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

DEBATES
and
PROCEEDINGS
(HANSARD)

38 Elizabeth II

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fourth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, October 3, 1989.

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Mr. Harold Gilleshammer (Chairman of Committees): Mr. Speaker, 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 Honourable Member for Swan River (Mr. Burrell), that the report of the committee be received.

MOTION presented and carried.

TABLING OF REPORTS

Hon. Gerald Ducharme (Minister of Housing): Mr. Speaker, I would like to table the Report on the Administration of the Rent Regulation Program for the fiscal year ended March 31, 1989.

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I would like to table the Supplementary Estimates Information for the Alcoholism Foundation of Manitoba and the Report of the Department of Health for the fiscal year '87-88.

* (1335)

Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation): Mr. Speaker, it gives me pleasure to table the Annual Report of the Manitoba Lotteries Foundation 1988-89.

Hon. Edward Connery (Minister of Co-operative, Consumer and Corporate Affairs): Mr. Speaker, I would like to table the Recommendation of the Lieutenant-Governor on Bill No. 46, The Workers Compensation Amendment Act.

ORAL QUESTION PERIOD

Mental Health Care Survey Recommendations

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Health (Mr. Orchard). The Health Minister has declared this week Mental Illness Awareness Week, and we support this declaration because we believe that all of us need to increase our understanding of mental illness. This Government has a responsibility not only to understand and increase its awareness but to provide adequate services and treatment for the mentally ill.

Mr. Speaker, earlier this year Manitoba Health Organizations conducted a survey of facilities, agencies and organizations that provide mental health services in Manitoba, and the 67 respondents to the survey painted a very gloomy picture of our mental health care system. The greatest concerns included the shortage of psychiatrists and other mental health professionals, inadequate training, shortage of beds, almost non-existent health services for the elderly.

My question for the Minister is: has he received the recommendations from the Manitoba Health Organizations that were to result from this survey which was completed in February, and if so, which of them has he acted upon, or which ones does he plan to act upon in order to improve our mental health services in Manitoba?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I cannot answer for my honourable friend whether we have received the report as indicated, but I am certainly pleased that my honourable friend is, on behalf of the Official Opposition, taking some interest in the mental health system, an interest which I have shared as Opposition Critic and as Minister of Health for some four years.

Mr. Speaker, let me indicate to my honourable friend a multipronged approach that we have taken as Government in terms of mental health service delivery. First of all, one of the very first reorganizations within the Department of Health occurred in the Mental Health Division.

An Honourable Member: Hear, hear!

Mr. Orchard: We reorganized four separate streams of funding between the department, the Manitoba Health Services Commission, in four different areas of specific funding bringing them together under two executive directors: one responsible for program, one responsible for policy creation under the direction of an Assistant Deputy Minister of Mental Health. That is the first step.

Mr. Speaker, in reorganizing the Department of Health, we were able to find almost \$1 million of funding to which we committed to six community-based mental health delivery projects throughout the City of Winnipeg and the Province of Manitoba. Four of those six are now in place and staffed as anticipated, and they range from suicide crisis intervention to psychogeriatric care, to enhancement of multidisciplinary team approach.

Mr. Speaker, in addition to that, in terms of mental health service delivery, we have enhanced the salaries for psychiatrists in the province of Manitoba by \$10,000 to aid and abet in the recruitment of psychiatrists. In addition to that, we have undertaken a number of community-based initiatives in the Province of Manitoba—\$500,000 has been allocated to the Salvation Army to provide an intermediate residential

facility for those who are in need of psychiatric help on a residential basis in the City of Winnipeg. Mr. Speaker, I look forward to further elaborating on the initiatives of this Government in mental health.

* (1340)

Staff Protection

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, it is not the reorganization of the department that is required here. What is required is field staff who can deliver the care that is required. One of the major issues raised in this report by 85 percent of the respondents was that they were encountering difficulties in protecting the safety of their staff and other patients.

Now, can the Minister tell us what initiatives he has put into place to protect nursing staff, to protect medical staff, to protect the other patients, within the mental health system delivery in the province of Manitoba?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, lest my honourable friend, the Leader of the Official Opposition, leave the impression that the issue she just raised is in the mental health system, in other words, the formal mental health institutions, I believe if she were properly informed, she would be aware that is an issue that has been raised by the personal care homes of the Province of Manitoba in terms of dealing with those unfortunate patients of the personal care home system who suffer from Alzheimer's Disease in some cases and from disorientation and deterioration of mental condition. From time to time those patients are unexpectedly violent and have from time to time assaulted nurses and other staff in those facilities.

