoba Oil and Gas Corporation Continuance Act, standing in the name of the Honourable Member for Osborne (Mr. Alcock).

Mr. Herold Driedger (Niakwa): I would like to take this opportunity to place a few words on the record with respect to this particular Bill, The Manitoba Oil and Gas Corporation Continuance Act. If I may just reflect a little bit about the history of some of what is happened here, I think early on in this Session the Government indicated very clearly that it had intended to divest itself of the Manitoba Oil and Gas Corporation, and we knew where they were coming from. I think we are also on the record as favouring this particular eventuality.

But it seems, if I take into account the comments just made by the Minister of Highways and Transportation (Mr. Albert Driedger), the fact that the Government had anticipated a lighter agenda and consequently were not anticipating having to bring forth Bills with respect to the fact that some of these Bills have come forth to us so late in time, without having the chance to really properly reflect on them with the kind of degree of scrutiny we would really like to put them to, suggests to me that this is not the case with this particular Bill. Because since it was already known early on in the term of this Government's office they were going to divest themselves of the Manitoba Oil and Gas Corporation, they could have brought this particular Bill to extradite the divestiture in much more quickly.

It is to that particular end that I wish to address a few of my comments. The goal of divestiture, I believe, is good. It is something that I think we do not disagree with, but it is perhaps the fact that the actual Bill, the way it has come in, the fact that the way the terms of the sections have been written, it suggests that the extradition is to take place, that the corporation and the way it stands right now, being a Crown corporation, cannot be sold off. It needs to actually be turned over into a public corporation so that actually the shares can be divested to a private purchaser. As I understand this, the shares of a Crown corporation need to be controlled by the, I guess the Finance Minister (Mr. Manness), to the tune of 90 percent of all shares, maybe 10 percent can be outstanding in a different format in the public corporation situation. I can be corrected here if my interpretation of this is wrong.

I understand that the Government is still able to control even 100 percent of all the shares, but under the public share offering it is now possible to divest itself of the corporation to a potential buyer. Since this is the thrust of the Bill, this is something that we have no objection to. The fact that the divestiture, if it must take this particular form, then this is the form we should allow the Minister to proceed and expedite the intention.

However, there are some things within this particular divestiture that need to be questioned. For instance, under normal business practices we want to make certain that the goods that we are selling is the best in the world, as it were. We want to package it up, a nice shiny wrapping paper. We want to have brilliant colours and nice guarantees so we can demand as high a price for it as possible. I believe the Liberal Party is clearly on record as stating that the Manitoba Oil and Gas Corporation, if we just take a look at it as a company and not taking a look at any of the politics of how it was incorporated, why it was introduced, why it is a Crown corporation, but just taking a look at it as an oil and gas company itself, on the face of it, on the basis of the annual report, it is still a fairly healthy corporation.

Under normal, I should say, usual business practice which has accountants looking at profit and loss figures, the actual loss that occurs on the company's annual report would indicate that the company is not doing very well. But if you take a look at what happens in an oil and gas company which is a resource company where the profitability of the company is not indicated so much by the profit and loss figures which are accounting procedures, but rather in the cash flow, whether the cash flow of the company is positive or the cash flow of the company is negative. In this instance, the Manitoba Oil and Gas Corporation is in a positive cash flow situation. For an oil company then, it is doing fairly well.

If that is the case, if it is doing fairly well, despite the fact that oil prices are down, despite the fact that gas prices are down, these are the products of the marketplace we know, that should an agreement be reached halfway around the world from where we are, an agreement reached by the oil producing states around the Persian Gulf, which has absolutely nothing to do with what we do here in the Legislature, we may

find suddenly that oil prices will rise. Now this is out of our control, out of our hands, so essentially we should not downplay the fact that the company right now, because oil prices are down, should be written off or should be devalued.

I have to lend the credit of the following statements to the Member from Transcona (Mr. Kozak) who drew to my attention that the Minister of Northern and Native Affairs (Mr. Downey) has some familiarity with the auctioneering business. As an auctioneer, he should realize that when he is selling something to a public in front of him and he has an item in his hand he will refer to it by a better word, by a better term than he might otherwise. For instance, if he had, and if I use the word just as something that we tend to see at auction sales, something that nobody wants but it is up for sale, it may be a piece of junk to you or me, but to the auctioneer it is an antique; as an antique, he will drive up its price.

* (1500)

We do not want to downplay the value that we have in this corporation and, although I am very sympathetic to the divestiture, I wish to once again, as we said in committee, stress to the Minister and I know he concurred with this at the time that he wants to get top dollar for what we are selling. In this instance, if he wishes to get top dollar, I question the wisdom of actually talking about the need to devalue, the need to write down the company's assets based upon the fact that this is based upon the oil price.—(Interjection)—

The Minister mentions to me that I should speak to the auditors. Yes, well, the auditors are also the ones who design the accounting practices and the accounting procedures. In this instance, I wonder whether or not perhaps we should write things off in ways that are more understandable to the average person rather than to be strictly something—and I use the words in quotation marks because I realize it is not an accounting fiction—but these are “accounting principles” which almost have a law of their own which do not refer to the law of profit and loss as we see it nor in an oil company business.

I refer once again to the fact this company did have a positive cash flow and because of that in its divestiture, if I can encourage the Minister to not rush into the sale, not to, even though the accountants or the auditors have suggested to him that he should write down the value of the company based upon oil prices, what will they do next year if oil prices have doubled? Will they then tell him to write up the value? Will they then tell him, “Oh, we made a mistake, you should not have devalued the company because in the devaluation you ended up not getting the price that you might have wanted upon the sale?”

So, with these few comments, I believe I will give the floor over to the Energy critic for the New Democratic Party. I just wish to be on record as stating that the interpretation of this Bill is to expedite its divestiture and with that particular goal I concur. I just do not concur with some of the other things that have occurred

around this particular thing, the fact that we do talk about a lower value for the company, which in essence if I am a buyer, I will see as being a negative on the sale. I will not take a look at this “piece of junk” and see it as an antique. I will see the antique and probably say it is a piece of junk and offer a price accordingly. With that, Mr. Deputy Speaker, I rest my case.

Hon. James McCrae (Government House Leader): The Honourable Member for Flin Flon (Mr. Storle) was up to make some comments. I wonder if he would indulge me one minute to make a couple of announcements, and then he could carry on. Is it agreed? (Agreed)

HOUSE BUSINESS

Hon. James McCrae (Government House Leader): I have a number of motions dealing with the assigning of Bills to various committees which, tentatively speaking, I can announce the House Leaders have agreed on. Initially, perhaps I could just announce, for the benefit of the House, the committees for the remainder of this week and the Bills we propose to send to those committees.

It is a tentative list, Mr. Deputy Speaker, and it goes like this: Law Amendments will meet tonight at eight o'clock to consider Bills 8, 9, 6, 23, and 27.

Wednesday night, the Standing Committee on Statutory Regulations and Orders will sit at 8 p.m. to consider Bills 15, 45, 35, 50, 53, 14, 48, 49 and 21. This is assuming all these Bills are passed in the House at second reading. On Wednesday evening as well at 8 p.m., the Standing Committee on Agriculture will meet to listen to presentations on Bills 28 and 29.

On Thursday morning, the Standing Committee on Agriculture will meet to conclude consideration on Bills 28 and 29. The Standing Committee on Law Amendments will sit Thursday morning at 10 a.m. to consider Bills not completed at its previous sitting. The Standing Committee on Statutory Regulations and Orders will sit Thursday morning to consider Bills not completed at its previous sitting, that would be Thursday morning at 11 a.m. It is proposed, Mr. Deputy Speaker, that on Thursday night the Standing Committee on Law Amendments will sit to conclude consideration of Bills 11, 47, 38 and 40.

If it is necessary, it is proposed that the Law Amendments Committee would sit at 8:30 a.m. on Friday to consider any Bills not previously considered and completed.

In order to accommodate all of that, I would move the following motions: first, Mr. Deputy Speaker, seconded by the Honourable Minister of Urban Affairs (Mr. Ducharme), I move that Bill No. 28, The Agricultural Producers' Organization Funding Act, and Bill No. 29, The Cattle Producers Association Amendment Act, be withdrawn from the Standing Committee on Law Amendments and transferred to the Standing Committee on Agriculture.

MOTION presented and carried.

Mr. Leonard Evans (Brandon East): I was listening carefully. I am not sure of the Bill number. I think it is No. 34 for the Municipal Amendment Act. I did not hear the Honourable—which affects the City of Brandon, the university there. I did not hear the reference to it being in a committee. I think it is 34 and I have not got—let us see, Municipal Amendments—

An Honourable Member: It was passed to committee last night.

Mr. Leonard Evans: I know. I am asking which committee will it be before.

Mr. McCrae: I believe when I announced the Standing Committee on Statutory Regulations and Orders for Wednesday evening at eight o'clock, I believe I said Bill 35. I meant Bill 34 which is the Bill the Honourable Member is referring to. I apologize to the Honourable Member.

The next motion is moved by myself and seconded by the Honourable Minister of Urban Affairs (Mr. Ducharme), that Bill No. 15, The Cooperative Promotion Trust Act and Bill No. 21, The Highway Traffic Amendment Act; and Bill No. 50, The Brandon Charter Amendment Act, be withdrawn from the Standing Committee on Law Amendments and transferred to the Standing Committee on Statutory Regulations and Orders.

MOTION presented and carried.

Mr. McCrae: I move, seconded by the Minister of Urban Affairs (Mr. Ducharme), that Bill No. 34, The Municipal Amendment Act; and Bill No. 42, An Act to Amend an Act to Incorporate the Royal Winnipeg Rifles Foundation, be withdrawn from the Standing Committees on Municipal Affairs and Private Bills, respectively, and transferred to the Standing Committee on Statutory Regulations and Orders.

MOTION presented and carried.

Mr. McCrae: One final motion, I move, seconded by the Honourable Minister of Urban Affairs (Mr. Ducharme), that Bill No. 8, The Court of Queen's Bench Small Claims Practices Amendment Act; Bill No. 9, The Statute Law Amendment (Re-Enacted Statutes) Act; Bill No. 11, The Child Custody Enforcement Amendment Act; Bill No. 23, The Regulations Validation Statutes Amendment Act; Bill No. 27, The Private Acts Repeal Act, be withdrawn from Standing Committee on Statutory Regulations and Orders and transferred to the Standing Committee on Law Amendments.

MOTION presented and carried.

BILL NO. 53—THE MANITOBA OIL AND GAS CORPORATION CONTINUANCE ACT (Cont'd)

Mr. Jerry Storie (Flin Flon): I would like to speak on Bill No. 53. With leave, I gather, it will remain standing in the name of the Member for Osborne (Mr. Alcock).

* (1510)

Mr. Deputy Speaker: There was no leave requested or granted.

Mr. Storie: Thank you, Mr. Deputy Speaker. The Minister for the Manitoba Oil and Gas Corporation (Mr. Downey), when he introduced these amendments, put on the record some of his own personal feelings about a couple of matters. One was the question of his ownership of some shares in Antler River Resources and the Member took some exception to those questions being raised by myself in committee. Although I must say that the Minister was perhaps unduly sensitive about the question, it was a legitimate question asked in a very straightforward manner, a simple question, and I get from his seat now that it was a slime-ball question. Well I know that the Member has been in this Chamber long enough to know that those kinds of questions are asked frequently and it is unfortunate that the Member was not perceptive enough to have dealt with the perception that there could be conflict.

The Member was in this Chamber when he and his colleagues unmercifully, mischievously attacked my colleague, the Member for Transcona, Mr. Parasiuk, who had no conflict and it was quite apparent had no vested interest in any of the activities of the issues that were raised. It was a relentless, persistent attack on the character of an individual. They did that repeatedly, repeatedly, and now when questions are raised about their own, what integrity! Not integrity, but judgment perhaps. They become very sensitive and act quite sanctimonious and perhaps that is normal in the position they are in but it does not reflect the recent history of this Chamber.

The fact of the matter is the Member had more than 5 percent interest in an oil company. Yes, more than 5 percent interest, and as is required by our law, declared it. And he did declare it. But that does not relieve him of his responsibility as a Member of the front bench to also put those interests in a blind trust so that there can be no question that none of the Minister's activities could be viewed by anyone as having any subsequent -(Interjection)- the question of whether it is law or not is clearly not at issue here.

The First Minister, the Premier of the province (Mr. Filmon) said that is what he expected his Cabinet Ministers to do. I would have expected that he would have seen that that was done, because I think that the relationship that the Minister has with the Manitoba Oil and Gas Corporation and the Government's stated intention to sell it, clearly for most thinking people, raises the question of why he did not put it into a blind trust so that there can be no perception from Members in this Chamber or the public that there are any problems.

So I am unconvinced that the Member's apparent discomfort is anything but brought about by his own neglect, if you will. So let us put that aside. The Minister may feel uncomfortable with it, but the fact is he should have arranged his affairs in a more appropriate manner so that those questions, when they were raised, could have been addressed forthrightly and without fear of

the wrong motives being suspect. So the Minister perhaps has learned a lesson from this, and if he has then perhaps he will benefit as other Members in the front bench will benefit others.

The fact of the matter is that this particular piece of legislation is not required. There is no necessity for this piece of legislation to be before us at this time. It is not required. I do not believe it is required for the sale and divestiture of Manitoba Oil and Gas. There are a number of vehicles that are at the Government's disposal which would not have required this particular legislation.

I for one would like to have had another opportunity to review this, because the Minister and Government have indicated that notwithstanding the poor timing of the sale, the very extremely poor oil prices, etc., they are determined to divest this asset for the people of Manitoba. And they do so, as we have heard from some of the other Members of this Chamber, this is an asset.

