

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, September 28, 1989.

The House met at 1:30 p.m.

### PRAYERS ROUTINE PROCEEDINGS TABLING OF REPORTS

\* (1335)

**Hon. Jack Penner (Minister of Rural Development):** Mr. Speaker, it gives me pleasure today to present the Annual Report for the year 1988-89 for the Surface Rights Board.

**Hon. Jim Ernst (Minister of Industry, Trade and Tourism):** Mr. Speaker, I would like to present four annual reports today: the Manitoba Research Council; the Department of Manitoba Industry, Trade and Technology; the Manitoba Business Development and Tourism; and the Annual Report of the Manitoba Racing Commission.

### INTRODUCTION OF BILLS BILL NO. 42—THE RESIDENTIAL TENANCIES ACT

**Hon. Gerald Ducharme (Minister of Housing)** introduced, by leave, Bill No. 42, The Residential Tenancies Act; Loi sur la location à usage d'habitation. (Recommended by His Honour the Lieutenant-Governor)

### BILL NO. 37—THE MUNICIPAL ASSESSMENT AMENDMENT ACT

**Mr. Gilles Roch (Springfield)** introduced, by leave, Bill No. 37, The Municipal Assessment Amendment Act (2); Loi no 2 modifiant la Loi sur l'évaluation municipale.

**MOTION presented.**

**Mr. Roch:** Mr. Speaker, I would like to make a few brief comments on this Bill. The intent of this Bill is to rectify a situation which has existed since last June with the municipal organizations in this province. There is a potential of losing enormous sums of money due to a recent court ruling.

It has been quite some time now that this issue has been hanging in the air. The municipal bodies and organizations are unsure as to what is happening. There has been a lack of action with this Government. Therefore it has been felt that it has been incumbent upon the Opposition to act on this matter.

More clarification will come forward when debate is introduced for second reading.

**Mr. Speaker:** The Honourable Government House Leader, on a point of order.

**Hon. James McCrae (Government House Leader):** My point of order comes in the form of a question, Mr. Speaker. The motion having been passed to allow the Honourable Member to introduce his Bill, under what rule would he be standing to make his comments after the motion is passed?

**Mr. Speaker:** I would like to thank the Honourable Government House Leader. Order, please. The Honourable Member is allowed to make a brief comment as to the purport of the Bill. Unfortunately, I had put the question because I was talking to the Clerk, and I did not see the Honourable Member for Springfield (Mr. Roch) standing at the time. I apologize to the House.

### INTRODUCTION OF GUESTS

**Mr. Speaker:** Prior to oral questions, may I direct Honourable Members' attention to the gallery where we have from the Victor Wyatt School, twenty-five Grade 5 students under the direction of Mr. Harold Bell. This school is located in the constituency of the Honourable Minister of Housing and Urban Affairs (Mr. Ducharme).

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

### INTRODUCTION OF BILLS (Cont'd) BILL NO. 43—THE MOTOR VEHICLE LEMON LAW ACT

**Mr. Jim Maloway (Elmwood)** introduced, by leave, Bill No. 43, The Motor Vehicle Lemon Law Act; Loi sur les mauvais véhicules automobiles.

\* (1340)

### ORAL QUESTION PERIOD VIA Rail Federal/Provincial Discussions

**Mrs. Sharon Carstairs (Leader of the Opposition):** Mr. Speaker, my question is to the First Minister (Mr. Filmon). Manitoba is reeling under the announcements of leaks of federal documents, Cabinet documents, with respect to VIA cuts.

Yesterday I asked the First Minister of this province to phone the Prime Minister in order to learn first-hand the federal Government's position with regard to VIA cuts, since they seem to be in the realm of the media but do not seem to be available to the people of this province or any other province.

Will the First Minister tell us today: did he place the phone call, and what was the response?

**Hon. Gary Filmon (Premier):** Mr. Speaker, as the Leader of the Opposition (Mrs. Carstairs) might well

know, because I know that she pays close attention to the media reports because that is the source of her questions, the federal Government has indicated very clearly that matter has not been before Cabinet, and it is therefore not federal Government policy. As usual, we are being asked to respond to leaks and information that may or may not be accurate, information that has not yet been considered by the federal Cabinet, and information that is not federal Cabinet policy.- (interjection)-

Mr. Speaker, the Member for St. James (Mr. Edwards) may like to try and shout across the room. If he does not want to hear the answer, then he can give the response to his Leader that may probably satisfy her more.

**Mrs. Carstairs:** Mr. Speaker, but it would not go far in order to get a response that I would like more than the one from the Premier (Mr. Filmon). We can only assume from his statements that he did not place the phone call and that he is not prepared to act on behalf of the citizens of the Province of Manitoba.

### Cutbacks - Impact Study

**Mrs. Sharon Carstairs (Leader of the Opposition):** Can the First Minister tell this House today if he has now ordered the impact studies on job loss, on the lack of economic activity, on the effect of tourism, as a result of VIA Rail cutbacks, or he is prepared to wait for those until the federal Government makes its decision?

**Hon. Gary Filmon (Premier):** Prior to the Leader of the Opposition (Mrs. Carstairs) realizing that this was an issue of concern to Manitoba, this Government has been in active consultation through the Minister of Transportation (Mr. Albert Driedger) and other Ministers of Transportation across the country meeting together to tell Ottawa that they must consult the provinces and the regions, meeting directly with the Minister of Transportation from Ottawa under whose jurisdiction these issues come.

The Minister of Transportation (Mr. Albert Driedger) was successful in getting assurances that our VIA Rail line to Churchill would be preserved and maintained, I think a very positive accomplishment. Mr. Speaker, unlike other issues that we have dealt with, this is one in which, even from the proposal that was seen, which proposal I understand has not been adopted by the federal Government, other regions of the country would certainly suffer much more than Manitoba.

On the other hand, we continue to express our view that every provincial Government ought to be involved in the discussions and consultations, and immediately after learning of this yesterday, the Minister of Transportation (Mr. Albert Driedger) wrote directly to his counterpart, the Honourable Benoit Bouchard in Ottawa, to reiterate the same concerns that he has been expressing now for close to a year to Ottawa.

### Provincial Strategy

**Mrs. Sharon Carstairs (Leader of the Opposition):** Mr. Speaker, what we are looking for is leadership. This Party took the leadership and went across this province this summer to learn first-hand what people felt about VIA and the cutbacks, Dauphin, Thompson, Brandon, Winnipeg. Will this First Minister take the leadership, at least with his other Premiers, and will he orchestrate and organize a comprehensive unified provincial strategy to take to Ottawa his 10 united Premiers, in order to force the federal Government to come to its senses and change this misguided policy?

**Hon. Gary Filmon (Premier):** Mr. Speaker, I indicated yesterday—I am sure the Leader of the Opposition (Mrs. Carstairs) was not listening or did not hear—that I raised the issue of the VIA Rail cuts at the Premiers' Conference in Quebec City last month. That resulted in the Premiers agreeing in a communique to tell Ottawa that they ought not to proceed with the cuts to VIA Rail without consulting with the provinces.

Mr. Speaker, while the Leader of the Opposition (Mrs. Carstairs) was flying by jet to Ottawa for an organizing meeting for the Jean Chretien leadership campaign, I was in eastern Canada riding VIA Rail with my family to show our support for VIA Rail and to show the Prime Minister that VIA Rail ought to continue to be utilized, because it does provide a needed transportation link in this country that is important to everybody.

**Mrs. Carstairs:** There is still no leadership from this Premier. Perhaps we can get leadership from this Government on another issue.

### Substance Abuse Crack Cocaine Education Programs

**Mrs. Sharon Carstairs (Leader of the Opposition):** During the past few months it has become evident that crack has hit the streets of Winnipeg. Crack, an easily addictive substance, wreaks havoc among its users, both mentally and physically, and places large additional burdens on our social service agencies, our health networks, particularly the aspects of those networks which deal with our young people who are particularly susceptible to the use of crack.

Can the Minister of Family Services (Mrs. Oleson) tell the House today what new programs, including inservicing of social workers, have taken place by her department in order to deal with this street drug now on our streets?

**Hon. Charlotte Oleson (Minister of Family Services):** I do agree with the Leader of the Opposition (Mrs. Carstairs). It is a serious problem. I will take the question as notice of what recent initiatives have taken place and bring that information to her.

**Mrs. Carstairs:** Well, no leadership there, Mr. Speaker. Let me try again.

\* (1345)

### **Substance Abuse Crack Cocaine Education Programs**

**Mrs. Sharon Carstairs (Leader of the Opposition):** Can the Minister of Health (Mr. Orchard) tell us what new initiatives in the preventive health aspect of his ministry, including the in-servicing of hospital personnel who will now be dealing with crack victims in emergency rooms, what new programs has he enunciated and developed in the last six months?

**Hon. Donald Orchard (Minister of Health):** I very much welcome any initiative that my honourable friend, the Leader of the Opposition (Mrs. Carstairs), in a positive form, might bring to the floor of the House. Let me assure you it was this Party, not the Liberal Party, in the last election that has continued to place and to put the addiction of our youth foremost and forefront to the people of Manitoba.

Mr. Speaker, the Alcoholism Foundation of Manitoba is very closely in contact, touch and direction with the Winnipeg City Police in terms of monitoring what new addictive substances are available in the City of Winnipeg. It is through them that training programs and the assistance of prevention of addictions will be carried out.

\* (1350)

### **Federal Rehabilitation Funds**

**Mrs. Sharon Carstairs (Leader of the Opposition):** This is a final question to the Minister of Health. If indeed his Government is so interested in youth addiction programs, can he tell the House today why Manitoba is one of the very few provinces that has not yet signed an alcohol and drug rehabilitation agreement with the federal Government and therefore cannot access funds for rehabilitation because they have not signed the agreement?

**Hon. Donald Orchard (Minister of Health):** Mr. Speaker, the issue that is before this Government, as would be before any Government, is the offer of temporary 50-cent federal dollars. After the 50-cent dollar is gone, the province assumes full and complete responsibility for the funding of any initiative. We are working with the Alcoholism Foundation and with the community groups to see what is the most appropriate accessing, on a three-year basis, of those federal funds. Decisions will be made and be made in the best interests of the taxpayers of Manitoba and those youth suffering from drug addictions. Those decisions will be made in a very responsible fashion using the expertise that is at our disposal at the AFM.

### **Women's Pavilion Nursery Environmental Concerns**

**Ms. Maureen Hemphill (Logan):** My question is for the Minister of Health (Mr. Orchard). In terms of preventative care, I am sure everyone would agree that having high quality care for high-risk premature babies is one of the most important things that we can do.

As early as January of this year, nursing staff at the WT-1 nursery of the Women's Pavilion at the Health Sciences Centre began raising concerns about environmental conditions, their health and the quality of care they were able to provide for these high-risk premature babies.

Can the Minister tell the House why his department has been so slow to take action on potentially dangerous conditions that exist like car exhaust and solvent fumes and anesthetic fumes entering the nursery through air vents, and can he tell the House why staff have been forced to cover windows with plastic and stuff ledges with linen to keep what is described as severe drafts from harming the babies?

**Hon. Donald Orchard (Minister of Health):** The issue of the intermediate care nursery at the Health Sciences Centre is one that has been before Government for a number of years and I want not the impression to be left by my honourable friend from Logan (Ms. Hemphill), who I know would not want to leave the impression that everything was all and well over the last five to seven years.

Mr. Speaker, the Health Sciences Centre has had before, and it has been before Government for approximately 10 years, a substantive redevelopment program inclusive of the intermediate care nursery and the development of better facilities which are recognized not only by this Government but by the previous administration that they were wanting and in need of addressing. I want to tell my honourable friends that the tertiary care nursery has been fully redeveloped and we have one of the finest facilities in Canada, if not North America, for tertiary care.

The intermediate care nursery is the next on the agenda and will be addressed by this Government and not left wanting as has been the case for the last five to seven years.

**Ms. Hemphill:** The Minister has been receiving information, serious information, since January of this year that would indicate that this nursery is operating well below standards. Mr. Speaker, I want to table a copy of an internal Health Sciences Centre memorandum written by the department of occupational and environmental medicine to the maintenance department at the hospital which raises alarming concerns about the temperature, ventilation and overcrowding.

Can the Minister tell the House why he has continued to allow the nursery to operate well below acceptable standards and continued to allow unacceptable practices such as the caring for 19 infants in a space designed for 12, testing of babies in a storage room, keeping stool, urine and blood specimens in a fridge where mothers' milk, breast milk is stored, and preparing medications on the same counter as nurses test contaminated stool specimens?

\* (1355)

**Mr. Orchard:** Mr. Speaker, I realize my honourable friend wishes to harness an issue out of this, but let

me assure you that the capital redevelopment of the Health Sciences Centre has been addressed as a priority. The first priority that was dealt with was the tertiary care nursery at the Children's Hospital. That is now operative. It has been recognized and understood for a number of years that two issues are before the Government, firstly that the intermediate care nursery is overcrowded. From time to time there are up to 19 babies in the intermediate care nursery which was designed—not staffed necessarily but certainly facility-wise designed—to accommodate some 12 infants. Those conditions are not acceptable and are being addressed in the capital program. Do not let my honourable friend from the New Democratic Party who was part of administration for 15 of the last 20 years, say that the problem cropped up overnight.

**Ms. Hemphill:** Mr. Speaker, that excuse is wearing a little thin, I am afraid.

### Cross Contamination

**Ms. Maureen Hemphill (Logan):** Mr. Speaker, even if they do approve it as a priority capital project in this year's Estimates, it is going to take about two years to build. A number of steps must be taken to protect babies from the potential of cross contamination and infection that exists.

I am convinced that if this was a restaurant the Board of Health would close it down.

What steps is the Minister taking to deal with a very serious potential for cross contamination? Infected babies are right next door to uninfected babies because there is no place to isolate babies with airborne infection and because of the proximity of contaminated garbage and laundry to babies, to nurseries, and to uncontaminated garbage and laundry.

**Hon. Donald Orchard (Minister of Health):** Mr. Speaker, in as genteel a way as I can possibly tell my honourable friend, what she is talking about is potential for problems. The staff, the administration and the people delivering service in the intermediate care nursery are doing so under constrained conditions, but let not the impression be left with the public that those people are not doing their utmost to prevent infection, which has been kept to a minimum to prevent the kind of potential and alarming problems my honourable friend wants to. The management systems are in place and are working and are dealing with an unsatisfactory situation which has been in place for a number of years and will be addressed by this Government.

**Ms. Hemphill:** Mr. Speaker, I agree with the Minister. The infection rate is low and it is because of the tremendous care that has been given by nurses under very, very difficult and impossible situations.

### Working Conditions

**Ms. Maureen Hemphill (Logan):** Mr. Speaker, what action is the Minister taking to improve the appalling working conditions for nurses that has them put in the position of saying they do not believe they can any

longer provide safe nursing care to those babies and that has resulted in five nurses quitting due to environmental stress and the inability to retain senior staff and recruit new staff?

**Hon. Donald Orchard (Minister of Health):** Mr. Speaker, I agree with my honourable friends this was a serious issue, particularly my honourable friend from Thompson, but this Government intends to take action about it and this Government will resolve the problem.

My honourable friend, the Leader of the New Democratic Party (Mr. Doer), says it has just happened since I have been Minister.

Mr. Speaker, that is so far from the truth that my honourable friend ought not to utter those words, because when my honourable friends were Government they inherited in 1981 a Capital Redevelopment Program announced in 1978-79 which involved all aspects of redevelopment including the Children's Hospital, the tertiary care nursery, the intermediate care nursery. They inherited those plans in 1981. That was eight years ago, during which their tenure saw no action being taken.

We will take action, Mr. Speaker.

\* (1400)

### Fort Garry Hotel Casino Opening Delay

**Mr. Richard Kozak (Transcona):** My Party's opposition to the Government's casino proposal does not give this Government licence to bungle the project. After six months and hundreds of thousands of dollars, there is nothing at the casino site—an empty room, Mr. Speaker. The Lottery Minister has made funding commitments based on a mythical October opening.

When will the casino open, Mr. Speaker, and how will \$13 million in financial commitments be met?

**Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation):** Mr. Speaker, I have been waiting all week for these questions.

We have a little opposition, Mr. Speaker, that on one hand condemns the casino and on the other hand is so anxious for it to open. It can hardly wait.

**Some Honourable Members:** Oh, oh!

**Mr. Speaker:** Order, please; order, please. The Honourable Madam Minister.

**Mrs. Mitchelson:** Mr. Speaker, it has been announced publicly in the paper just a few weeks ago that the reason the casino could not open at the beginning of October was because there were some problems within the Fort Garry Hotel to bring the hotel up to fire and safety standards. We will not put a casino into the Fort Garry Hotel until proper safety measures are put in place.

### Betting Limit

**Mr. Richard Kozak (Transcona):** Mr. Speaker, once again our opposition to the casino is no excuse for bad management. This Government has overloaded the lottery system and their solution, the casino, has become a classic case of bad public relations and bad management. Why has the Minister dug the Government in deeper with a \$500 bet limit, attractive only to professional gamblers?

**Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation):** Mr. Speaker—

**Some Honourable Members:** Oh, oh!

**Mr. Speaker:** Order, please. Order. Honourable Madam Minister.

**Mrs. Mitchelson:** Mr. Speaker, the Opposition obviously does not understand that there are going to be 25-cent bets; there are going to be 50-cent bets; there are going to be \$2 bets; and there are going to be \$10 bets, as well as \$500 limits. Not everyone who goes to this casino is going to be required to spend \$500.00.

**Mr. Kozak:** Both lottery tickets and casino profits will be hit by Brian Mulroney's 9 percent tax.

### POINT OF ORDER

**Mr. Speaker:** The Honourable Government House Leader, on a point of order.

**Hon. James McCrae (Government House Leader):** Mr. Speaker, the last time my honourable friend was on his feet to ask a supplementary question, I was on mine to attempt to remind him through you, Sir, that the lengthy preamble was not required. Now he is on his second supplementary and he is doing the same thing again. I just want to remind him and other Honourable Members that these super lengthy questions are going to tend to want to make Ministers answer in a lengthy fashion as well.

**Mr. Speaker:** I would like to thank the Honourable Government House Leader. The Honourable Opposition House Leader, on the same point of order.

**Mr. Reg Alcock (Opposition House Leader):** On the same point of order, the Opposition has faith in your ability to determine that. I think the Honourable Member is simply following the example set by the Minister of Health (Mr. Orchard).

**Some Honourable Members:** Hear, Hear!

**Mr. Speaker:** Order, please. Order. On the point of order raised by the Honourable Government House Leader (Mr. McCrae), I would have to comment on Beauchesne's 410.(7) which says very clearly: Brevity both in questions and answers is of great importance.

### Goods and Services Tax Lotteries Impact

**Mr. Speaker:** The Honourable Member for Transcona, kindly put his question now.

**Mr. Richard Kozak (Transcona):** Thank you, Mr. Speaker. I think we have hit a nerve. How will this Minister cope with the burden of the 9 percent tax on her department and on lottery participants in this province?

**An Honourable Member:** Oh, oh!

**Mr. Speaker:** Order. I am sure the Honourable Member for Transcona (Mr. Kozak) would like an answer to his question. The Honourable Madam Minister.

**Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation):** Mr. Speaker, at a Lotteries Ministers Meeting from across Canada just a few weeks ago in Victoria, that very issue was brought up and discussed by Lotteries Ministers. There is a concern across the country. We have instructed our officials to sit down with the federal people, first of all, to determine what impact the GST is going to have on lottery revenues. We will try to get a co-ordinated initiative together to deal with the situation when we get the facts and the information.

### Multicultural Advisory Council Board Appointments

**Mrs. Gwen Charles (Selkirk):** Mr. Speaker, my question is to the Minister of Culture, Heritage and Recreation. This past June the Minister of Culture, Heritage and Recreation, in rejecting Bill 13, a Private Member's Bill revising the MIC Act, quoted from the Multicultural Task Force to support her rationale for clawing back the granting privileges of MIC. One reason she quoted from the task force was that, "It would allow an independent body without official ties to any particular organization." Can the Minister explain how the new Multicultural Grants Advisory Council, being administered by a past Tory candidate, chaired by a past Tory executive, over a council riddled by Tories, who were appointed by a Tory Government, can claim to have ties to no particular organization? How is this more acceptable than a grants council elected by Members and peers of a body from the multicultural community.

**Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation):** Mr. Speaker, contrary to what the Liberal Party or the Liberal Opposition might think, I have had comments from throughout the multicultural community about the quality of the appointments that have been made to that grants council.

### Arts Policy Review Committee Appointments

**Mrs. Gwen Charles (Selkirk):** Mr. Speaker, will the Minister please tell us how we can have any belief in

her abilities to understand her department when she announces an arts review committee without any representation from small arts groups, from artists themselves, or from her visible ethnic community? Is it her opinion, as indicated by her appointment, that the arts are there only to support the white establishment?

**Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation):** I want to indicate to the House and to the Liberal Opposition that the results of the Arts Policy Review Committee's recommendations to Government will be the determination on whether it is a credible Arts Policy Review Committee or not. It will not be up to the Liberal Opposition to make those decisions. It will be the arts community itself when the policy is announced.

### Cultural Organizations Funding Withdrawal

**Mrs. Gwen Charles (Selkirk):** Mr. Speaker, again to the Minister, will the Minister explain why she continues to ignore her responsibilities by refusing organizations the courtesy of a letter to explain her reasons for withdrawing funds? I was asking why she does not give the organizations in her department responsibilities the courtesies of letters when she is withdrawing granting funds from the organizations involved.

**Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation):** I know not of what the Member speaks. If she would like to provide some detailed information I will be pleased to answer that question.

### Literacy Programs Funding

**Hon. Leonard Derkach (Minister of Education and Training):** Mr. Speaker, in my absence from the House yesterday, the Minister of Child and Family Services (Mrs. Oleson) and the Premier (Mr. Filmon) took some questions as notice, and I would like to respond to them today if I might.

First of all, with regard to the question from the—why do they ask the questions? They do not want to listen to the answers.

\* (1410)

**Mr. Speaker:** Order, please; order, please. I am sure Honourable Members would like to proceed. The Honourable Minister of Education, answering questions taken as notice.

**Mr. Derkach:** I thought that the Member was quite serious about his question and I thought that perhaps they would like to listen to the answer. Mr. Speaker, the Member for Flin Flon (Mr. Storie) yesterday again, about a year after he had asked his first question on literacy, asked the same question again about the fact that people of Manitoba may lose federal monies available for literacy, again a fearmongering situation that does not exist in the province. There is no fear of Manitoba losing any federal dollars for literacy.

As a matter of fact, Mr. Speaker, the literacy office, my office, are currently working on projects that are being submitted which will be forwarded to the federal Secretary of State, and at that point in time the funding will be afforded to these organizations.

With regard to the second question, Mr. Speaker, about the availability of literacy funding applications, again the Member for Flin Flon (Mr. Storie) has had a bad source of information and has become somewhat confused and mistaken about the issue.

First of all, there are no provincial application forms for federal funding; that does not exist. What he might be referring to is a new system of application forms that are currently being approved by the Deputy Minister for provincial funding for literacy projects.

Now the literacy office just submitted those to my Deputy Minister this week. They were received on his desk yesterday and as soon as they are approved organizations will have them. In the meantime organizations can make their applications by telephone to the literacy office.

With regard to the third question, Mr. Speaker, and this had to do with the mandate of the Literacy Council, and the Member for Flin Flon stated, is this whole purpose of the Literacy Council to distribute grants?

Nowhere, Mr. Speaker, in the press release was it stated or implied that the council would have any responsibility over granting funds. As a matter of fact I would be prepared to share with the Member for Flin Flon the mandate of the Literacy Council, which is to advise the Minister. Thank you.

### Environment Act Portage la Prairie Licence

**Mr. Gary Doer (Leader of the Second Opposition):** Mr. Speaker, about a month ago the Minister of Environment (Mr. Cummings), or the Environment Department issued a licence to the City of Portage la Prairie which allowed the community to dump a large quantity of sewage sludge into an agricultural land area adjacent to a residential area.

Residents in this area are very concerned about this licence and have, under the law and pursuant to the law, appealed that decision as is a right to the Minister.

Can the Minister please advise of the disposition of that appeal?