Mr. Speaker, a number of discussions have taken place with the Manitoba Health Services Commission and the personal care home administration staff to undertake appropriate measures which will allow staff to better cope with those patients suffering from Alzheimer's as long-term residents of the personal care homes.

Mr. Speaker, let me tell my honourable friend that that is—

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please.

Facility Upgrading

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, it is quite obvious from the Minister's answer that he has not read this analysis on the survey of Mental Health Care Services in the Province of Manitoba. Some of the respondents in this area said their facilities are not designed for the treatment of the mentally ill. We are talking about small facilities with limited resources and open wards. One actually went on to say with regard to patients with drugs is commonplace and, "They end up in our personal care home as zombies."

Mr. Speaker, does the Minister have any plan at all to upgrade the facilities in rural and northern areas so that mentally-ill patients can receive the kind of care they are entitled to and are not overmedicated, because there is no other way to treat them?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, that is exactly the nub of the issue that is being discussed between the commission and the personal care home administrators and staff. What my honourable friend, I believe, in the Liberal Party is recommending is a segregation of those individuals within personal care homes who suffer from mental illness or Alzheimer's. That has other implications in terms of human rights and other issues that are being discussed to assure that we do not impact upon the human rights of those individuals in personal care homes who, unfortunately, suffer from mental health problems or Alzheimer's.

If my honourable friend is saying that the Liberal Party policy is segregation of those individuals, please speak up.

Federal Immigration Office Relocation

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, this is a new question to the Deputy Premier (Mr. Cummings). Our media has been filled with the separatist mentality of many people who live in the Province of Quebec, and we find that deeply regrettable. We think all Members feel that way.

However, no such desire has been expressed by Manitobans, at least to our knowledge. However, based on the way we are treated by the federal Government, it would appear that we had already separated from Canada. I only have to look at CF-18 and VIA Rail and National Defence. This morning we learn that the federal Immigration Office in Winnipeg may be in jeopardy. We have conflicting reports. Sources in Ottawa have indicated they will be located in Edmonton. Officials here in Winnipeg have assured us that there may not be such a move, and amidst all the speculation the federal Minister and her Manitoba colleagues have said absolutely nothing.

Has the Deputy Premier been able to substantiate whether or not the immigration office in this city for the region will be scaled down?

Hon. Glen Cummings (Deputy Premier): Mr. Speaker, this is not a situation where we are going to allow the federal Government to, through rumours, stick their finger in our eye and not elicit a reaction from this Government. We are in contact with the federal authorities to ascertain whether or not there is any validity to this rumour that has surfaced in the media, and also to make sure that once again, as we have done many times, to reiterate, restate, in the strongest possible terms, that we are not going to see Manitoba suffer at the expense of moving jobs into other jurisdictions whether it is western Canada or anywhere else.

* (1345)

Mrs. Carstairs: Mr. Speaker, can the Deputy Premier tell the House if the Premier (Mr. Filmon) has been in touch with the federal Immigration Minister and has he been able to get a clear answer from a federal Tory Minister, something which would be a unique occasion.

Mr. Cummings: Mr. Speaker, I can assure the Legislature and the public that we, through the Premier (Mr. Filmon), are contacting the Prime Minister to express in the strongest possible terms our concern about this rumour and asking for a verification of its truth or its inaccuracy.

Federal Operations Winnipeg Facilities

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, this is a final supplementary to the Deputy Premier. This is the third report in the past week that we have had about federal operations being dismantled in this province, Prairie Militia, VIA Rail and now Immigration, and nobody in the federal Government has denied any of these reports.

Will the First Minister, through the Deputy Premier today, obtain from his federal cousins their long-range projections for federal operations in Manitoba, or have they already decided that Manitoba is indeed a separate country?

An Honourable Member: I think so.

Mr. Speaker: The Honourable Deputy Premier (Mr. Cummings).

Hon. Glen Cummings (Deputy Premier): Mr. Speaker, the Leader of the Opposition wants to make overt references to separation, she can go ahead.

An Honourable Member: Shame on you, Sharon.

Mr. Cummings: The issue here is a matter of fairness, fairness to this province, fairness to the people of western Canada, and we do not need to apologize for the actions that were taken.