* (1520)

The fact of the matter is that Manitoba Oil and Gas, which has been in existence, in operation I should say, since 1984, has a record which I believe would be an enviable record for most private oil companies establishing in our country. In a matter of four years this company could have provided a dividend if it had been structured in a different way, if it was not a Crown corporation. The fact of the matter is that this corporation over its four-year history has done some remarkable things. The fact is—the Member for Lac du Bonnet (Mr. Praznik) keeps saying it lost a lot of money. The fact of the matter is that the losses as from 1984, in total, amount to \$1.2 million. We have a positive cash flow after only three previous years of operation, and I do not believe that there are many oil companies in the business that have that kind of a record.

On top of that, what has happened to the reserves? The real value of the corporation, what has happened to the reserves? Since 1984 the reserves have gone from 300—no barrels the first year to 55 barrels per day in the second year of operation, the third year to 210, in the fourth year, to 212. Already in 1985, despite the fact that there is no additional acquisition of property, no additional investment in oil development, we are at 225 barrels per day. A significant increase in the reserves as well. The reserves have gone from 375 barrels in 1985, the first year of operation, to 1.3 million barrels of oil in the third year really of active participation in the oil fields in Manitoba, 1.3 million barrels of oil.

Mr. Deputy Speaker, if one used simple math and assumed that the price of oil today at \$14 a barrel, multiplied by the number of barrels reserve, the value of this company is \$15 million, based on the known reserves. We know that it costs something to get it out of the ground. We also know this company has extensive holdings in the oil field areas that have been successful. We know that in their last three years they have had an extremely successful, well-completion record that the vast majority of their efforts have been successful.

The potential for developing additional reserves, developing the equity, is extremely high. Why is that so? Mr. Deputy Speaker, it is so because the people who work for Manitoba Oil and Gas are extremely competent people. The Minister responsible acknowledged that the CEO of the Manitoba Oil and Gas is a competent individual in his field. He is well-recognized as having both competence and ability and he has delivered.

The fact of the matter is we have every expectation, and the people of Manitoba have the right to expect that this company will continue to grow and move into a profitable situation. Now clearly if the (Interjection)—the Member for Lac du Bonnet (Mr. Praznik) certainly has his right to speak. He is speaking from his seat now and saying, yes, it can be profitable at \$25 a barrel. In fact, in the 1987 report, it says that this company can be successful at \$20 a barrel Canadian. We know that in 1987 they had a positive cash flow. If you consider the assets of the company, the growth in assets, it has been a successful company.

This Government wants to have us believe that the \$1.2 million cumulative losses are an insurmountable loss on the part of the province. The fact is there has been benefit for this investment not only in terms of the activity out in the oil fields in southwestern Manitoba, in terms of the expertise that we have available to us to monitor oil and gas activity, the fact of the matter is that 20 percent of the activity in the last year was as a result of activities of Manitoba Oil and Gas. In previous years, it has even been higher.

Clearly, the question of the \$1.2 million loss which, given its four years of operations, its initial start-up costs that are decreasing significantly, the prospects given any kind of return to normal oil prices are almost certain. No one would say there has not been a cost to the people of Manitoba at this point, and no one is denying that this Government has the right, if they so choose, to divest from Manitoba this corporation, divest Manitoba of the Manitoba Oil and Gas Corporation.

The question is, if they are going to do that, what do they consider to be the value of the asset? What do they want to achieve in terms of a sale for Manitobans? Are we going to recoup our investment? Are we going to recoup what we believe to be the value, the real value, the true value of this corporation, not on the basis of the accounting principles that are used by the provincial Auditor, but on business accounting principles, the ones that oil companies use to establish their own worth in the marketplace. That is the question.

Mr. Deputy Speaker, the oil companies will want to know what the reserves are, what the potential for unproven reserves are on land that is held by this oil company. They will also, I can assure you, be having some projection about where oil prices may be in the future. I remind the Minister responsible for Manitoba Oil and Gas (Mr. Downey) that as of one year ago the price of oil was something like \$22 a barrel, and this Minister is gambling perhaps millions of dollars, certainly millions of dollars, that will not happen. He is gambling at a cost of—

Mr. Harry Enns (Lakeside): What are you gambling if it drops to \$5 a barrel?

Mr. Storie: Mr. Deputy Speaker, the Member for Lakeside (Mr. Enns) wants to know what are we gambling if prices fall even lower? There is no winner if prices drop even lower because the Minister who is going to take on the sale and divestiture of this corporation is going to have to face that problem, whether we go forward or go backward. If the price goes up, Manitoba taxpayers are going to be the only losers. In other words, this is a no-win situation that the Minister responsible for this corporation is putting the people of Manitoba in a no-win situation. Because if the scenario of the Member for Lakeside comes true and the price falls, we cannot get a decent price for it, whether we want to or this Government was interested in it or not. If, Mr. Deputy Speaker, as I suggest, and as I believe reasonable people have suggested, we set, establish a price in our minds, say this is the value of this company, if we can find a taker which returns a value to Manitobans, then and only then will we proceed with the sale.

The Member for Lakeside (Mr. Enns) from his seat trumpets ManOil will not make money at \$50 a barrel. Perhaps the Member for Lakeside should have been in the committee room when the chief executive officer indicated that at \$20 a barrel this corporation could be profitable. I believe while we can only, at this point, hope that they return quickly, that inevitably they will.

I want to put that argument aside for the time being because this Government is doing everything it can to make this sale a political liability for the NDP, rather than make this sale an accomplishment, if you will, for the people of Manitoba, because what are they doing? First of all, the Minister sits in his chair and derides my comments about the value of this corporation. Even the provincial Auditor—I do not agree with the way the provincial Auditor has portrayed the value of this company. I do not think this particular accounting method really attributes the value of this asset, particularly the reserve, the known reserve. The fact of the matter is that we have a corporation which has assets totalling almost \$15 million. The shareholders equity has increased from 1984, when it was \$4.5 million, to a current value of \$13.755 million. As a province, we have contributed in total \$12.8 million. Mr. Deputy Speaker, the value of this corporation, even given the accounting methods used by the provincial Auditor, which are not consistent with the accounting practices of oil companies per se, shows that we need to recover that amount of money, because that is the value of our asset by the provincial Auditor's own figures.

(Mr. Speaker in the Chair.)

What has this Member done? First of all, you have to understand how the oil and gas companies work. The fact of the matter is that the only way oil and gas companies can maintain their value, their book value, is by continuing to find new reserves and prove new reserves out. This Minister has chosen and this Government has chosen, at a time when they say we are interested in selling Manitoba Oil and Gas for the best value for the people of Manitoba, the taxpayers, they have chosen to do three things which almost inevitably guarantee that Manitobans will not recover what they should recover in this corporation.

* (1530)

What have they done? First, the Minister responsible for Manitoba Oil and Gas (Mr. Downey) confirmed in the committee the other day that they have stopped all acquisition. Manitoba Oil and Gas needs to acquire new land. It needs to move strategically both in respect to Crown land and private land to acquire new places to find new reserves. They have stopped acquisition. I am positive that was against the advice that he received from the people of Manitoba Oil and Gas. It is certainly contrary to any advice that would be given to him by private consultants dealing with the need to maintain a good position for this company. I am almost certain of it.

No. 2, what has he done? He has not only stopped acquisitions, he stopped all exploration even on existing property. In other words, what we are doing is we are making certain that the reserves of Manitoba Oil and Gas are depleted. We are not building our reserves which, in fact, are our asset and ensure a decent price for the corporation. If you look at what has happened in four short years to the reserves of this company, you know that finding additional reserves has to be a goal of this company. The reserves have gone from 375,000 barrels to 1.3 million. There is no doubt, with the growing expertise within the corporation, with their strategic investment in terms of land, that we could have been developing reserves at the same time. This Minister chose not to do that. He has inevitably put the corporation in a more difficult position, in a less advantageous position, in a less attractive position than he needed to.

On top of that—he did those two things which are fundamentally wrong in business terms for the oil and gas industry—he did a third thing. That third thing was a commitment that he has apparently made to have the assets of the corporation devalued—absolutely, totally unnecessary. Absolutely, without question, a political ploy designed only to detract from something a previous Government did rather than to act in the best interests of the taxpayers of Manitoba. There is no question that that was done.

We have seen the damage that kind of politically motivated foolishness causes. The Minister of Finance (Mr. Manness), in his report, prepared by the accounting firm of Thorne Ernst & Whinney, which talked about the devaluation of Manfor, quite frankly, when I read the report, I saw that they had noted that this was the downside of making this kind of pronouncement. They recognized that they were destroying their bargaining position. What is the result of all of that? Of course, the Manfor negotiations are nowhere. I think perhaps the Government realized that it shot itself in the foot.

Did they learn from that exercise? No. Now we have another provincial Crown corporation that is on the chopping block and we have a Minister who seems prepared to go public with the desire, on the part of the Government, to devalue the asset. I do not understand that logic. If the Government is bent—and yes, they are definitely bent—if they are determined to sell this corporation, and I have said that is their perfect right, I do not understand why they do not develop a sales strategy which would be more

consistent with private practice. I can tell you there is no private corporation that goes about devaluating its asset as a token of good faith or something prior to sale. I do not know that it makes a lot of sense. I do not know that any company would cut off its avenues of growth and development.-(Interjection)- Well, I hear the Member for Lac Du Bonnet (Mr. Prazhik) giving great ideas to the Minister responsible, saying if I was right, we would have a flood.

The fact of the matter is that the price of oil dropped over that year period from \$20 to \$14 on oil. It is still a great deal, and the irony of this is that this is a great deal and there is no doubt that there will be oil companies interested in purchasing the assets of Manitoba Oil and Gas. Oil companies will be interested in purchasing 1.3 million barrels of reserves. They will also know, given the intentions of the Government, given the lack of business acumen of this Government, that they are going to give away the assets. They are going to go and they are going to say this company is—

An Honourable Member: The Minister was reading Maggie Thatcher's book the other day.

Mr. Storie: I do not know whether the Minister was reading Maggie Thatcher's book or not, but the problems that he is creating for the taxpayers of Manitoba are going to be in the range of millions of dollars because we are going to take a corporation that has potentially a value right now, on assets, of \$14.6 million, I predict here that this Government will give away those assets, that they will not receive any kind of return on investment for the people of Manitoba and they will do so because of their own failure to understand how to maintain this corporation, their failure to take advice from people who do, and their own political willingness to do this at the expense of the taxpayers rather than do it correctly.

They made the political decision a long time ago and they have kept several other foolish commitments that they made on the campaign trail. This one unfortunately, this commitment, is going to cost the taxpayers millions of dollars and I predict, as I said, of the 1987 Annual Report on shareholders' equity, we will not see a fraction of that returned to the people of Manitoba because this Government has bungled the negotiations. They have let their political biases, their political agenda interfere with the real interests of Manitoba taxpayers.

Mr. Speaker, the Members "Ho, ho!" from their seats and they suggest that this is not an asset and that we have to divest ourselves of this company immediately because of the cost of continuing exploration and development. I remind Members that we are not the only player in the oil and gas field and the Member for Transcona (Mr. Kozak) reminded me that other companies are out there doing exactly what I recommend that the Minister responsible for the Manitoba Oil and Gas Corporation (Mr. Downey) do right today at \$14 a barrel. They are investing in their future and this Minister should be investing in this corporation's future, not because it will have any future with this Government, because of their biases, but unless it has a future, he will not get a price for it. The

cost, if you start to tally it up, of this Government's maladministration is going to be in the area of millions of dollars.

We need to know from the Minister responsible for Manitoba Oil and Gas Corporation what his agenda is. He has indicated in committee that he was going to devalue the corporation. Are we going to see that prior to the end of the next fiscal year? Are we going to see any kind of announcement on a sale?

The Minister indicated in committee once again that we may be as little as a few weeks away from a final determination on the sale. Before that happens, I can tell the Minister now, to relieve him of his anxiety, that we will not be supporting this Bill because we want another opportunity to explain to the people of Manitoba how this set of negotiations, like so many others of this Government, has been bungled and how what they are doing has not been consistent with their stated goal of protecting the interests of taxpayers but in fact has been exactly the opposite. Because they operate with undue haste and with so many biases, they are actually ending up costing the taxpayers millions and millions of dollars.

I do not think there is anything -(Interjection)- The Member for Lakeside (Mr. Enns) gets quite exercised when he talks about the benefits of ManOil.

* (1540)

Mr. Speaker: Order, please; order, please.

Mr. Storie: Thank you, Mr. Speaker. The Member for Lakeside has indeed a short memory. He seems to only focus on one aspect of the Manitoba Oil and Gas history.

The fact of the matter is that when the Manitoba Oil and Gas Corporation was established back in 1984, the objectives of the corporation were outlined very clearly. It was understood that this new corporation, getting into a new area of involvement in the Province of Manitoba, would not be profitable immediately. It set as only one of its objectives a five-year program of exploration and development. It set as another of its objectives, involvement in the oil industry and developing a window. It set as another objective, maintaining oil exploration and development in the southwestern part of the province. It met all of those objectives.

The fact of the matter is, and the Minister referenced this in committee, I have been out to Virden. I have spoken with some of the people who are involved. I have been out to talk with some of the people out there. I have seen reports in the paper where individuals, operating companies that compete with and cooperate with Manitoba Oil and Gas, and their comments, by and large, are extremely positive. They have said that Manitoba Oil and Gas has played a useful role in that part of the province and in the development of oil and gas.

The Member for Lac du Bonnet (Mr. Praznik) continues to say, "It is too small, it is too small." Well, small or large, the financial records of the corporation indicate that it is moving to a profitable position. It has

moved so steadily. At the same time, it has developed its reserves. It has moved into a relatively healthy position for a company that is only four years old.