**Hon. Glen Cummings (Minister of Environment):** Mr. Speaker, the Leader of the New Democratic Party (Mr. Doer) is leaving a couple of phrases on the record that are not correct.

When he indicated that there is dumping of sludge, it is not being dumped, it is being injected about 18 inches into the soil, which gives itself . . . .

Mr. Speaker, being of a farm background, I am used to dealing with this substance, so perhaps he would like to hear what I have to say.

**Some Honourable Members:** Oh, oh!

**Mr. Speaker:** Order, please. The Honourable Minister.

**Mr. Cummings:** Mr. Speaker, there are letters on my desk which were just signed, as a matter of fact, that would indicate that it is quite within the realms of the Act for the procedure to go ahead during the time of appeal. The placing of an appeal does not automatically stop the program going forward.

I am considering the information that is being brought forward, but it is still quite within the law for the corporation of Portage la Prairie to proceed with the material, putting of the material and injecting it into the soil.

Mr. Speaker, the soil is being tested, the material being put into the soil is being tested, and it is being injected at rates that are parallel to what would be normal agricultural practice.

**Mr. Doer:** The materials are being injected into the land now, today, and residents who have written your office and phoned your office over the last month have not been informed in one way or another whether the appeal is going to be accepted, rejected or deferred for further questions.

My question to the Minister is: why has he not responded to the many letters and calls he has received in his office? Why have people not heard in the Portage la Prairie area what the disposition of the appeal has been before they started to inject the sewage sludge in the ground, Mr. Speaker?

**Mr. Cummings:** Mr. Speaker, perhaps he was not listening. It is quite within the realm of the Act that, during the course of an appeal, the process can proceed. I have responded to some of the residents in the area through their phone calls. They have had the department respond to them that I would wait until the end of the appeal period and a decision would be made. A decision will be made shortly.

**Mr. Doer:** Mr. Speaker, many of these people have sent letters in by registered mail. The Act provides the disposition of an appeal by the Minister. Within seven days from the date of the decision, it shall be sent back by registered letter to the appellants. I would ask the Minister why he is not being forthright with these citizens who are very concerned and sending them a registered letter back, as they have sent in to the Minister.

Can the Minister alleviate any concerns the citizens and residents of Portage have about the environmental implications of a potential major diversification project with McCain's that is expected shortly?

**Mr. Cummings:** It seems to me I heard a couple of different questions in that preamble and I am not sure whether there was really a distinctive question. I have answered twice already that I will be responding to those who have launched appeals. When that decision is made they will receive the answer by the appropriate means.

## Mental Health Care Forensic Assessments

**Mr. Gulzar Cheema (Kildonan):** Mr. Speaker, last week the Minister of Justice (Mr. McCrae) was praised for reforms of the court system. However, yesterday a psychiatrist at the Proctor trial testified that the accused, confined to the Selkirk Mental Health Centre, had never received a complete mental health examination in nine years at that centre.

My question is to the Minister of Health (Mr. Orchard). Can the Minister of Health tell us how many more individuals detained on warrants are not undergoing regular and complete mental health examinations?

**Hon. Donald Orchard (Minister of Health):** Mr. Speaker, it is with regret that the nine-year-old circumstance of that individual is an issue today in the Question Period. I will certainly check and provide my honourable friend with the necessary information but to my knowledge forensic assessment is able to be carried out upon request for any individual who has been charged criminally or civilly and is deemed to be in need of an assessment by a forensic psychiatrist. I will take that as notice, Mr. Speaker.

**Mr. Cheema:** Mr. Speaker, my supplementary, again to the same Minister is what guidelines are in place in other mental health institutions to ensure that all the patients receive proper medical treatment in order that they are committed to stand trial at the earliest possible?

\* (1420)

**Mr. Orchard:** Mr. Speaker, the process is, as has been in place and has been longstanding for many years, that individuals who are charged with criminal or even civil offences and are deemed, through the plea of their legal counsel, to be unfit to stand trial, will undergo a forensic assessment to see whether they are mentally capable of assuming responsibility at trial for the crimes for which they have been charged. Mr. Speaker, that is an assessment process that takes place upon request and upon the advice of the courts in many cases.

## Mental Health Review Board Replacements

**Mr. Gulzar Cheema (Kildonan):** Mr. Speaker, in June of this year this Minister of Health completely replaced the members of the Mental Health Review Boards. It was just to make room for his own friends. My question is: can the Minister of Health tell us how many patients were kept in institutions without their will, against their will, just to make room for his own friends?

**Mr. Speaker:** Order, please; order, please. The Honourable Minister of Health.

**Hon. Donald Orchard (Minister of Health):** Mr. Speaker, it is with deep regret that I have to inform my honourable friend that his allegation and his spurious charge is not correct. It is similar to the accusation he

brought to this House on Tuesday where he attributed words to a very prominent physician of this province, words that were completely untrue.

Now, Mr. Speaker, I expect that my honourable friend, the Liberal Health Critic would at least have the common decency to get his facts straight when he comes to this House.

**Some Honourable Members:** Oh, oh!

**Mr. Speaker:** Order. Order, please.

**An Honourable Member:** Apologize.

**An Honourable Member:** Resign.

**Mr. Speaker:** Order. Order, please.

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**Mr. Cheema:** Mr. Speaker, on a point of order.

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

**Mr. Cheema:** Mr. Speaker, this Minister, if he is functioning as the Minister of Health, he should be . . .

**Mr. Speaker:** Order, please. What is the point of order? Order, please.

**Some Honourable Members:** Oh, oh!

**An Honourable Member:** Mind your manners.

**Mr. Speaker:** The Honourable Member does not have a point of order. He is—order, please. The Honourable Member is quite aware—order!

**An Honourable Member:** Get your facts straight . . .

**An Honourable Member:** . . . your profession and your community.

**Some Honourable Members:** Oh, oh!

**Mr. Speaker:** Order, please.

**An Honourable Member:** He said he was a disgrace to his community.

**Mr. Cheema:** Mr. Speaker, on a point of order.

**Mr. Speaker:** No. Order, please. I am attempting to get the Honourable Member's attention to tell him that he did not have a point of order, that a dispute over the facts was not a point of order. Therefore, there was no point of order.

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## POINT OF ORDER

**Mr. Gulzar Cheema (Kildonan):** Mr. Speaker, a new point of order.

**Mr. Speaker:** On a new point of order, the Honourable Member for Kildonan.

**Mr. Cheema:** Mr. Speaker, the Member for Portage la Prairie (Mr. Connery), from his chair he said that I am a disgrace to my community. He should stand up and apologize to all communities of Manitoba, he should be ashamed of himself.

**Some Honourable Members:** Hear, hear!

**Mr. Speaker:** Order. Order, please. The Honourable Member for Thompson, on the same point of order.

**Mr. Steve Ashton (Second Opposition House Leader):** Yes, Mr. Speaker. The Minister also said that the Member was a disgrace to his profession. I believe it is standard courtesy in this House that all Members be treated as Honourable Members, which certainly the Member for Kildonan is, and I believe the Minister should withdraw both those unacceptable comments.

**Mr. Speaker:** I would like to thank the Honourable Member for Thompson. The Chair did not hear the remarks as stated by the Honourable Member for Kildonan (Mr. Cheema), or the Honourable Member for Thompson (Mr. Ashton). Therefore, I will take it under advisement in the hopes that the interject mikes did pick up said comments, and I will advise the House accordingly.

## Brandon General Hospital Peer Review Committee

**Mr. Speaker:** The Honourable Member for Brandon East.- (interjection)- I have recognized the Honourable Member for Brandon East.

**Mr. Leonard Evans (Brandon East):** Thank you, Mr. Speaker. I have a question also for the Minister of Health (Mr. Orchard). During the past few months the doctors in the community of Brandon have complained about underfunding of the Brandon General Hospital and, in response, the Government set up a committee to review the matter. I believe it is called the Peer Review Committee and is chaired by Mr. Ted Bartman of the Misericordia Hospital. Can the Minister advise the House of the status of this review? Has he received a report from the committee and if not, when will a report be forthcoming and will it be made public?

**Hon. Donald Orchard (Minister of Health):** Mr. Speaker, no, I have not received the report. Mr. Speaker, the Peer Review Committee requested four additional weeks for making that report and that was an agreement arrived at unanimously by all members of the Review Committee, including members of the staff and administration of Brandon General Hospital.



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

### TABLING OF REPORTS

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Speaker, with the indulgence of the House, I indicated that I would be tabling the letters for the Leader of the Opposition (Mrs. Carstairs) of the correspondence that I had with the federal Minister. I would like to do that now, including the letter that was sent since yesterday to the federal Minister.

**Mr. Speaker:** I would like to thank the Honourable Minister of Transportation (Mr. Albert Driedger).

### NON-POLITICAL STATEMENTS

**Hon. Gerald Ducharme (Minister of Urban Affairs):** Mr. Speaker, I was wondering if I could have leave to make a non-political statement.

**Mr. Speaker:** Does the Honourable Minister of Housing have leave to make a non-political statement?

**Some Honourable Members:** Leave.

**Mr. Ducharme:** Mr. Speaker, on November 13, 1985, City Council adopted a five-year strategic planning policy for libraries in the City of Winnipeg. Included in that plan was a building of a new library in south St. Vital. Today I would like to express my sincere congratulations on the official opening of Louis Riel Branch Library. A library is a stepping stone in the building of a community. It is a place where the residents of a community can find an environment which is conducive for enriching their minds and therefore their lives.

This beautiful new library is a result of all the hard work put in by previous library boards as well as present members of the board. I would like to just take the opportunity to congratulate the present members, Louise Dacquay, Harold MacDonald, Ernie Gilroy, and Bob Douglas.

I would also like to congratulate the previous members, Betty Atkinson, Myrtle Lorimer, Martha Epstein, Blanche Ashcroft, and Lillian Davis. I would also, though, on behalf of the citizens of St. Vital, congratulate all the former members and the chairman, Mr. Gerald Lynch, Renauld Guy, Ruth Young, Harriet Lederman and Al Ducharme.

I encourage all my honourable colleagues in the Legislature, if they have the chance, to attend the opening today at seven o'clock.

**Hon. James McCrae (Government House Leader):** Mr. Speaker, I rise to ask for the leave of the House to make a non-political statement.

**Mr. Speaker:** Does the Honourable Government House Leader have leave?

**Some Honourable Members:** Leave.

**Mr. McCrae:** Mr. Speaker, it is with great pride that I rise today to pay tribute to an outstanding citizen of the City of Brandon, Dr. Frank Gunston.

Dr. Gunston was the recipient of the largest of the five Manning Awards, that of \$100,000, which were presented last week in Toronto. He was honoured for his pioneering of the artificial knee joints in 1969.

Dr. Gunston combined his knowledge as a former engineer and as an orthopedic surgeon to design the plastic and stainless steel knee joint which was first implanted in England in 1969.

This gentleman's care and concern for his fellow human beings is evident in the fact that he never patented his findings.

Mr. Speaker, I know that the citizens of Brandon are very proud of the accomplishments which Dr. Gunston has made in this field, and I would ask my colleagues in the Legislature to join with us in expressing our congratulations.

**Mr. McCrae:** Mr. Speaker, may I make another non-political statement?

**Mr. Speaker:** Does the Honourable Minister have leave to make another non-political statement?

**Some Honourable Members:** Leave.

**Mr. McCrae:** Mr. Speaker, I would like to take this opportunity to offer my congratulations and those of the citizens of Brandon to Dr. Jamshid Aidun on receiving the first YMCA Canada Peace Medal, recently awarded in Brandon.

Dr. Aidun has been an active and caring citizen of Brandon, and I know him best from his involvement in enhancing the multicultural diversity of our city. Truly a citizen of the world, Dr. Aidun is planning to leave Brandon in the near future to take up his profession in Guyana.

Mr. Speaker, I would like to ask my colleagues in the Legislature to join with me in offering our sincere congratulations to Dr. Aidun.

\* (1430)

### ORDERS OF THE DAY

**Hon. James McCrae (Government House Leader):** Mr. Speaker, I move, seconded by the Minister of the Environment (Mr. Cummings), 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.**

### MATTER OF GRIEVANCE

**Mr. Ed Mandrake (Assiniboia):** Mr. Speaker, I rise on a matter of grievance. It has become very apparent over the past year that this Government is not an action Government. This Government goes from one crisis to another. Firstly, we had the crisis in the Family Services Department and now in the Highways and Transportation.

Let us go back to December 13, 1988, when I brought up the problem of job losses through CN, a total of 85 jobs, no action. Our Leader raised in May of this year again job losses in Manitoba through CN to the tune of approximately—188 layoffs are going to take place and then are going to be replaced with 172 seasonal jobs. Mr. Speaker, this type of no action on this Minister is unbelievable.

On March 8 of this year I sent out a news release requesting that the Minister contact his counterpart in Ottawa regarding VIA Rail and no action have we seen on that part. We are seeing everything come to reality, Mr. Speaker. I had mentioned in my news release that VIA Rail possibly will be cut and obviously now there is no doubt in our minds that it will be cut. Indeed it fell on deaf ears.

What astonishes me most of all, the federal Minister says that the subsidies to VIA Rail, that is why VIA Rail is going to have to be cut off. I would like to get into that just for a few minutes. Over the last five years, more than \$1 billion was paid to CN and CP for track usage which is an indirect subsidy to whom—

**An Honourable Member:** Whom?

**Mr. Mandrake:** CN and CP. Those are the people who inherited all this money.

Air Canada, a publicly owned airline, made in excess of \$45 million profit in 1987, reportedly without Government subsidies. Similarly, the privately owned Canadian airline turned a \$30 million profit in 1988, supposedly without Government assistance. Smaller carriers also showed a profit. Air Ontario recorded a profit of \$9.5 million in 1987. Greyhound Canada made \$17.6 million in '87 without receiving Government financing.

Comparing rail travel to other modes of transportation is like comparing apples to oranges. The Government funds airport construction, air traffic control services, through our tax dollars. Conversely, the railways are responsible for maintaining their track, depots and equipment and providing signalling and traffic control services. The Canadian Air Transportation Administration which provides all of the support services to airlines in Canada has been operating on a budget of \$542 million per year. This figure is remarkably similar to the \$536 million paid to VIA Rail in 1987.

What would Air Canada's balance sheet look like if they had to pay their fair cost of the \$32 million expansion at the Winnipeg International Airport or the \$381 million Terminal III Project at Pearson International Airport? What are the bus lines and trucking companies—are they expected to construct the repair of the highways and roads? No again, Mr. Speaker. Again, the taxpayers are saddled with that burden. The taxes paid by Greyhound or the trucking companies is in no way commensurate to the level of the wear and tear that they inflict on the nation's road system.

In 1986 there was a 1.8 billion shortfall in maintaining roads in Canada. Is it fair to say that VIA Rail is the only transportation services that receives a subsidy? No, it is not.

Mr. Speaker, a far more complex and a far more greater issue than just a subsidy, let us look at the environment. What is this going to do to the environment? The amount of energy necessary to move 1,000 people per mile on a modern diesel electric train is three times less than is required by a fully loaded compact car. That same train uses seven times less fuel than a jet airplane. Automobiles produce nine times as much ozone-destroying air pollutants than the trains. The Tory Government were talking about a sustainable development. What better way to sustain our development than by having the train to move our people in Canada?

This Tory Government will reduce its deficit regardless of the consequences to the atmosphere, Mr. Speaker. I will give you an example of the shortsightedness and mentality of the Tory Government. I would like to quote from a letter written by—guess who?—Mr. Lee Clark, Parliamentary Secretary to the Minister of the Environment. Here is what he says: although I often travel by auto or by plane, I am certainly one who has enjoyed and continues to enjoy train travel whenever possible, as I assume you do. However, the fact that every single train passenger on VIA is heavily subsidized to the extent of \$90 per trip, and as \$3 out of every \$4 in VIA's revenue comes from these subsidies which totals approximately \$600 million per year, I am afraid that this, like most Government operations, must be closely examined when we are attempting to address the national debt which now totals a horrendous figure of \$300 billion.

This comes from a Parliamentary Secretary to the Minister of the Environment. I say shame on that Minister and that representative. Instead, this Parliamentary Secretary should be lobbying his counterparts, his own Minister of Environment, the Minister of Transportation, to maintain VIA Rail so we can have a sustainable development, we can have a transportation system which is far more beneficial and far less costlier as opposed to using an airplane, a car or a bus.

\* (1440)

Mr. Speaker, our Party visited three areas in Manitoba and it was quite obvious to us from all of the people that appeared before the board that they were not willing to sacrifice VIA Rail. In presentation after presentation they always asked, please speak to us so that we maintain VIA Rail in Canada.

The president, Mr. Deputy Speaker, and all of the presenters, these were the items that they had reflected on. These are suggestions for our 20-year plan: less administrative staff, a far more aggressive public relations, improved schedules, minimum or no down time—in other words, no late arrivals, greater public awareness of rail travel, improved personal service, off-season travel and excursion packages for senior citizens, an addition of cargo, mail and courier capabilities. This is the only way that VIA is going to be able to sustain itself.

VIA Rail can no longer maintain itself just on passenger service. It has to have other commodities

to be able to transport itself from one place to another. Mr. Deputy Speaker, the track usage fees which VIA Rail at the present time pays to CN and CP is \$9.30 per train mile, yet Amtrak in the United States is paying a minimum of \$3.80 per train mile.

It simply is mind-boggling. In the States, the railroads are owned by private entrepreneurs. Yet here in Canada the land was given, the rights-of-way were given to these railway companies, and now they turn around and they gouge a company such as VIA Rail to the tune of \$19.30 per train mile. That is deplorable, Mr. Deputy Speaker.

As you go through and you listen to people, you find out more little quirks that go on in the VIA Rail program. If VIA Rail is late by 30 minutes, the passenger is rebated to the tune of 50 percent for his fare. In other words, you get on VIA from here to, let us say, Vancouver, and it is a \$100 ticket and it is 30 minutes late, you get \$50 back. Now how can anybody operate under those kinds of circumstances? VIA Rail is always late.

Before 1977, Mr. Deputy Speaker, and I am sure you know this, you worked for the railway companies, passenger service came first. Passenger service came first. All of a sudden as soon as we sold VIA Rail, or VIA Rail was bought from CN and CP, freight came first, so VIA is going to be always late. No wonder they are showing a deficit.

Mr. Speaker, it is strongly suggested that the federal Government inject money into VIA Rail whereby they can buy double-decker cars which would be comparable and hopefully superior to the ones that Amtrak has. We went to these various communities, we listened to the people and we were just absolutely astounded at the anger and at the dismay of this Government in Manitoba. This Government has done virtually nothing to protect the jobs in Manitoba, absolutely nothing, Mr. Deputy Speaker. As I just mentioned before, back in—sure CN jobs were being lost, now again, VIA Rail.

We are going to be losing probably I think 674 permanent jobs here in Manitoba if they discontinue the VIA Rail service. VIA Rail was destined to lose money. There is no problem. They bought vintage equipment from the other two companies. They were behind the eight ball right from Day One. They were not going to make any money, and CN and CP made sure that that is exactly what happened.

Mr. Speaker, when we were in Churchill we had one particular person, the mayor of Thicket Portage. He made a very compassionate presentation to us and he told us about the recent fires that took place in and around his community. The Minister's department did evacuate some people, but it took the train to move those people out of those ravaging fires. It took them away from those communities, Mr. Speaker.

It is amazing what can happen up in that northern area along the bayline. These people rely on rail service. If we lose that rail service, how are these people going to communicate and how are they going to be able to travel, let us say to Thompson, to Churchill or any other place? They are just not going to be able to do it. There are no roads there.

Mr. Speaker, residents along the bayline use this service to transport food, equipment and other essentials to sustain themselves. VIA Rail, if it is to go, I do not know what will happen to communities like Medard, Odhill, Weir River, Split Lake, and that is just to mention a few. The people in Thompson offer us some suggestions and I will go through them. Train departures and arrivals will have to improve. At present a person could wait as long as three hours for the train. Secure a railbus for the bayline that would provide greater access for the distant communities along the bayline. Provide the rail line with a viable backhaul, and I will get into that afterwards. Other products could be exported from Churchill, forestry products, mine sulphur, potash, bauxite. The railway company will have to take a more aggressive approach in marketing through Churchill.

\* (1450)

Mr. Speaker, we have before us a statement that the reason why VIA Rail is only recovering 33 percent on their Supercontinental, 41 percent to 45 percent on the Canadian. They are going to be reducing that one. On the bayline the recovery rate from The Pas to Lynn Lake is 13 percent to 13.8 percent. The Winnipeg-The Pas-Churchill one, it ranges from 21 percent in '85 to 23.2 percent in '87. Mr. Speaker, if I may, just to correlate those two figures for you, they are cutting out a service that is revenue bearing to the tune of 33 percent or 40-some-odd percent. Are we to take this Minister of Transport's (Mr. Albert Driedger) word to say that in the next budget of next year he will not cut back the services to Churchill? I mean, their recovery rate is only 23 percent, Mr. Deputy Speaker. So I think it is just nothing but a ploy that eventually that line is going to be shut down, too.

I would strongly suggest to the Minister of Highways and Transportation to speak kindly. Maybe that might be the avenue to take with this federal Minister, offer him some suggestions which I had mentioned today. Plead with him to put a moratorium on VIA Rail until such time as the provincial Government and the federal Government have held hearings on VIA Rail. Let them listen to the people of Canada, whether it be in the East or the West. We will all want to be treated, I am sure, alike.

A very important product which was brought to my attention that I think could be entertained as a possible backhaul share from Churchill, and that is fertilizer imports from the USSR. Phosphate fertilizers are manufactured from phosphate rock, and -(interjection)- Mr. Deputy Speaker, unfortunately the Member for Gimli (Mr. Helwer) was trying to chirp, so I will just start again.

We have a shortfall in export from the USSR. This would be an excellent opportunity to level off this discrepancy that presently exists in our exports, to buy phosphate from the USSR and bring it into Churchill, stockpile it there. Then you would have a viable backhaul from Churchill for our fertilizer market.

These are just only a few items that have been brought to my attention by the various presenters on VIA Rail but I think, Mr. Deputy Speaker, the most important

problem with VIA Rail is the Government does not want to put in a 20-year program; the Government is going to take an autocratic role in dismantling VIA Rail. It is very unfortunate that we have a Minister who probably does not know what the West is like, probably never has been down to the East Coast. These people are going to be devastated if that one mechanism they have at their disposal for transportation is going to be taken away.

Mr. Deputy Speaker, in Brandon we had an elderly person come up to us and she presented a very heart-touching presentation. She said, I am crippled, I have arthritis, I cannot go by airplane and I cannot travel by bus. My family is in Vancouver, so what do I have left? I have to use the train and now you are taking that away from me. Those are the things that I think we are lacking, we do not seem to want to listen, we do not want to listen to these senior citizens, these tourist people. We do not want to listen to anybody that is going to offer some good constructive criticism. Not only that, Mr. Speaker, but also maybe some suggestions as to how we can improve the VIA Rail. This Tory Government in Ottawa, Mr. Deputy Speaker, says, we do not care. We are going to hack and slash until we bring down the budget. When they came in, in 1984, they had a deficit of \$150 billion. In a very short period of time, they doubled it. They doubled it, Mr. Deputy Speaker, because of their mismanagement, and that is exactly what is happening here, mismanagement, poor management.

I am appalled that the Premier of this province has not taken the leadership role in Canada and offered some suggestions with the rest of the Premiers of Canada, as to how we could save VIA Rail. It is very, very unfortunate that we have a Premier of this province who is a "do not" Premier.

I hear a comment from across the road from the Government side, "ride on it." That is exactly what happened. What they have seen—I could produce evidence that the amount of ridership from Winnipeg has increased by horrendous amounts. Increases were from about approximately 20 percent to 60 percent to 100 percent in ridership. So, they say, use it or lose it. Well, we did use it, and unfortunately we are going to lose it.

**An Honourable Member:** What is this Government doing? Nothing.

### POINT OF ORDER

**Mr. Deputy Speaker:** The Honourable Member for Dauphin (Mr. John Plohman), on a point of order.

**Mr. John Plohman (Dauphin):** On the point of order, I think it is important that the Liberal Critic be aware that it was Jean-Luc Pepin who first started the major cuts, the Liberal Cabinet Minister in the Trudeau Government for VIA Rail, not the Conservatives. I do not know whether he has acknowledged that in his speech, Mr. Deputy Speaker.