Churchill River Dam Environmental Impact Study

Mr. Jerry Storie (Flin Flon): Well, Mr. Speaker, the comments of the Minister have been enlightening. I wonder if the Minister could indicate whether he is aware of the building of a dam on the Churchill River.

We have learned that the Saskatchewan Government is constructing a new dam on the Churchill River some 40 kilometres from the Manitoba border. This dam will regulate water flows into both Reindeer Lake and Churchill River, will affect the communities of Pukatawagan and Brochet, will affect the lives of thousands of people in those communities, will affect the quality of water in those communities, will affect the livelihood of those people through their fishing and trapping activities.

Can the Minister of the Environment tell Manitobans and tell the people of Pukatawagan whether he has

asked the Saskatchewan Power Corporation to conduct environmental impact studies on the Churchill River and the waterways that are affected by this dam? Or has he in fact instructed anyone in his department to conduct environmental impact studies on this project?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, this is not a problem that has just cropped up in the last couple of days as the Member for Flin Flon (Mr. Storie) might wish to indicate.

We have been aware of the situation, and we have not received information that we are able to deal with and what some of the impacts may be; but that does not mean that we are not concerned and watching it.

Mr. Storie: Mr. Speaker, what bafflegab. The waterways of Manitoba are being affected immediately. The dam is being constructed. There is no environmental impact assessment. In fact, the Minister knows that the Saskatchewan Government does not have a licence to regulate Manitoba waters.

Licensing

Mr. Jerry Storie (Flin Flon): I have a question to the Minister of Environment. Will the Minister of Environment ensure that Saskatchewan Power Corporation has a licence to regulate water in Manitoba before this project is allowed to proceed? Will he ensure that to protect the people of Manitoba?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, once again the issue for Manitoba is the quality and quantity of the waters that come down our waterways. If the Member wishes to imply that Manitoba can conduct environmental studies within the boundaries of Saskatchewan, if the Member is asking for that, then he does not realize the reality of dealing with upstream problems.

* (1350)

Legal Intervention

Mr. Jerry Storie (Flin Flon): Mr. Speaker, this Minister and this Government too soon forget Rafferty-Alameda. This is what is happening right now in northern Manitoba, and he is sitting on his duff. Mr. Speaker, will he follow up, will the Minister of the Environment follow up on a threat that was implied in the letter that was addressed to me from the Minister of Natural Resources (Mr. Enns)—perhaps the Acting Minister of Natural Resources (Mr. Penner) can answer this, but I direct it to the Minister of the Environment (Mr. Cummings)—that the provincial Government will consider using the federal Court of Canada, if necessary, to arrive at a fair solution to this problem?

Will the Minister indicate whether he is prepared to take this issue to court as he should have done in Rafferty-Alameda to protect the people in Brochet and the community of Pukatawagan and our waterways in Manitoba? Will he do that?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, the Member again through oblique references

to other projects wants to reference what is a different situation. We are seeing a dam that is being rebuilt, and we are about to make sure that we are not going to allow our options to expire without making sure that what happens on this side of the border is properly taken care of.

Mr. Storie: Mr. Speaker, not only is the federal Government sticking its finger in this Minister's eye and this Government's eye, and every person in Manitoba, the Saskatchewan Government is now kicking sand in this Minister's face and he will not stand up. The question was, will the Minister today join with the people of Pukatawagan, who are launching an action in the Saskatchewan court, an injunction to stop this construction? Will he join with those people and stop this for the people of Manitoba?

Mr. Cummings: Mr. Speaker, I gave the Member the answer regarding taking care of the interests of water quality and quantity on this side of the border.

Churchill River Dam Environmental Impact Study

Mr. Herold Driedger (Niakwa): Well, having heard the comments from the Minister to the previous questions, I think it is quite clear that we have here a situation where the provincial Government seems to want to simply take the stand of wait and see what happens and maybe we will take a stand later on. Has he done anything at all with respect to writing to the federal Minister to ask for a complete environmental impact assessment, because here we have a river basin affecting Manitoba where we have a situation that is happening in another province that is coming downstream into Manitoba and affecting our province and our people?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, the Rafferty-Alameda situation included federal funding and transboundary in three different boundaries. We have since seen the Premiers of the three western provinces sign an accord that transboundary agreements can be entered into between the provinces. The same issue that holds true in any of these is where we can bring in the federal jurisdiction; that is the ability that we have to refer these problems to the federal authorities. Very often that is through navigable waters and fisheries and, Mr. Speaker, we are not giving up any of our options.