I want to emphasize the relationship to what we have in the field with what we said we would have when the Manitoba Oil and Gas Corporation was formed. I have already said that it is known for its expertise, for its businesslike behaviour in the field. It has developed some good partnerships with companies such as Tundra and Omega, other companies that operate out in the southwestern part of the province. Like them, it developed the same kind of business attitude towards exploration and development of our resources as those other private companies and that is why it was successful.

This Minister believes—perhaps he has more reason to be optimistic than I do—but he believes for some reason that this company is on the verge of being sold, that a sale is imminent, and that may be the case. Unfortunately, those kinds of projections sometimes turn out to be erroneous. The Minister, with all the best intentions, may in fact not be able to consummate this deal and we may be left in a position where the value of this company sinks like a lead balloon, and it will be because of the Minister's inability to sense what was good for the corporation in the long term.

I ask the Minister responsible for this corporation, what if this sale does not go through? What if the deal that this Minister is working on, and a deal which I can say, without having seen any part of it, that it is going to be a costly one for Manitoba, not a good business deal, but what if this fails and we end up with a lessening of reserves? If we end up with a corporation which is, for all intents and purposes, mothballed, how are we going to sell it down the road? How are we going to sell it? Will it be of any value?

Are we talking about a situation where we have taken a corporation which is relatively healthy and moved it into a position where it is of no value to the Province of Manitoba and no value to a potential purchaser because it has lost its edge, it has lost its reserve position, it has lost its position on acquisitions which perhaps the corporation should be out there now reviewing. I remind the Minister that those acquisitions of mineral rights are ongoing. The corporation is involved every quarter in reviewing the leases that come open, in reviewing the technical data from the field in terms of their acquisition portfolio. If all of those things are put on hold, we are going to be in a more serious position if we cannot accomplish a sale in the very immediate future.

The Minister had better, I think, put on his thinking cap and make some decision about what the future holds because whether he likes it or not, this corporation may have a future. To the extent that future is an albatross hanging around the Minister's neck and around the necks of the taxpayers, this Government is going to have to bear that burden. Because the 1987 report, I think, makes it abundantly clear that the financial circumstances of the company were improving. Although we had not achieved a profitable position in 1987, we did have a positive cash flow of some \$230,000.00. By all accounting methods, we are moving the corporation into a sound financial position.

Of course, we could be helped along by changes in the oil price. We would argue that the best course for this Government would be to hold off on the sale of this company. There is no immediate pressure on the Government, financially or otherwise, to divest themselves of this enterprise. The Minister responsible for Northern Affairs (Mr. Downey) has given away an untendered contract that would probably have covered the losses for the next year. If we stand to gain millions of dollars, as a result of a turnaround in oil prices, if we stand to gain some additional return on the investment, by virtue of maintaining a firm position that we want some return for the province, then I, for one, argue that we should do that.

We should not be looking at a fire sale to meet any political timetable of the Minister responsible or this Government. I think it has been said by my colleague from Niakwa (Mr. Herold Driedger) and my colleague from Transcona (Mr. Kozak) that if there is to be a sale, if this has to be, if this is priority on the Government's agenda, then let us at least be certain that what we are about to do is in the best interests of the taxpayer. Because the Opposition claims and the Government claims that is why they are divesting Manitoba of this corporation. It is for the taxpayers.

If that is the case, then make sure that their actions are consistent with their words and that we do not give this corporation away, that we do not turn over this opportunity, which some companies may see it as, without returning something to the people of Manitoba. They have invested in this corporation. The Minister responsible may feel that it was a futile gesture but the fact of the matter is that it has had its successes, financial and otherwise. The Minister's rhetoric and no amount of rhetoric by Members opposite is going to take that away.

The success has not been due to this Government or the previous Government. The success was due to the good management of that corporation by its chief executive officer and by its board, and the people in the field, all of whom I think had a sound reputation, a reputation that was well deserved. How much time is remaining? (Interjection) Thank you.

With the four remaining minutes, I can only say the Minister responsible for this corporation is going to be accountable. He is going to be accountable to this Legislature, he is going to be accountable to his constituents, many of whom are directly involved in the oil and gas industry. He is going to be accountable to the people of Manitoba. I, for one, and I think there are other Members in this Chamber who feel that this piece of legislation does not deserve to be passed.

It does not deserve to be passed because it does nothing concrete to assure us or the public that this sale is going to be done in the best interests of Manitoba. It is not necessary at this time because the Minister has other means at his disposal and can, as part of the Lieutenant-Governor-in-Council's obligations and responsibilities, sell the assets of that corporation in another way. We, as legislators, and I as an individual, want another opportunity to explore the merits of whatever happens to this corporation, however this matter is finally disposed of. If the Government of the

Day, sometime after a sale, decide that it wants to repeal The Manitoba Oil and Gas Corporation Act, then let them do so at that time in this Chamber. Let us not be asked before the event, before we have had a chance to scrutinize the deal, whatever it may constitute, let us not be asked to approve this at that time.

* (1550)

I think the Minister and the Government owe us as legislators and I think they owe the people of Manitoba that as a minimum. The Minister has said in his opening remarks that the objective is to remove this burden, as he called it, from the Manitoba taxpayers. I hope that in doing so, in his haste to do so, he is not creating a burden of another sort.

We on our side will not be supporting the legislation. I would ask the Minister to remove it. I will certainly be more sympathetic to the Government's intentions and the Minister's intentions if he can show me, as a Manitoban, that we have gotten value for our money just as if we were selling our house or other assets of the Government of Manitoba; show the people of Manitoba what you have in mind; show us who your new partner is or who the new purchaser is; give us a chance to review the terms and conditions of that sale, then come back and say The Manitoba Oil and Gas Corporation Act needs to be repealed but do not ask us in advance to make those kinds of decisions. Every shred of evidence points to a massive sell out. I refer to the devaluation and to the lack of investment which is needed to keep this corporation going. Thank you, Mr. Speaker.

Mr. Enns: Not to prolong the debate at all on this Bill, but I just want some assurances from the Minister in closing debate on this Bill on several items.

No. 1, those reserves of oil that the Member just referred to, when sold, they will stay in Manitoba, will they not? They will not be physically moved to Saskatchewan or to North Dakota or to wherever. They will stay here in Manitoba. No. 2, whoever the purchaser is, when he extracts those oil reserves out of the ground, I would assume that his colleague, the Minister of Finance (Mr. Manness) will take the royalties, the taxation measures that are currently in effect and perhaps even higher ones in effect, or whatever, that may be the situation, although I suspect they will at all times be competitive. But nonetheless, the assets are going to stay here in Manitoba. When they are pumped out, at somebody else's risk money, we the taxpayers will take our fair share of royalties and taxation. Is that not the case? I want you to assure that. Give us that assurance, Mr. Minister, when you close debate on this Bill.

Of course a reminder, particularly to some of our newer friends in the House, with a fanfare and the promise that this legislation was introduced into the House. Yes, I exaggerated a moment ago from my seat. But let me put it officially on the record, it was held out very seriously in the 1981 election as a means of paying those services that we all want and request in Manitoba, that we were specific because we were in the depth of a recession. Members will recall, starting

in the late Seventies and into '80, '81, the specific promise that the profits of ManOil were going to stop any farmer or any small business from going broke or losing business because these profits would be directed to do so.

With those few comments, I just want the Minister to assure us and the two shareholders of our natural resource in this province that those natural resources will be here. The difference is that the \$300,000 per annum maybe applied for some other more worthwhile activities of Government, maybe in the area of Health, maybe in the area of agricultural relief, maybe in the areas of education or wherever the Cabinet of the Day decides.

Those are the few comments I would ask the Minister to put on the record.

Mr. Darren Praznik (Lac du Bonnet): Mr. Speaker, I will not take as much time to speak to this Bill as our colleague, the Member for Flin Flon (Mr. Storie), but there are a couple of points that I would just like to make and put on the record.

After listening to the Member speak for a considerable period of time, I was somewhat disappointed in his analysis of the corporation. He seems to leave the impression with this House and certainly tries to leave the impression with the people of the province that we have a tremendous oil company in ManOil that is out there playing a major role in Manitoba's oil patch that is a competitor with, needless to say, Exxon, Imperial Oil and a number of big players in the world of oil fields and that any divestiture of the corporation is going to be a terrible blow to Manitobans and that we are losing a tremendous asset.

I think the reality of ManOil is such, and if the previous Government had recognized this they perhaps—or their inability to get into the business in a proper way, they may never have gotten into it. One of the realities of ManOil is it is a very small company. It has had a dozen-plus employees during its life, 12, 15 employees, a very, very small player in the oil patch producing anywhere from 200 to 300 barrels of oil a day.

You have to have a tremendous price for oil in order to carry your overhead. It is fun to play the J.R. Ewing of Manitoba but, Mr. Speaker, you do not do it on 250 barrels of oil a day when you have to carry a corporate head office and the geologists and the landmen and all of those things that go with that particular industry. The Member for Flin Flon (Mr. Storie) may like the initials J.R. and want to borrow the Minister of Northern Affairs' (Mr. Downey) cowboy hat, but that is not going to make him an oil baron in Manitoba, nor none of us oil barons.

So you have an inherent problem there, a company that really would have to have a very, very, very high price for oil in order to carry its basic overhead and, given the market conditions that we have experienced over the last number of years and that are projected over the next few years, that just simply is not there. The second failure, really, is to be a significant player in the Manitoba oil patch. With an oil company that small you are not going to have the desired effect of stimulating a great deal of activity in the oil patch.

I remember the 1981 election very well. I remember my particular MLA, then the Member for Selkirk, Mr. Pawley, campaigning we are going to set up an oil and gas corporation, we are going to make millions of dollars for general revenue, build hospitals with those kind of—and we are going to stimulate lots of activity. They wanted to give the appearance of doing that but the initial investment, I think to a maximum of \$15 million of which the province invested some \$12 million of that \$15 million, was never enough to do those kind of things, to establish a major player in Manitoba's oil patch, so what they did was set up a very small oil company that could neither, really, in tough times support its overhead, No. 1; and No. 2, really have any significant role in the provincial oil industry.

ManOil under the previous administration never achieved the objectives that it was established to do and I think we as a Legislature, in fulfilling the obligations we have to the taxpayers of this province, the ultimate shareholders of Manitoba, should end the hemorrhage, get on to other business, recoup what we can out of that situation, go on to do the kind of things we have to as the Government, Mr. Speaker, and I would add this, the added benefit of divestiture at this or any other time is you allow potentially another player in Manitoba to purchase those assets, amalgamate and be a company that is strong enough to play a vital role in the Manitoba oil industry.

So I think this is definitely the route to go and it is rather disappointing that the Member for Flin Flon (Mr. Storie) would leave such a wrong impression on the record. Thank you.

COMMITTEE CHANGES

Mr. Kevin Lamoureux (Inkster): I move, seconded by the Honourable Member for Kildonan (Mr. Cheema), that the composition of the Standing Committee on Law Amendments be amended as follows: the Member for Springfield (Mr. Roch) for Fort Rouge (Mr. Carr); the Member for Radisson (Mr. Patterson) for the Honourable Member for Assiniboia (Mr. Mandrake).

* (1600)

BILL NO. 53—THE MANITOBA OIL AND GAS CORPORATION CONTINUANCE ACT (Cont'd)

Mr. John Angus (St. Norbert): I rise to add my thoughts, my concerns, my whatever legitimate amount of input that I have to give direction to the Government knowing full well that only Tories would say we can do it all by ourselves, and we do not need one iota of cooperation from the Opposition, knowing full well that we have a Government that simply lets their house run down so they can get the best possible price for it, instead of using a very positive approach to selling a business, establish a price, value it, set the price and see if you can get it. If you cannot get it, then do not sell it. Do not give the businesses away. If you want to sell your house you do not let it run down so that you can get just the best price, unless of course you are going to try and just sell it to somebody that you know or somebody that you—

An Honourable Member: A Tory.

Mr. Angus: Another Tory, another big business organization that wants to buy it for next to nothing.

Mr. Speaker, let me just suggest, through you to the Honourable Minister, that while I recognize the divestiture of an organization of this nature, and I agree wholeheartedly that we should not be in this business, I firmly believe that we establish a legitimate market value for this company. We take that market value to the market and we ask the market to consider acquisition at that price. If they do not want to buy it, if there are no takers at that particular price, then we do not sell it. We keep the business and we run it, we make it work. We have a so-called Progressive Conservative, business-oriented, management-concerned business that is only interested in selling companies at whatever they can get for them. They have no thoughts about trying to make it work or getting what is a reasonable value or getting a return on investment. There is no consideration of that at all.

Mr. Speaker, let me try and bring some degree of reason and common sense to those individuals that are the carpetbaggers of this particular business. The people that want to dispose of this industry, that want to sell it, that philosophically are opposed to Governments being involved in business, have a fundamental responsibility to recoup as much of the taxpayers investment as they possibly can. I do not believe that they do it by letting the whole corporation run down to a bunch of rusty pipes and a few old, inactive pumps out in the field someplace.

Mr. Speaker, the only way you can get a fair return on your investment dollar for this corporation is by ensuring that you maintain high standards, that you have something that is of value to sell to the industry. If you walk away from it, if you pull out all of the pins, you pull out all of the supports it is not going to be of any value. If you show the industry that you are prepared to cooperate with them, to help them make it work, if you are prepared to partnership it with private industry you can make it work. They can make it work. You can take a minority position in that particular corporation, establish the shares at fair market value and put 50 percent of the corporation on the board. Let the private sector buy a portion of the corporation. Let the private sector establish input and make it viable and make it viable for the citizens of Manitoba, and then gradually back off. As the company becomes worth more, sell more of the shares until we are and can honourably step away from the corporation.