**Mr. Deputy Speaker:** The Honourable Member for Inkster (Mr. Lamoureux) on a point of order, the same point of order.

**Mr. Kevin Lamoureux (Inkster):** Yes, Mr. Deputy Speaker, on the same point of order. Had the Member for Dauphin been here, or any Member of his caucus been here, he might have found out what the Member for Assiniboia (Mr. Mandrake) was referring to in his remarks in his speech.

So I would suggest he maybe read Hansard, that you ruled that was in fact not a point of order.

**Mr. Speaker:** The Honourable Member for Dauphin, on the same point of order.

\* (1500)

**Mr. Plohman:** Ask the Member for Inkster to apologize because I was in my caucus room listening to what the Member was saying very clearly while I was out just this last few minutes. This Member should apologize for making reference to whether I was in this House or not. He knows that is not proper parliamentary procedure.

**Mr. Deputy Speaker:** You cannot refer to Members' presence or absence.

**An Honourable Member:** Certainly we apologize that he was not in the House.

**An Honourable Member:** Yes, you were really interrupting a fine speech that you had. I do not think that the Member for Dauphin should be interrupting a fine speech like that.

Have you got any pain killers to go with that speech?

**Some Honourable Members:** Oh, oh!

**Mr. Deputy Speaker:** Before I recognize any further points of order, I want to rule on the first point of order by the Honourable Member for Dauphin (Mr. Plohman), and I would say that it was a dispute of the facts, and it is not a point of order.

The second, by the Honourable Member for Inkster (Mr. Lamoureux), procedurally it is not correct to refer to any Member whether he is absent or present. I recognize the Honourable Member for Inkster.

**Mr. Lamoureux:** Mr. Deputy Speaker, in good spirit, I would like to withdraw my remarks that the NDP Caucus was not in the Chamber at the time.

**Mr. Deputy Speaker:** I will thank the Honourable Member for Inkster (Mr. Lamoureux) for that withdrawal.

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**Mr. Speaker:** I will now recognize the Honourable Member for Assiniboia (Mr. Mandrake).

**Mr. Ed Mandrake (Assiniboia):** Mr. Deputy Speaker, I hear across from the floor about the previous Minister of Transportation, Jean-Luc Pepin. If I could rewrite history, I would, but that is what happened. That was

the previous Liberals. This is the new Liberals. We would not do something like that.

Mr. Deputy Speaker, some hundred years ago 2.5 million Canadians built the CNR with primitive means. The Tories claim that 10 times the population cannot sustain it. Is that not ironic—10 times the population today. Now we cannot sustain what our forefathers built with their blood, sweat, and tears.

**An Honourable Member:** That is the lack of talent that goes on on that side.

**Mr. Mandrake:** It does not take talent to do something like that, Mr. Deputy Speaker. It is not even worth mentioning. This Government, this Tory Government, is just going to hack and slash and he is going to disregard Canada as Canada. They do not care about the West or East. All they are concerned with is the populated centre of Canada—Quebec and Ontario. Whenever they want something, they get. The rest of us will not get anything.

It is unbelievable how insensitive we can be when we get power. It is amazing. We are very, very lucky that this Government is in a minority situation. Could you imagine for one second what would have happened if this was a majority Government? I will tell you what would have happened. Meech Lake would have been here. All of the other things would have been gone.—(interjection)— That is right. The most important thing is that if this was a majority Government, we would have had Meech Lake today.

Mr. Deputy Speaker, the Honourable Member asks what has that got to do with VIA Rail? As I had mentioned a few seconds ago, if this was a majority Government, they would have done the same thing that they are doing in Ottawa, the same thing. The Prime Minister told us use it or lose it. We used it and now we are going to lose it. Do you think that this Government would have had any compassion? None whatsoever. Meech Lake would have been signed by this Premier, no question in my mind.

**Some Honourable Members:** Oh, oh!

**Mr. Mandrake:** We remember that infamous Friday when he stood up in this House and he chastised us and then on Monday just flopped the deal aside. Mr. Speaker, why do the federal Tories not sit down?

**Hon. Donald Orchard (Minister of Health):** Because.

**Mr. Mandrake:** Well, the Minister of Health (Mr. Orchard) says because, and that is exactly what all his answers are. That his best answer he has given ever since he was given the ministership, is because. That is true, no question about it. That is the first time I have ever seen the Minister of Health (Mr. Orchard) ever so short in words—because—and that is very, very nice. I appreciate the Honourable Minister of Health being so precise and simple.—(interjection)— Well, yes, definitely simple.

Mr. Speaker, VIA Rail—oh, I am sorry, to the Minister of Health (Mr. Orchard). I am very sorry for addressing

the Deputy Speaker as Speaker. Maybe in the next election he will be the Speaker of the House.

**An Honourable Member:** Only if we pick him.

**Mr. Mandrake:** Not very likely. Mr. Deputy Speaker, prior to the interruption of the Minister of Health (Mr. Orchard) I was going to offer some suggestions to the Minister of Transport (Mr. Albert Driedger) maybe he could relay to the Honourable Mr. Bouchard. Sit down with VIA Rail, get his deputies and whomever he wants to choose, to sit down on this panel with VIA Rail and the Labour, and the Tourist Industry, and the First Ministers. Let us all sit down and discuss VIA Rail in a rational manner, Mr. Deputy Speaker.

**An Honourable Member:** Let us reason together.

**Mr. Mandrake:** Absolutely so, let us reason together. But what is happening, Mr. Deputy Speaker, Mr. Bouchard says, no, we are not going to do that. I am suggesting to the Minister, Mr. Deputy Speaker, to establish this type of forum and talk together, go down to Ottawa and let us discuss VIA Rail in a rational manner.

Mr. Deputy Speaker, as a prime example of some of the cuts that could be made, it takes two engineers now to run an engine. With the modern technology that there is in the engine, you do not need two engineers. That is just only one example. There are other examples which I could bring to the floor, but that is just only one. That eliminates probably one position or puts him in another place.

\* (1510)

Mr. Deputy Speaker, I could stand here all afternoon offering suggestions to the Honourable Minister of Transportation (Mr. Albert Driedger). I will be more than happy to provide the Minister with our copy of our submission to the Liberal Task Force. Thank you very much, Mr. Deputy Speaker.

**Hon. James Downey (Minister of Northern Affairs, and Native Affairs):** Mr. Deputy Speaker, I move, seconded by the Minister of Natural Resources (Mr. Enns) that we go into Committee of Supply, that the Speaker do now leave the Chair. That we go into Supply, Mr. Speaker, would be the order of business for the House.

**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 Minnedosa (Mr. Gilleshammer) in the Chair for the Department of Highways and Transportation; and the Honourable Member for Burrows (Mr. Chornopyski) in the Chair for the Department of Agriculture.

\* (1520)

**CONCURRENT COMMITTEES OF SUPPLY  
SUPPLY—HIGHWAYS AND  
TRANSPORTATION**

**Mr. Chairman (Harold Gilleshammer):** I would like to call this meeting to order to discuss the Estimates of the Department of Highways and Transportation. When last we met we were on item 4.(h) Government Air and Radio Services: (2) Other Expenditures, \$5,693,300.00. Shall the item pass? The Honourable Minister.

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Chairman, I just have a few comments I would like to make before we get going here, if I could.

First, I have some information here that I want to table for the critics. Part of that is just a brief comment that I would like to make. I just want to indicate to the Liberal Critic that it is unfortunate that he—I realize what he was trying to do with his grievance over the last 40 minutes. I just wonder why he would waste the time wasting his grievance, in my view. All the comments that he wanted to make he could have made right here in committee because we are doing the Estimates. It is all recorded anyway, and he could have done it that way instead of wasting his grievance, in my view, in the House. Aside from that, Mr. Chairman, I just thought I would make that comment. Of course, that is his prerogative.

I took some questions as notice the other day. I would like to now table that information. One was the illumination program that is taking place in '88-89 at various locations. I have that information for the critics there.

Also, I have here the information regarding—the request was made, by department, how many flight hours and miles have been flown by the various departments. I want to table that, as well as the ones from '87 compared to '88, and it is based on the calendar year from January 1 to December 31.

If those could be passed out, I have some comments to make based on the information that is on there. By comparison, from January 1 to December 31, in '87 there were 4,848.5 hours logged, 955,404 miles, and in 1988 there were 5,889.3 hours logged and 1,130,605 miles that had been travelled, and I want to make note to a few things.

One was that in '87 there was a decrease from '87 to '88 in the Attorney General's Department. I cannot necessarily explain that, but I would like to raise two other issues.

There was a dramatic increase in the Life Flight Air Ambulance from 791.7 hours to 1,024 hours. Also, under Natural Resources we had an increase from 1,386.6 hours to 2,441.6 hours. Basically, those are major changes and I draw that to the attention of the committee.

The explanation for the increase in Natural Resources basically is the prior situation which was dramatic last year and is even more dramatic this year. That was

information I believe the Member for Dauphin (Mr. Plohman) asked for, and I am pleased to table that at this time as well.

Mr. Chairman, with basically those comments I think we have addressed the questions that we took as notice and I am pleased to supply that information at this time.

**Mr. Chairman:** Proceeding then to 4.(h)(3) Less: Recoverable from Other Appropriations, \$7,151,000.00. Shall the item pass? The Member for Assiniboia.

**Mr. Ed Mandrake (Assiniboia):** Just one question before we go on any further, Mr. Chairperson. The Minister said that I wasted time. First of all, I would like to put it on record that every Member of this Legislature is allowed one grievance and I think this was an appropriate time to grieve on VIA Rail. He might want to chastize me for it, but I think every person in this House has that prerogative, so let us not have—

**Mr. Albert Driedger:** Mr. Chairman, I want to clarify that. I only suggested that the Member had maybe not wasted his time, but wasted his grievance because he could have made the same comments in here. I fully appreciate the fact that we have these opportunities to have a grievance. I just felt that possibly he could have saved it and used it at a different time when he could have done the same thing in here. I did not mean that as a criticism, just as a suggestion.

**Mr. Mandrake:** I appreciate what the Minister is saying, Mr. Chairperson. Again, there are a lot of things I addressed in my grievance that I could never address here, so let us not go into it any further.

I just only want to ask one question on that particular line, that is (3) Less: Recoverable from Other Appropriations. Could the Minister explain from what other appropriations is he talking about?

**Mr. Albert Driedger:** Mr. Chairman, the explanation for the recovery portion there is that everybody who flies pays, so if the various departments use the plane they are charged with it and this is how we recover it. That includes Natural Resources as well as all the others.

**Mr. John Plohman (Dauphin):** Before we leave this, Mr. Chairman, we had asked the Minister to provide some additional information. Is it perhaps subtleties in his response that he is not responding to here? The easy one was of course to get this breakdown which is a standard breakdown the department does. He has this information now on department by department use, number of hours flown, but it does not give the other breakdown in terms of the ministerial use of Government aircraft that was asked for. The Minister has not provided that. It was also the destinations, out of province of the Government air flight and so on.

**Mr. Albert Driedger:** Mr. Chairman, what I was trying to do was accommodate. I think we, during our discussion, had indicated that some of the information would get passed, the other information, on the ministerial basis, how much, who flew where type of

thing is going to take a little longer. That information is available, as well. It can be gotten through either straight request or we can do it through request for papers, whatever the case may be. There is nothing that we are trying to hide with this, but we are trying to—from the time we last met, this was information that we had readily available. The other information will take a little longer to acquire.

**Mr. Plohman:** Mr. Chairman, just to clarify. Certainly we were not saying that there was anything the Minister was wanting to hide, but at the same time we did not want him to feel that he had provided the answers for the questions and he can now move on to something else and forget about the rest of it. We just wanted to remind the Minister that there were other portions of this information that we still wanted to have.

**Mr. Albert Driedger:** The request is noted, Mr. Chairman.

**Mr. Mandrake:** Mr. Chairperson, now that we are in this type of a discussion, I requested of the Minister to provide me information about the selling of land, and he said that he would be providing me with that information. I was wondering whether or not the Minister could tell me approximately when am I going to be able to get it. Also, Mr. Minister, the Member for Dauphin had brought out another point and that is when I asked the question about the expropriation of land in the Dauphin by-pass as to whether or not a settlement had been consummated with the particular gentleman, Mr. Rampton, that has not been provided to us. I am going to go through Hansard from now on and start itemizing things as to what the Minister should be providing us, because I am sure he will do it in due course. I was hoping that maybe we would have had this information before us today.

\* (1530)

**Mr. Albert Driedger:** Mr. Chairman, I hope that is not an inference being made to the fact that we are not prepared to provide this information. Staff are working on the information in these cases. As I have done in the past, as I get that information coming forward from the Department, I will certainly forward it to both critics.

**Mr. Mandrake:** I was not slighting the Minister. All I am trying to say, Mr. Chairman, is that the Minister provided us with the information that we had asked for. He could have also made mention that there are other documents that are pending. We are looking into it and it certainly will be provided to the various critics. The Member from Dauphin (Mr. Plohman) wanted to ask the question about Rampton, and I am sure that he would like to have the answer to it, and rightly so. It takes time and I hope the Minister would then make this statement when he is distributing these documents to us.

**Mr. Albert Driedger:** Mr. Chairman, I stand to be corrected. I want to indicate to the critic there are other questions that were raised that we are working on, and as soon as we have the information we will provide it.

**Mr. Chairman:** Shall the item pass—pass.

Resolution No. 75: RESOLVED that there be granted to Her Majesty a sum not exceeding 11,288,000 for Highways and Transportation, Engineering and Technical Services for the fiscal year ending the 31st day of March, 1990—pass.

Item No. 5, Transportation Policy and Research. Provides research and analysis of the effectiveness, efficiency and impact of various transportation modes within the province. Provides grants under the Southern Manitoba Airport Assistance Program and Transportation for the Mobility Disadvantaged in Rural Manitoba Program. Responsible for the administration and implementation of the Canada-Manitoba Churchill and Transportation Development Agreements.

Item 5.(a) Transportation Policy and Research: (1) Salaries, \$789,300.00. Shall the item pass—the Member for Assiniboia (Mr. Mandrake).

**Mr. Mandrake:** Mr. Chairman, page 31 of your Annual Report on Rail Branchline Abandonment.

When the new Transportation Act became law in January 1, 1988, the new procedure included in this Act would make it easier for the rail lines and rail line companies to abandon marginal lines. CN has notified the NTA it plans to submit 31 notices of intent involving 616 miles of track. My question to the Minister is: how many miles of track will Manitoba lose? How many miles of track will CP abandon in Manitoba?

In 1979, Transport and Wheat Minister Don Mazankowski stated, "On the basis of the recommendations, the federal Government will take steps to guarantee transportation services to any delivery point which the company makes long-term commitments to provide the prairie producers with handling services." Here is what happened. Manitoba Pool at Woodlands spent to upgrade their Pool elevator to the tune of \$898,984; Waskada \$737,327 and N.M. Patterson spent \$373,500.00. The branchline rehabilitation spent a total of \$700,000.00. The total figure for that particular area only was \$2,709,811.00. May 18, 1989, CP cancelled \$1.1 million for the Lyleton branchline, Rossburn track line, Neepawa to Russell, they spent \$5.3 million. They are cancelling \$16.3 million. Fork River, the Honourable Member for Dauphin (Mr. Plohman) who was on the Government to secure that elevator, Manitoba Pool spent \$300,000 in upgrading that elevator. CN spent \$500,000, I think it was, on a bridge, cancelled \$300,000 now. CP, Russell north to Inglis, \$1.5 million is cancelled. CP, Russell south to Binscarth, \$500,000 was spent, \$1.9 million was cancelled.

In other words, what Manitoba is again suffering, Mr. Chairman, is a total loss of expenditure to the tune of \$20 million, \$20 million that we have lost in Manitoba, and I am not putting the blame on this Minister, because it is not his job to—but at least do some lobbying.

Could he provide me with the answers to the questions that I have asked?

**Mr. Albert Driedger:** Mr. Chairman, in terms of the mileage that Manitoba stands to—rail lines that

Manitoba stands to lose under the rail abandonment recommendations, or intentions I suppose, we will try and get that information. We do not have it at our fingertips here.

Mr. Wallace—incidentally, I should have introduced him, but I think he is—I should have introduced Jim Wallace who is my Director of Transportation, I think, a man who has probably more knowledge of the transportation industry than anybody that I know of in Canada and is well respected throughout the country in terms of his knowledge and his ability to do proper assessments.

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**Mr. Chairman:** The Member for Assiniboia, on a point of order.

**Mr. Mandrake:** Mr. Chairman, obviously, Mr. Minister, he is an ex Service Corps. I mean, he would be very, very knowledgeable about transportation.

**Mr. Chairman:** The Member does not have a point of order.

**Mr. Albert Driedger:** I will leave that one alone, I will not get into that one necessarily.

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**Mr. Albert Driedger:** I would just like to indicate some of the difficulties that we are facing in the rail transportation, aside from VIA Rail. Just in the rail line abandonment aspect of it, I would have to indicate, Mr. Chairman, that the four western provinces, Manitoba, Saskatchewan, Alberta, and B.C., how many years ago was it when they came forward with a proposal? Approximately three years ago, and the Member for Dauphin (Mr. Plohman) had a major role to play at that time when the four western provinces developed a proposal which was sent to the federal Government who have found it not acceptable, if I could put it that way.

My feeling is, in discussions with my staff, that we think they have never really given it a proper chance to look at it and review it. In discussions that we even had last week at Calgary, it seems that somebody missed what was trying to be established in the proposal to them. Certainly, I feel the federal Minister maybe is not quite briefed on the thing. However, I would like to just indicate that it was a proposal that was adopted by all provinces which addressed the concerns for western Canada.

\* (1540)

There are other issues that are looming on the horizon at the present time and that is the movement of possibly paying the producer in terms of via the Crow rate, and this is, we have been alerted to it, the possibility that there is discussion along these lines. A committee has been established by the Minister of Agriculture (Mr. Findlay) with representation from my department. Mr. Wallace is the representative on that committee who

are now looking at the potential impact on what this would do in terms of rail abandonment, because we feel that if the move is going to be made in the direction of paying the producer, given those options, possibly it will escalate the rail abandonment across the country and certainly Manitoba.

We have grave concerns if we do not have fixed figures on these things, but we can visualize that if this takes place the impact on municipal and provincial roads is going to be quite dramatic. We would like to have some of these things addressed somewhere along the line as this thing moves forward and discussions take place. We feel very strongly, aside from the rail abandonment proposals that have come forward so far, that will probably escalate it. I realize it is a bit of a roundabout way of answering the question that the Member raised, but I just want to clarify to the Member that, aside from the problems we are facing now, there are more coming again and we are trying to make sure that we have all the information available to us that we can put our case forward as strongly as we have to, and can at the time when these things are going to develop further.

**Mr. Mandrake:** I was hoping that the Minister would be a little bit more specific, so I will ask again and I will go just one step at a time. The Lyleton branchline, which is a CP line, these three companies spent a lot of money in upgrading their elevators, and all of a sudden CP comes along and says tough, we are going to abandon that line. I have just finished talking to—I forget the gentleman's name in Fork River—and apparently the same thing is happening there. They had \$300,000, and the excuse that CN is giving them is that they have already received their quota of cars. Well, that is not an excuse. That, as far as I am concerned is a cop-out.

The other thing is because the railroad beds are soft, so therefore we cannot bring the rail cars into Fork River. Again, that is a cop-out because they had \$300,000.00. They could have brought stuff all along that line and reinforced that bed and we would not have that problem. All I am asking the Minister is: is he willing to offer assurance to this committee that he will lobby on behalf of Manitobans to the federal, to make sure that we do not have any more rail line abandonment in the manner in which we are having today?

**Mr. Albert Driedger:** Mr. Chairman, let me first of all say that the Government of the Day as well as the previous administration have lobbied very, very hard to the federal Government and to CN in terms of having a reasonable approach to rail line abandonment. There is a process in place that has to be gone through. The railways have the opportunity to make an application for lines that they want to abandon and then it goes through a process that is quite complex. So it is not just that the rail line can say, well, we will go and abandon this line. There is a process; they have to make the application. There is a process it has to go through. There has to be justification for that, and as far as the lobbying is concerned, I think prior to this process being established—and possibly the Member



for Dauphin can help me out—that there was intense lobbying took place prior to establishing this system in terms of how the process would work.

I am also told, Mr. Chairman, that the railways have, when the federal Government have played around with some of the stabilization programs that they initially came forward with, and then made changes on them, and that process was also objected to very strenuously. So, as I indicated, even with the VIA Rail situation yesterday—and I have said this before—the decision-making role is not in this department here. All we can do is bring forward our case and our information as strongly as we can, and look for all the support we can get in terms of bringing our concerns to the federal Government, as well as to CN.

**Mr. Mandrake:** I know you are in a dilemma, Mr. Chairman. I know the Minister is in a dilemma. He has a very, very arrogant Transport Minister in Ottawa. That is what really frightens me. He has certainly displayed his arrogance when it came to VIA Rail. Under the new National Transportation Act, if the province says that we would like to have that line in here, then the Government is going to have to subsidize that line under that new Transportation Act which came into effect January 1, 1988.

It is the communication that is bothering me to no end. I am quite confident this Minister is trying his best, but is there something you can do to this federal Transportation Minister, or cannot the Prime Minister do something? We have gone beyond the point of reasonable, reasonable people. We are now being challenged by a person who is very, very arrogant, and he says I am going to do it my way, and my way only.

My last question to the Minister is: what compensation is the federal Government providing Manitoba for all the rail line abandonment that has taken place till today?

**Mr. Albert Driedger:** Mr. Chairman, there has been no compensation paid to the Province of Manitoba for any of the area lines abandoned, and that is what we are lobbying for in the new process. We want to, and have raised with the federal Government, the aspect that there should be compensation paid. The impact on our municipal roads and provincial roads, in cases where you have abandonment, the farmers turn more to trucking when this happens, and in many cases use heavier units. The impact—and I stress it—affects both the municipal roads as well provincial roads, and we are trying to build our case so that there should be compensation to offset the impact on these roads.

**Mr. Mandrake:** This is one last statement, Mr. Chairperson. If my memory serves me right, the road from Fork River to Dauphin was just recently done, I think last year, if I am not badly mistaken.—(interjection)—It was resurfaced. Just see the road now. It is starting to show signs of wear. All I am trying to say is, because of the lack of CN to bring in the proper cars into Fork River, what is happening is now we are transferring our problem from the rail line onto our roads. The road between Fork River and Ethelbert, it had to be patched

up this year again for the same reason, because they are putting on heavier trucks. This Minister has a problem.

**Mr. Albert Driedger:** Mr. Chairman, I just want to express a little concern here. If the Member is suggesting that a road that was done within the last 24 months in terms of resurfacing it is showing wear and tear already, then I have great concern because we are rebuilding the program. In road strengthening program, we are trying to address the additional weights and dimensions. Where we feel the road is not capable of carrying it, we have our restrictions on that, and we have load limits on that. So I would be a little nervous if the Member is indicating here that a road that was just recently done was already showing signs of fatigue, or wear and tear. If that is the case, we will have a look at it.

\* (1550)

**Mr. Plohman:** Mr. Chairman, I appreciate the Member for Assiniboia's concern about particular issues in the Dauphin constituency and raising them, highlighting them here today.—(interjection)—Well, the Member has to get his facts, though, in terms of this issue.

We had put in the program on Highway 20 to Winnipegosis, the first phase of resurfacing of a road that had been surfaced initially, probably in the early '70s. So it was about 15 years at least of, I believe, a cold mix that was put on that road originally. It was not a hot asphalt surface, as I recall when I was Minister in terms of the briefing information on that road. The first 10 miles was resurfaced as part of our program that had been pretendered, and the Minister's tenders were out already. Of course, that went on last spring, in the spring of '88.