* (1355)

Licensing

Mr. Herold Driedger (Niakwa): It is interesting to see that the only time that we start looking at the federal option is when there are federal monies involved but, Mr. Speaker, the impact affects our border, crosses our border.

What has he done with respect to the fact that the water impacting in Manitoba, crossing the border, affecting people's lives, working without a licence—

this has been on the books now for close to seven years—and what has he now done that is going to do something that will bring the people of Manitoba's concerns back to the bargaining table?

Hon. Glen Cummings (Minister of Environment): Well, Mr. Speaker, I think you have just received confirmation from an independent source that this problem did not arise yesterday.

An Honourable Member: I do not know about the independent part, Glen.

Mr. Cummings: He did not say a substantial source.

Mr. Speaker, the issue for Manitoba is to make sure that we have the information and the ability to protect the quality and the quantity of water that we receive. That is the approach that my department has taken consistently, and that is the approach that we will continue to take to be sure that our relationship with our neighbours is such that they know that Manitoba has a responsibility that it is prepared to deal with, and something that is very interesting in terms of Manitoba's relationship vis-a-vis transboundary waters is that we are virtually downstream from everyone, whether it is the south, east, or the west. We are particularly concerned about continuing to develop an ability to deal with the quality and quantity issues as they reflected through any of the projects that affect transboundary waters coming into this province.

Water Protection Plan Initiatives

Mr. Herold Driedger (Niakwa): This is to the Minister of the Environment (Mr. Cummings) then. What kind of policies and resources has he now put into place to allow the people of Manitoba clearly to see what is being done by this Government to protect their water supplies? We are downstream as he referenced from many places: Shoal Lake, Rafferty-Alameda, the Souris River, the Saskatchewan River, and so on.

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, first of all, we have said that we are prepared to take whatever actions we have to do, and that has been demonstrated both at Shoal and Rafferty. The ability to do that is included in whether or not you have the ability to demonstrate the effects of the changes in the water regime. That is how we will guarantee our ability to deal with any effects of projects that are upstream from us.

Forks Renewal Corporation Leasing Arrangements

Mr. James Carr (Fort Rouge): Mr. Speaker, my question is for the Minister of Urban Affairs (Mr. Ducharme). The chairperson of the Forks Development Corporation has refused to make public certain leasing agreements between the corporation and other tenants in the Forks market. He also says, incredibly, that the Forks is a private corporation. Mr. Speaker, there is no corporation in this province which is more public

than the Forks with \$20 million being advanced by taxpayers from Canada, Manitoba and Winnipeg.

Now the chairperson has used this mistaken impression to justify a tight-lipped policy and approach to releasing certain public information. My question is very simple, does the Minister agree with the chairperson that the Forks is a private corporation? If not, has he contacted him to make sure that this misconception is put to rest?

Hon. Gerald Ducharme (Minister of Urban Affairs): Yes, Mr. Speaker, first of all, I would like to invite all my colleagues to the opening of the Forks market on October 5, twelve noon. In answer to the question from the Member, I think it is important to understand that any considerations provided in the leasing arrangements that are done are no way any different than any other commercial operation that is held throughout the city. Now, the guidelines are used, the lease arrangements are between the people renting and the Forks Corporation. So there is nothing out of the ordinary in the way they are leasing out these arrangements for the Forks for the market site.

* (1400)

Documentation Request

Mr. James Carr (Fort Rouge): Obviously it does not matter if the Forks Corporation is public or private, because he does not understand the difference. The difference is that taxpayers' dollars are at the centre of these leasing arrangements. The question is very simple: will the Minister make public these leasing arrangements between the Forks Corporation, or will he not? How can he justify this policy given—

Some Honourable Members: Oh, oh!

Mr. Carr: The question is posed, Mr. Speaker.

Hon. Gerald Ducharme (Minister of Urban Affairs): First of all, I guess I am to be lectured by the Member on leasing arrangements. I do not know how many leasing arrangements this individual has ever been involved in. However, I would like to maybe mention that right at the present time, the opening, 60 percent of the available permanent space will be leased and we will have over 23 permanent food merchants on display when the Forks market opens on Thursday.

Mr. Carr: The Minister likes to answer questions, yes or no, Mr. Speaker, and I will give him a terrific chance. Will he make public the leasing arrangements between the Forks Corporation and tenants in the market?