But, Mr. Speaker, to stand up and to willingly say we will sell this company for whatever we can get for it simply allows any individual that has any interest in it at all to stand back and say, I am going to wait until it hits the auction block, and that simply does not make sense. It does not make good business sense and it certainly makes less sense for a Government to take that type of action.

So I would urge the Government, by all means, to divest themselves of this, the interest, as best they can in this organization. If they cannot get a fair market

value for that corporation, then sell off a portion of it. Keep it functioning as well as they can, keep the value of the company up. Show people how it can make money and how it can be viable to the private sector, and support them in their desire to develop business for Manitoba. Thank you, Mr. Speaker.

Hon. James Downey (Minister responsible for The Manitoba Oil and Gas Corporation Act): I will be closing debate on Bill No. 53, and will try not to take too long. I just want to thank the participation of the Members and again reiterate two or three points that I think have to be made.

Mr. Speaker, let us be very clear, and I said this in committee and I will say it today, that the Progressive Conservative Party, during the years of the establishment of the Manitoba Oil and Gas Corporation, made it very clear as to where we stood as a political Party. Every committee that was held reviewing it, every opportunity we had to debate, we were very clear that we did not feel we should be in the business of drilling for oil in Manitoba and owning, with the taxpayers' money, a Manitoba Oil and Gas Corporation.

Let there be no mistake on what our position has been. I want that to be very clear. We were elected, for the 12 Members of the New Democratic Party, in April of this last year, and given a mandate to carry out the kinds of activities that we have struck upon and have done so very openly. This is not a decision that was made after election. It has been made by many individuals in politics. Our path has been clear. Let me again make it very clear that the board appointments to the Manitoba Oil and Gas Corporation were mandated with the request of Government to put in place a sales program, to sell the company in the best interests of the people of Manitoba, to give it the widest exposure possible to the oil and gas investors of this country.

I am confident that was done. Let me say as well that we had over 100 initial people contact us or companies contact us, at least showing some interest. I am prepared, when the decision is made as to what will be the future of the Manitoba Oil and Gas Corporation, the total entire process will be made public, the handling of it, who handled it and how it was handled. I want the Liberals to be clearly understanding of the concerns brought forward by the Member for St. Norbert (Mr. Angus), that has in fact taken place. I will give them the absolute commitment here today that the full, entire process will be made public, that the maximization of the returns, market exposure, the valuation has been done by the top quality people in the industry.

Let me tell the Member for Flin Flon (Mr. Storie), he has to realize he is sitting with 12 Members. Yes, they may hold the balance of power in this Legislature but again, with 12 Members, I believe it was a clear indication as to what the people of Manitoba thought of their economic policies and what they have done with the economy of Manitoba.

They were devastated by the electorate in this province. The message must be clear to them what

the public thought of their policies. So, as much as I respect his concerns and his debate, I do not think he can very well convince the public of Manitoba that he and his Party are best qualified to look after their tax money. I can use a number of examples, whether it is the Manitoba Telephone System investing in Saudi Arabia and the loss of \$27 million—not one nickel, not one twiddle of benefit for the people of Manitoba. He stands here and tries to give us a lecture on our ability to handle business affairs? The sale of the bus company, of some 100 million dollars of loss that we had to pay to get out of it. So, I do not need to rehash history in that regard.

My colleague from Lakeside (Mr. Enns) makes again another good point. The oil reserves are here in Manitoba. They are not going to move. Regardless of whether the Manitoba Government has an oil company or whether we do not, the royalty taxation programs or policies of any Government are really the factor which encourages people to drill in a jurisdiction. OPEC countries set the world oil price, that is where the oil prices are set. It is not Antler River Resources that sets the oil price, let me assure you. It is the OPEC nations that determine basically the profitability of oil, and the ability of a company to be efficient in its extraction and the marketing of that oil.

Let me assure him as well, as I indicate the royalties—and we proved that when we were elected in '77. We changed the taxing regime in Manitoba and we saw a major increase in activity, not because Manitoba Oil and Gas was established, but because we lowered the royalties. We did not have a compulsory participation clause in every oil well that we drilled. We opened it up so people would come invest, and I know because I live in that community.

Now the other day in committee there was a big case made about all the job opportunities and all the economic benefits that the Manitoba Oil and Gas Corporation created. If it is economical to drill and produce the oil, the same people will be employed by the private sector. The jobs will be created regardless of whether or not the taxpayers do it or not. If it is economical to extract it and to produce it and to market it, the jobs will be created. It does not need the taxpayers to subsidize that industry because daily we are asked by the New Democrats and by the Liberal Party to put money into health care, education, social services, foster parents. You know, that is what we are being called upon for funds.

* (1610)

An Honourable Member: Are you opposed to that?

Mr. Downey: No, I am not opposed to that, but what I am opposed to is a Government speculating in an industry where we do not have to.

An Honourable Member: And we are losing money.

Mr. Downey: We are losing money where we should be, in fact, generating money from the private sector in that industry. So, stay out of that kind of risky

business and look after the essential services of the people of Manitoba. That is what our mandate is.

Now, he may want to with his twelve Members continue on with an oil and gas company and invest in it. Well, let him go to the marketplace and play with those games. He can phone any broker and buy oil and gas shares any time he likes. You know, for the life of me, Mr. Speaker, we have always heard this story that we had to invest in Petrocan to guarantee our energy supplies. We had to invest in filling stations to guarantee that somebody would pour gas into our vehicles.

I tell this to the Liberal Party. I have never yet pulled up to a service station where I have gotten cheaper gas from Petrocan and it is our company. You know, we hear this great socialist argument coming from the socialists that oil companies are ripping us off. Well, if the oil companies, the Imperial Oil's and the Shell's and the Husky's and these other privates are ripping us off, then Petrocan equally are ripping us off because usually their price of gas is the same. The need for public ownership has never really been proven to me, but that is again a little bit outside the debate we are in at this particular time.

The Member makes reference to three things, that we are trying to devalue the company so that—absolutely not true, Mr. Speaker, because he is not factual in what he is saying. There was a drilling program in place when we came into office, and we carried out that drilling program. He heard that in committee the other day. So what he is saying is not factual. We carried out the drilling program, and two of the wells were successful and one of them was not.

(The Acting Speaker, Mr. Parker Burrell, in the Chair.)

Now he talks about future land acquisitions that should be carried out, that we are hurting the company by not doing future land acquisitions. Does he really know how much undeveloped land we really have when he makes that statement? We have several thousands of acres, Mr. Acting Speaker. We have several thousands of acres now that are not developed, which there is no real need to go out and lease more land, again not factual and absolutely does not support his argument.

He makes a reference to some particular directive for a write down, Mr. Acting Speaker. Again, it is not the direction of Government. Is he trying to tell Legislature that we are directing an auditor as to how to handle the affairs of a company? I think that should be a statement that should be withdrawn. That is an accusation which is absolutely unfounded, Mr. Acting Speaker, and I do not think it is a Provincial Auditor who has the auditing of the Manitoba Oil and Gas Corporation to start with. But I do not think any politician would ever, ever, ever want to put themselves into a position of directing an auditor how to handle the bookkeeping affairs of any company which is a public company or otherwise.

If he does not think the people who are interested in buying an oil and gas company have not made a full assessment as to what the value of the oil reserves are, the cost of recovery and the wells that are depleted,

Mr. Acting Speaker, he has got another think coming because they do do assessments. They are not naive.—(Interjection)—No, that has absolutely nothing to do with the current value of the company as far as I am concerned. So all these, we would call them—I guess one would call them last gasps of breath from the Dinosaur Party in the Province of Manitoba, because really that is where they are at. The New Democratic Party hate to let go and give up the influence they had over the people of Manitoba.

Mr. Acting Speaker, I have not a lot more to say, other than that I will give my assurances that the full process of the divestiture of it will be made public, full disclosure of the whole activity when this process is completed. I can tell you right now, Mr. Acting Speaker, I can guarantee you one thing that we will be criticized by the New Democratic Party but that, at this particular stage in my life, does not really trouble me a lot because we had a mandate, we were given a mandate. We have had indication from the Liberal Party that we will have support on this particular move, and I appreciate that support. It is something that augurs well for them and their Party. It is something that we appreciate, and it tell us again that democracy is something we can all have some confidence in.

Again, Mr. Acting Speaker, I am pleased to have presented this Bill to the Manitoba Legislature. One does get some satisfaction after a certain period of time that you are able to have some influence in what happens to the direction of the public funds and this, I hope, is one that will receive the support of the majority of the House and get on to, again, looking after the interests of the taxpayers in the best and most efficient way, and making funds available for the essential services that the Minister of Finance (Mr. Manness) is so desperately trying to accommodate, the social and other needs infrastructure of the province, and not speculative activities in the Manitoba oil and gas fields.

(Mr. Speaker in the Chair.)

So, thank you, Mr. Speaker, for this opportunity, and I appreciate the support of the Liberal Party and of course accept the position of the New Democrats, who have given up their reign of terror on the people of Manitoba. Thank you, Mr. Speaker.

QUESTION put, MOTION carried.

Hon. Clayton Manness (Acting Government House Leader): Mr. Speaker, I move, seconded by the Minister of Northern Affairs (Mr. Downey), that the Committee of Supply concur in all Supply resolutions relating—

Mr. Speaker: Order, please.

Mr. Manness: We have done the Bills.

Mr. Speaker: We have to be into Supply.

Mr. Manness: I move, seconded by the Minister of Northern Affairs, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of the

Supply to be granted to Her Majesty with the Honourable Member for Seven Oaks (Mr. Minenko) in the Chair.

COMMITTEE OF SUPPLY

Mr. Deputy Chairman, Harold Gillesehammer: I would like to call the committee to order.

Hon. Clayton Manness (Minister of Finance): Mr. Deputy Chairman, I move, seconded by the Minister of Northern Affairs (Mr. Downey), that the Committee of Supply concur in all Supply Resolutions relating to the Estimates of Expenditure for the fiscal year ending March 31, 1989, which have been adopted at this Session by the two sections of the Committee of Supply sitting separately and by the full committee.

MOTION presented.

Mr. Reg Alcock (Osborne): Mr. Deputy Chairman, I believe our Health critic has some questions for the Minister of Health (Mr. Orchard), who has just gone to inform his staff that he has to cancel a meeting in order to be present in the House. So may we have a few moments to allow the Minister to come back?

Mr. Deputy Chairman: Are there other speakers?

Hon. Donald Orchard (Minister of Health): How about you guys proceed on another matter? I have got to explain to my people why I cannot be there.

(Mr. Chairman, Mark Minenko, in the Chair.)

* (1620)

Mr. Kevin Lamoureux (Inkster): My question is for the Minister of Housing (Mr. Ducharme). During the Estimates, we had discussed the expenditure for MHRC in that with the NDP administration they had forecasted some \$400,000 more than what your administration had administered. He said that he would take the question as notice. I was wondering if he can maybe fill me in, in terms of why the \$400,000 difference is there?

Hon. Gerald Ducharme (Minister of Housing): At what level of the Estimates are we talking about?

Mr. Lamoureux: That was referring to the MHRC transfer payments. It was \$400,000.00. There were seven different points of which you commented that with the six different points that there were different drops in different areas. I had asked if it would be possible if you could give me further information onto where the jobs were taking place and give me some explanation of it.

Mr. Ducharme: I noticed there was a drop. The difference was in the subsidies of the Mortgage Program. The only thing I can say to you is that I have to apologize that my staff and I did not exactly take note. I thought we had covered all the points that were brought up during the Housing Estimates.

Mr. Lamoureux: Maybe then at this time the Minister might be able then to explain to me once again then why his administration had \$400,000 less in the Estimates for the MHRC for the transfer payment than, three months previously, the NDP proposal had \$400,000 more. The excuse that was given during the Throne speech was that the interest rates was the reason for the decline or the cutback or however the Minister might want to put it, for the \$400,000.00. The interest rate would have been at the same level when the NDP had made their projection and my question is, why the difference? That is some \$400,000 and the interest rate did not fluctuate that much or the mortgages did not retire in order to give that type of a difference. It is rather a large sum of money and I would like to have some type of an explanation as to why that took place.

Mr. Ducharme: First of all, there has been no cutback on any programs. Let us make that quite clear for the record. Secondly, what I would like to say is that when we did our progress for Estimates, most of those monies differences would be in the subsidy payments for their mortgages and we, through our calculations, have a calculation then than the previous Government. We are saying that we would not have to pick up as much monies under that previous program because of the decline in mortgage rates over the last five years, and now that the mortgage rates have stabilized, it will now go to the free market system.

Mr. Manness: Let me say to the Member for Inkster (Mr. Lamoureux), when the defeated Budget, which by the way has no basis in fact—it has no basis in fact—that number that might have been included in that particular allocation was developed probably in October 1987. That is what went to print. The number that was presented in the Estimates of the Department of Housing in the August 8 Budget was developed and put into place in July 88, almost eight months later, part way through the fiscal year, with much greater certainty and clarity. At that time, it was known precisely what the interest rate would be.

Mr. Lamoureux: On that point, if that is the case, then maybe the Minister of Finance (Mr. Manness) can explain to me why, when I had asked the Minister of Housing (Mr. Ducharme), his initial answer to the number of infill houses was 20 when in fact in the Supplementary Information it says 50. Now if the Supplementary Information was all redone in July, why was it that the Minister of Housing did not know that the Infill Housing Program was going to be 50 houses rather it is going to be 20 houses if it was all redone, or was it just parts of it?

Mr. Ducharme: I can explain to the Member that it was an approximate feel and that they have been able to gather up those particular lots to have that infill. I explained that to the Member at the time.