That section, the first 10 miles of about 35 miles to Fork River, is in very good shape. It is the remainder of the 25 miles that is obviously deteriorating because it should be completed. One of the reasons it should be completed is, of course, truck traffic from that area of the province where elevators at Rorketon have been closed and the rail line abandoned a number of years ago, so that that whole area of Meadow Portage, Rorketon, Toutes Aides, in that area, has no elevator. Ste. Rose is also now in the process of abandonment, or has been, and there have been a number of meetings about how that area should be serviced. So they have had to move over to Fork River. All of the roads leading to Fork River, therefore, including 269, have had an additional burden placed on them as a result of abandonment. I think that is an excellent example.

There are many examples in the province where this has happened, but this is one excellent example where the roads will take a greater beating because of the distances that farmers have to travel and larger trucks that they are travelling with, or else smaller trucks that are overloaded without improper axle configurations for the weight that they are carrying, causing damage to those roads. I would take it then, and my first question to the Minister, that he also disagrees with the ADI study, I believe it was, that was undertaken under the

transportation agreement between the provincial and federal Government that said in terms of its findings basically there was no additional cost to the province of rail line abandonment in terms of roads. That was refuted by Westburn Consultants, that we undertook to show the faulty methods and conclusions that the consultants came to.

I would take it then that the Minister agrees with the position that we took at the time and we took in briefing his colleagues, as well on that study and the concerns we had, that he also disagrees with the findings of that study and would make that position to the federal Government and to the other provinces very forcibly known, that he believes there is a transfer of costs when lines are abandoned.

**Mr. Albert Driedger:** Mr. Chairman, I can only indicate that I do not agree with the ADI study. I think staff people have done studies on their own and we believe there is a substantial impact on the provincial roads and municipal roads when this change takes place. I think we have made our views known to the federal Government and will continue to press extensively.

I feel very strongly, personally, about this matter that where this happens there should be compensation. When you consider the fact, when the applications are made by the rail lines for abandonment, it is because they feel the costs do not warrant keeping the line, so by allowing them to abandon a certain section of rail line, they are saving themselves some money over a long period of time, and I feel that there should be a compensation factor involved to offset that. Obviously, they will be gaining if they do not have to operate and maintain one of these lines and transfer the responsibility in an indirect way possibly to the province, but certainly we believe there is a major impact. We will continue to put our case forward as strongly as we can in terms of wanting compensation to offset what is happening.

**Mr. Plohman:** Well, Mr. Chairman, that is very consistent with what our position was previously. Would the Minister agree that perhaps it would be fair that half of the savings would go, for example, to the provinces and the municipalities to compensate for the costs of roads and the other half would go to the system to save for the producers' total costs of transporting grain? Is that the kind of proposal he is putting forward or does he have any idea of the breakdown, how those savings should be distributed?

**Mr. Albert Driedger:** I think I forgot to mention before. Just to substantiate what our position is in terms of the impact on municipal and provincial roads, a study was done in Saskatchewan which supports that position as well, so we are building the case and I think ultimately the federal Government will not be able to ignore that. If we get to the compensation aspect of it, how the apportionment should take place I think would vary probably from case to case really and would have to be dealt with in that light. I think the formula of compensation as to between the province, municipality and the producers is something that if we get compensation, I am sure that aspect of it we can

probably work out and develop a rationale that would be acceptable.

**Mr. Plohman:** Mr. Chairman, just on this as well, further to what the Member for Assiniboia was raising, that dealing with the loss of branchline rehabilitation funds to the Province of Manitoba, I cannot verify that the \$20 million is the exact figure, but using those figures that were presented here, can the Minister indicate whether he has specifically made representation to Ottawa regarding the loss of those funds, and when were they supposed to have been flowed and completed flowing to the various branchlines where rehabilitation was to take place? When was that money to be flowed?

**Mr. Albert Driedger:** I am advised by staff that we do not have pertinent information on it right now. What we will do is we will try and develop the scenario of exactly how much money was supposed to have flowed and the cutbacks on that, and then we will bring that information forward specifically on all the lines that we are aware of, okay.

**Mr. Plohman:** I appreciate that. That would be very important information.

Now the Member for Assiniboia (Mr. Mandrake) referred to 31 notices of intent to abandon. Were all of these lines the subject of rehabilitation at one time or is it only a portion of those that the CN had indicated they were going to now abandon, despite the fact that they were to rehabilitate these lines and they are in the protected network till the year 2000?

**Mr. Albert Driedger:** Mr. Chairman, we will provide the information on all the applications, the status of it, whether the application was made to abandon it, others where they were talking of proposing rehabilitation. We will do a full status report of that on each one. We can provide that. We will chart it all so that we have a clear-cut assessment of exactly what was proposed.

**Mr. Plohman:** Mr. Chairman, I think it is also important that the Minister can identify those lines where the railways have, literally by sheer neglect, in other words by not rehabilitating these lines, contributed to their abandonment. I mean it is obvious in the example at Fork River and many others that by frustrating the farmers, frustrating the elevator operator, not providing the cars, saying that they have quotas and they have met them or there is a soft roadbed and they cannot get the cars in, whatever it is, by not rehabilitating that line they are contributing to underutilization and therefore making their case for abandonment.

Could the Minister indicate at least where the rehabilitation was to take place and we can draw our own conclusions? It may be rather subjective on his part if he were to say these are the lines that I suspect they are making their case for abandonment by neglect. He may not want to say that. If he wishes, that is fine, but at least point out on these applications they have made where they have refused to rehabilitate them. Therefore we can draw our own conclusions as to how that has contributed to the neglect that is leading to their abandonment.

\* (1600)

**Mr. Albert Driedger:** Mr. Chairman, I have no difficulty with the comments the Member made or with the request and with us identifying which areas have been neglected. As the Member indicated, we will get that information, and where they have withdrawn the funding for stabilization we can draw our own conclusions on that. We will have that all documented line-by-line so that Members as well as the general public can do an assessment of exactly what has happened.

**Mr. Plohman:** Perhaps the Minister (Mr. Albert Driedger) could indicate when he can have that information available and maybe we could have a briefing or a discussion on this after he has been able to provide us with a copy of it, because it is something that we may want to consider. I just throw this out as having an all-Party thrust on at some point because this is a very serious matter. I think it is especially serious in light of the "pay the producer" kinds of threats that are looming on the horizon. I take it from what the Minister said earlier that he takes the position that "pay the producer" would also contribute to rail line abandonment, would hasten rail line abandonment in this province.

**Mr. Albert Driedger:** We certainly believe that it would have an impact and hasten the rail line abandonment process. That is why we feel very strongly we want to have a say in the matter and make our position known. That is why we have a member on the board.

I want to indicate to the Member, because I do not want to delay the process of the Estimates, what I am suggesting is that we will get the information on the proposed rail line abandonments and exactly what has happened, and even if it is after the Estimates I want to give the Members assurance that I will invite both critics, we can sit down when we have that information because it will take a little while to compile this. We have staff pumping pretty good. We have a lot of projects for them, so I will just give the assurance that we are not going to neglect it. As soon as we get the information we will have a meeting in the Minister's office and we can go through this and maybe have a discussion on it. I think in this particular case it is not a matter of politics being played with this. I think it is a matter of concern that all Parties can agree that we have to take a common approach to it.

**Mr. Plohman:** Yes, I thank the Minister for that. In addition, I would suspect that he would want to pay the producer impact and where that is going, and also give us an account of what correspondence has been going back and forth on this issue and whether there is information and evidence that he has now that the federal Government will be indeed coming forward with such a proposal in the very near future, perhaps this year, with legislation dealing with that issue.

**Mr. Albert Driedger:** Mr. Chairman, I would be prepared at the time when we meet to provide information on the rail line abandonment application, the information we have on that, to also tie in the discussions, what information we have up to that point in terms of "pay

the producer" concept, and maybe jointly, together with the discussions we could have through that, develop a scenario, because we are working on that right now. We are trying to build our case already early on in the game, because you have to consider there are two sides to it. There is the producer concept that look at, well, is there an advantage to them as an individual and you will have split views on that.

Sometimes these things start the ball rolling and mushroom to the point where all of a sudden everybody says, yes, that is a good idea, without fully realizing the implications of it. That is why we want to be on top of it right now, because I personally feel and the discussions I have had with staff that there will be an impact maybe on the rail line abandonment aspect of it. I am totally convinced there is going to be a dramatic impact when we go with "pay the producer," a dramatic impact on municipal and provincial roads.

So I want to build as strong a case as we can for the province in terms of that there should be these things taken into consideration when decisions are made.

**Mr. Plohman:** Mr. Chairman, the Minister's position about there being various views on this, of course, is well-known to everyone, but what is most important is what position the Government of Manitoba is going to take on this issue. It sounds to me that the Minister is saying that is his position, his policy at this particular time and that of his Government's, that they would oppose a move to move the Crow benefit to direct payment to the producers. I would like him to give the verification whether that is the case.

Secondly, does he see the abandonment taking place when you consider both payment to the producer coupled with the introduction of variable rates, which allow lower rates on main lines so that producers would be encouraged to truck longer distances, therefore achieving the lower rate, at least for the rail, at the destination, and cutting down the utilization of the branch lines and causing their abandonment? Is that what the Minister sees happening?

**Mr. Albert Driedger:** Unfortunately to a degree, yes. I would also like to indicate to the committee here that I met with a group from Alberta which is promoting very strongly the idea of "pay the producer." They have been doing extensive lobbying on that. Obviously we are lobbying this Minister and the Government in terms of supporting the "pay the producer" concept.

It was my understanding that there is very strong resistance from Saskatchewan, Sask Pool as well as Manitoba Pool Elevators. There is going to be a lot of, I suppose, information has to be brought forward and there is going to be a lot of confusion on this matter because the lobby group from Alberta have a game plan in mind that they intend to pursue to the point where they will be meeting with the Alberta Pool people, trying to convince them. If they get their support, that would go to the provincial Legislature in Alberta and hope to get it passed there. That was the scenario they laid out before us, and if they did that they would feel they had a strong case to put forward to the federal

Government, and we will continue to press both Saskatchewan and Manitoba. I think they have—I am trying to recall—was B.C. supporting their position? B.C. was supporting their position, so they are building a pretty strong case. It is not idle talk anymore, not idle speculation. There is activity afoot and we have to prepare ourselves. That is why I indicated before, when I arranged that meeting with the two critics, that we will try and have updated information. I am giving you some of it now, as much as I have right now, and we will update you at that stage of the game so that we can maybe present the case.

As I indicated before, the Minister of Agriculture (Mr. Findlay) has set up a committee and my department only has ex officio membership on there just to raise these concerns, because I can see, as the Member well knows, the debate on Save the Crow, et cetera, these get to be very emotional issues and you have various views on the matter, so I expect some emotional and stormy debates coming forward as we move forward with this issue.

\* (1610)

**Mr. Plohman:** Mr. Chairman, just further to that, I want to emphasize my full support for any effort there in countering what I see as a concerted effort, an organized effort, from what the Minister is saying, to prepare for the Government's introduction of pay the Crow benefit to producers in the very near future. It seems that it is an organized effort to pave the way, and certainly the Government would not frown on that federally if they are looking to do that.

From the information, I have the understanding that is probably where their inclination is at the present time, to move in that direction, and I am not certain whether the Minister has his position thoroughly carved in stone or whether he is wavering a little bit on it or not, but I would hope that he does not waver and that he would not only undertake to oppose that, but that he would consider, and we can discuss this at a meeting. What we would be pushing for is some type of education, or communication process. As he said, there is a lot of misinformation that gets out there and a lot of emotion, but certainly some communication process with Manitobans, with producers particularly, so that they are made aware of the impacts that this would have on our system in this province, in other words, to build our case and ensure that we counter the process that is now taking place in Alberta and British Columbia, and that will undoubtedly be putting pressure on us here, not only at the Government level, but at various organizations level.

So I put that out to the Minister as something that he should consider and that we would like to see happen.

He may want to comment on that, but I want to briefly also ask him whether there has been any change in the MTA provisions. I do not think there has been because in the initial proposal for abandonment, or for consideration of abandonment of lines, was that there be an assessment done with all parties involved and so on before a line was determined to be a candidate for abandonment or not.

The MTA process, as amended, did not allow for that kind of process, really, and what we were looking for was a change to that, but that did not happen at that time because it came in late. I am referring now to what the Minister mentioned as the four-province proposal dealing with abandonment of lines that was agreed to by the four provinces. That did not get into the MTA Act. Does there have to be any amendments to the Act to incorporate that, and is the Minister now on track as understanding what was intended when that was brought forward, or has there been no direct communication with the federal Minister on that proposal?

**Mr. Albert Driedger:** Mr. Chairman, I have spoken to the federal Minister and I have also written to the federal Minister communicating our concerns. It is our understanding that we could put it on a trial basis, but ultimately in the long range there might have to be an amendment made to the MTA. At the present time it is still falling on deaf ears.

I would just like to make a bit of a personal observation at this stage of the game. Sometimes that is not wise to do, but the process that is coming forward in terms of "pay the producer" with the position that the rail lines are taking, I think it would sort of play into their hands because ultimately, as mentioned, probably they would be concerned about having only the main lines, which are the money lines.

This thing sort of has a mushrooming effect. It might look, at first blush, to some of the producers that it is the concept to pay the producers, and that is why it has always been such an emotional debate, exactly how we are going to deal with this thing.

Certainly, if you have the federal Government that would be pushing that concept and you have provinces like Alberta and B.C. already pushing that concept, CN certainly is not going to be objecting to it. It will probably fit into their long-range plans in terms of abandonment, especially when they are being pressured in terms of try to be held accountable economically for what happens.

These are major shifts that are taking place, in my mind. I am indicating a personal view here a little bit but I am trying to get a good understanding of it. It is not always that simple to do, because of the complexities of this thing. I feel these are shifts that are going to be taking place maybe faster than we anticipate, that are going to have major economic impacts on, like we said before, municipalities, provincial Governments and on the farm community over a period of a long time.

**Mr. Plohman:** Yes, Mr. Chairman, before I turn over to the Member for Assiniboia (Mr. Mandrake), I just wanted to emphasize to the Minister this deep concern that we share on this issue in terms of its impact on rural Manitoba and communities and producers and the general way that they have done business over the past. I believe that it is going to have a tremendous impact and if we do not have proper consultation, not only consultation but compensation, adequate compensation for producers, for the provinces, for the

municipalities, we should never agree to it in any way. I do not like to agree to it in any event, but if we have to, and it is coming, then we have to insist on the compensation. That is an area that the federal Government has been resisting and, from what the Minister is saying, continues to resist.

A number of the other organizations have also—the senior grain transportation agency and the railways all have been banding together to oppose the province's position on this and it is going to make it very difficult for us to overcome, I realize that. That is one of the reasons why I am suggesting that the Minister really has to have a plan of attack, if he is going to have any chance of being successful, to counter that very strong move.

One other point I wanted to make just before I turn over is that the Member for Assiniboia (Mr. Mandrake) mentioned this whole lack of communication with the federal Minister, who he calls arrogant. I do not know Benoit Bouchard although we did meet with him on Churchill. We found it a very good meeting and he seemed very sensitive, but some of the things that he is saying and doing with regard to VIA Rail and others, I wonder about how sensitive he is about the concerns and how much he understands western Canada and the concerns we have out here.

I do think it is important to have good communication. I see a whole pile of letters on VIA, for example, that the Minister has sent. There are no responses here. I do not know if he ever got responses but that would be interesting to know, because that just leads to underline the concerns we have about communication.

I guess the other thing is that when we have the transportation agreements, Jim Wallace, as a director and one of the senior people responsible for the steering committee overseeing that agreement, at least there was a communication at that level. Is that communication still happening at the bureaucratic level, at least senior, or is it even being lost there, because I sense a lack of communication—at least it is a one-way where the Minister is going to Ottawa and saying these are what our concerns are, but nothing is coming back. Is that a fair assessment.

**Mr. Albert Driedger:** Mr. Chairman, the Member for Dauphin (Mr. Plohman) makes reference to Mr. Wallace, and if I were you I could probably term him as the godfather of transportation.

\* (1620)

I would just like to indicate that the communication at that level is continuing. However, part of the problem seems to be that the responses from the federal Minister are not coming forward as we would like to see them. Well, certainly I have no qualms about being critical of it. I have to indicate that I have had the occasion from the first time that I met the federal Minister, Benoit Bouchard, that I felt we seemed to hit it off, if I can put it that way. He is a congenial individual to get along with. I thought that in our first meetings I felt positive there was sincerity. I think to this day possibly, and I have the occasion to meet him from time to time, and

I have raised concerns, Manitoba concerns, with him, all the way from Churchill, VIA Rail, whatever the issues have been. He has always been relatively frank and understanding, and even with the VIA Rail issue, he has indicated that the Government of the Day set out objectives for him to meet and he has to meet those. I do not envy his position at this stage of the game, but I do not know whether it is necessarily whether he is calling the shots or whether he is just taking the—how should I say?—backlash from the decisions that are made. I just want to indicate that we might not like some of the communication that is coming forward, or lack of it in some cases, but certainly there is communication. I have -(interjection)- well, I was making reference to Mr. Wallace's level more so than mine.

I have various correspondence that has come back from the federal Minister on various issues. It is a matter of interest to the Members. We compile those because in fact what I have done here is tabled the letters of correspondence that we have had regarding the VIA Rail issue. There is an ongoing stream of correspondence that I have been sending, even addressing other issues. I do not know whether it is of any major value unless there is an issue to have them tabled, not that we are trying to hide anything, but I just want to indicate very strongly that my position has always been a very pro-Manitoba position and have no qualms, together with my director of Transportation who guides me in these matters in terms raising our concerns to the federal Minister, and I think doing it in a fair and objective way.

Like I said before, that does not necessarily give us the assurance of getting the kind of answers that we want, but certainly we have always tried to push very hard for anything that we feel would affect the province in a negative way by way of federal decisions. There are many of them going on unfortunately.

**Mr. Mandrake:** I am listening here, and you are mentioning some kinds of studies that are being conducted in Alberta. Are these studies available to the critics?

**Mr. Albert Driedger:** I wonder if the Member could be specific. I made reference to a survey that was done in Saskatchewan. Which study?

Mr. Chairman, I think what the Member is asking for is the Method of Payment Study that is there.

We have a summary report, and we will try and run copies of that and make them available to the critics. This is of the group from Alberta that basically is promoting the case of "pay the producer."

**Mr. Mandrake:** We are bandying about the year 2000, but under the National Transportation Act, weight was revised here when it was redone, and now called the NTA. It reduced the review mechanism from five years to three. What kind of effect is that mechanism going to do, or what kind of effect is it going to have on our rail lines right today and particularly the ones that I have mentioned previously, that being the Lyleton branch, the Fork River one, and more so than ever, and that is the Rossburn track which goes from Neepawa to Russell.

**Mr. Albert Driedger:** Mr. Chairman, as I indicated before, we will bring forward a total update of all the applications that were made and deal with the information that we have, whether it was withdrawal of funding on the rehabilitation, and we will try and have all that specific information which will then give the Member a better view as to exactly what has happened.

I do not have that precise information here now and we will compile that and certainly prepare to sit down and discuss it with both critics.

**Mr. Mandrake:** That is appreciative of the answer, Mr. Chairman. Is there any type of mechanism that the Minister could employ whereby he could force the Federal Minister to be a little bit more attentive and be a little bit more compassionate? Right now we are seeing that Manitoba is getting it almost constantly by the federal Government. Now something has gone awry, and I realize that the Minister only has the lobbying arm. He cannot actually do anything about it. But there is something that just seems to have gone awry with the federal Government. It seems to be that every time they turn around, Manitoba is getting it.

I mean, we have lost CF-18. We have lost Kapyong; we have lost Portage la Prairie, and now the militia, and all the CN jobs that I had just made mention of. I mean, every time this Government turns around we seem to be getting it. Is there a vendetta against us, or what? I do not know.

**Mr. Albert Driedger:** Mr. Chairman, I think they are nervous about our critics. I say that facetiously.

The Member asks, is there some way to force the Federal Government. I cannot see any way of forcing them short of using a baseball bat and I do not think that will be effective either.

But if the Member is trying to indicate that Manitoba is being isolated or identified as the province which is going to lose everything, the Member is not quite realistic in that because the other provinces are having the same problems and the same effect. In fact, when we met with the other Ministers just last week, they all have the same concerns that we have. So we should not try and just isolate Manitoba as being the only one that is being impacted by the federal decisions. This is on, I think, a nationwide scale that some of these impacts are being felt.

So we are doing what we can within our power to try and raise the awareness to bring forward the issues and are lobbying as extensively as we can on more issues than just the ones we have talked about, like whatever issues there are. I do not think that makes any difference, really, whether it is Manitoba or other provinces. They all use the same approach, I believe.

**Mr. Mandrake:** Mr. Chairman, P.E.I. lost a base. They are going to be receiving compensation, and here we have a Government in Ottawa that I am sure it just does not want to listen to this Government.

Now I am going to put on the table, why does not the Premier (Mr. Filmon) of this province go to Ottawa?

I mean, none of this telephone call business. Get one of those Cessna things that you guys were talking to me about, some aircraft. I call it a jet, you guys call it a Cessna, fine, I could care less. But get on that machine and fly down there and sit on the Prime Minister's table, sit on his front doorstep until he listens to us.

**An Honourable Member:** Take the train.

**Mr. Mandrake:** He will never get there. Probably an election will be called by then, if he took the train.

**An Honourable Member:** I thought it was good service.

**Mr. Mandrake:** We are reaching a crisis situation. This is unbelievable. I am not saying that the Minister is not trying. Yes, he is. I am quite confident that his heart is in it.

**An Honourable Member:** Not quite so much any more.

**Mr. Mandrake:** Mr. Chairman, I think we have reached the level today whereby we are going to have to start going up another step.

**An Honourable Member:** We have to go to the Premier, yes.

**Mr. Mandrake:** Get the Premier (Mr. Filmon) to do his job. Get the Premier to go down and see Mr. Mulroney, the Prime Minister, and say, listen to me, enough is enough. Thank you.

\* (1630)

**Mr. Chairman:** Item 5.(a) Transportation Policy and Research—the Member for Dauphin.

**Mr. Plohan:** Yes, I want to ask the Minister briefly about VIA Rail. The Minister has not had a great deal of results in this area, as we have just heard the Member for Assiniboia (Mr. Mandrake) going on at length about.

The fact is, in VIA Rail, the Premier stood up in the House today and said that Manitoba would not be hit as hard as other areas of the country according to the leaked documents that came out. Of course he said they are not official, but if they were, does the Minister agree with that? Does he agree that Manitoba would not be hit as hard by what was contained in that paper? Has he had a chance to take a look at what was contained in that paper to the degree that he would know generally the impact. I gave an impact yesterday which I believe is close, that we would lose, from the information I had, probably 75 percent of the trains going through Winnipeg, if that document was true; that we would lose probably 500 of 700 VIA jobs in Manitoba because of that; we would lose at least \$15 million in payroll. Does the Minister agree with his Premier? Because if the Premier agrees with that and that is the kind of advise he is getting, then no wonder he is not taking it to the Prime Minister directly, if he does not believe it is serious and that we are not being hit hard here.

I ask him whether he agrees with that, that we are somehow getting a good deal, not getting hit as hard,

and I do not want to distort it too much and say it was a good deal, no, but we would not be hit as hard as the other areas of the country if what was contained in that Cabinet document turned out to be true, in fact was actually undertaken by Benoit Bouchard and the Conservative Government in Ottawa?

**Mr. Albert Driedger:** Mr. Chairman, first of all, if the Member is trying to see whether he can get a division here between the Premier and myself he is off base. What I want to indicate to you is that what the Premier was indicating was that the law of this Government and of this department was, over a period of time, the first concern we had. When the rumours started a long time ago, and we are still only dealing with rumours, I indicated yesterday my apprehension that to quite a degree these rumours are probably going to be true, but we do not have a definitive situation. What the Premier was trying to illustrate is that one of the concerns we raised initially, when rumours started, is that our northern routes should be protected. That is what he is making reference to, whether it was through the lobby efforts that we made or for whatever reason, the northern routes have not been affected. So there is not much comfort in that, but there is some comfort, at least, at this stage of the game.