Mr. Ducharme: Mr. Speaker, this is to the individual who likes to present questions, yes or no. I will give him the answer that we are a third partner in this particular venture and he has to remember that the Forks project itself is to be an independent body and not be affected by political interference that has been suggested by the Member across the way.

Some Honourable Members: Oh, oh!

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

Wildlife Management Areas Land Leasing Policy

Mr. Bill Uruski (Interlake): My question is to the Minister of Agriculture (Mr. Findlay). Last Thursday during discussion of his Estimates on the emergency leasing of agricultural land from the Marshy Point Wildlife Management Area, which was next to the East Meadows Goose Sanctuary, the Minister indicated, "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. Speaker, the Minister of Agriculture indicated that his department was given the authorization to lease this land and there was no dual leasing authority. However, shortly thereafter the Minister of Natural Resources (Mr. Enns) got up and said, "In this last year there were a number of wildlife management areas, half a dozen or so, that were not included in the list." One of those areas was Marshy Point. I ask the Minister of Agriculture, who was telling the truth in the case of the leasing of land in Marshy Point?

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, as I told the Member in Estimates, the wildlife management areas are under the jurisdiction of Natural Resources. In cases of emergency like in 1988 and 1989 where pasture is needed, Natural Resources releases those lands to Agriculture for Crown Lands to distribute those lands on a first-come, first-served basis.

Mr. Uruski: Mr. Speaker, can the Minister explain then why these lands were leased three weeks before the lands were advertised publicly?

Mr. Findlay: Mr. Speaker, I would like the Member to listen to the answer to the previous question. I will repeat it to him so he understands it more fully this time. This might be the fifth time I have given the same answer. We can only allocate lands on which we have authorization from Natural Resources. How can we allocate lands three weeks before we have authorization? Very clearly, we did not have authorization for this—

Mr. Uruski: Mr. Speaker, that is precisely the question. I also want to know from the Minister how these lands were leased in 1989 when an undertaken was given by the Minister of Natural Resources (Mr. Enns) that these lands would only be leased in 1988.

Mr. Findlay: Mr. Speaker, the Member is really asking questions of the Minister of Natural Resources (Mr. Enns) and the Natural Resources Department has made some arrangements that—we did not have the authorization from Natural Resources to lease that land and we cannot lease lands we do not have authorization for. That is the jurisdiction under which Crown Land operates, clearly and simply on a first-come, first-served basis.

Communicator Positions Civil Service Applicants

Ms. Avis Gray (Ellice): My question is for the Minister responsible for the Civil Service Commission (Mrs. Hammond).

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

Mr. Bill Uruski (Interlake): Mr. Speaker, the Minister of Agriculture (Mr. Findlay) just said that he did not have authorization to lease, and in Hansard, and I quoted before and I will quote to him again, "In this particular case in 1988, authorization was given to Crown Lands to lease it." Mr. Speaker—

Mr. Speaker: Order, please; order, please. The Honourable Member is quite aware that a dispute over the facts is not a point of order.

Ms. Gray: My question is for the Minister responsible for the Civil Service Commission (Mrs. Hammond). Yesterday the Premier (Mr. Filmon) did not have his facts straight when he said that Government can hire on term and that civil servants would not be interested in term communicator positions anyway. Surely the Premier knows that for senior positions where civil servants would like advancement that once a successful candidate is chosen, if given the opportunity, secondment to those positions are common. This Government's actions reek of blatant abuse of ministerial powers. My question is: were the nine communicator positions open to competition for civil servants?

Hon. Gerrie Hammond (Minister responsible for the Civil Service Commission): Mr. Speaker, the Civil Service positions that the Member is referring to, I believe some were placed on term for various reasons. I wish to indicate that the grievance that was presented by the MGEA will be dealt with and that we will be offering and looking for suggestions from the Civil Service Commission on how to look at these various positions and the reasons that they were hired in them.

Civil Service Commission Hiring Practices Investigation

Ms. Avis Gray (Ellice): Mr. Speaker, obviously the answer to the question is no, they were not open to civil servants. The Civil Service Commission has the mandate to ensure that the spirit and intent of the Act is maintained. Will the Minister indicate today if she will have the commission investigate this abuse of ministerial powers?