Mr. Lamoureux: The point that I am trying to get across is the Minister of Finance (Mr. Manness) has just said that they have rewritten in July the Estimates, the Supplementary Information—(Interjection)—That is not correct?

Mr. Manness: The Main Estimates?

Mr. Lamoureux: In the Supplementary.

Mr. Manness: I cannot speak for the Supplementary Estimates.

Mr. Lamoureux: Okay, that is fine. Thank you, Mr. Chairperson.

Mr. Bob Rose (St. Vital): I have a couple of questions of the Minister of Urban Affairs (Mr. Ducharme). On several occasions, in fact, to the point where on a very simple matter, I am sure that even some Members on this side are actually getting exasperated as to why we cannot settle a couple of matters concerning Seniors' Transport.

When the matter has been brought up in this House, the Minister of Urban Affairs (Mr. Ducharme) who full well should know how the city operates and he always seems to have implied that he supports a transportation city-wide for seniors in the City of Winnipeg and perhaps throughout all of Manitoba, I was wondering, because of his deep concern and because there has been a very important meeting today between STS, Seniors' Transport Service, and the City of Winnipeg's Planning Department for a further \$75,000 of funding, what information he could give to this House today on the results of that meeting.

Mr. Ducharme: First of all, the meeting was downtown at Works and Operations. The group, after deciding that the province had lived up to its obligation of \$75,000, decided to go the other route and go to the city. The city turned them down and I believe that the STS is deciding not to continue its operation.

We, unlike the Members from across the way, support the seniors throughout the city and we feel that we will continue to work with the City of Winnipeg through the extended transit system like we have in the past to make sure that the monies that we are contributing from the province are going to the seniors throughout the city and at the cost that we are saying that will probably benefit all of them and that is the route we chose to go.

We did, however, extend to STS in May, when we took over, an additional amount in the \$60,000 range, over and above the previous amount, to make the total for \$75,000, and we told them at the time that was the amount to wind down. That was exactly the amount and it matched the amount that was previously given by the previous administration in the two previous years of \$75,000 each year.

* (1630)

Mr. Rose: We hear on occasion that this Minister and this Government is concerned and wants Seniors' Transport to continue—incidentally, the Minister is fully right; I mentioned Planning when it should have been Works and Operations—but they have tried to illustrate their concern for the seniors in transportation. Yet we hear this statement that some weeks ago they knew

the money that they were giving them was for winding down, not to have a breather or nothing else. It would indicate to me just what concern they have.

It is interesting and I think the record should clearly show that when the Tories want to put out election material on buses, STS, they find it very convenient during election campaigns. They have done it twice now. The record clearly shows that they did it on five defeated candidates in the south end of Winnipeg, on the west side of the Red River. Then their candidate for Winnipeg South did it in a federal election. Yet they stand up here today, and on other occasions, proud of the fact that they gave them money to wind up their operation. I think that is pretty despicable. It speaks a lot of why the seniors did not and will not vote for that Government in the future.

Understandably, perhaps, the Minister has been able to analyze the figures that he has seen from Handi-Transit. Undoubtedly, he and his staff have analyzed the figures for enrollment by ambulatory seniors since July 1 of this year up until October 1.

In analyzing his figures, could he tell this House or indicate to this House some indication, at the rate that they have gone in that period, how long it will take to not only register but accommodate all the seniors who would desire that type of transportation in the City of Winnipeg and certainly taking into account this aging population and that their numbers are growing?

Mr. Ducharme: We have a consultation process with the City of Winnipeg. There is a plan ahead for the next four years. Through watching the particular program and watching the seniors come on stream, we will work with the City of Winnipeg to watch that four-year program. If there has to be some type of compression of that program, then we will negotiate with the city to maybe negotiate into a three year, but that will come as a result of this particular plan.

The Member mentions a letter that people put out during an election and he mentions a letter put out by the candidates. The candidates during that election did mention that we would commit ourselves to one further year of funding. That is exactly what we have. Now if he is saying that Members are going around, I have a brochure in my possession that the same Member, in his brochures, when he ran, suggested that City Council be at 12. I have that in my files. So people are misunderstanding on how things are to be read.

I went and consulted with these people after I had gotten to be Minister, and by consultation and reviewing the letter and the information of what we have done in the past through consultation with the department, I went back. The previous Government had suggested that it be cut off at July 1. We felt, because our commitment said that there should be the same monies that were given the two previous years, that is what we did.

You mention winding down and using it as a word. All we said was that we were committed to the previous program put forward by the previous Government which was to extend into the extended transit system. The previous Government had committed this Government

to \$100,000, which they did, and over and above that \$100,000 this year, we gave—

Mr. Rose: You have not given them \$100,000 yet.

Mr. Ducharme: Yes, we did. We gave \$100,000 to the extended Handi-Transit and also \$75,000 to the STS. This year, in total, we have given \$175,000 for the Seniors' Transportation, and during the course of the pilot project and as it comes on stream, we will watch it with the City of Winnipeg. The Member himself was on City Council when they decided not to fund the STS in the spring of this year. He was a member of that council. He was a member there and he was right there when that went through. I looked through and I do not see any voice of his expression of not going along with that. He was a member there and I cannot question his judgment. All I am saying is that he was part of that procedure, in the spring, of not funding the STS.

* (1640)

Mr. Rose: I might also say, if you want to make parallels, that he was part of this Legislature when the MTX deal and all the other phony deals that went on. So do you want to take credit for some of that too? He must realize that my vote is only one in 30 on City Council.

But let us straighten out, if we can, the matter—and he should look at the record of how I stood as a lone councillor on STS when I was on City Council, but he well realizes that I am one vote there and he well knows, being a past Chairman of EPC, what games are played. I do not have to outline those to members of City Council, and at least I have publicly put my position on the line so that everybody knows. You do not have to break it as any secret of where I think that the things that should be done to straighten out City Council. It is unfortunate the Minister does not have the same knowledge or the same intestinal fortitude but comes forward with piecemeal legislation that destroys rather than corrects the problems that exist at City Hall.

Now, if indeed this Minister says he is pretty smart because he wants to reduce City Council to 23, and that that—we hear the chirping from the so-called advocate for seniors who does not even know what is going on with the situation with seniors and cares less, but if he is indicating to this House that he is smart advocating for only 23 members of City Council, and the public record clearly shows that I have called for 12, does that indeed mean that I am twice as smart as he is? Or what are the numbers?

But what the record clearly shows, and I have discussed it, and it is on the record, is that, yes indeed, I do believe that City Council would operate better with 12 members, but with a lot more conditions than this Minister is prepared to put on there. And that is that he wants to approach it piecemeal. And he goes about to do the most mundane, silly thing in the world to make a press announcement and saying that this would save \$130,000.00.

Where would you ever get away with such a thing, that you ask 23 councillors to do the work of 29 councillors, and you do not give them a nickel more

pay for it: In other words, he is going to take it off the hide of the remaining city councillors that exist there.

At least the public record will show that I have always said, and been very clear to the public in my position, that any reduction in the size of City Council should have a lot of riders attached to it, one of them being that the public would get perhaps, and hopefully I believe so, and I am just one voice in there, but I really believe that it would be a more efficient and direct system and would not have as much interference by non-politicians in the system.

One of those conditions is a removal of the Board of Commissioners which, indeed, would save over half a million dollars. And I think that is a constructive step. Also, as the White Paper that has been given to the this Legislature clearly shows, that there would be imposed a lot more power under a reduced council, or even a council of 29. There would be a lot more power given to the mayor, which most cities have, and that there would indeed be a mechanism for him to select the majority members of EPC which would be sort of what I would call a super-council, and therefore there would be control on them in City Council at that level, a non-political body, and that the other 17 members would be able to look after community activities.

So there is no secret there of what my position has been. But I would like to ask the Minister in follow-up to my earlier questions, that he did not know about the Member from Winnipeg South soliciting help on STS. Has he since that time been in contact with her about her position?

Mr. Ducharme: If the Member is talking in regard to the Member who was elected just recently federally, yes, I have been in consultation, exactly at a quarter to twelve Sunday for breakfast. Exactly. I reviewed this with her because I was concerned and I wanted to make sure that it was on the record of exactly the total process because there are some people that have said various things in regard to the STS program.

The Member also mentions the piecemeal effect of Plan Winnipeg, or of The City of Winnipeg Act. The amendments, remember that I have mentioned on this floor many times that there will be a lot of changes to The City of Winnipeg Act at the next Session. During that process there will be many more for years to come, that come as a request from the City of Winnipeg. We had two or three in the last week that the City of Winnipeg has asked us to add.

One I have consulted with your Party and also the other Party to see that we can add it as an amendment because it is a very important part at committee hearings. I have consulted with both your critics on that side. It just came to me from the mayor in the last couple of weeks. He feels it is very important and the unions feel it is important and the city, and it is regarding pensions. These things will flow, and the piecemeal that you are talking about came forward from the city over the period of the last year and-a-half. Some of the programs had been put in the Legislation had been put in place by the previous

Government; and it is just to add because the last Session was not held in the spring, and there are things that they did ask for.

You mention that also you are one voice. I do not want to sit here and discuss influence that you had at City Hall during your short term on City Hall. That is not my position to argue that. All I am saying is that you were put on there, you were there at the time that the STS was done. I am there as Minister to follow through the actions of the City that they requested. On top of that, we showed our support for the seniors and we will continue to support our seniors throughout Winnipeg.

Mr. Rose: Mr. Chairman, you know I say that to the Minister in regard—and he knows the situation downtown being a Member from that area, he knows full well, I am sure that he is not so blind that he cannot see where I had a say in things how much did get accomplished in my ward. I am sure that even he could not deny the many, many improvements that took part in that ward after virtually 10 or 12 years of absolute neglect by friends of his. So where I was able to have a voice and where I had some influence, I am very, very proud of my record.

Getting back to Seniors Transport, I have said in Estimates that the Handi-Transit that the Minister alludes to has not had a mandate to carry seniors, does not now have a mandate to carry seniors, that is, seniors who do not have disabilities. Nor has there been any discussion in the future about them having a mandate, so how could he possibly expect them to carry the load, not only the load for the rest of Winnipeg, but that load that will start tomorrow because of the demise of STS? I had given them the simple solution to get that answer in conversation some couple of weeks ago, to talk directly with Rick Borland of Transit. Did he avail himself of conversation with Rick Borland and what sort of a conclusion did he come to on that?

Mr. Ducharme: First of all, I did not mention the lack of influence. I did in rebut because that was the Member who spoke about, his was only one voice and he could not convince his colleagues down at City Hall. However, yes, I have talked to Mr. Borland. Mr. Borland and I have sat down on many occasions. I am very fortunate, I can pick up the phone and talk to Rick as probably the other Member can do.

We are still on the conclusion that I disagree with the Member on this part on that side, that we will, anyone, any senior throughout Winnipeg who cannot take the regular Transit will qualify under this particular program. Until the pilot keeps working and working, until the figures—and the figures are showing an increase—and that increase is there without the registrants coming over from the area that has been served by the STS. Once they come on line we will continue that relationship that we have with Mr. Borland's staff and with the Chairman of Works and Ops. We will continue to serve these seniors throughout the City of Winnipeg.

Mr. Rose: My figures—it would indicate that certainly—and I do not have precise figures—the optimum figure

of enrolment of seniors on Handi-Transit since July 1 is less than 600, and in my calculations that would take some 15 years to completely service the City of Winnipeg. I ask the Minister, is he satisfied, even if Handi-Transit did have a mandate, then would he be satisfied that is reasonable for him?

* (1650)

Mr. Ducharme: The figures that I am getting from Mr. Borland and the figures that the Member is talking about, we are going to sit here all day and question those figures. What I am saying to him is the figures that I am receiving, I will continue to work with the transit and if it has to be compressed as a result of the demand, then that will show that people really want this extended transit system and we will be glad to maybe compress that particular program that we have set up.

Mr. Rose: I just want to convince the Minister that the figures that I have just alluded to are the correct figures supplied to me by Mr. Borland of Transit, and he would examine it. I would like to perhaps at some later date if he could let me know that he agrees with those figures and if he is satisfied that will get the job done eventually.

While I am on my feet, Mr. Chairman, I have a question for the Minister of Employment Services and Economic Security (Mrs. Oleson). Yesterday in Question Period I had alluded to a meeting and Hansard says, "... there was a meeting between her staff and the person in question on Thursday. Could she now give me knowledge of what was resolved or what conclusions were arrived at, at that Thursday meeting, since she and her department have had the information . . . ?" The Minister's reply was, "I am just wondering what Thursday meeting the Member is talking about. My staff had a meeting with Mrs. Eborá some weeks ago." In other words, I would take it that she was not conversant with any meeting that took part on Thursday or even in the most recent past.

This morning in my mail I get the following letter addressed to me: Re: Fe Eborá. This will acknowledge your correspondence of November 24 in regard to the above. You may by now be aware that Mrs. Eborá who recently had occasion to meet with my staff to develop a plan and process by which her resource will be evaluated relative to licensing requirements. This letter is, as I say, dated December 9 and I am wondering how the Minister did not know about this letter, or did not seem to know about the letter on the 12th, that she had signed on the 9th.

Hon. Charlotte Oleson (Minister of Employment Services and Economic Security): I do not believe that the Member clearly identified to me yesterday when I asked him which meeting he was talking about. I know that Mrs. Eborá met with staff some time ago, but the Member referred to a Thursday meeting. I said, was it last Thursday? I did not say that, but that is what I meant was what Thursday was it? I wondered if there had been a meeting since, of which I had not been aware, with my staff with Mrs. Eborá to settle this matter.