I have to indicate, though, that I feel if we are looking at a \$100 million cutback in subsidies over the next five years, I asked the federal Ministers, what are the long-range plans? I mean, if we are going to take every year and go through this agony of saying, what are we going to cut now to cut another hundred million off it? Is the future secure for our northern routes? I have grave concerns about this. Any cutback in services on the Transcontinental will affect employees in Manitoba dramatically. Exactly to what extent, the Member probably uses maybe exaggerated figures, a little bit on the high side, when he says 700 employees of VIA Rail in the province. I think there are around 600 and if he talks about—and 75 percent will be reduced, we do not know that either yet, until we know precisely what the cutbacks are going to be.— (interjection)—

I am not going to be defensive about the cutbacks. I am critical of the cutbacks. I am very concerned and nervous about the situation, and that is why I have never defended any position that has been taken in terms of any cutbacks in VIA Rail. My correspondence, if you will look at the five or six letters, they were written directly, and on my verbal discussion with him, has always been the same. So I am not happy with anything that is happening regarding the VIA Rail aspect of it.

I just want to indicate to the committee, as I did last time, when we met with the federal Minister last week, Thursday—in fact a week ago—he indicated to us that he would not put a moratorium on the decision-making end of it, that his guidelines have been set out to him as to the objective that he should meet by his Government. He was proceeding with that, and at the time when the decision was made he would also be tabling the report which we had hoped we would have had some chance to maybe respond to and discuss with the Ministers from all provinces there. There was a considerable amount of heat generated, I might tell you that right now. The Minister is very firm in his resolve

that this is the approach that he will take. What the final decision is going to be, we do not know. The big documents that we are debating, sort of in an unknowing way I suppose, was part of a proposal that was going to federal Cabinet. That is my understanding.

We have tried to make contact to see whether we can get any definitive answer. I honestly believe that we will not get any indication of what is going to happen until the decision is made and is forwarded to us. There will be very little chance to respond at that stage of the game.

**Mr. Plohman:** Mr. Chairman, out of all that I did not get an answer as to whether this Minister believes on the basis of that document, which we are now discussing, would leave Manitoba with fewer cuts and less of an impact on our economy, and on jobs generally, in this province and other areas of the country, that we would not be as hard hit. Does he agree with that statement by the Premier that that is the case? Because we have the Canadian 14 trains per week, if that is taken out; the Continental down from 14 to 4 two times a week instead of daily, that is another 10; and 6 for the Sudbury run, that was also going to be cut; and that is 30 out of the 40 trains are gone. That puts us at less than what Grand Forks has with Amtrac. We called and they got 14 trains per week.

Here is a huge transportation centre, over a hundred miles away, and in comparison just a small little community compared to Winnipeg, and we would have fewer trains in passenger service after that decision was implemented. We would have all of those employees, if it is 674, you take 75 percent of it, that is around 500 jobs lost because of it. The impact on the economy would be devastating, not only for Winnipeg but right across this province. It is a devastating situation. I know the Minister knows and he is concerned about this. But why does he not tell his Premier, do not make stupid statements like that, that would make it seem like it is not a big deal for Manitoba? It is a tremendous thing, a devastating thing for Manitoba.

**Mr. Albert Driedger:** Mr. Chairman, if the Member is trying to give the indication that I am the only one who has a concern from our Government about that, he is totally wrong. The Premier has indicated in his remarks in the House. If the Member wants to play some politics with it, that is fine, but the Premier has indicated very strongly in the House that he, together with the other Ministers, drafted a communique to the federal Minister and the Prime Minister indicating what their position was on VIA Rail. I am not going to get into the bantering of words, do I think the Premier made the right statement or wrong statement. I have put my position forward and the Premier has put his forward that we are opposed to these cuts, and we will continue to lobby and fight for them. I would prefer to have the assistance of the Members of the Legislature instead of trying to play some politics with this matter.

**Mr. Plohman:** Mr. Chairman, the Minister can make all kinds of allegations about what our motives are. The fact is we are disturbed when the First Minister

(Mr. Filmon) of this province does not appreciate, from what I can understand—yes, he indicated some concern—the seriousness of what we are talking about here, in terms of the impact and the level of impact of these cuts. I just implore this Minister to ensure that his Premier is fully aware of the facts as quickly as possible, so that he does not in any way understate the fact here, because it is such a serious matter.

Now, since it is such a serious matter, the Member for Assiniboia (Mr. Mandrake) has just suggested, and we have discussed this before, what is the Premier doing? Has the Minister asked his Premier to place this as a major item on the agenda for the next First Ministers' meeting? Has he asked for a meeting with the Prime Minister? Has he in any way made an attempt to address this face to face with the Prime Minister rather than at the ministerial level, because we know the Minister is not getting anywhere with Benoit Bouchard? He came back and told us, and it is in Hansard. I was not able to be here Monday for the Estimates, but he reported that the federal Minister - (interjection)- yes, in their communique to the federal Minister that unanimously, I believe, that he consult with them before a decision is made. He refused. That is what I understand the Minister said, he has refused to do that. That is federal jurisdiction, he is darn well going to do it the way he feels.

Since he cannot get anywhere at the ministerial level, has he asked the First Minister, the Premier (Mr. Filmon), to take it up as a cause, as a primary item with the Prime Minister, a major item because of the devastating impact that this will have on Manitoba's economy?

**Mr. Albert Driedger:** Mr. Chairman, I thought I just indicated to the Members of the committee here that the provincial Premiers jointly drafted a communique that was sent to the Prime Minister indicating that consultations should take place and expressing their concern. I have done that at my level, at the Highways and Transportation level; the Premiers have done it at their level. I mean, I do not know what the Member expects further.

Our Premier (Mr. Filmon) is fully aware of the circumstances and the impact it will have on the province. Certainly the Premier is prepared to do whatever he can in terms of trying to reverse that decision. Whether that will happen or not, how many times has the previous Minister run forward with concerns, lay them urgently before counterparts, federally, and not get a favourable response? I intend to keep pursuing this matter, as well as my Premier, to the best of our ability. We will try and build our case, we have done that, we will continue to do that. I do not know what the Member is basically asking for.

\* (1640)

**Mr. Plohan:** Mr. Chairman, I am asking the Minister to request as strongly as he can of his Premier to ask for a face-to-face meeting with the Prime Minister, if it is going to be sometime before the next meeting of the First Ministers, because a communique is nice, it came from the western Premiers or from the Premiers

of Canada. That was not a meeting with the Prime Minister, it was a meeting of Premiers. So they did not discuss it face to face with the Prime Minister, they sent him a communique. That is not near as effective as having them around, and say, look, we are not going to put up with this in Canada. We want a rail system that is going to serve the future needs of Canadians, pollution free to a large extent, environmentally sound, efficient. We want you to live up to the promises that you made in 1984 to modernize VIA Rail and to give a modern rail transportation passenger service for this country. That is what we are demanding. We do not want to see it eliminated and that is what the Prime Minister now, with all of these leaked documents and trial balloons, seems to be indicating to us, and I do not know how much longer we can wait until actually the decision is implemented. It is too late then.

We have enough information now, enough signs out there, that are telling us this is what they intend to do. We cannot wait any longer. So it is urgent, it is so urgent, it is past 11:30, it is one minute to 12 and the Minister has to make that point to his Premier and to get him to go forward because I do not think the Premier (Mr. Filmon) really appreciates the impact when I heard him in the House today.

I do not think he really understands the true impact. If our figures are wrong, then let the Minister say so. But if he is prepared to take those kind of figures to the Premier, then the Premier has got to see the light on this issue and go forward in the highest profile way, at least to the extent that he did with Portage la Prairie and the air base. He made a lot of hullabaloo about that but he raised the profile of it at least. He went out there immediately. I have not heard this from the Premier, and this is a major, major decision by the federal Government, far more devastating because it affects the whole province and the future of passenger travel in this province and in this country. Is that the vision we want for this country?

**Mr. Albert Driedger:** Mr. Chairman, I have to indicate that I am in dialogue with the Premier. The Premier knows how serious the situation is. I want to indicate that today, since yesterday when this information came forward, that I had been in touch again with the Federal Minister, have written him again and the copy is there. That maybe is not as meaningful but the fact is I have done that and I have also been in conversation with Al Cerelli, who is the president of the union organization.

In my conversation with him he has information that he will be sharing with us and my Department will be sharing with him. Mr. Wallace and Mr. Cerelli will be getting in touch with each other based on the conversation he had today with them because there is some mixed information coming forward. Naturally, I believe the federal Government is building their case to some degree saying, for example, the amount of usage that is on the line, because I hear conflicting reports saying that there is a lot of usage. The usage has been going up dramatically in some cases and still that is not the information that comes forward.

So what we are going to try and do is establish to see whether we can get more precise and accurate



information to build our case. Naturally, if the decision of the federal Government is going to be based on not accurate information, it will be our responsibility to try and make sure that we have the right information as to the usage of VIA Rail, and we are also trying to establish—even though we do not know exactly what is going to happen or what the decision is going to be—we want to try and develop exactly the economic impact jobwise, otherwise, that it will have in Manitoba and try and build our case so that even if there are going to be cutbacks—and I anticipate there will be dramatic cutbacks—that we need to know from the federal Government, from the federal Minister, from VIA Rail, what the future is.

If we are talking about a five-year reduction program, what are we going to finally end up with? I mean, is it then all over? Do we have one or two short lines that basically will be all that is left? We have to have more than just the year-to-year type of decision-making. There has to be a long-term plan and that is why we are pushing for that, we want to know that. In the meantime we will try and build our case as best we can, together with the union people in terms of the impact that it will have and do everything we can to try and see whether we can get the decision, whatever the decision is, more favourable to us in Manitoba.

**Mr. Mandrake:** Mr. Chairman, I have heard the answers to the Member for Dauphin (Mr. Plohman) and the Minister kept on bringing up this leaked document and maybe we should not put so much emphasis on this leaked document. I will just bring the Minister's memory back to Question Period when I asked him about the CN cuts of 85 jobs, it happened. It was a leaked document and it happened. Then in May? Another leaked document. What happened? They came to fruition. Now, Mr. Minister, all I am trying to say, and I am not degrading you by any stretch of the imagination, is that these documents obviously come to some person from a body within Government. They must have some degree of validity to them.

As Opposition, we do not have the luxury like yourself. You can phone them up and get all the information with a snap of your little finger, so we have to rely on leaked documents. We have to rely on—I do not like to use the word spies, but basically that is exactly what it really is. All I am pleading with you, Mr. Minister, is that we have now reached an epidemic. It is unfortunate that I did not get a copy of these letters, but I have read through them and you are sincere. Your sincerity is appreciated, but you are not dealing with an average person. The Minister, Benoit Bouchard, obviously has made up his mind, and has been told to make up his mind, and under no circumstances are you going to change it.

We are going to have to devise a plan. Some of the plan has got to be put into place whereby either the First Minister (Mr. Filmon) of this province joins forces with all the First Ministers, and as the suggestion was made this morning on CTV News, Canada AM I think it is, that the eastern provinces are now contemplating suing the federal Government for breach of the Confederation rates. I do not know whether or not it is possible, Mr. Minister. As I said, we have reached a

point right now where it is a no-win situation and we are going to get it. These are suggestions I am throwing at you and you have gone through it with the Member for Dauphin (Mr. Plohman), but I am just offering you these suggestions.

VIA Rail, as I have mentioned to you in the House, Mr. Chairman, over 100 years ago we had 2.5 million Canadians in Canada and we sustained the railroad. We sustained a passenger service and now with 10 times that many people in Canada we are destroying it. That to me does not make sense. It does not make sense.

\* (1650)

**Mr. Albert Driedger:** I want to respond to some degree to some of the comments made. First of all, I want to indicate that myself, my department, and my Government are going to continue to try and lobby as effectively as we can. As indicated, we are trying to develop a game plan together with Al Cerelli and his people to see whether we can. I think this cuts across political lines, wherever a new person, as I think anybody that is a true Manitoban is concerned about the impact of it. We will continue to work in that direction, lobby as effectively as we can. I would have to indicate the Member expounds about 2.5 million people and now it is 25 million people. The position that the federal Minister lay before us was the fact that rail travel was not the preferred mode of travel anymore for most people, that the ground travel and the air travel were the ones. This is the scenario that he laid before us and that repairs were being subsidized from \$150 to \$450 per fare. This was his rationale. I do not care what the rationale is because I think if you want to look at it strictly from the economic aspect of it, we have to look in terms of something that is of national in nature, has been there for a long time.

I think what bothers me most is the fact that I think this situation has not developed overnight. I repeat what I said yesterday, this is a situation that has gradually developed over a long period of time and either by plan and design or by—how should I say—not ignorance but just neglect. We have developed a scenario where we have a mode of transport, namely VIA Rail, that was losing customers from the time in 1971 where there was a reduction of 40 percent in the usage of it. VIA Rail has not kept itself competitive in terms of equipment.

In talking with Mr. Cerilli, he feels that there was a commitment made to buy new equipment a year or two ago. It is a decision that we will try and find out what happened to those monies. I think there was \$300-and-some-odd million, I am not sure, I am just trying to recall figures. I am trying to give an indication of what we are trying to do. There was a commitment to put new equipment purchases for VIA Rail and this has not happened. Now at the eleventh hour, if you can call it that, decisions are going to be made and they should have been—in my view, decisions started being made years ago in terms of correcting the situation.

Now, it is easy enough for somebody, I suppose, to come forward and say, well, it is not economically viable, we will cut it. This is what we are trying to do is establish

some specific figures together with the union people, together with all the information we can gather, to see whether we can get more accurate information.

It is almost as if the information that used to come forward with the Port of Churchill, one group would say it was being subsidized and other would say it was a good rate until everybody got down to the nitty-gritty, we could establish some rates. There are still doubts in people's minds as to whether those figures are accurate or not. We have the same thing here, we will try and establish as precisely as we can the usage rate, for example, the economic impact of losing, you know, how many trains through here in a week, whatever the case may be. We have to try and get more precise information on this so that we can build our case a little stronger and we will do that, in spite of the fact that the clock is ticking.

I think it is most unfortunate. I raised the concerns from the first time the rumoured cuts were coming in—April, I believe was the first letter or even before that when we started with this thing. But I still call it—whether it was six months ago that we started with this thing—the eleventh hour. In my view, it was the responsibility for the federal Government and everybody else involved to start addressing this at a much earlier time.

**Mr. Mandrake:** Mr. Chairperson, I appreciate the answer that the Minister has put on record, but I would like to also ask the Minister in the House this afternoon, either it was him or the First Minister (Mr. Filmon), had stated that they received assurance that the line to Churchill will not be dropped. My question is this: is he talking the line from Winnipeg to Churchill, from The Pas to Churchill, or Thompson to Churchill, or Churchill, in other words, good-bye? That is question No. 1.

Let me just go on with another thing here with regard to some of the presentations that took place in my area this year. This is from an Anne McCullough from Brandon. It says, "We will not travel long distance by airplane or by bus, we will take the train." This is a senior citizen, and these are the people we are going to hurt. I just cannot seem to put enough emphasis upon what is going to happen, what kind of an impact is going going to happen to our senior citizen, our lower income people.

It is so devastating. I mean, the Brandon North run right now, Mr. Chairman, they do not have a ticket agent there, the people have got to be assisted on by a part-time guy that comes in and helps them out, which is . . . you know, that is not the way to treat the thing in public.

I am just waiting for assurance, and I would like to have that assurance about the Churchill line, in writing from the Minister, so that both critics could have a copy of it.

**Mr. Albert Driedger:** Mr. Chairman, I cannot give that in writing. If I had the power to give that in writing I would damn well restore the whole VIA Rail system

and there would not be any cutbacks. I mean, it is not within my jurisdiction to give a letter in writing saying that the northern routes are not going to be affected. We base that comment on the fact that initial comments by the federal Minister have been that the northern routes would be protected and not affected. I will have to wait, and we will wait to see exactly what happens with the final decision on that, but we will do what we can in the meantime to continue building our case and certainly that is the one statement that we hold the federal Minister very responsible for, that the northern system would not be affected.

The Member asks me, if it is protected, where is it protected from, Winnipeg, from Thompson, The Pas, I do not know. I just would anticipate that comment would hold true. But I do not find that much comfort. Like I indicated before, I do not know exactly, until we know the full impact, the full long-range plan for VIA Rail. It could be here today, and it could be gone in next year's cuts if they are looking at further cuts.

My understanding is that out of the \$643 million that is being subsidized to VIA Rail each year that instructions are to cut \$100 million off it, \$100 million per year for five years. So if this first swipe at the cat is going to make that dramatic changes, and take \$100 million off, I do not know what is going to happen in the future. We need to have long-term proposal in terms of what is going to happen, and we have not got that assurance.

\* (1700)

**Mr. Mandrake:** Mr. Chairman, it was the Member's statement saying that they have had assurance that the line to Churchill was going to be protected. So I do not want to belabour that, but from all the statistics that I have been able to compile, and I am going to give this to the Minister after we finish here. I mean, the Supercontinental, its recovery in 1987 was 33 percent, that is in '87; '88 it is going to be higher; in '89 it is going to be higher. The Canadian in 1987 its recovery rate was 45.1 percent. Winnipeg to Churchill in 1987 the recovery rate was 23.2 percent. The Pas, Lynn Lake, it is embarrassing, 13.8 percent. That is the cost-recovery analysis.

Now, I am not that naive, Mr. Minister, whereby I am going to sit here and expect that Mr. Bouchard says, I will cancel the east-west corridor, but I will keep the north-south corridor open when I have a recovery of only 13 percent. I mean, how naive do you think we are? We are not that naive. I mean he is saying today that he is going to cut out the east-west corridor on the CPR lines, but, oh, we will protect the northern rail line.

**Mr. Chairman:** The hour being 5 p.m., it is now time for Private Members' Hour. Committee rise.

\* (1520)

## SUPPLY—AGRICULTURE

**Mr. Chairman (William Chornopyski):** I will call this committee to order. We will continue where we left off on page 13, item 5. Regional Agricultural Services Division—pass.

Resolution No. 10: RESOLVED that there be granted to Her Majesty a sum not exceeding \$11,005,400 for Agriculture, Regional Agricultural Services Division, for the fiscal year ending the 31st day of March, 1990—pass.

Page 14, item 6. Policy and Economics Division—

**Mr. Laurie Evans (Fort Garry):** Just a moment, Mr. Chairman. I think there was a willingness to go through to 5.(a), (b), (c), (d) and (e), stopping at Crown Lands.

**Mr. Chairman:** We will start all over again, and my apologies for that error. 5.(a)—pass; 5.(b)—pass; 5.(c)—pass; 5.(d)—pass; 5.(e)—pass.

5.(f) Agricultural Crown Lands Branch—the Honourable Member for Fort Garry.

**Mr. Laurie Evans:** Mr. Chairperson, I would like to take a little time here on the Crown Lands. I have always had a little difficulty, Mr. Minister, with getting a clear understanding of the breakdown of the professional and technical staff within the Crown Lands. I just would like a little indication of exactly what the breakdown would be in terms of the number of professionals versus technical, if there is that breakdown, and what is the general responsibility of those that fall into that professional category under Crown Lands?

**Hon. Glen Findlay (Minister of Agriculture):** Mr. Chairman, of the 42.36 staff years, there are 15 in administration in Winnipeg here, all categories of administration. There is one, the secretary to the Advisory Committee; and 22.36 field staffpeople; and four people in Agro Land Planning and Management.

**Mr. Laurie Evans:** Could the Minister give me a little more explanation of the type of responsibilities of a so-called typical field staffperson under Crown Lands? That is where I am having a little difficulty in exactly what role they play.

**Mr. Findlay:** Those 22 are what is commonly called land reps and they will do a variety of services with the leaseholder, such as help him in application, do the land inspections that are necessary to be sure that the leaseholder is abiding by whatever agreement was struck with handling those lands, deal with any complaints that come forward, and generally see that the contract or the lessee is following the contract that he had signed with Crown lands. The field reps, they contact with the farmer kind of people, much like an ag rep, I guess, really. They are troubleshooters or helpers or regulators, I guess you would say, for the program.

**Mr. Laurie Evans:** I have a follow-up, Mr. Chairperson. Can the Minister (Mr. Findlay) give us some idea of the

net cost of the operation of Crown land because I get the impression from here that this is the Government expenditure, but there obviously is a considerable amount of money that comes in from the leases and the revenue of one type and another?

**Mr. Findlay:** Total expenditure would be \$2.14 million and revenue received 1.27 million, so a little more than half is recovered.

**Mr. Laurie Evans:** That half that is recovered goes into general revenue and is not identified as an offsetting type of income here at all. Can the Minister give me any relativity of the Crown land that is under the Department of Agriculture as opposed to the total Crown land that the province holds that I assume is under the jurisdiction of Natural Resources and perhaps other departments?

**Mr. Findlay:** Yes, in terms of acres I will give a couple of listings here. Total Manitoba land base is 136 million acres. Of that, 114 million acres is Crown land. Agricultural Crown lands make up 1.7 million acres, so it is 1 percent maybe of the total Crown land in the Province of Manitoba.

Just another figure you might be interested in, the privately held land in Manitoba is 21.2 million acres or 15 percent of our total land base. Provincial forests, 5.4 million acres; wildlife management areas, 7.5 million acres; and provincial parks, 3.5 million acres. Agricultural Crown lands of 1.7 million acres is really quite a small percentage of the total land base, and small compared to the amount of forests, parks or wildlife management areas. There are roughly 2,600 leaseholders with that 1.7 million acres.

**Mr. Laurie Evans:** Is there any major concerted effort to acquire more Crown land which would be the result of taking marginal land out of production and putting it into a situation where it would not go back into agriculture that may be the wrong type of agriculture for that marginal land in order to get it under some sort of control of that type. Buying up privately owned marginal land that has been identified as land that perhaps it would be better out of cultivated crops and into community pasture, something of that nature.

**Mr. Findlay:** You know at this point in time there is not any effective program or initiative in that direction of taking marginal lands out of private ownership and turning them into Crown lands. Clearly, that can and may be an objective under the soil agreement, the land and water strategy. It is when one of the proposals has been put forward that certain fragile lands, for whatever reason, our low productivity would be better converted to permanent cover of some nature and under that basis better to be owned by the Crown.

So that is an option that may well be utilized in the future but has not been approved as a method in the program yet. Otherwise, no, that is not taking place.

There are always continuous requests by private owners to buy Crown leased land. That has been going on to a small extent on land that is of agricultural

potential. There is always interest in land that sometimes is designated as wildlife-type land. There is always interest in surrounding farmers being able to purchase that, and the pressure is always there to buy land.

People that, even through they graze it and have a lease on it for a period of time, sooner or later the pressure starts to develop. They like to have control of it and they would like to buy. So the Crown lands classification committee is always under challenge. I guess it is tough to make some of those fine-line decisions as to whether it should or should not be allowed to be sold. It is always tough to have a policy that fits all circumstances.

**Mr. Laurie Evans:** Is any of the land that is repossessed, through MACC for example, does that revert back to Crown land in time, or does that stay under the jurisdiction of MACC until it is resold or goes back through some other mechanism of MACC?

**Mr. Findlay:** No, right now any land that is repossessed by MACC stays as MACC land and they either lease it or put it up for tender or attempt to sell it, by whatever means. No question that there is some desire in the department and the Crown lands, and MACC are looking at maybe we should be transferring some land over to Crown that is in the possession of MACC, that is really not saleable or not productive enough. It would be better in a Crown land situation so the department is in the process of analyzing that, and I think there is reasonable reason to be aggressive in trying to do that.

\* (1530)

**Mr. Laurie Evans:** A final question under Crown lands, Mr. Chairperson, that relates to the community pastures. Can you give me an indication of how much of the Crown land, that is under the Department of Agriculture, falls into the community pastures, and perhaps a little elaboration on the impact that the drought has had in terms of the carrying capacity of the community pastures in recent years and the trends, if any, that are developing in terms of the utilization of that community pasture program?

**Mr. Findlay:** The total acres that are in community pastures is 437,700 acres. That supplies grazing through 24 community pastures. Now it is Manitoba Crown land, which PFRA administers on those 24 community pastures, and the number of head on the pastures in 1987 was 33,000.

I will start in 1986, 36,000; 1987, 33,000; and 1988, 34,800, so it is fluctuating a little bit, but it is between 30,000 and 35,000 head. I guess the other important factor with community pastures is the length of time, or the number of days of grazing that are available every summer. I have to speak from my own use of community pasture. This will be a good year for community pasture because the late rains in that area of the province has lengthened the grazing season.