* (1410)

Hon. Gerrie Hammond (Minister responsible for the Civil Service Commission): Mr. Speaker, there has

not been any abuse of ministerial powers as far as these positions are concerned. The MGEA has filed a policy grievance. They will be reviewing these positions. They will be reviewing the practice. We will await their findings and their recommendations.

Mr. Speaker: The Honourable Member for Ellice, with her final supplementary question.

Ms. Gray: Mr. Speaker, can this Minister justify the Premier's comments about a partnership with the Civil Service when she is not even prepared to assume leadership of the Civil Service Commission and clear the air and launch an investigation? What do you think you are there for as Minister?

Mrs. Hammond: Mr. Speaker, I will repeat it for the Member, that a grievance hearing has been scheduled. Now if the Member does not choose to hear the answer that is her business. A grievance hearing has been scheduled with the MGEA in accordance with the collective agreement. It will be held by the Assistant Deputy Minister, Labour Relations Division, October 20, 1989. The Civil Service Commission will be reviewing each and every allegation contained within the policy grievance. It is important to note that the union is not seeking redress to any past violations but is looking for solutions for the future, and we welcome their findings.

Brick Warehouse Charges

Mr. Jim Maloway (Elmwood): Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs (Mr. Connery). For the past 16 months the Government has refused to press charges against Brick Warehouse Corporation of Alberta for failing to register their firm under The Corporations Act and The Business Names Registration Act. Would the Minister tell this House why he has ignored the advice of his Deputy Minister, and would he press charges against this renegade firm?

Hon. Edward Connery (Minister of Co-operative, Consumer and Corporate Affairs): Well, Mr. Speaker, once again we see misinformation put on the record, that I am not going on the advice of my Deputy Minister. We have been in close contact and communication continuously on the Brick affair. We on this side of the House, and I hope all Members of this Legislature, recognize the problem that Brick's Fine Furniture is having. We have had communication with the federal Minister on an ongoing basis. We are trying to resolve the issue on behalf of the Brick's Fine Furniture because we sympathize with them.

Mr. Speaker, I have not for one minute ignored the advice of my deputy. We are in concert as to what we were doing. We are in contact with the Attorney General's office to find out what direction we can take legally. We will do everything within our power to resolve the issue because we have a deep concern for the issue involving Brick's Fine Furniture.

Brick Warehouse Fines Levied

Mr. Jim Maloway (Elmwood): Mr. Speaker, to the same Minister, is the Minister not aware that failing to register under the Act is subject to a fine under Section 187(5) for each day that the firm is not registered, and that the fine would now amount to over \$25,700.00? That is not to mention that every director and every representative of that company would also be liable for the same amount of a fine.

Hon. James McCrae (Minister of Justice and Attorney General): Mr. Speaker, we are very aware of the provisions of the Acts and the statutes which fall under our jurisdiction as a Government. What the Honourable Member has never understood is that his suggested solutions to the problems have not been seen by those who are in a position to say so, have not been seen to be useful in the circumstances.

Mr. Maloway: The Minister has once again evaded the question.

Brick Warehouse Consumer Bulletin

Mr. Jim Maloway (Elmwood): The final supplementary is to the Minister of Consumer and Corporate Affairs (Mr. Connery) this time. Is the Minister aware that under the Act, Section 197(1), the Brick Warehouse Limited cannot legally sue customers in Manitoba who do not fulfill contracts with the firm. Has he issued a bulletin to the public detailing this fact?

Hon. Edward Connery (Minister of Co-operative, Consumer and Corporate Affairs): Mr. Speaker, we have issued no bulletins to that fact.

Canadian Constitution Notwithstanding Clause

Mr. James Carr (Fort Rouge): My question is to the Minister responsible for Constitutional Affairs (Mr. McCrae). On the 19th of December, the Premier (Mr. Filmon) of this province withdrew the Meech Lake Resolution from this House because of his opposition to the use of the notwithstanding clause of the Constitution by the Premier of Quebec.

My question to the Minister is: what is his Government's position vis-a-vis use of the notwithstanding clause to the Canadian Constitution?

Hon. James McCrae (Minister responsible for Constitutional Affairs): The Honourable Member has served with me and his Leader and others over many weeks and months and over many hours, preparing a report for the Premier regarding the Meech Lake Accord. That report will be coming out soon. The Honourable Member is aware, as I am, of the discussions that have been held amongst members of the committee of the task force headed by Professor Fox-Decent. I think the Honourable Member would be wise to respect that confidentiality of our discussions

and not get off into other tangents which are related to the discussions that we have been having.