Now, of course I was aware when I signed the letter that I was signing a letter. The Member has received

it and I was hoping that would clarify the matter. Obviously it has not for the Member and that happens. I also indicated yesterday in Estimates and I believe last week in Estimates that if the Member wished to sit down with my staff and discuss it with them and have it explained to him in fuller detail, then that can certainly be arranged, and the Member has not indicated to me whether he wants me to set up that meeting.

Mr. Manness: Mr. Chairman, I would like to suggest that the committee temporarily interrupt its proceeding so that Mr. Speaker can resume the Chair so that we can determine whether there is unanimous consent of the House to waive Private Members' Hour and, if there is, the Committee of Supply can immediately resume sitting to continue considering the motion before us. I wonder if there is unanimous consent to waive Private Members' Hour.

Mr. Chairman: Is the Minister's suggestion to call in the Speaker temporarily agreeable to the Committee of Supply? (Agreed)

I am temporarily leaving the Chair. Call in the Speaker.

IN SESSION

Hon. Clayton Manness (Acting Government House Leader): Mr. Speaker, I wonder if I might petition to the Members of the House to determine whether there is unanimous consent to waive Private Members' Hour so that we could stay in Committee of Supply.

Mr. Speaker: Is there unanimous consent to waive Private Members' Hour? (Agreed)

COMMITTEE OF SUPPLY

Mr. Chairman, Mark Minenko: I call the Committee of Supply to order.

Mr. Bob Rose (St. Vital): In Estimates I had indicated to the Minister that if there was not a resolve to the matter, and I had referred to this Thursday's meeting as well in earlier Estimates, so I do not know why there is any confusion.

It is quite clear from the correspondence but I had indicated that if there was not a resolve by that Thursday meeting, and I believe it was in Estimates last Thursday that I would be at that time wanting a meeting with her staff and with Miss Eborá and if I recall correctly the Minister welcomed that. Unfortunately, Mr. Chairman, for whatever reason, Miss Eborá has tried to arrange a meeting between the staff in question and myself and her since Friday and continuing right up to a little while ago and for some reason or other we have not been able to arrange it. I would be very pleased and thankful if the Minister could arrange such a meeting for some time later on this week and I would also be pleased if herself, or somebody in her senior staff, could be there as well. I would really welcome that to resolve this matter, Mr. Chairman.

Hon. Charlotte Oleson (Minister of Economic Security): Thank you, Mr. Chairman, I will have staff

contact the Member and we will attempt to set up a meeting this week. I cannot carve that in stone of course but I will make an attempt:

Mr. Richard Kozak (Transcona): In looking at the province's six-month financial report I note that the Department of Finance experienced a shortfall in its planned expenditures in the amount of approximately \$5 million. Normally that would be commendable. However in the three-month report, the department experienced a shortfall in the range of \$28 million.

I wonder if the Minister of Finance (Mr. Manness) could explain the apparent deterioration in the expenditure position of his department.

Hon. Clayton Manness (Minister of Finance): The prime reason for this variation is again tied directly to the value of the Canadian dollar, vis-a-vis our unamortized portion of our debt. As I have always cautioned, indeed as I was cautioned by former Ministers of Finance and indeed as I will caution my critic, the MLA for Transcona (Mr. Kozak), one has to be very careful as to how much or how little one reads into this presentation. I can say that as to this point in time there is no deterioration whatsoever with respect to our public debt figure. At this point in time we probably have a number which probably reflects a little bit more closely the first quarter estimate and so that we are well on the path to some significant savings within the area of public debt costs and that is the major reason as to the fluctuation and variation from one quarter to the next.

* (1700)

Mr. Kozak: I certainly do note and I repeat that the expenditures of the Department of Finance have come in and continue to come in at below the projected figure. However, I do reiterate that the superiority and performance versus planned performance was \$28 million in the first quarter of this fiscal year and has, over the six-month period, declined to a superiority in performance of approximately \$5 million. I wonder if the Minister of Finance (Mr. Manness) would attribute this in part to the fact that interest rates have been rising at an unexpected rate, certainly a rate higher than that forecasted by the major forecasting agencies over the last several months and continue to do so this week, as we speak.

I wonder if it is possible that due to this unexpected increase in interest rates, this increase that surpasses projections, that we could possibly be looking at interest costs that surpass the planned level in the next quarter or in the fourth quarter. I would not want the Minister to answer a hypothetical question, but I think it probably has occurred to both him and to me that developments in the interest rate market are catching more than him and me by surprise at present.

Mr. Manness: Firstly, let me give even a better answer to the first question posed. Because although I do not have those details with me, they are back in the office. I can tell the Member that the finance figure, as indicated here, certainly interest as a component, even of a

greater significant element in the second quarter is that the Property Tax Credits and all the tax credits, as the Member may or may not be aware, the Department of Finance sends cheques out to all the municipalities in support of the property tax payments. One could imagine that there is an incredible draw on that in the second quarter. No draw whatsoever on the first quarter. So the impact, therefore, has required a much greater draw on cash. We moved out an awful lot of that money, more so in the second quarter than had been done previously, indeed as compared to the planned expenditure. That, in a sense, has offset the savings on the interest side. I direct the Member to remember that when he is looking at finance numbers, it is not just interest, there is also a major component of that which is the property tax figure.

Now let me say with regard to the third quarter and fourth quarter, I can indicate to the Member that all our borrowing is done. There will be no surprises in the area of interest rates. All the coupon costs associated with our borrowing are established. We know where we are at, we know exactly where we are at. As a matter of fact, the Government, and I will say this for the public record, is in relatively good cash position. As a matter of fact, I would even go so far to say that we are on balance or have a surplus of cash which is invested today at a very good rate, making us net benefactors on the interest side. The province is in relatively good shape in a cash basis. We believe we do not have to go into the debt markets until May 1988. Our cash positions, given the budgetary program we have laid before the Legislature, which has been for the most part passed, Mr. Chairman, I can say in all honesty there will be no surprises with respect to interest rates in the third or fourth quarters.

Mr. Kozak: The Minister's answer does not entirely surprise me.

I am, of course, well aware that much of the province's debt is long-term debt with rates locked in and that on that debt we are not exposed to any interest rate shock. I am, however, also aware that as debt matures and as the province issues short-term Treasury Bills, as it does periodically, that we are, to some degree, subject to surprising developments that we are seeing unfolding in the interest rate market. I am soliciting the Minister's assurance that this will not impact the bottom line of the province.

I might add, Mr. Chairman, that the Minister and I, during Estimates, had an excellent conversation on scenarios and forecasts for the Canadian dollar vis-a-vis the U.S. dollar, the Japanese yen, the Swiss franc and Deutsche Mark. At that time it became clear, as we discussed the matter, that both the Minister and I look forward, although our time frames differ, to a winding down of our exposure to loans denominated in currencies other than the Canadian dollar.

I wonder, since we will shortly, in all likelihood, be passing The Loan Act, if in the Minister's opinion new borrowings conducted by this Government will be conducted exclusively or virtually exclusively in the Canadian dollar as opposed to resorting to borrowings in the major foreign currencies.

Mr. Manness: To the extent that we are not paying a tremendous premium for—

Mr. John Angus (St. Norbert): On a point of order.

Mr. Chairman: The Honourable Member for St. Norbert, on a point of order.

Mr. Angus: I apologize to the Minister of Finance (Mr. Manness) for interrupting him.

I am a little bit concerned that we are in the process of giving concurrence to \$4.6 billion on behalf of the taxpayers of the Province of Manitoba and the Chamber is vacant of Ministers to answer questions. With respect, I am a newcomer to this process. We have allowed certain Ministers to be absent from the Chamber because we recognize they have other responsibilities and other duties, but why do we continue this charade? Why do we not adjourn and/or move six o'clock and let the Ministers come back in, get their people together, to answer the questions?

Mr. Manness: On the same point of order, just exactly half an hour ago, I asked the Liberal House Leader (Mr. Alcock) which Ministers he wanted in attendance because I knew we were going into concurrence and so did he. He indicated at that time—it was indicated by several Members—the Minister of Community Services (Mrs. Oleson) and the Minister of Health (Mr. Orchard), indeed were the two that were pointed out to me by the House Leader of the Member who rises to make his point.

I was prepared to have here any number of Ministers to be in their place to answer questions. I asked the House Leader opposite who he wanted. He gave me the list of two names. I provided those Ministers.

Let not the MLA for St. Norbert (Mr. Angus) stand in his place and berate us for not having our Ministers here. We have half the Cabinet in this Chamber. We apologize to nobody.

Mr. Chairman: Order, please. I thank all Honourable Members for their advice. The Honourable Member does not have a point of order.

Mr. Kozak: Just to continue with my last question, to refresh the memory of the Minister of Finance (Mr. Manness), I was eliciting from him a commitment, if you will, that the Government would take every step to ensure that new borrowings undertaken by this Government be denominated in the Canadian dollar as opposed to other major currencies such as the U.S. dollar, Japanese yen, Swiss franc and Deutsche Mark.

Mr. Manness: As I was about to indicate, we will be taking new borrowings to the Canadian market to the extent that we do not have to pay too high of a premium to do so. We are prepared to pay a premium to repatriate, indeed issue new instruments of debt in the Canadian market. As a matter of fact, at this time, we are giving some serious consideration to even a major Manitoba issue in due course.

But let it be said, when one realizes that at this time we can go into the American market for money at the

rate of—and we just did an issue here, a major issue, at 9 5/8 percent. We were treated as if we were almost a AAA borrower relative to some of the other provinces in Canada. At the same time, short-term money in the Canadian context was somewhere around 11 or 11.5 percent. We see the benefit in some cases, if we are not going to borrow in Canadian terms, that we best maybe go into the U.S. market.

* (1710)

You must remember that we cannot get a 30-year quote in a Canadian dollar. We have a hard time getting a 20-year quote in terms of Canadian funds, whereas you can readily get those types of quotes in U.S. dollars. So we always have to balance those types of considerations one against the other. Let me say though, that given that there is any type of parity or even a slight premium in the Canadian market, we will be there.

As a matter of fact, the Member is right. That is why we have increased our take on Treasury Bills. We are up to now, I believe \$650 million. We have doubled that from \$300 million. He is right; that is 90-day paper. It is exposed, of course, to the increased interest rates when that paper comes due and there is no doubt about it, but it is Canadian.

So I say to him, in completing my answer, that we will do everything to continue to bring home a larger share of our borrowings. We are at 53 percent now. We have increased that roughly 7 percent since we have taken Government. Hopefully, we can achieve 60 percent a year from now or even more, but beyond that, it is all a relative matter of the circumstances and the factors that come to bear when the Government makes those decisions to borrow.

Mr. Kozak: The Minister's answer, as always, is very complete, Mr. Chairman, and I have no hesitation in commending the Government for making progress on eliminating our participation in foreign capital markets.

As he knows, however, and as I would like to repeat on the record, our concern on this matter stems from the fact that credible estimates of the value of the Canadian dollar vis-a-vis the U.S. dollar over the next 12 months range all the way from 75 cents to 90 cents, thereby exposing us to risk of capital loss. The Minister need not respond to this. He and I are both aware of this fact. I am pleased that he is addressing this matter to a certain extent.

(The Acting Chairman, Mr. Gulzar Cheema, in the Chair.)

Ms. Maureen Hemphill (Logan): In Estimates, I raised a question with the Minister of Urban Affairs (Mr. Ducharme) and I appreciated receiving a written letter from him the other day providing me with some information.

The question was regarding the application and distribution of funding for the Main Street Program under the Core Area Initiative and I had some concerns that a long-standing business in the community, one of 20 years, had been refused funding under this program on the basis that they were just outside of

the existing boundaries. The information provided to me by the Minister suggested that the Main Street Revitalization Organization had put a priority on businesses further north so as to not spread the money out too much, and also he believed that they were concentrating on storefront operations instead of providing larger sums for small business support programs to the businesses directly.

I checked out that information and it is correct, but I found a bit of additional information that accounts for the fact that they were handling it in such a way as to approve only small amounts of money for storefront improvement on Main Street, an area that clearly needs more than just a little bit of storefront improvement. The reason, Mr. Acting Chairperson, is that the allocation of funding, I think, was not quite fair and it is something that I would ask the Minister to look at in the future.

Main Street received \$1 million for upgrading their Main Street. Provencher received \$1 million for upgrading West Broadway, Sargent and Ellice received \$1 million. Osborne has received many more than the \$1 million. Selkirk received \$1 million. Main Street received \$200 thousand—the street that we all know used to be one of the major arteries of the city and needs some of the greatest support in terms of upgrading was given a very, very small amount of money, one that allowed them to do almost nothing in terms of helping the businesses improve.

My request to the Minister, and my question is, since we all know that the Inner Core Initiative does not always expend its funds but there are some program areas where the cash has been flowing very slowly and, in some cases, not at all. Since we know that come about April there will be some discussion between the three partners regarding reallocation of some of that money, my question to him is, would he give consideration to making up what appears to be a very clear disparity and unfairness in allocation under the Main Street Program and see if they can give our Main Street a little bit more help and some allocation of some additional money?

Mr. Ducharme: First of all, I thank the Member for a very constructive question. As you know, I have had some contact with the Member from Logan (Ms. Hemphill) and I did answer her first queries that she had at Housing. All I can say to the Member is that I will take her question as notice and get back to her. I know what the original Core Area Agreement was and the second one. I will watch the cash flow monies. As you know, they are now on the second agreement or starting to come through.

(Mr. Chairman in the Chair.)

I am changing my people on the advisory of the Core, and maybe some of these members who I will be appointing will be more conscious of what is happening on the Main Street. I will certainly ask them to take into consideration, because I do know that the original Core Agreement was to base a lot of that information on the Main Street. A lot of the projects that were approved and are cash flowing now were from the previous administration and their advisory committee.