We have had cattle sent home as early as the 20th of September and as late as the 25th of October over the past five years. So there is a whole month variation

there. Generally, they go into pasture right around the first of June, sometimes a few days before, sometimes a few days after the first of June. So you get June, July, August, September, you really get four months almost every year and some years five months of grazing. I am not aware of any producer that is really in dire straits because he could not get his cattle in the community pasture. I think what really happens in the reductions is that people just do not fill up to what they may have requested in terms of grazing in the community pasture. If they really have space, they can further advertise in the summer and get more cattle in.

My reading of the situation is that they have done a pretty good job of managing the pastures by and large.

**Mr. Laurie Evans:** Could the Minister give me a sort of a general breakdown to the type of things that fall under the capital expenditure of \$360,000.00?

**Mr. Findlay:** Yes, the capital part is under what is called the Crown Land Improvement Program, where producers are paid to do certain improvements on the Crown land, whether it is clearing, or breaking, or seeding, or whatever. Payments are made on that basis under the CLIP program and that is the entire capital.

**Mr. Bill Uruski (Interlake):** The province this year, because of the drought situation last year and potential drought this year, was involved in allowing grazing and haying of Crown lands in wildlife management areas and the like. Could the Minister indicate what role the department and Crown lands played in those allocations and how they were handled? Were they handled through the department, or were they handled through Natural Resources?

**Mr. Findlay:** For the Member for the Interlake (Mr. Uruski), Natural Resources identifies the lands that can be made available under these emergency circumstances for grazing. Crown Lands Branch makes the allocations to who should get those lands on a first-come, first-served basis, because it is under an emergency situation. The number of parcels, we may have it. That is the general procedure.

**Mr. Uruski:** Mr. Chairman, so the allocations, if I understand correctly, are on a first-come, first-served basis. When were the allocations generally made? Like, I guess, the identification took place in the spring, the early part of June there was an announcement made, and at that point were the allocations made following the announcement, or how would have the producers been notified? I am just not understanding—like, if I knew there was some Crown land, how would I get to get it in place? Were all the allocations made after the announcement? Is that how the process began?

**Mr. Findlay:** I guess, first and foremost, we did not make any allocations until after the announcement came, or the request, or the authorization from National Resources came to us.

As far as producers finding out, they would find out either through the land rep or they may have pursued

it, and asked when it is going to be made available, or if it is going to be made available, through the news releases that we put out, or contacting ag rep, or anybody who might know. So it probably required a bit of initiative on the part of a producer to be aware that such was being opened up, either by inquiring or reading the news release that identified the areas, and then coming forward and requesting an allocation to him.

**Mr. Uruski:** Mr. Chairman, could the Minister indicate whether any allocations were made prior to Government announcement?

**Mr. Findlay:** The short answer is no. We made no allocations before an announcement.

**Mr. Uruski:** Mr. Chairman, can the Minister explain to me how cattle appeared on the wildlife management area near the Marshy Point East Meadows Ranch, which is contiguous to Marshy Point in April, May, a month or more prior to the Government making the announcement?

**Mr. Findlay:** I will have to tell the Member that we did not know they were there, that we did not authorize their being there.

**Mr. Uruski:** Mr. Chairman, then who authorized the allocation of those resources to the farmers there? On what basis were they there then, knowing that there were complaints back in April from East Meadows Ranch that because there were no contiguous fences the cattle wandered through the goose nesting area. Everyone knows that the East Meadows Ranch is a sanctuary, and some of the most prime goose nesting area in—I would say—North America. Yet there was a program and the announcement, I believe, was some time in the early part of June. Yet the cattle were there a month or more before that.

Your department was the department that was responsible for the allocation of the Crown land, yet you tell me you had made no allocation. The Department of Natural Resources were contacted about the problem of basically trespassing and damage. I guess damage was alleged to have been done to the lands of East Meadows, but yet no one seems to be taking any responsibility for this action, and I want to know from the Minister, who did the allocating then and maybe, if necessary, we may want to move off this item until the Minister gets more information and comes back to this House. I am prepared to leave this item so that we can discuss this fully.

**Mr. Findlay:** The area you are talking about, East Meadows, is not under our jurisdiction. It is under the jurisdiction of Natural Resources, and I would suggest, if you want to know what Natural Resources are doing with that land, you ask that question in Natural Resources Estimates. But we are not aware of the cattle being there and we did not do any allocation.

\* (1540)

**Mr. Uruski:** Mr. Chairman, you as well as I just heard the Minister saying that Agricultural Crown Lands did

the allocation on wildlife management areas in Resources land.

**An Honourable Member:** Not on that piece.

**Mr. Uruski:** Not on that piece. Why would this piece have been excluded, and other Resources land would have been included? I do not understand that situation because any grazing or additional hay cutting in a drought year would have been—let me examine that, maybe I am missing my facts in this area. Vacant Crown land, agricultural Crown land would have been allocated if no one was using it. You would have had management areas, or adjacent lands to management areas, but the only area that Crown lands would have had direct jurisdiction over would have been vacant Crown lands, agriculturally designated Crown lands. Now, this was not, and I asked the Minister when I prefaced my question earlier, over wildlife management areas and other areas, the Minister said, on a first-come, first-served basis. Yet in this area he is telling me that they had no jurisdiction over.

Now, I think I am not reading, I am not understanding the Minister's comments. I will ask the Minister—what other areas were excluded that the department had no jurisdiction, or did not allocate lands?

**Mr. Findlay:** I think I was fairly clear in my comments that we only allocate where Natural Resources gives us authority to allocate, and then after that you can only allocate when a request comes forward for use of that particular area. As far as we know, the area you are talking about did not fall into the category of us having authorization or a request for allocation.

**Mr. Uruski:** Mr. Chairman, the Minister is telling me that the department had no -(interjection)- No, no, in the debate, if you know something. Mr. Chairman, I just heard the Minister of Natural Resources (Mr. Enns) saying that if my guns are aimed at him I should go after him. If the Minister of Natural Resources hears my questions and has some information on why agriculture was not given the authority to allocate Crown land in this area, perhaps he may want to clarify for the Minister. Because I cannot understand. On one hand, I heard the Minister say if there was a request, or if Natural Resources gave us the authorization to lease, or to allocate, we would allocate.

Now, is the Minister of Agriculture saying that there was a dual allocation system for the use of Crown land, whether it be non-used agricultural land, wildlife management area, or other lands, in place by the province? That is not the announcement. I could go back to the office and get the press release, and that is not what the announcement was all about.

Secondly, Mr. Chairman, I do not understand, if there was an announcement in June, how an allocation was made a month or more earlier to producers, to some people who would have known, prior to the program being set up. I mean, that is really what I am getting at. Now, if the Minister of Natural Resources (Mr. Enns) has some information on this issue, perhaps he may want to get up and clarify it.

**Mr. Findlay:** We want to get the Member fairly straight on this. There is no dual allocation, the allocation that we deal is under Crown lands. When authorization is given to us from Natural Resources, we will allocate it on a first-come, first-served basis. If nobody comes forward requesting it, we can not allocate. That is the way the system works. There is no dual allocation. We take responsibility for allocation after authorization, a straightforward principle that to the best of my knowledge has worked very well.

**Mr. Uruski:** Mr. Chairman, is the Minister indicating that there was no grazing on Marshy Point this year when the allocation was made? If he is saying there was none, then I will take his word for it in terms of these Estimates. Did they have allocation? I will ask the question, did they have allocation procedure in place for the previous year? Was there grazing the previous year on Marshy Point and did Agriculture handle that allocation?

**Mr. Findlay:** The Member referred to 1988. In 1988, we received a letter from Natural Resources requesting us to bill somebody for the grazing on that area. They were billed and they paid. This year we have not received any notification with regard to use of that land. If it was used that is information that has come forward to the department now that we were not aware of. We have not received a request for the use of that land.

**Mr. Uruski:** Mr. Chairman, let me understand this. The Minister now tells me that in 1988 a similar program existed, or at least there was an allocation of sorts, although if I heard him correctly Agriculture was not doing the allocating, although Agriculture did the billing for grazing on behalf of the Province of Manitoba. I would like to know from the Minister how this was handled, on what basis? If there was an announcement, I do not even know whether there was an announcement in '88. I see the Minister of Natural Resources smiling at me because I do not know all the details and I am asking for clarification. What was the basis for the allocation in '88, and how did it transfer to '89?

Now the Minister tells me that the land in fact was used, but they were not aware of it. Now someone obviously has to explain this and it is the Minister of Agriculture who has to explain this because he just a little while ago said that the allocation authority was his. There is no dual allocation authority, so if there is no dual allocation authority, I would like to know what transpired. Perhaps he can go through the '88 period and lead us into the '89 period and explain the situation to us.

**Mr. Findlay:** In this particular case in 1988, authorization was given to Crown Lands to lease it. No application was received, but late in the year Natural Resources requested us to bill. We billed and we were paid.

**Mr. Uruski:** Mr. Chairman, this is getting more interesting. Now we have a phantom lessee who got authorization to lease. No one came forward, but lo and behold, Mr. Chairman, somewhere the cows

appeared and the Department of Agriculture was told, bill somebody.

I think the Minister better explain that a bit further as to how this transpired. No dual allocation process, yet there was; obviously, someone gave permission. If they did not get permission to graze, on what basis were they grazing this Crown land?

Normally speaking, the department would jump all over someone to say, look you either get your lease or move your cattle. In this case here, the department was not aware of it, so said the Minister and I accept that explanation. I do not know. If the department was not aware of it, how could they then go out and bill somebody, because quite frankly they were not aware of anybody leasing it? I think the Minister has a bit more explaining to do as to how this transpired.

**Mr. Findlay:** Well, I guess if the Member cannot get it straight, what he has already been told, I will just be rehashing the same ground. Authorization was given to use the land. We received no application but Natural Resources requested that we bill. We billed and were paid. So that was the system that happened. If he knows something that I do not know, maybe he should tell me.

**Mr. Uruski:** Mr. Chairman, if your department was the only allocation authority, and you did not allocate to anybody, how could you bill somebody?

**Mr. Findlay:** We were requested by Natural Resources to do that billing so we did. Really, that is Natural Resources property and land, and we acted on that request and were paid.

\* (1550)

**Mr. Uruski:** Is the Minister telling me that Natural Resources allocated this land?

**Mr. Findlay:** Mr. Chairman, we are not aware of who allocated. All we know is that we were requested to make a billing and we did. So however the allocation was done, if there were cattle there, how long they were there, we were not informed.

**Mr. Uruski:** I find this incredible. I say this in the kindest terms to the Minister because how can he stand in this Chamber and say there is no dual allocation system and yet the land was used. His own department did not allocate it. They were requested to bill somebody, they billed them and they got paid.

The management of this is questionable to say the least. Now, I will ask the Minister: who did they bill? Someone that they did not allocate to, who was the person that they billed, or persons? I do not know who they are.

**Mr. Findlay:** We were requested to bill Johnson and Chartrand.

**Mr. Uruski:** Mr. Chairman, can the Minister indicate whether the bills were paid, as he has indicated, for '88? What has occurred in '89?

**Mr. Findlay:** Yes, in 1989 we have not received a request to use the land.

**Mr. Uruski:** Mr. Chairman, then I will ask the question: has the department been asked to bill somebody?

**Mr. Findlay:** Not at this time.

**Mr. Uruski:** Mr. Chairman, would the Minister be surprised if I told him the land was being used by the same two individuals? Would that be the case? Would it have been the normal practice of the department to ascertain whether someone was using that Crown land, or is that totally under the jurisdiction of Natural Resources?

**Mr. Findlay:** Technically, it is Natural Resources property, and if they felt there was something wrong with what was being done on it, and that we should have been involved in the process of allocation, I would think they would have contacted us.

**Mr. Uruski:** Mr. Chairman, I want to tell the Minister that I was contacted by Members of the East Meadows Ranch who advised me that there were cattle - (interjection)- pardon me, I cannot tell you, but I do know that Lawrence King is the manager of the ranch, and he lives, and has lived in that Oak Point area for 20 or more years, I would think, somewhere in that vicinity.- (interjection)- They may very well be. I do not know whether they are American or not. The East Meadows Ranch is a goose sanctuary, that supported it, but the Crown land around it from one side is not. I want to tell the Minister that I was advised by Mr. King that on or about June 10 of this year, long before notices appeared in the paper to the rest of society indicating that Crown lands, vacant Crown lands, wildlife management area Crown lands would be available to the general public, there were cattle on this land. I am asking the Minister, in fact, the announcement dealing with this availability of Crown land appeared in the Interlake paper on the 5th of July, 1989, some three weeks after cattle were put on this Crown land.

The Minister of Agriculture is responsible for the allocation of this Crown land, yet he has come to this Chamber today and said, I know nothing about this. Last year, I knew nothing, I heard nothing, but I billed somebody. This year, I know nothing. I do not even know whether anybody used it. I am now telling the Minister that this is the information that I have received from the landowners adjacent to that Crown land. Three weeks before it was publicly announced, cattle were put on the Crown land so there obviously is something wrong with his allocation process.

I want the Minister to tell me how he can explain using this Crown Land when no one else—and I am sure there are a number of farmers in that area who were equally affected by drought—would have, or would not have had an opportunity, obviously did not have an opportunity, because the public notice did not come out until three weeks after the cattle were there. So if I was a farmer in that area, I would not be asking for that land because I would know that I would see the cattle there.

So, Mr. Chairman, the Minister has to explain to me why such a loophole exists in his allocation process of this Crown Land that was for emergency grazing. Obviously the emergency was far greater for those people who got on there three weeks before they even advertised it to the public.

So, Mr. Chairman, I think this Minister better come clean as to how this either error, inadvertence, sloppy management or interference occurred.

**Mr. Findlay:** I think the Member got caught in his own web here now. He gave me some dates that are most interesting. July 5 we made the announcement, we had the authorization just prior to July 5, and he is telling me that the cattle were on there before we had the authorization. So I do not know how we could have any responsibility for cattle being on a piece of property which we were not authorized to allocate. If somebody has made a decision to put the cattle on, somebody has done something that is not appropriate.

I am rather amazed that you would wait until this point in time in the year if it was such a big issue with regard to somebody else getting proper opportunity to be allocated that land. Had you come forward in July, or in June, we would have been in a position to have dealt with it, but now we are after the fact and all you are doing is creating difficulty for all the people involved, those that used it and those that wanted it. So clearly we did not have authorization on June 10, we had no responsibility on June 10.

**Mr. Uruski:** Mr. Chairman, the Department of Natural Resources (Mr. Enns) was aware of the problems back in '88 of the complaints of East Meadows Ranch. So, Mr. Chairman, if the Minister is saying that they did not have authorization until, when? You see, the notice appeared in the Interlake Spectator on July 5, 1989, obviously the press release had to come out before then—late June.

\* (1600)

If the cattle were on that land obviously prior to that date, who gave them authorization to go on there? Certainly I am sure that the individuals involved in using that land would have been those applying, but the question arises, how did they get on there prior to you allocating that land. If that is the case, obviously you would not have received any other inquiries for the use of that land. If I was living in the area and I saw cattle on there, somebody else has got it. So why would I even think of applying when the land is being used?

What I am really saying is, who gave the authorization and, if you did not, then on what basis was the land allocated since you are the only authorizing agency?

**Hon. Harry Enns (Minister of Natural Resources):** Mr. Chairman. I have listened to this for the last little while, and I would be happy to help out the Honourable Member for Interlake (Mr. Uruski) from his difficulties.

The Ministry of Natural Resources has the custodial authority of all Crown Lands. Some time ago a significant portion, and the Minister of Agriculture

indicated to you just a little while ago, the number of acres that had been designated for agricultural use, and the responsibility for the management, the allocation of lease rights on that agriculturally classified Crown land is totally in the hands of the Ministry of Agriculture and the Minister responsible.

The lands in question were agriculturally classified, just for the Honourable Member's information, up until and as late as 1984. The lands now are totally under the jurisdiction of the Department of Natural Resources, are contained within a wildlife management area. The Minister and the Member have discussed correctly that from time to time, particularly in periods of drought, the Department of Natural Resources indicates further lands that are otherwise in their jurisdiction under wildlife management classification are made available to Agriculture, to be administered by the Department of Agriculture, for allocation to needy farmers in need of additional forage. Normally when that is done the department reserves certain wildlife management areas that it does not transfer the authority over to the Department of Agriculture for specific reasons.

In this last year there were a number of wildlife management areas, half a dozen or so, that were not included in the list that were made available to Agriculture and that were referred to in the advertisements, the publication of additional lands being made available for agricultural use in wildlife management areas.

One of those areas was the Marshy Point Wildlife Management Area. Mr. Deputy Speaker, it was under the authority that is vested in me as Minister of Natural Resources, Minister directly responsible for the management of wildlife management areas, that gave the authority to Messrs. Johnson and Chartrand to run their cattle in that particular area of land, an area of land by the way that the Johnsons and Chartrands have been grazing cattle in since the 1930s, and had a 10-year long-term lease from the Department of Agriculture throughout the 1960s. At the same time that this was going on I was particularly pleased and proud to have located adjacent to that area the internationally renowned Canada goose and wildlife sanctuary known as the East Meadows Ranch. The geese were introduced into that area at about the year 1954. Cattle have intermittently used that land for the better part of 25 or 30 years in peace and in harmony.

I have been on that land on many occasions. Cattle and geese are not incompatible. In fact, quite the reverse is opposite. My biologist friends will argue with it, but I can invite you and the Member for the Interlake (Mr. Uruski) knows that the geese enjoy walking where the cattle have been, particularly in the early spring or in the late fall because that is where the young grass shoots are and the best feeding is available to them.

I reject absolutely and fundamentally the kind of utter outrageous charges that have been made. I also suggest that history and traditional use of that land refutes it, the fact that has now become, as I repeated, an internationally renowned wildlife resource that we can all be proud of. Certainly I am proud of having it located in my constituency. The fact that developed at the same time that these same gentlemen, these same cattle

farmers, had a long-term 10-year agricultural lease and were grazing cattle adjacent to it demonstrates to me that serious harm was not being done by allowing these second generation cattle ranchers in that area to have some use of that land.

I invite the Honourable Member for the Interlake to carry on the debate and engage the debate with me during the course of my Estimates. It is more appropriate that that is where it should be centred. I simply want to indicate very clearly that the Department of Agriculture did not and was not in a position to in any way be responsible for the cattle being on the land in question. They will because they have the mechanics and they have the administration to do such things as billing for grazing privileges used and will be asked to do so again this year, as they were last year. There is no doubt about it. If the Honourable Member for the Interlake (Mr. Uruski) is looking for, as he has repeatedly asked, who authorized these cattle to be on Marshy Point, it was, I humbly submit, none other than the Minister of Natural Resources.

**Mr. Uruski:** Mr. Chairman, I see that the Minister of Natural Resources (Mr. Enns) is in his finest form. He is trying to be a master at diversion and talking about the significance of the goose sanctuary, and it is very significant, no doubt about it. It continues to play and I am sure it will continue to play a very major role in the natural habitat of the Province of Manitoba. That is not the issue. I did not get up here indicating that there were complaints.

I have indicated there were complaints about some of the alleged damage caused and that is what I said, alleged, to the East Meadows Ranch. The issue that I raised, and I continue to raise, is the Government announced programs of allocation of Natural Resources land. The admission of the Minister of Agriculture (Mr. Findlay) saying there is only one authorizing authority. Yet, we now have an admission from the Minister of Natural Resources (Mr. Enns) saying that he did the authorizing of Crown lands. There were additional Crown lands left aside from those given to the Minister of Agriculture for allocation.

Mr. Chairman, what that leads me to believe is that there is a dual system put into place, one where those who are farming—a majority of whom have to go through a certain set of hoops—through Natural Resources, through Agriculture, and Agriculture assesses on a first-come, first-served basis. However, if you know somebody in Natural Resources—and in this case it is the Minister of Natural Resources—and come to me several weeks before we put the notice on and I will give you some land, because that is essentially what he told us this afternoon.

Mr. Chairman, I believe—and unless the Minister of Agriculture (Mr. Findlay) and the Minister of Natural Resources (Mr. Enns) can clarify that position—what other lands were kept away from the administration? What other lands, if any, were given out prior to even the announcement? Now here is a new criteria, Mr. Chairman, that I just heard from the Minister of Natural Resources: "If you had a lease close by, you got it."

\* (1610)



Okay, now I will ask the Minister of Agriculture, is that part of your criteria in the allocation of those lands? If it is not, and there is only one allocating body, Mr. Chairman, there is a problem in terms of how this Government operates. I think the Minister of Agriculture has to come clean and tell us on what other lands have they been requested to bill individuals for Crown lands that were kept out of a list that the Minister of Natural Resources now has admitted that there were other Crown lands that were kept away from Agriculture? Have they billed someone else in other areas? Perhaps he can shed some light in that whole area.

**Mr. Findlay:** Mr. Chairman, I think you may have to emphasize the authority of your Chair and when questions directed to the Department of Natural Resources are addressed in Agriculture, I think they are out of order.

The Member has a fairly clear indication now, as to what Natural Resources did with the land. His first question was: did we bill anybody else. The answer is, no. I have told him repeatedly we only allocate on a first-come, first-served on land that we have the authority to do that on. The land is under Natural Resources until we are authorized to allocate. The department had no authorization to allocate that land until late June. I absolutely reject comments that that Member made earlier about sloppy management. There has been absolutely no sloppy management by anybody in Crown Lands or my department in this respect—none whatsoever—and I think he owes the staff an apology in that respect.

(Mr. Bob Rose, Acting Chairman, in the Chair)

**Mr. Uruski:** Mr. Acting Chairman, I want to tell the Minister that I believe that the staff are doing their job, and I will tell the staff that I am sure they were—by what I have heard this afternoon—that they were not involved in this. But I know that the Minister or his colleague, the Minister of Natural Resources (Mr. Enns) had to be involved in this, by their own admission.

So therefore, Mr. Acting Chairman, it appears to me that there is political interference in the way Crown lands were allocated during emergency periods for grazing purposes in this whole area. The Minister now tells me that they billed no one else. Yet we heard the Minister of Natural Resources (Mr. Enns) tell us (a) he allocated the land, and secondly, there are other lands that were not turned over to the Department of Agriculture.

While it is probably clear that the Department of Agriculture may not have billed someone else the question arises, however, did someone free-graze during an emergency period of time? That is probably the prerogative of the Government if they wish to allow someone to graze freely. There have been periods of time when the province had waived grazing fees, but they did not waive them for one or two individuals. They waived it across the board.

So the Minister of Agriculture, now tells us that no, they did not bill anybody else. Is he aware, is his

department aware, of any other lands that the Department of Natural Resources allocated without referral to his branch since he told us that there was only one allocation authority in the province? If there was not any sloppy management, and I believe that from Agriculture Crown Lands' point of view, there may not have been. But, by golly, there had to be some political interference in the process to by-pass the system.

If this Minister is saying, look I am clean, I will accept his word. Then what he is saying is that the responsibility of allocation when it should not have been, he is admitting to us, was by-passed by his colleague, the Minister of Natural Resources (Mr. Enns). Is that correct?

**Mr. Findlay:** I think the Member very clearly knows that what he has here today is the absolute facts as they existed from the standpoint of the Department of Agriculture. He knows full well that those Crown lands of wildlife designation are completely the responsibility of Natural Resources. If they choose to allocate certain lands to us, we will lend on a first-come, first-served give out grazing permits. But if they are not allocated to it, we do not allocate the land. If we are not authorized, we do not get the authorization from Natural Resources, we do not allocate the land. It is as simple and straight forward as that.

**Mr. Uruski:** Mr. Acting Chairman, it is well and good for the Minister to try and defend himself saying we have no responsibility in this area. This Minister came to this House and said look there is no dual system of allocating of Crown lands. I did not question him about his department. I questioned him and the Minister said, "not in our department in allocation for Crown lands," I recognize that. However, my questions were not related to his department directly. My whole tenure of questions related to the allocation of Crown land in emergency periods during the drought situation. That was the whole tenure of my question. The Minister better not start twisting that. Because that is where all my questions were based on, on this emergency period.