Mr. Carr: Mr. Speaker, the notwithstanding clause of the Canadian Constitution is unrelated to the Meech Lake Accord and unrelated to the work of the Meech Lake Task Force, and it is not good enough for him to run around in circles in this quest.

What is the position of the Government of Manitoba, in its own use or commitment not to use the notwithstanding clause of the Constitution for the life of his Government? Will he make a commitment today that clause will not be used for the life of this Progressive Conservative Government?

Mr. McCrae: The issue raised by the Honourable Member is in the minds of a number of people who are discussing constitutional matters, but in my particular case, I prefer at this time to keep working on the remaining days of the work of the task force to work with the Honourable Member and his Leader and the other members on the task force.

The Honourable Member for St. James (Mr. Edwards) obviously did not make it on the list for Question Period today, so we hear from him from his seat. We hear from him anytime, anyplace, Mr. Speaker.

Mr. Carr: Mr. Speaker, on the 19th of December, this Minister's Premier, the Premier of the Province of Manitoba, told us all that the reason he objected to the Meech Lake Accord was the use of the notwithstanding clause by the Premier of Quebec.

What is the position of this Government on the notwithstanding clause if the Premier felt so strongly about it on the 19th of December he was prepared to withdraw the resolution from this House?

Mr. McCrae: The Honourable Member knows full well that in constitutional discussions the Premier (Mr. Filmon) is the spokesman for the Province of Manitoba.

It does not really suit the Honourable Member's profile in this House to use this place when the Premier's voice cannot be heard in this place on a day like this, to raise questions like this. I suggest that this subject matter very much has something to do with discussions about the Meech Lake Accord. I really have tried to respect the confidentiality of discussions in the Meech Lake Task Force, and I would suggest the Honourable Member and his Leader do the same thing.

Omand's Creek Development Environmental Impact Study

Mr. John Plohman (Dauphin): The Minister of Environment (Mr. Cummings) has today clearly indicated that he is unwilling to take meaningful action with regard to the Churchill River and action is being taken by Saskatchewan. He did the same with the Rafferty-Alameda and Saskatchewan, and now we see looming very near a development on Omand's Creek right here in the City of Winnipeg which will desecrate this natural waterway.- (interjection)- That is right, destroy and

desecrate, and the Minister of Agriculture (Mr. Findlay) laughs. They bring in a Bill on endangered species and ecological reserves, and they do not care about natural waterways, Mr. Speaker.

I ask this Minister has he notified the developer and the City of Winnipeg that he has the authority as Minister of the Environment for the Province of Manitoba to require a permit to be issued for this development and that he will require full studies be done before such a development takes place and a permit issued?

Hon. Glen Cummings (Minister of Environment): What an unmitigated collection of thoughts that Member just put forward.

Some Honourable Members: Oh, oh!

Mr. Cummings: Perhaps I should simply refer to them as an unrelated group of thoughts, Mr. Speaker.

The City of Winnipeg has indicated that they would like to have a hearing, an environmental assessment, done on the development on Omand's Creek. Quite certainly, if we receive a proposal that would require an assessment, we will be more than glad to have it done.

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

NON-POLITICAL STATEMENTS

* (1420)

Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation): Could I have leave of the House to make a non-political statement?

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

Some Honourable Members: Leave.

Mrs. Mitchelson: Last night I had the pleasure of attending the gala premiere of *Mob Story*, a feature length film written, directed and produced by Manitobans. This film marks an important new step in the history of filmmaking in the province. *Mob Story* was shot entirely in Manitoba and will be opening in theatres across Canada in early November.

This film written and directed by Winnipeg's Jancarlo and Gabriel Markiw invested over \$1.4 million within our province and provided work to a cast and crew of nearly 50.

As well, the provincial Government's investment in *Mob Story* helped to lever \$900,000 of federal funding in Telefilm Canada and over \$300,000 from the private sector.

I am sure the House will want to join me in congratulating the cast and crew of *Mob Story*.

Ms. Maureen Hemphill (Logan): Mr. Speaker

Mr. Speaker: Does the Honourable Member have leave to make a non-political statement?

Some Honourable Members: Leave.

Ms. Hemphill: We too would like to join the Minister in congratulating the production of *Mob Story* and indicate that this is just one of the many examples, I think, of the tremendous quality that we have been developing over the years in Manitoba for film and theatre production.