Mr. Rose: In regard to the Core Area Initiative, the Member for Logan (Ms. Hemphill) has alluded to the fact that the funds that were originally mandated for the Core Area Initiative to relieve the hardships in the core area of Winnipeg have found their ways into other sections of the city. We do not begrudge that money going to other places of the city because I think by and large, with perhaps one exception, it has been fairly well used, but it still does not meet the objectives of the original mandate. Of course, we have seen money from that initiative, millions of dollars go to tear down the Tourist Hotel which is not in the core, not the original core anyway, and we have seen millions of dollars under the tripartite agreement go over to the Forks.

Again, perhaps these are worthwhile projects, but I wonder if we could prioritize them ahead of the very urgent needs of people in the core area of the North End of Winnipeg. I wondered how the Minister of Urban Affairs (Mr. Ducharme) feels about that and, as one influential member of the Tripartite Agreement, if he would be in the future now that they are in Government influencing to see that more of this money, a higher percentage of it goes where it was originally mandated. That is in the core of Winnipeg, which I would believe we all agree is where it can do the most good and relieve the most hardship per dollar.

Mr. Ducharme: To the Member for St. Vital (Mr. Rose), the advisory committees have been primarily the people who have conducted the cash flow and the projects through the core, and the tripartite policy eventually approves these.

As mentioned, I have no misgivings about St. Boniface who are in the second core. Let us divorce ourselves away from the original core program. I am very pleased that our particular Government was the originator provincially of the Core Area Program, and it has been a good program. The Member for Logan (Ms. Hemphill) gave a very, very constructive type of question, and I answered her on the advice that I will ask my advisory people, the new people, and the people now that will have a say on the programs now coming forward.

To be honest there are not a lot of monies left. Most of the programs are all spoken for in regard to the Core Program. Most of them will be just cash flowing now. Most of the monies were spent in probably the first year of the program and now the cash flow is coming through. I express my concerns to her that there are concerns that were in the original one and who am I to question what political people said they wanted to put on Osborne, what they wanted to put on Provencher, what they wanted put out through the city. All I can say is I will take the advice of the Member for Logan (Ms. Hemphill), and see why that cash flow has not gone to Main Street and why it has gone to others.

* (1720)

Mr. Angus: Mr. Chairperson, through you to the Minister of Finance (Mr. Manness, I have risen to thank him through you for his cooperation in getting his Cabinet Ministers back into the House. Obviously, it was a

problem that he was not aware of and, once he recognized it, he moved swiftly to make sure that the people are available to answer the questions. I thank him.

Mr. Manness: I do not need the parsimonious compliment from the Member opposite. Quite frankly, the Members of this Cabinet have always been in attendance, except when they have got very important meetings with constituents of Members opposite in most cases in their offices. Let me say to the MLA for St. Norbert (Mr. Angus) that the Cabinet Members know that their first responsibility is to the House. They have known that for the whole Session, and I am sure they will continue in that fashion right to the end.

Some Honourable Members: Oh, oh!

Mr. Chairman: Order.

Ms. Avis Gray (Ellice): I have a few questions for the Minister of Community Services (Mrs. Oleson). Towards the end of the Estimates process in the Department of Community Services, I had asked the question as to, with the 15 day program spaces that were being allocated for this budget year, where those allocations were. The Minister had indicated to me at that time that she would certainly bring that information back to the House, or be able to get that information for me by letter. Since I have the opportunity to ask the question today and I have not received that information, I am wondering if the Minister could indicate to us, of the 15 program spaces—a question which I have also asked in this House—could she indicate to me where those allocations are?

Mrs. Oleson: I am sorry that I had not got back to the Member on that, and I will as soon as possible. I have not got that information with me today, but I will get it to her as soon as I can.

Ms. Gray: Since the Minister does not have the information, perhaps I could indicate to her, I was at a meeting the other evening. A community group of day service providers and parents were at that meeting, and one of the Minister's staff as well was in attendance and he was able to provide that information for us. The indications were that of the 15 day program spaces allocated, 10 had already been allocated to Sturgeon Creek Enterprises in the St. James part of the city. Those spaces are now full and utilized, and the other five spaces had been allocated in rural areas of the province.

I certainly do not have difficulty with those allocations. What my concern is, of course, is with the waiting list, particularly in North Winnipeg and in South Winnipeg. With the 24 individuals at the Manitoba Developmental Centre in the Transitional Unit, I am wondering if the Minister could indicate to us, have there been any special provisions or arrangements made for those people on the waiting list who are eligible and wish to enter day programs?

Mrs. Oleson: As I indicated to the Member when we discussed this in Estimates, it is a great concern that

there needs to be more day programming. It was one of the problems that has emerged in the department because there were not sufficient resources given to this at the time or sufficient planning put into the Welcome Home Program. Those 15 spaces that we have been able to budget for this year have been allocated. It is unfortunate that there is a waiting list. That has all been taken under consideration for next year's budget.

Ms. Gray: The other day the Member from River East (Mrs. Mitchelson) and myself were at an opening of WASO Incorporated, their greenhouse project, and again it is another initiative by a very enterprising non-profit community-based group who have managed, through the assistance of Community Places money and through the assistance of the City of Winnipeg dollars, to open a greenhouse whereby mentally handicapped individuals will be working in that greenhouse and where they would see themselves as a viable business. Now, some of the difficulties with this particular facility and structure are that the people are in place in terms of the staff and the building and the structure is there but, in order for mentally handicapped individuals to come and work in the greenhouse situation and have the facility to receive the per diem dollars, the problem is there is no money at all. I am wondering, the Minister had indicated during Question Period that was something that her and her staff were looking at, given that we would not want to wait till the end of the fiscal year and into the new fiscal year and have that facility remain vacant with the up front money that is now there.

Could the Minister indicate, has there been any progress or have there been any decisions made in regard to if there will be some monies available—and it is only \$10 a day that we would pay those individuals to be there to work in that greenhouse project.

Mrs. Oleson: I do not have my notes on that particular facility with me today. Of course, I had not known what the question would be asked, but it is my understanding that it is not sitting vacant, that it is able to operate to some extent. Of course, it would be desirable to have some monies allocated for day programs and I do agree with the Member that there is a need. However, we are pursuing that. We have to live within the budget allocations, that is reality. I could get the Member more information about it and forward it to her and I will, but I understand that it is operating—I am not sure at what level at present, but I understand it is in operation.

Ms. Gray: The Minister is correct in that it is in operation there for individuals, I understand, who are working there, and that is because they have moved over from the main workshop area of WASO so that their dollars have moved with him. So now we have four other vacancies at WASO, which is another problem, but certainly four individuals in a facility that large is not enough to keep that operation going.

I am wondering if the Minister could indicate, because her department—and granted this decision may have been made. But certainly in preparing this year's budget and looking at allocation of spaces, there must have

been some understanding on her senior management's part that in fact this facility would open, because in fact there had to be approval from Community Services Department in order that Community Places money will be forthcoming to that project so that there would be an ongoing operation. I am wondering if the Minister could indicate to us how it would be that her department would make a decision to only allocate 15 day program spaces, none of which would be in East Kildonan or WASO, when it must have been recognized that this new project would be opening and there would be a need for per diem dollars so that individuals could go into that workshop.

Mrs. Oleson: I do not recall all the discussions that took place and decisions but, as I pointed out before, there are budgetary limitations to what we can do. This facility, we knew, would be opening, but we also knew that it would be in operation and we can consider additions to per diems for it for another year. It has just recently opened so we did not need to do it for a full year. The allocations have to be looked at in the context of how many people on the waiting list in a particular area, of what the needs are of the people in the area. There are a lot of things to be looked at when you are allocating. It is not—I know there are a lot of unmet needs there, and we are certainly seriously considering this and actively pursuing this for the next year's budget.

* (1730)

Ms. Gray: When the Minister says it is in operation, I am not sure she understands the situation because in fact this question still remains. Again, the Minister has put on the record today, as she did in Estimates and she is correct, that in fact in determining budgets and allocations, one must consider the people who are on waiting lists and a number of factors. But yet the very factors that the Minister mentions and which were brought up in Estimates that should be determinations in deciding where day program spaces would be are totally opposite to the actual allocations that were made. I would indicate 10 spaces in St. James, when it was indicated clearly in Estimates that in terms of that portion of the city they had the lowest number of people on a waiting list. We certainly know that the mentally handicapped, by and large, do not travel from the north end of the city to the south end of the city for day programs. In fact, they like to remain within their own community and of course the transportation is easier when they are within a certain area.

So in fact, when you look at the 10 allocations, which of course have been used at Sturgeon Creek, but when you look at the waiting lists and when you looked at the project at WASO, which was known by Community Services would be there and would need dollars, in fact the way the decisions were made are totally illogical compared to the factors you would consider. I am wondering if the Minister could explain how these decisions were made as to where these 15 spaces would go when the majority of needs, which I have identified which seem to be identified according to the Honourable Minister's numbers, were not taken into consideration?

Mrs. Oleson: I am wondering if the Member wants us to take away the 10 spaces from Sturgeon Creek. Is

she saying that we should not have them there? We did not have many spaces to allocate. We had to take into consideration all the factors involved. Sturgeon Creek Enterprises has been there for some time. The people may have been waiting longer, I am not sure at this moment. I am just raising that may have been the possibility. So a decision has to be made and they are not always easy decisions.

Ms. Gray: But are they logical?

Mrs. Oleson: I told the Member that it is under active consideration for a spacing for the next budget.

Ms. Gray: I am not saying the spaces at Sturgeon Creek were not needed. In fact, I said in my comments and in fact I have talked to the individuals at Sturgeon Creek that in fact—(Interjection)—well, I guess the other thing that should be put on the record, and the Minister can clarify this, I have no difficulty with Sturgeon Creek receiving 10 spaces but the record will show that during the Estimates process when I was told, and it is on record, the spaces had not been allocated, that in fact that was not exactly accurate information and in fact the 10 spaces had already been allocated to Sturgeon Creek. The five had remained unallocated, so that in fact the information we received in Estimates was, to say the least, inaccurate.

I still will leave on the record and question the priorities and the way in which these spaces were allocated. I have said that the 10 spaces of Sturgeon Creek and I have told Sturgeon Creek, obviously there was a need there because they have been filled. But there are also needs in the North End of Winnipeg as well, as the numbers will indicate in terms of their waiting lists.

I would put this on the record only to make the Minister more aware of some of my concerns and some of the concerns of other workshops who had been in contact with me. I would hope that when decisions are made in the future, that staff in those regions be consulted, which I know they were not, in terms of how these allocations are made. I do feel that field staff and the supervisors are oftentimes the best individuals to at least provide input in terms of where these allocations, albeit limited and we all know that, can be made because they know their people and they know the individuals who they work with.

I have a further question for the Minister since we are into the month of December, and I am wondering if she would be able to update us—if I recall correctly, I believe Mr. Wiens was to have his review completed some time in December in regard to the Winnserv. I am wondering if the Minister could tell us today what the progress is on that particular review.

Mrs. Oleson: I understand that the report is not quite completed. There was some additional information that Mr. Wiens had wanted to get. It is nearing completion.

Ms. Gray: Could the Minister tell us, has there been any thought, at this point, once the review is completed, as to how the recommendations of the review will be

acted on? Is the Minister planning to work with senior staff of her department to review the recommendations? Is the Minister planning to vet those recommendations through some of the major groups such as Winnserv, the Residential Coalition of Services Providers, some of these groups who represent community agencies, like Association of Community Living? Could the Minister tell us, has there been any thought as to what the next steps will be when the review is completed?

Mrs. Oleson: I certainly would be discussing and sharing the report with senior staff—that would be the first step—and with Winnserv, of course, as they were one of the major players in this. Beyond that, I would not want to set a time line or indicate exactly what the steps will be. I am looking forward to receiving the report and its recommendations. I cannot tell the Member how I will act on the recommendations, of course, until I see them.

Ms. Gray: Just a further question, and I do not necessarily expect the Minister to have the information at her fingertips but, for the record, again the Minister had indicated during Estimates that there was this position, quality assurance position, that had remained vacant for some year-and-a-half and there was a review going on as to whether that position would be filled. I have heard by the grapevine, shall we say, that there is an individual who is currently in that quality assurance position. Again, I could certainly appreciate if the Minister does not have this information but is she aware, or does she know if there was a decision made that that position should be filled, that there was a need. Could the Minister indicate to us, if it will be filled will it be bulletined, because I do recall the Minister certainly assuring us that there would be affirmative action considerations if that position would be refilled.

Mrs. Oleson: Mr. Chairman, I will have to get some information on that from my staff. I cannot give her the answer at the moment.

Ms. Gray: I did not think you could.

Mr. Laurie Evans (Fort Garry): A couple of questions to the Minister of Agriculture (Mr. Findlay), one is, can the Minister update us on the ongoing saga with the Interlake compensation program. Has the list been found? How many are on it? Can they anticipate a payment and what sort of a payment can they be expecting and when might it happen?

Hon. Glen Findlay (Minister of Agriculture): Mr. Chairman, so many questions there, it came so fast, I will see if I can get a few of them answered.

What is in place is a committee has been set up between the federal Government and the Department of Agriculture here in Manitoba to look into the list that is presently available in terms of the names. It would appear that there is probably going to have to be an application put together to determine the acres that should be attached to those names, and maybe some consideration will have to be given as to whether the list, as presently in place, is all inclusive, whether there

are other reasons where they should be opened up for people that maybe did not bring their names forward two years ago when they made appeals.