The Minister is not clean on this one. Well, he is not. How can he stand in this Chamber and say, look, I am clean on this one? Yet I am going to send the bill to someone. Someone we had nothing to do with. Mr. Acting Chairman, did you get a bill? Maybe you had some cattle out in Marshy Point or somewhere else in the province. Did he send you a bill that he did not know that you grazed? Why did you not tell him about the five steers that you had in the Interlake in Moosehorn area on Crown land there? He would have billed you.

I say that in jest but ostensibly that could have happened. Obviously, that is what happened. I mean the Minister comes to this House and says, I know nothing about the situation. I have nothing to do with this. Yet I am prepared to send a bill to someone who I did not know existed, I did not know grazed land. How could I do that?

This Minister cannot sit in this House because here is what will occur. We will allow this matter to pass and, when we get into Natural Resources, there will be a little more information that will trickle out from the

Minister of Natural Resources (Mr. Enns). It may mean that this Minister has more to do with it than he said, but we have finished the Estimates.

Mr. Acting Chairman, I have a bit of difficulty with the Minister's posture on this one, to come here and he has said, and I questioned him specifically, whether there was a dual system of allocation, because they knew nothing about it, nothing about allocating of this land. He said, no, there was only one allocation process, and he also said to me that they have not billed anyone else for any other lands.

I think that is what you said, and I accept that. Ostensibly we are only talking about one area in the Province of Manitoba. That one area in the Province of Manitoba was by-passed somehow, someone, and the Minister of Natural Resources (Mr. Enns) now says I allocated it, so he by-passed the system.

Mr. Acting Chairman, what would normally occur to someone who has, in fact, not complied with the normal allocation process? I mean, you would have cancelled the leases, but because they are not lands under your jurisdiction, you know nothing about them.

\* (1620)

Is it fair that land be allocated? I hold no malice to those individuals at all, I want to say that very clearly, who are using the land. They may have been and probably are the logical people to use the land, but what I have gotten from the Minister is that this Minister allowed his colleague to by-pass a recognized system that was put into place.

How can he stand in this House, in this Chamber today, and say, I knew nothing about it, we had control of the system and someone got on that land several weeks before we advertised it to the general public? Does he consider that fair?

**Mr. Findlay:** I guess the way that the Member is talking about the individuals, it is hard to say he has no malice for them. He obviously wants to create all kinds of negative image for those individuals and for their farming operation and for the Crown Lands Branch, who were charged with the administration of land that is allocated to them by Natural Resources.

He has been repeatedly told, and I do not know why it cannot sink in, that until the authorization comes to Crown Lands from Natural Resources, they cannot allocate that land. When they get that authorization, they allocate it according to the principles laid out here this afternoon, purely and simply, and they only use one allocation system, one and only one.

If he has any other complaints that he knows about that that allocation system is not working, I would like him to put it on the record.

**Mr. Uruski:** Mr. Acting Chairman, can the Minister then explain to me how they can send the bill to someone who they say they have no knowledge of?

**Mr. Findlay:** Crown Lands Branch was requested by the Department of Natural Resources to do that. We

did not ask the question of how they got there, that the cattle went out there voluntarily and obviously they used it. Natural Resources wanted them billed and we billed them.

**Mr. Uruski:** If Crown Lands was the only authorizing agency for Crown Lands, then how could this occur?

**Mr. Findlay:** How could what occur?

**Mr. Uruski:** If the Crown Lands Branch or the Department of Agriculture was the only agency on behalf of Government to do the allocation of special grazing under authority from Agricultural Crown Lands, because that is what the Minister told me, how then could this have occurred?

**Mr. Findlay:** How could what occur?

**Mr. Uruski:** The billing to someone for the use of Crown land for grazing.

**Mr. Findlay:** The reason we could not bill prior to that is we had no request for the use of the land. Natural Resources then found that somebody was using it and they felt they should be billed so they sent us notification requesting a billing be sent to the individuals who had used the land without our having the opportunity to allocate it because of lack of application. Any more examples?

**The Acting Chairman (Mr. Rose):** Item 5.(f)—pass.

Resolution No. 10: RESOLVED that there be granted to Her Majesty a sum not exceeding \$11,005,400 for Agriculture, Regional Agricultural Services Division, \$11,005,400 for the fiscal year ending the 31st day of March, 1990—pass.

Item 6. Policy and Economics Division \$2,943,400—The Honourable Member for Fort Garry.

**Mr. Laurie Evans:** Mr. Chairperson, I believe there were some questions being asked by the Member for Seven Oaks (Mr. Minenko) at the last sitting and the Minister was going to bring some more resource personnel in to provide some assistance in answering those questions. Maybe this would be the appropriate time.

**Mr. Mark Minenko (Seven Oaks):** Mr. Acting Chairman, I would like to follow up some of my perhaps general comments from Tuesday on the matter of the food processing industry.

I understand that the Central Plains Inc. put together a study on the feasibility of the establishment of food processing in Manitoba, and I am just wondering. First, in the material that they put together on their submission for second year funding under the Community Futures Program, they deal with some statistics dealing with the number of hectares and production of vegetables and so on. I am just wondering if the Minister can update the figures that the Central Plains organization put in place because those figures are based on 1986. I am just wondering if the Minister and his staff may have some more recent and up-to-date figures.

**Mr. Findlay:** Yes, I guess in a general comment to your basic question, the acreage of vegetable crops has not changed in any substantive way. Just as a general knowledge of the process that is in place, it is really a project where we are only there to help on the agricultural side of the total question.

As the Member has mentioned, they have gone through a first phase which was a study with objectives to evaluate the market for potential of Manitoba grown and processed fruits and vegetables, investigate the commercial potential of traditional and recently developed processing technologies in a Manitoba context, and third, to develop a list of product processing technology combinations which best meet our evaluation criteria. As I say, first phase has been done. It involved focus on juice production, apples, raspberries and freezing with carrots, broccoli and cauliflower and modified atmosphere packaging with strawberries and lettuce, broccoli and cauliflower. In the fall of 1988 they initiated phase two to focus on the recommendations made in phase one. The second phase is now nearing completion and a review and draft report by the steering committee is expected shortly. It is expected the recommendations that will be forthcoming will take into account the planned closure at Campbell Soup in Portage. There is a fairly extensive steering committee of which we are representing the agricultural portion of it and the process proceeds on.

\* (1630)

**Mr. Minenko:** When the Minister (Mr. Findlay) speaks about the completion of various phases, is he referring to page 32 of the application dated April 21, 1989, where they set out that the first phase is between March and May of 1988, and the second phase is to be completed approximately May 1988; third phase to be completed by September of 1988; fourth phase, November 1988; fifth phase, economic assessment, to be completed March 1989; the sixth phase, reassessment, to be completed in September of 1989. When he refers to phases, are only the first two phases then completed when the anticipated completion, in accordance with their program set out that we should be at the end of phase six, reassessment, by the end of September of 1989? Are we at that place now or are we back up where they projected of being finished by May of 1988?

**Mr. Findlay:** The phases I refer to are really some operational phases involved in the study and the work that they were doing. The overall project is really more or less on track with regard to the phases that you have read out of the report there, with the idea of having a final report ready January of 1990. They are really fairly close to being on track, just a few months behind the deadlines that you mentioned in your comments. We were just talking from an operational point of view of the phases of dealing with the vegetables.

**Mr. Minenko:** So has this project completed the economic assessment that is set out to have been completed by the end of March 1989?

**Mr. Findlay:** The steering committee has not seen that yet but expect at their upcoming meeting very shortly

that will probably be in the report that they will see at that time.

**Mr. Minenko:** Is there any explanation of why the delay as to when the completion dates will be set?

**Mr. Findlay:** There is no reason for not having met the so-called month-by-month targets, but I guess technically it is just life in the biological world. Things took a little longer than expected. The report is probably written and ready, but the steering committee has not seen it yet. I guess in a general sense of the way things happen, that is not very far behind at all, but still with the idea of having final report for January of 1990.

**Mr. Minenko:** I am just wondering if again in this—and I am relying on the materials provided by Central Plains. They note that Canada is a net importer of processed fruits and vegetables, with a trade deficit of almost half-a-billion dollars in 1984—however, that Canada is a net exporter of frozen foods and vegetables, and of frozen juice concentrates. Is that continuing the situation since 1984, and how does Manitoba fit into that situation?

**Mr. Findlay:** I guess I will just try and make a short answer. By and large the fresh vegetable industry is growing in Manitoba, so the percent of a Manitoba-grown product eaten in Manitoba is rising slowly, so the so-called percent of total consumption in Manitoba that is coming in from United States is probably going down on a steady basis. Certainly, there has been attempts to be able to handle fruits and vegetables that are grown here, keep them stored, so they can remain fresh and be competitive with incoming fruits and vegetables.

(Mr. Chairman in the Chair)

I do not know if the Member noticed, there was a very interesting TV news item about two weeks ago on one of the agricultural programs on a Sunday afternoon which showed an individual here in Winnipeg, in the Winnipeg area, who is hydroponically growing lettuce, the buttercup lettuce, growing it hydroponically and has the roots just coming out the bottom in a cup of vermiculite and getting the nutrients out of the water flowing along underneath, and actually putting that hydroponically-grown lettuce on the shelf of the retail stores in a live state. It was beautiful looking lettuce. When it is sitting live on the shelf, it is very attractive compared to any product that has been transported in from any distance outside our borders.

So there are people attempting in the industry to meet the consumer needs of a high quality fresh product. I think you will see, as long as the economic principles come into being, that they can compete with the incoming product. I think you will continue to see a growth in fresh vegetables grown here in Manitoba for consumption in Manitoba. Hopefully, by being able to store them and transport them, we might be able to access a market in Northwestern Ontario, maybe into Saskatchewan, to a greater extent than what we already are.

The Member should know that there are semi-loads moving out of Manitoba on a regular basis of a variety

of vegetables that are grown, particularly in the Portage area.

**Mr. Minenko:** Following up with a specific question: is Manitoba a net exporter of frozen fruits and vegetables, and frozen juice concentrate?

**Mr. Findlay:** I am advised that the only frozen product that we are exporting out of Manitoba that is grown here is potatoes, and at that, we are exporters.

**Mr. Minenko:** I am just wondering if the Minister could advise us on some of the preliminary results of some of the assessment that has been done, specifically in Phase II and Phase III, gearing themselves more towards Phase III, the processing trials. What are some of the results of the study to date?

**Mr. Findlay:** The purpose is, you mentioned the phases that they are in, they are looking at the concept of juicing, freezing, and modified atmosphere. Now they want to follow up with the economics of the overall situation of growing the crop and either juicing, freezing, or handling it in any other way, so that if it can be economical to be able to produce it and process it to a fashion that is consumer acceptable, so it is going through the work in terms of agronomic principles. There will be the follow-up economic evaluation of whether it is feasible or not from that standpoint.

\* (1640)

**Mr. Minenko:** If I remember correctly, and perhaps the Honourable Member for Fort Garry (Mr. Laurie Evans) may indicate whether I am correct or not, but over the last several years the University of Manitoba has been experimenting with different fruit juices or something like that, that they produce locally and process locally. Are there any innovative projects or innovative fruits that are being considered as part of this project, or is there another place in Manitoba that is actually doing that kind of work in addition to the University of Manitoba?

**Mr. Findlay:** Yes, certainly there has been some work done at the University Food Science Department of the Department of Agriculture that has worked with raspberry juice. I can tell the Member that last year, about a year ago maybe 14 months ago, I was out there and toured their facilities, and they gave me an opportunity to drink it, and it was very good. It was very good indeed.

But, in conjunction, of your question there, you also asked if there was some other place in Manitoba that was doing similar work. To the best of our knowledge, the Food Products Laboratory at Portage is doing some larger scale work of that nature. In fact, I did read a report not too long ago where an individual producer of raspberries was going to the Food Products Lab, and that is what the Food Products Lab is there for, to help people develop a process, work it out, see if it is economical. A producer was working with the Food Products Lab to produce raspberry juice and develop a market for it, so I cannot comment on all the projects

that might be going on there, but there some are, and there is some reasonable promise in various juices of that nature.

**Mr. Minenko:** I presume -(interjection)- The Honourable Minister of Northern and Native Affairs asks about barley juice. I have heard about barley sandwiches. It would appear that I think Members are saying it is, indeed, a similar type product.

I am just wondering if the centre that the Minister of Agriculture was just discussing is the same as the Canadian Food Products Development Centre. Is that the same centre that you are referring to? Yes, okay. What liaison does the Minister of Agriculture's office have with the development centre?

**Mr. Findlay:** Daily basis.

**Mr. Minenko:** Is there a permanent link, semi-permanent link? Is there much co-ordination going on?

**Mr. Findlay:** Food products lab is under the jurisdiction of the Department of IT&T, or rather the Minister of IT&T, but they have an advisory committee on which we have had representation. In the past it was Cliff Cranston who is now retired and presently it is Don Webster from our Soils and Crops Branch.

**Mr. Minenko:** What new products have actually been developed at the centre in the last two years, in the last five years, in the last 10 years say, that have actually been proven to be commercially successful?

**Mr. Findlay:** The Member asked about up to 10 years about commercial viability. I do not have a good answer on commercial viability, but I can give a comment on a few of the things that have been tested out there or worked on. The raspberry juice is most likely one of the examples that is closest to being economically viable, but there have been cheeses worked on, there have been beef fingers worked on, and different breads worked on. Where they are at in terms of economic viability, I do not have an answer. Probably more information may be available through IT&T and in those Estimates. I would suggest follow-up and they will have a more direct access to that wide variety of information on all the products that have been tested and their potential future.

**Mr. Minenko:** I guess I am a little disappointed that seeing this is a food products development centre the Minister of Agriculture's office does not take a little bit more immediate role in how it is run and organized and so on. I can understand it being in Industry and Trade, but I certainly would think it could use a little bit more attention from the Agriculture Department. Could the Minister perhaps advise as to how products actually get into the stream and into the centre. Is it something that the local farmer initiates or is it something that the centre staff initiate? Is there research staff at the centre to provide advice on what products should be considered?

**Mr. Findlay:** I do not think it is a fair comment to say the Department of Agriculture staff has not had a

reasonable involvement with that centre. They have had quite a continuous level of involvement in terms of discussion with people looking for should I, should I not, go to the centre and propose that what I have in mind here should be tried there. There is a cost associated with doing it. They worked very closely, particularly on the beef fingers one. It was part of an agri-food project, funded through our department. The raspberry juice—has been different levels of involvement of staff. It is not an automatic success story that something is started. For instance, we use to, silver-skinned onions used to have a reasonable operation in Portage on them and because of problems beyond our control outside our borders with tariffs—and pickles, tariff problems—they just could not economically stay afloat. The idea was good. The ability to use a product was good, but could not compete with other products because of problems created by other countries with regard to tariffs.

\* (1650)

You know that is all part of the picture, but I just do not like the concept that our staff has not had a role to play and an involvement. I think they have been very involved. If we had time, we would tell the Member of the success story in the total vegetable industry in this province in terms of producing product directly for the retail shelf and the kind of processing opportunities that people are thinking about for the future. It is a real success story. The vegetable industry is a very viable sector of Agriculture in Manitoba now primarily because of private entrepreneurs and because of support help that has come from staff in this department over a number of years.

**Mr. Minenko:** Well, Mr. Chairman, I do not think anybody disputes what the Minister has just said with respect to the viability of the vegetable produce farmers. What I was concerned about is from the Minister's brief comment to my previous question. It seemed like either he himself as the Minister in charge of the department, or whoever, did not really seem to be taking a greater role than I thought an Agriculture Department should. I appreciate the Minister's explanation subsequent to that previous question.

I guess one of the things that I am concerned about is that because of the relatively short growing season in Manitoba, looking at new products is very important in the whole area of frozen and, generally, processed foods. Because of that short growing season, we cannot expect the retail to take all the product. Perhaps if there were some viable alternatives in the whole processing industry then the vegetable growing area could in fact increase and not simply be geared to the retail, but moreso that we could become perhaps a net exporter of not only potatoes but many other of the products that are grown in Manitoba. So that is where my concern is and I will certainly be following up on the few examples the Minister has later on.

Just as a final question on this food processing feasibility study, would the Minister then advise that until the project actually goes through all of its phases, none of the results will be really made available or really known until January of this year? Is there any

more specific end date to the whole project of this feasibility study?

**Mr. Findlay:** Well, I think I have told the Member all that we can tell him at this time. The steering committee is there. They are charged by the Regional Development Corporation who has the funding under Community Futures. So it technically is not under our jurisdiction, and certainly not my responsibility to release information. They will make those decisions as to what information they will release and when they will release it. I think that is where the project is at this time.

**Mr. Chairman:** The hour being 5 p.m., it is time for Private Members' Hour. Committee rise and call in the Speaker.

## IN SESSION COMMITTEE REPORT

**Mr. Harold Gilleshammer (Chairman of Committees):** The Committee of Supply has adopted certain resolutions, directs me to report the same, and asks leave to sit again.

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

**MOTION presented and carried.**

## PRIVATE MEMBERS' BUSINESS DEBATE ON SECOND READINGS—PUBLIC BILLS

### BILL NO. 2—THE LANDLORD AND TENANT AMENDMENT ACT

**Mr. Acting Speaker (Harold Gilleshammer):** On the proposed motion by the Honourable Member for Inkster (Mr. Lamoureux), debate on second reading of Bill No. 2, The Landlord and Tenant Amendment Act (Loi modifiant la Loi sur le louage d'immeubles), standing in the name of the Honourable Member for La Verendrye (Mr. Pankratz). He has three minutes remaining.

**Mr. Helmut Pankratz (La Verendrye):** Thank you, Mr. Acting Speaker. It is a pleasure for me to once again rise on this Bill and the Member for Inkster (Mr. Lamoureux) did bring forward this Bill, which as I indicated previously in my speech, I can not agree with him on that Bill. I will not support his Bill. But I do say that the Member for Riel, the Member in charge of Housing (Mr. Ducharme) has brought forward today a Bill which shall address all of the needs, at least not this piecemeal. I think it is trying to address all the needs of the tenants and also the landlords, and in that respect I think it will be something that, if we could get speedy passage in this House of that Bill that the Minister has brought forward, I think that would be better for both the tenant and the landlord. Like I indicated in my previous comments, Mr. Acting Speaker, we can pass all the legislation we want, but if you do not get responsible landlords and if you do not get responsible tenants, it seems to me that through

legislation alone it will be very difficult to administrate proper and competent disputes.

Basically, that is what this is supposed to be doing, and I must say I have full confidence in the Minister and his Bill that he has brought forward now with the recommendations. It will show responsibility to both parties and it will address it the way I think it should be done, not piecemeal like it was introduced by the Member for Inkster (Mr. Lamoureux). With those few comments, I will leave it up to the next speaker.

**Hon. Harold Neufeld (Minister of Energy and Mines):** Mr. Acting Speaker, I rise to put a few comments on the record with respect to Bill No. 2. The more legislation the Government passes, the more areas there are for controversy, the more areas there are for an adversarial approach to be taken by both landlord and tenant.

I have been both a landlord in my time, and I have been a tenant in my time. The tenant's position is by far the easier, the better position. He only has one person to deal with. The landlord has many people to deal with. The more legislation we get, the more problems we encounter. It should not be Government's position to detail the relationship between a landlord and a tenant. The Government should create a climate under which the landlord and the tenant can work co-operatively, not adversarially.

The Minister of Housing (Mr. Ducharme), as the Member suggests, the Bill is intended to help the landlord and tenant work co-operatively. I suggest that it does quite the opposite. It puts in place a legislation which forces the landlord and the tenant to enter into an adversarial approach right from the outset. Before the tenant even moves in, he must look for defects within the apartment; he must look to see if there are any chips in the walls; he must look to see if there is any discolouration of carpet; he must look to see if there are any windows that are broken.

\* (1700)

The landlord, on the other hand, is obliged to make certain that there are no defects in the apartment before the tenant moves in.

If I had my way, Mr. Acting Speaker, I would have the tenant present to the landlord a list of defects as he moves in, and let the landlord then make sure that those defects are in fact there.

I rented a car recently, Mr. Acting Speaker, and I did not take the additional insurance. The rental agent asked me to go check the car and make certain that there were no dents, that there was no damage to the car. When I return with the car they will check to make certain that there is no damage done to the car. If I do not find anything when I take the car out, then I am presumed to have taken the car and accepted the fact that there was no damage, and the same goes for a tenant. When he walks into his apartment, if he sees a defect, if he sees some damage, he notifies the landlord of that damage and that is then written down and the landlord checks it if he wants to, and there is no confrontation. There is co-operation.

Mr. Acting Speaker, I can go back to 1969 when the rent controls first came into being. I knew a number

of landlords at that time. They told me then that the best thing in the world that could happen to us is for rent controls to come in, because before that, Mr. Acting Speaker, no landlord could raise the rent by 10 percent. That was the limit placed on the landlords for that first year that the rent controls were in effect—no rental increases more than 10 percent, which was taken by both landlord and tenants to mean that you must raise the rent by 10 percent. Well, the tenant must pay at least 10 percent more than he paid the previous year.

The tenants accepted that because the Government of the Day, the NDP Government of the Day, had convinced the tenant that if we did not put this in, the landlord would raise your rent by 15 percent, 20 percent, 25 percent.

Mr. Acting Speaker, prior to that time no landlord in Winnipeg could raise his rent that much because there was a vacancy factor in Winnipeg too great to raise rent by that amount. So the Government of the Day brought in an Act to force the tenant and landlord to accept a rent increase acceptable to the Government of the Day that had nothing to do with the free market approach, with the . . . .

**An Honourable Member:** What should it have been?

**Mr. Neufeld:** Why should it have been?

**An Honourable Member:** No, what should it have been?

**Mr. Neufeld:** If they had left it to the free market, our rent would not have gone up by the amount it did that first year in 1969. No landlord of the day increased the rent by 10 percent. They were increasing at that time amounts of 3 percent to 4 percent because we did have vacancies in Winnipeg at that time.

So all we did, we caused a problem. We caused a difficulty for the tenant. We caused the tenant to pay more by bringing in rent controls.

Mr. Acting Speaker, we have a situation in Winnipeg today where we have large vacancies in downtown apartment blocks. If it were not for rent control today most apartments would not be raising rents.

**An Honourable Member:** Why did you put in 3 percent, then?

**Mr. Neufeld:** Because we have rent controls and because the rent regulations are written in such a way that if the landlord does not raise his rent by the 3 percent this year, he cannot catch up next year. He has to live within the increase of 1990, which may be 3 percent again or it may be 4 percent, or it may be 2 percent, depending on inflation, but he cannot play catch-up so he is forced to raise the rent. The fact that there is a large vacancy in downtown Winnipeg today does not play a role in the rent determination. The rentals Act plays a role in the rent determination. That, Mr. Acting Speaker, I think is wrong.

I have seen probably as many apartment blocks as the Member has seen, Mr. Acting Speaker. I have seen

a great number of landlords and tenants in my past life.

Mr. Acting Speaker, it is true that the more regulations Government imposes, the more problems Government creates. If we can create a climate where they can work co-operatively, both landlord and tenant will be better off.

The Minister for Housing (Mr. Ducharme) is bringing in an Act, Bill No. 42, which will include a lot of changes. It may not include a change in the regulations respecting the security deposits, but it will include a lot of changes. The fact of the matter is, why bring in two Acts?

If the Member for Inkster (Mr. Lamoureux) is not satisfied with the Bill that the Minister is bringing in, he can of course ask for an amendment. He can move an amendment. He can. We can get an amendment through the committee. There are many things that can be done, but why bring in a Bill specifically to deal with a condition report? That is the only thing that is in this particular Bill. We add to that the obligations of the Rentalsman to act as a policeman or act as an arbitrator for every dispute insofar as security deposit or the condition report is concerned.

We have in the area of—200,000 I think I saw somewhere—rental units in Winnipeg. If 5 percent of those have a dispute over a condition report, we would have 10,000 arbitrations by the Rentalsman. What will happen to the Rentalsman's Office? He will not be able to conduct the service he now conducts for landlords and tenants.

Mr. Acting Speaker, I have already said we have to create a climate. I also believe that over-regulation creates problems in itself. It seems to me that this particular Bill is over-regulation. When we have disputes, when we have differences, we do not solve them.