The amount of payment—I guess it is difficult to say at this time what it will end up being, there are some figures being tossed around. How soon it will be made is another question that is also difficult. The first meeting between the federal-provincial officials is to occur later this week or beginning of next week, but the process is moving along. The Minister responsible for grains and oil seeds made an announcement to that effect approximately two weeks ago indicating that there was an understanding between the two levels of Government that we would develop a program of trying to offset the losses those people incurred because of the wet fall in '85 and the fact they had to summerfallow in '86 and then could not claim those acres under The Special Grains Program.

Hopefully, I have most of the questions, but the process is under way.

Mr. Laurie Evans: Well, a question related to the same issue, Mr. Chairperson. Has that information been made public to the farmers in the Interlake so that they know what the status of it is because there are still quite a few calls coming in to my office wondering, has any progress been made. So it would appear that they are not conversant with the program.

Mr. Findlay: I think most are because the information coming to my office is people asking details, they know that the process is ongoing. The announcement made by the federal Minister was on CBC Radio, so therefore it was in that forum. After this first meeting is held and there is a decision made as to how an application will be structured and what will be involved in the application, I think that is the time then to make an announcement as to what is really going to take place and how the process will be applicable to each farmer.

* (1740)

Mr. Laurie Evans: I would also like the Minister to comment on the whole issue of the Feed Security Program and The Herd Retention Program. He did answer a question of mine earlier in the Session indicating that the payments on these two programs should be out within approximately a month. But I am more concerned, Mr. Chairperson, with what mechanism has been set up for appeals because I get the impression that there are many who are covered through these programs who do not feel that they are being fairly treated in that the monitoring does not seem to relate what they feel is their own situation and the figures they are getting.

Mr. Findlay: I thought this question would have come a few days ago but now that it is here, I am glad to have the opportunity to put the information on the record.

The monitoring program that takes place every year has occurred and the figures have come in and this year a quality factor has been attached to those figures,

so the percentage production by municipality has been established by crop insurance. When I first saw the figures, I could see that there would be some municipalities and obviously farmers in those municipalities who may not be totally satisfied with the figures that were obtained through the monitoring process. I instructed them to be sure that they consulted with the municipalities and with the Manitoba Cattle Producers Association to let them see the figures before they were released if they had any obvious problems with them, that was the time to address it. Those meetings were held last week. On Thursday, they met with Manitoba Cattle Producers Association and they agreed that the figures as presented to the best of their knowledge fairly represented what they thought happened in those municipalities this summer.

The Union of Manitoba Municipalities had been contacted through Ray Sigurdson, the president, and some 24 municipalities were requested to come to Portage for a meeting and I believe 20 came last Friday. The outcome of the meeting was that again the figures, although disputed by some municipalities, by and large appeared to be reasonably fair.

In the case that there were municipalities that really did not agree with the figures, appeal process has been set up such that there will be an appeal panel in each of the regions in Manitoba. There are five regions in the province. Each region will have an appeal panel consisting of two appointees by the federal Government, two for the Provincial Government, one by UMM and one by MCPA. That six-member board in each region will address appeals by municipalities related to the monitoring results which is the percent production for the year. Those appeals will be by the municipality to the regional board, and that is just by municipality. If a farmer in a particular municipality says, I do not like these figures, he has to convince his municipality to carry the appeal forward.

After the program payments are made, individual producers can also appeal. This was in the original program announcement. There is an appeal for individual producers if they are not fairly treated by the guidelines of the program. They cannot change the monitoring figures, they can only appeal under the guidelines of the program. The payments will be going out towards the end of this week. The program is all in place and the figures as determined by the monitoring program will be used for the payout with the appeal process clearly in place. If there are any changes in the percentage figures nationally there will be changes that would go down which would increase payouts, and subsequent payments will be made.

Mr. Laurie Evans: One final question, Mr. Chairperson. In his address to the Agricultural Outlook Conference, Mr. Mazankowski had made quite a point about the necessity of changes in crop insurance. I gather from his comments that there has been agreement from the provinces to participate in a truly tripartite arrangement on crop insurance. The question then is, is there going to be a thorough review of crop insurance in Manitoba? If the answer is in the affirmative, will that review take place early enough so that changes will be in effect for the 1989 cropping program and will that review also

include a very thorough assessment of the Feed Security Program?

Mr. Findlay: Mr. Chairman, the answers are yes, yes and yes. There has been a real understanding that there are some problems with crop insurance and there has been a review going on involving the board, a new board under Dr. Clay Gilson and the corporation. There has been interprovincial meetings and federal provincial meetings working at some changes that can improve the program for 1989. There will be some public meetings in January, February where producers can respond to the proposals brought forward or have an opportunity to present new proposals for the improvement of crop insurance and the livestock feed security program.

One of the proposals from the Livestock Feed Security Program is that 1989, we do not use Municipal boundaries, we use what are called climatic zone boundaries which will mean instead of 120 municipalities, there will be about 160 climatic zones, which will more fairly reflect what really goes on in the various parts of the province, along the lakes and a long ways away from water areas. With regard to the Crop Insurance Program itself, there is already in place a trigger that any given crop district, of which there are some 16 in the province.

If the payouts in this given year are twice the indemnities, they automatically go from 70 percent to 80 percent. I can tell the Member that with that trigger in place, all of southern Manitoba will automatically be in the 80 percent category next year. I believe it will be about eight or nine of the crop districts, and it really follows No. 16 Highway pretty well across the province. Everything south of there will be 80 percent, plus there will be a higher dollar value because the initial price of grain will be higher.

Those two events together will trigger dollar per acre coverages for producers of approximately \$80 to 105 per acre, as opposed to around \$60 to \$65 this year. So on a dollar per acre basis it will be substantially better coverage and when you move from 70 to 80 percent, naturally you move up the number of bushels per acre.

I think all those factors together, there will be major improvements in crop insurance for next year, but do not forget that higher coverage means higher risk and the premium has to move up accordingly.

Mrs. Iva Yeo (Sturgeon Creek): Mr. Chairperson, I rather envy my colleague from Fort Garry (Mr. Laurie Evans), being that the Minister said that the questions that the Member from Fort Garry was asking were new questions and he was glad he could ask new questions. I feel somewhat like the nagging housewife in that most of my questions—

Some Honourable Members: Oh, oh!

Mrs. Yeo: —I have to ask over and over and over again. All right, I will say the nagging mother then, who has to remind her children frequently to—the nagging critic, okay.

The first question that I want to ask the Minister—a while ago I asked—I believe the question was of the

Minister of Community Services (Mrs. Oleson) with regard to Prince Charles School. The concern that I have with the fact that Prince Charles School is basically closing down and that the children from Prince Charles are going to be going out into the community schools.

The question that I asked the Minister and she took under advisement was what kinds of supports are going to be made available? What kinds of communication have there been between the Department of Education and the Department of Community Services to assist the people in the school divisions in handling the mainstreamed children from Prince Charles School and in fact from other schools, from the community, in that the sort of "in" thing seems to be today to try and move children into the mainstream.

I can assure the Minister, and Minister has been a teacher and he knows that all you need are one or two children in a classroom of 15, 20, 25 students to sort of stir up the pot, so to speak, so I am wondering particularly with the handicapped students what kinds of supports are his department looking at and has he had communication liaison with the Minister of Community Services?

Mr. Leonard Derkach (Minister of Education): Mr. Chairperson, this is of course an issue that is posing somewhat of a dilemma, I think, to the many school divisions that are going to be receiving these children in that, yes, there are supports available because wherever there are children with special needs transferred or brought into a regular classroom situation, then of course the school division has to accommodate to meet the needs of those children.

What that means is that there are, through the department, through the Child Care and Development Branch, supports available for the students and also to assist those classroom teachers through such things as teacher aides or resource teachers, and this is all done through the local school division level. This is not something that the department gets involved in directly, nor should it be, because we have those situations in the province today where many students have been brought back home to the community school and are being taken into the school and into the regular classrooms and the supports are there.

* (1750)

Certainly, I guess there is always a need for more support, but certainly those school divisions that have a special needs coordinator, that have special needs teachers, that have resource teachers are making those resources available to those families and to those students who come into the school.

I have indicated on many occasions that I feel that there is a need for better communication between the parent, whose child is going to be attending a particular school, and the school. I think there is a need for better information being given to that parent with regard to the kind of programming that child will be receiving, the kind of situation that child will be placed in, in a classroom, and also the kinds of supports that child will be receiving while in school, so we still have a long

way to go in terms of making sure that each and every school division does respond in that appropriate way.

There are, I might say, many school divisions who are responding in a positive way and are providing for the parents the kinds of support and the kinds of information that are required for that parent to have when that child is taken into a classroom situation which is different from being isolated from a mainstream setting.

Mrs. Yeo: While I am glad that the Minister did say that we have a long way to go, he also however said that there was tremendous support going on. I would disagree with him. I think there could be a great deal more support. I have had complaints from parents of the so-called normal child who have said why should my child have to be in a classroom where the teacher gives all her time to the two or three handicapped children in the room? I have had complaints from parents of handicapped children who have said my handicapped child is being cared for in part by the other children in the classroom. They are made to look after them when the teacher has to run out of the room for a short period of time, etc., and this is often from parents who have children in the very young grades.

There was a complaint just today from a parent who said that her five- or six-year-old son was actually lost for a period because they just did not account for him. They did not realize he was missing and they were very concerned because there were three handicapped children in the classroom, and she said does my child have to be a special needs child in order to get the attention that he needs in the classroom?

I have grave concerns that there is not enough support, there has not been enough liaison with the Department of Community Services and the Department of Education. I would certainly hope that this would be one of the priorities, being that mainstreaming seems to be the sort of movement that we are taking.

There are schools, there are many schools in the province, probably more in urban Manitoba than in the rural setting, that are available for those parents who choose to have their child in a segregated area. There are some parents who would prefer their child be mainstreamed and there are some who would prefer their child be segregated, and I think that is a right that we should look towards.

I would ask, because we are moving very close to six o'clock—there are three outstanding positions that I know of, probably there are several outstanding positions. The other day the Minister of Northern and Native Affairs (Mr. Downey) made some comment about how the Government had made great steps in the treatment of Native people in Manitoba. It is my understanding that the Director of Native Education, Flora Zaharia, I think her name is, resigned in June and I do not believe there has been anyone put in the position permanently, perhaps in an acting position, but I will ask the Minister, has there been someone hired to replace the Director of Native Education on a permanent basis?

Mr. Derkach: I would like to just indicate that with regard to the special needs area, we do have an

argument ensuing out in the field where some parents want to have their children in a regular classroom regardless of what kind of special handicap that child may have. There are also those parents who say because my child is a special needs child, who needs special attention, that child should not be in a regular classroom. So we have that argument out there and I do not know how you get to the bottom and how you satisfy everybody. I think that as time goes on we have to take a look at each case individually and say now here is a child that can be in a classroom perhaps for some of the time but needs to be taken out so that child can gain and can grow in an educational sense. I do not think we can treat every child the same in terms of trying to mainstreaming them. As I said, we have a long way to go.

The mainstreaming concept started a couple of years ago in the kind of emphasis that has been put on it, and we are not there by any stretch of the imagination, but if you talk about supports for those students, it is a very expensive approach. I think that if the Member for Sturgeon Creek (Mrs. Yeo) looked at the budget and saw the amount of money that is being expended on these types of students, it is difficult to say all of a sudden we can dump a lot more money into that area to give those students a one-to-one relationship in terms of the staff that we hire for them. I do not think that is realistic, but I do think we are doing everything we can.

I think some of the problem that exists out there in terms of the parents' minds exists because they do not have complete information and there is not a good enough communication system between the parent and the school. I think that is step one. I think once we get over that, once we start getting the schools and the parents communicating and the parent involved perhaps in some of the programming that goes on for that child, there will be a better relationship and a better understanding of what really goes on in the school system. I am not going to stand here and pretend and say that we have a perfect system. We do not. We have to make sure that it becomes better as we move along, and we are certainly going to do that.

With regard to the Native Ed Director of Education, as the Member knows, when our Government took over, Mrs. Zaharia did resign a short time afterwards. Certainly, we valued the work that she did in that particular department. At that point in time, I had said, instead of replacing her immediately, let us put in an acting director for the time being and let us take a look at whether we can perhaps coordinate the department or some of the branches so that there is no duplication of services in the department. Since that time, we have determined that although there may be some amalgamation as we go down the road, it is important to have a director of Native Education. For that reason, we have now advertised for a director for Native Ed. As soon as we can get a successful applicant, that position will be filled. At the present time, we do have an acting director who is assuming the responsibilities that Mrs. Flora Zaharia had before.

Mrs. Yeo: You have indicated, Mr. Minister, that the position had been posted. Has that position been specifically labelled as an affirmative action position?

Mr. Derkach: I am sure it will be. Although I have not seen the ad personally, I guess I should not come out and say that without taking a look at the posting myself, but certainly that directive will go out and our intention is to make it an affirmative action posting.

Mr. Chairman: Committee rise.

**IN SESSION
COMMITTEE REPORT**

Mr. Mark Minenko (Chairman of the Committee of Supply): Mr. Speaker, the Committee of Supply has been considering the Concurrence Motion, directs me to report progress, and asks leave to sit again.

I move, seconded by the Honourable Member for Gimli (Mr. Helwer), that the report of the committee be received.

MOTION presented and carried.

COMMITTEE CHANGE

Mr. Jay Cowan (Churchill): I wonder if I might have leave to make a committee change. (Agreed)

I move, seconded by the Member for Brandon East (Mr. Leonard Evans), that the composition of the Standing Committee on Law Amendments be amended as follows: Interlake for Churchill; Elmwood for The Pas.

Mr. Chairman: The hour being 6 p.m., this House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).