**Mr. Neufeld:** We go to the Act and we say, well, we have a -(interjection)- difference of opinion and we will let the Act decide. There is no more consultation. No more discussion. It is, what does the Act say? -(interjection)- What does the particular Bill say? And we no longer—

**Mr. Acting Speaker:** Order, please. Could we have a little order, please?

**Mr. Neufeld:** We no longer are in a position to have landlord and tenant discuss the differences they have between them. We have now a Rentalsman who decides which one is right and which one is wrong. We have winners and we have losers. We have no more ties. We have no more getting together. We have confrontation. We have brought in an adversarial approach.

\* (1710)

Mr. Acting Speaker, I can remember some incidents on rent controls. I can remember an incident of where the landlord was attempting to help a family who were out of work and required some temporary assistance in their rental accommodation. He gave them an apartment for two years at minimal rent, without a raise

in that minimal rent. The minimal rent was less than half of what the going rate was. When these people moved out—they got back on their feet, they moved out—the next tenant moved in, and he had to abide by the rent guidelines of the day, which were an increase from the only the former rents he was paying instead of from the going rent of that particular apartment. I will tell you that the apartments at that time were renting for \$400 a month. He rented this apartment to a family for two years at a \$100 a month to help them out. When the family moved out, he was trying to put that apartment back at its usual rent and the Rent Control Board disallowed it. He had to raise the rent—the 6 percent—from \$100 a month and not the \$400 a month it was worth.

Now that causes the landlord to say, I will not in the future try to help people. I will not try to be a good citizen and try to help those who in need. I will not do the charitable work that I should be doing. I will let somebody else do it. The Government disallows me to—disallows the performance of charitable work by setting up controls that are not necessary.

**An Honourable Member:** Where did he get his advice from, you?

**Mr. Neufeld:** I am happy to say that he was a very good, dear friend and I am happy to say that he did take his advice from me, and I am happy to say that he did -(interjection)- that is exactly what he did and he still had that problem, because the Rentalsman said you cannot—the Rent Control Board said you cannot go back, you can -(interjection)- Well, it creates problems.

All I am trying to say is the more regulations we have, the more problems we have. Thank you.

**Mr. Edward Helwer (Gimli):** Mr. Acting Speaker, indeed it is an honour and a pleasure to put some remarks on the record regarding Bill No. 2, The Landlord and Tenant Act.

There is no need for this Act, for this Bill No. 2, because our Minister has proposed a Bill No. 40 that is going to make some changes in The Landlord and Tenant Act and correct some of the inequities that the former Government had in their Act—in their Housing Act.

At the present time, we do not need any more controls. We have rent controls. I believe rent controls are necessary to keep the people honest, and people in the housing business to offer their suites at a reasonable rate, and to keep the increases up to a reasonable rate so the people of Manitoba can afford it.

At the present time, the 3 percent increase that is allowed on rent controls has no real meaning. It is only there as a political lever. That is all it has ever been there for by the former Government. It has no reason.

**An Honourable Member:** Do you support rent controls?

**Mr. Helwer:** Certainly I support rent controls, and I am a landlord. I have a small apartment block of only

six suites, of course, but we do not have any problems. We have to adhere to the rules and regulations that The Landlord and Tenant Act have.- (interjection)- No, we do not. It is too complicated already.- (interjection)- That is right. We could make it less complicated.- (interjection)- That is right, we would like to see it less complicated.- (interjection)- No, no, no. We are firm believers in rent controls and we know that—

**Some Honourable Members:** Oh, oh!

**Mr. Helwer:** As long as we have all these controls—

**Mr. Acting Speaker:** Order, please.

**Mr. Helwer:** We do need rent guidelines, and that is fine, but we could take some of the red tape out of the system. What we need really is more private investment to get some—to get private apartments, to get investment into building apartments. But at the present time, there are too many—too much red tape, too many controls.- (interjection)-

We do need controls. The Member for St. Vital (Mr. Rose), I have to agree with him on this one thing, but we do need them in order to keep everyone at a—so they know what their increase is going to be in the coming year. This is fine, but we do not need the Government intervention in everything we do. We do not need the Government red tape. We can clean up this Act without adding more paper work, more controls, more restrictions, and every time we create another restriction we are making it tougher for average people to invest in their province, and making it more difficult to create good, honest people, letting honest people make a living on their housing.

I want to give you an example of what Government intervention does. If you will remember, the former Government decided to, at Aspen Lodge there in Gimli, they decided to make a condominium out of those houses out there.

**An Honourable Member:** I remember that well.

**Mr. Helwer:** There was a total waste of Government money.- (interjection)- We did not support it. I was not here when this was being done. This was all the former Government. We inherited the mess there, and our Housing Minister (Mr. Ducharme) is trying to straighten it out. This was a total chaos there under the former Government when they tried to make a condominium out of the Aspen Lodge there. What they tried to do, they took houses that were built in the wartime with no basements, very poor foundations. They spent \$40,000-\$50,000 each trying to remodel these things, and to try to remodel these houses that were built during the wartime. They were not built with the best materials and the best of workmanship at the time, and to try to remodel them and try to make them into decent living housing units, is very, very difficult, but the workmanship that we inherited, that the former Government did, was just terrible, and our present Minister is trying to clean it up, and we have a list here of deficiencies. We are going to take a long time before we ever get them all corrected.

Another example of the former mismanagement in this department is they went to build a recreation centre, and this is really something. They hired some of their own people, I think, the former Government, to do some of this work there. The idea was fine. They built a lovely—their idea of the plan and everything to build a recreation centre, they were going to have a sauna, swimming pool, meeting room -(interjection)- terrific, good idea, lovely, except that they did not realize, I guess, that they did not have the expertise or the proper people to administer the building of this type of structure and it was a terrible mess. Everything they did just fell apart, and we inherited this. Our Minister is still trying to clean this up, so we are still in the process -(interjection)- That is right. These are some of the things that happen under the old Act, and why try to -(interjection)- That is right.

Also, the Member for Selkirk—she is not here—but she mentioned that in Selkirk they did not get any housing units this year or there were not any improvements made. Let me tell you, 68 new units built in Selkirk this year, Mr. Acting Speaker.- (interjection)- That is right, plus the co-op housing. Also, some of the things that we did for Selkirk, we helped their arena. We have helped the Manitoba Rolling Mills try to grow and expand and create a lot of employment there in Selkirk, not only in the Town of Selkirk, it also helps my constituency, because my constituency goes three sides around the Town of Selkirk, so it is also helping my constituents.

\* (1720)

One of the other things we are doing there in Selkirk is building a new school in East Selkirk, adding to the school that the former Member had promised but just never did anything about it. We are proving that we can do something. We are building this school that is necessary there, and giving the people of Selkirk something to be proud of.

Another thing while I am mentioning talking about the town of Selkirk, is the work we are doing on the highways there, and we are correcting some of the mistakes that the former Government got themselves into there. We are doing proper study on the Selkirk thoroughfare, and the Lockport Bridge, and No. 9 Highway with the four-lane road coming to Winnipeg, that is a very important, very busy, highly travelled section of highway that is needed by the people of Selkirk and my constituency for people who work in Winnipeg.

We are doing this. Our Highways Minister (Mr. Albert Driedger) is correcting these mistakes of the former Government. We inherited the bridge over the river there that we have had to complete the roads to. We just recently completed Highway 4 there, so we now have the access going to the bridge and right over to Highway 59.

**Mr. Helwer:** Actually this bridge, we did need a Selkirk Bridge, we did need a new bridge there and we are pleased to have the bridge, even though maybe the location is not in the best possible place.

We thought the best course would be to complete the access roads and complete the bridge and we have



done that and now it is open, the new road is open and it is complete. It also comes around Selkirk and will hook up with the new Selkirk thoroughfare. So it will give the people of Selkirk and the area of Clandeboye and East Selkirk an access into Winnipeg that they really require.

These are just some of the things that we are doing for that area. The Member for that area said we did not look after them. Well, I can assure you that our Highways Minister is doing an excellent job in completing the projects that we inherited.

One of the other things that this Bill would do, of course, if it ever comes into being, it would not create a climate for true investment in the housing and apartments . . . .

**An Honourable Member:** Liberals are anti-investment orientated. That is an anti-investment Bill by the Liberal Party.

**Mr. Helwer:** That is right, anti-investment. We want to create a climate where we can attract investment for Manitobans from all walks of life, from anywhere, and create a better standard of housing for us in Manitoba.

So I cannot support the Bill No. 2 and certainly I am sure that Bill No. 40 will take care of any inequities there are in The Landlord and Tenant Act, so we await Bill No. 40. Thank you Mr. Acting Speaker.

**An Honourable Member:** Here comes wisdom.

**Mr. Darren Praznik (Lac du Bonnet):** Mr. Acting Speaker, I heard the Member for Assiniboia (Mr. Mandrake) yell, I believe, quote, "here comes wisdom."

I do not intend to pretend for any moment that I have great wisdom to throw on this particular matter. I would hope that most of the time I could bring at least truthful debate to the House and work toward justice in our community. Wisdom is something that I think falls on very few of us and very few in society and I am certainly not one of those who would be counted in that particular group. So I appreciate the comment from the Member for Assiniboia, but certainly not one that I think is descriptive of myself.

Mr. Acting Speaker, I would like to contribute this afternoon to the debate on this particular Bill, and I would like to start off by certainly congratulating the Member for Inkster (Mr. Lamoureux) for bringing this forward and his concern in this particular area. I think it is admirable, because there certainly is a problem in many aspects of the landlord and tenant relationship. Those who are in that particular business, and those of us who at one stage of our lives or another have been tenants, certainly know that there are many areas in which disputes can arise, many areas for disputes, the greatest of which of course is the value that a person is paying for that tenancy.

That obviously is the greatest area, how much one pays. We have a rent control system in Manitoba now that I think has smoothed out many of those long-standing difficulties that have been in that process, but there are many other areas.

One of course that the Member for Inkster (Mr. Lamoureux) has identified is the condition of that particular premises when it is rented, and what the condition is when that suite, that home, or that tenancy, is given up, and is there a difference?

That is a very difficult question that has caused great difficulty for many landlords, great difficulty for many tenants, and of course, often the dollars involved may not be a great deal of money, the damage deposit, but if a person is not of great means it can mean a great deal to their particular situation. The aggravation and the frustration of dealing in that kind of predicament, where you have a severe disagreement as to the condition of the suite, can cause great anxiety and present often hardship to the people involved.

From the landlord's perspective as well, establishing that damage has been done by a particular tenant and retaining that damage deposit can also be a long and frustrating process, although the dollars involved may not be great.

So we have a problem. It has always been there and it is one that there are a variety of means to address, and the Member for Inkster (Mr. Lamoureux) has, through this Bill, presented one to this particular House, one that is certainly worthy of consideration, and I think there is no evil motive in this Bill. There is clearly no ill intention. This particular amendment is not about to bring down the whole landlord and tenant relationship in the Province.

It is clearly one means to do it that the Member for Inkster (Mr. Lamoureux) has identified. It is his chosen method to solve this particular problem. I think all Members of this House, particularly those of us who are backbenchers, have to admire the effort that he has taken to put this Bill forward and to identify it as a particular solution to a long standing problem in that area.

I come to this debate, Mr. Acting Speaker, not entirely with my mind made up as to what the best method to solve that problem is. It is a difficult problem. I have some concerns with this particular method, and I would like to discuss some of those, none of which I would say very clearly at this particular time are ones that I am entirely settled on as a Member of this House. I am certainly open to further discussion and further points of view and further argument on the merits of this one particular way of dealing with this situation.

\* (1730)

The proposal to legislate, to require landlords and prospective tenants to complete, by law, a condition report at the time of occupancy, has the benefit clearly of getting those two parties to agree to what the condition of that tenancy, that suite, that premises is at the time that the rental agreement is signed. There is a problem with that and the problem is, and I quite clearly do not know how one overcomes it in the legislative scheme, the subjective nature of a damage report. I am sure the Member for Inkster (Mr. Lamoureux) would agree that it is a very subjective type of report. That does not mean legislation cannot work. It just means it is that much more difficult,

because two parties trying to agree on the meanings of descriptive words, perhaps it was definitely going to pose a problem if there is a major difficulty at a later date with the situation in that suite.

Anyone who has dealt with landlords, spoken to them or been in a tenancy situation where they have been a tenant, can appreciate that there is a great deal of excitement in renting a new premises. For many people it is a very exciting experience, particularly if you have spent hours, days, weeks trying to find just the right particular suite. Here you are, you find it, you are quite happy, you are handed a report, which under this legislative scheme is completed by the landlord, and you read it and yes it makes sense and you sign it. Days, weeks, months later, you come to realize that more is wrong with that suite than you initially thought, or that the description of small scratches on the wall or dents on the wall which you may have perceived to be large, the landlord may do small or vice versa. As a consequence, that is not in that initial damage report or condition report. A condition report that you have signed, that you have agreed to at the time of renting the unit, that, because it is sanctioned by legislation, by law, then has much greater persuasive force if at the end of the day you cannot agree with your landlord as to the actual condition of that apartment when you are vacating it and the issue of making good on damage, recovering the damage deposit is now at issue.

My concern there, and it is a very honest concern, Mr. Acting Speaker, is how do we handle that subjective nature and the effect of a legislated condition report on settling that dispute when the tenant then says to his landlord or to the appropriate review process at the Rentalsman's Office that here I sign this agreement, I signed it pursuant to this statute saying and agreeing that the condition of my apartment was such only to discover that the landlord viewed that very differently or that there were other things wrong with it. Perhaps this legislative proposal would give that report more force than it actually deserves at a later date. I think that is a concern that I am sure the Member for Inkster (Mr. Lamoureux) shares because I think it is a very legitimate one, not to say that this particular proposal, that this would be a reason for rejecting it but it is certainly a concern that I have.

The other concerns that have been raised by people looking at this particular amendment, of course, of the paperwork that would be created at that particular time in coming to a tenancy agreement. I understand that in the Province of Manitoba we have 125,000 rental units in the province, 85,000 rental units in the City of Winnipeg. We have, I am told, approximately 20,000-plus moves a year within that rental framework. Many units are multi-unit complexes and of course the argument goes that this process creates some undue paperwork that has to be completed.

I am not entirely convinced that is a strong argument, Mr. Acting Speaker—and I say that to the Member for Inkster—because now the standard practice is to complete some sort of conditional report and whether it is legislated or voluntary, it is still going to happen, the paperwork is still going to be there. It might not happen in the seven days required by the Act, but I

am sure even if it took eight or nine, that does not mean this is going to end up in some sort of arbitration process. That argument I do not entirely accept to oppose this Bill. On the other part of this coin as well, one could see that by requiring that it be done, in some cases it may not be done, you are going to increase the workload. I do not think that in itself is enough reason to be opposed to this particular proposal. My main concern of course that I express today is what that does to that particular agreement. The strength that it gives it at the end of the day I think possibly, and I may be proven wrong, but possibly to the detriment of the tenants at the end of the tenancy.

Mr. Acting Speaker, what are the other options to deal with this particular matter? One of course is to remain silent, to say nothing and to let the continued practice go on with all of its inherent difficulties that are going to be there, and they still may be there with this package. This particular amendment—(interjection)—and I stand corrected. Yes, I have. The Member for St. Vital (Mr. Rose) says, have I read it. Yes, I have read it. This particular amendment may not solve the problem, it may. I am entirely convinced that the problem will go away. Quite likely, it may help. The third option, of course, is to actively encourage the practice of having a conditional agreement that is arrived at mutually. The Member for Inkster (Mr. Lamoureux) is compelling that particular process again with the concern that it may create an undue strength to that particular document when a later dispute arises.

Mr. Acting Speaker, the other concern I have with this particular amendment is one of really the framework in which it has been brought into the House. It is my understanding that the Minister of Housing (Mr. Ducharme) shortly will be bringing in a legislative package dealing with this particular area and I think that this small question, although I compliment the Member for Inkster (Mr. Lamoureux) for bringing it to the attention of the House in the form of a private Member's Bill, is likely, possibly, maybe dealt with in that package.

\* (1740)

I would like to have some more discussions with the Member for Inkster (Mr. Lamoureux) and the other part of the issue I have not heard yet in the course of this debate and perhaps I will stand to be corrected is, the groups involved, is this the piece of legislation that they particularly want, both from the tenant and the landlord point of view?

But, Mr. Acting Speaker, to conclude I think the Member for Inkster has to be complimented for looking at this issue, which I have done. There are some concerns that are here that are fairly legitimate, and I hope in the course of the discussions on this Bill and in the package brought in by the Minister of Housing, that we will be able to come up with a solution or an improvement to this process that is generally acceptable by all Members of this House.

**Mr. Acting Speaker:** Is the House ready for the question?

**Hon. Harry Enns (Minister of Natural Resources):** I was prevented from being in the House because of

urgent constituency business the last time this private Bill appeared on the Order Paper. I must indicate to you that it caused me no end of concern because it was a Bill that I particularly wanted to speak to. I am extremely pleased that I have this opportunity to make some contribution to this Bill.

Mr. Acting Speaker, I am always more confident when you are in the Chair. You inspire me to make the remarks more cogent and applicable to the matters at hand and I would think to do that in the next few moments on this Bill that has been introduced by the Member of the Opposition having to do with Housing.

I think sometimes when we talk about the kind of Bill that is before us and we want to add to the regulatory powers that already exist in Government we sometimes lose sight and we do not back off from the issue enough to recognize what surely the aims, the goals, the objectives of all this kind of legislation that has to do with housing should first and foremost keep in mind. We all want quality, affordable housing for all our people. So when the Honourable Member for St. Vital (Mr. Rose), and I am talking to the Honourable Member, the former expert on the chicken marketing boards and that great agriculturalist, the Member for St. Vital, I believe it is. He indicated to us from his seat that the Conservative Party, the Conservative Government was not concerned about a proper role in terms of ensuring that housing is a high priority item of this Government. He is simply wrong, because we share that concern, as I said, and I am prepared to acknowledge that we all share that concern.

We want to be very cautious that we maintain that mix of housing that we have in this province, in this country, consisting of public and private and I do not mind at all in acknowledging my preference. It would be my hope that all my constituents could live in quality housing, preferably housing that they own. That is not the case, we do not live in a perfect world, we have not so organized our affairs in this province, in this country that that is the case. We do have landlords that take advantage of persons who are not often capable of standing up to them or defending themselves. We have the need for some regulatory legislation that has been on the books in Manitoba for a number of years, that has stayed on the books, Mr. Acting Speaker, and been administered by Governments of different political persuasion.

Mr. Acting Speaker, every new Government, as one would expect, brings its particular emphasis or flavour to any legislation. It will modify legislation; it will amend legislation to reflect the political beliefs of that particular group that is currently charged with the responsibility of administering the affairs of this province.

Mr. Acting Speaker, this Bill needs to be looked at and quite frankly rejected, because in itself it simply adds more onerous regulations onto the housing industry. There has not been a proper basis laid for its need. If care and caution is not taken in how we impose regulation on our housing market we will find ourselves in a situation, as indeed some jurisdictions have found themselves in, that there are fewer and fewer willing private people encouraged to enter into the housing business, and it is a business.

We will find that the demands, for instance, for public housing will increase if we do not provide the right climate for housing and for landlords, legitimate landlords, to put proper, reasonable, quality, affordable housing onto the market. We will see our vacancy rates drop to levels where the tenant seeking that affordable housing has little or no choice.

Mr. Acting Speaker, supply and demand exerts its forces even in a regulated situation such as we have in housing with rent controls or with rent guidelines. We find people desperately needing housing forced into positions to pay more than they ought to for housing that no longer is affordable, because we have created the climate that construction entrepreneurs no longer find it attractive to build those 100, or 50, or two or three housing units that are an important part of our economic activity and life in this province, but more importantly to the subject matter that we are discussing, provides that quality and affordable housing that we have a responsibility, as Government, to ensure exists in the Province of Manitoba.

Mr. Acting Speaker, what is needed in any legislation dealing with this question is neutrality. I have to say to my honourable friends in the New Democratic Party that they have allowed that to escape them sometimes in the formulation and the application of housing regulations during their tenure of stewardship in this province. They all too often let biases creep into it. I am aware that every legislation reflects certain prejudices and biases. It was their judgment that the legislation having to do with housing and landlord and tenant relationships had to be biased in favour of the tenant. To a certain extent I will buy that, because the tenant in his position economically, looking for that affordable housing, looking for that shelter, looking for that roof over his head for his family, is not always in the best bargaining position to bargain with an agent of somebody who owns multiple dwellings or multiple apartment buildings in the province, that is there to provide that facility.

But they went too far. They went too far in the language of the legislation, they went too far in the application of the legislation, to the point that it was a common situation that we would hear and we would see it, and I can recall the Member of the Opposition being petitioned, where the collective, probably at no time was the Landlords Association more strongly supported than during the tenure of my honourable friends, the New Democratic Party's time in office, because they felt themselves put upon in some instances, and unfairly so, and they felt the need to organize and to make petitions and to make representations to us at committee stages when Bills of this nature would come before us from time to time and to appeal to the Government to bring back some neutrality, some balance.

Preferably a legislation of this kind ought not to favour the landlord, ought not to favour the tenant, it ought simply to be fair. It should recognize that the landlord has had the courage to put up the money to secure the investment to provide the shelter in the first instance and in doing so he provides a service to us, Mr. Acting Speaker, because if he is not doing it, then pressure

comes on our Housing Minister (Mr. Ducharme) that we have to do it at public expense in an ever increasing ratio.

Surely even my Liberal friends, if not my New Democratic Party friends can acknowledge that simply digging deeper and deeper into the public purse and imposing greater and greater levels of taxation is not the right way to go, or is their position on the goods and services tax entirely political? I would like to believe that it is not. I would like to believe that they actually feel that there is a limit to taxation.

**An Honourable Member:** There sure is.

\* (1750)

**Mr. Enns:** Let us apply it to a measure like this that we are talking about. I am confident that my colleague, the Minister responsible for Housing (Mr. Ducharme) in this province who, Mr. Acting Speaker, while perhaps not long in the tooth in terms of experience in this particular Chamber, brings to this Chamber many years of experience on a council that deals with equally complex problems as this Chamber, the City Council of Winnipeg. I, as a rural Member, need not to be reminded that in deliberating over the affairs and overseeing the affairs in that legislative body is in fact doing so in talking about the affairs of 600,000 people of this province, that he brings to this Chamber and he brings to his job as Minister of Housing that kind of experience and that kind of concern about housing matters here in Manitoba and in Winnipeg in particular. Having been privy to having watched him formulate the legislation that he is introducing into the Chamber, I am satisfied we will, on its merit, get the support of all reasonable thinking Members of this House.

Mr. Acting Speaker, allow me to speak just for a moment that it is quite appropriate for private Members to raise issues, either by way of resolution or Private Members' Bills. It usually is done when you have a Government that is sitting on its butt and not doing

anything about a particular problem that is worrying Members opposite. Mr. Acting Speaker, if there were no indication from this Government, from my Minister of Housing that he was going to do something about it, then I would be prepared to take this legislation much more seriously, but that is not the case. My Minister is bringing in housing.

I appeal to you, Mr. Acting Speaker, that surely it is not to ask too much from my friends to use the mechanics that are provided to them in this Chamber. They can speak to the Bill at second reading, the Bill that is introduced by my colleague the Minister of Housing (Mr. Ducharme), they can make amendments to that Bill, they can discuss the failings of that Bill, in committee and they can do all those things.

Mr. Acting Speaker, would our time in this Chamber not then be better spent if we could proceed and look after the legitimate concerns of housing and those people who require it and support the Minister and help the Minister constructively to construct and to craft the kind of Bill that is most suitable for our needs as we approach the 1990s here in Winnipeg and in Manitoba?

Mr. Acting Speaker, I have a number of other items that I wish to speak to, but perhaps you would want to consider it six o'clock. I do want to take advantage of the extensive research that I have undertaken in preparing myself for these remarks and would need some time to reflect, when next this Bill appears, to more appropriately conclude my contribution to this Bill.

**The Acting Speaker (Mr. Harold Gilleshammer):** I am interrupting the proceedings in accordance with the Rules of this House. When this matter is again before this House, the Honourable Minister will have two minutes remaining.

The hour being six o'clock, this House is now adjourned and stands adjourned until 10 a.m., tomorrow morning (Friday).