We would like to congratulate them on this effort and encourage them to continue to move forward to put Manitoba on the map as a reasonably major film industry.

ORDERS OF THE DAY

Hon. James McCrae (Government House Leader): Mr. Speaker, I understand that there may be a possibility that we might finish the examination of the Estimates of the Department of Agriculture today. If that were to happen, which I do not know at this point, but if it were, the Department of Rural Development would follow that department in the Chamber.

On that basis, I move, seconded by the Honourable Minister of Culture, Heritage and Recreation (Mrs. Mitchelson), that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of Supply to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Minnedosa (Mr. Gilleshammer) in the Chair for the Department of Highways and Transportation; and the Honourable Member for Swan River (Mr. Burrell) in the Chair for the Department of Agriculture.

* (1430)

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 Highways and Transportation. We are on item 6. Driver and Vehicle Licensing. Administers highway safety programs through driver improvement, safety, public information and driver testing and maintenance of records on drivers involved in accidents or convicted of traffic violations. Provides for those matters relating to driver and vehicle registration not specifically delegated to the Manitoba Public Insurance Corporation. (a) Management Services: (1) Salaries, \$2,262,000—the Member for Assiniboia.

Mr. Ed Mandrake (Assiniboia): Mr. Chairman, would you be so kind as to now give me some direction on this? Under the line (1) Salaries, are we going to be able to ask questions in all aspects of the various related boards and committees that are under the jurisdiction of this Minister?

Mr. Chairman: They, I am told, should be dealt with on the next page, on No. 7, Board and Committees. Shall the item pass—the Member for Assiniboia.

Mr. Mandrake: I just noticed an increase here, Mr. Chairman, from approximately \$100,000, could the Minister be so kind as to explain to us what this is, what does it involve?

Hon. Albert Driedger (Minister of Highways and Transportation): Mr. Chairman, that is the normal increase in increments that take place within the department. There is an increase of one staff under the National Safety Code.

Mr. Mandrake: That is fine, Mr. Minister, I will let the Member for Dauphin ask questions.

Mr. John Plohman (Dauphin): Mr. Chairman, I wanted to ask regarding Order-in-Council 1147, which was passed on the 27 September of '89. In that Order-in-Council the Minister brought forward changes to the regulation dealing with Clause 319(1)(eee) and (vvv) prescribing fees payable in respect of any matter and so on. Could the Minister indicate what changes, and significant changes were made in the fee structure for licensing and replacement of driver's licences and so on, were actually made in that Order-in-Council? Just a general statement, and this is set out in an addendum, or schedule. The schedule is not attached to the Order-in-Council and it covers so many different things that there could be very significant increases in there that I would not be aware of in just looking at the Order-in-Council.

Hon. Glen Findlay (Minister of Agriculture): Mr. Chairman, these increases of fees or changes in fees are all related to the drinking and driving legislation that was passed and pertained to an increase in the fee, for example, reinstatement of licence after suspension, where basically the objective is to try and have the public not have to pay for it so we try to recover our costs for the various reviews and appeals that are in place.

So, for example, reinstatement of a licence after suspension are prepayable for obtaining a driver's licence by a person following the suspension of that person's licence or permit. I can go into more detail, basically that fee is \$40.00. There is a further change, administrative licence suspension review fee. The fees payable for an administrative review under Section 263.2 of the Act are \$90 for a review with an oral hearing and \$45 for a review without oral hearing. That is what the Order-in-Council basically deals with.

Mr. Plohman: Mr. Chairman, could the Minister just indicate a global estimate of the revenue increase that this would provide to the province? The specific fee increases from what they were to what they are now, and what fees are new on a separate handout rather than going through them all.

Mr. Albert Driedger: Both those fees are new. Because these are new fees for the balance of this year, we anticipate collecting a \$100,000 based on all the applications as an ongoing rate. In a full year it could work up to approximately half a million dollars.

Mr. Plohman: Is the Minister saying there are only two new fees that were, I did not hear exactly what the

Minister indicated. There are two new areas of fees being collected. Is that all we are dealing with here? We are not dealing with a revision of all of the fees under that section?

Mr. Albert Driedger: No, we are just dealing with two specific areas which are new fees based on the drinking and driving legislation which we will take and deal with the reviews and appeals.

Mr. Plohman: Can the Minister indicate whether he has also brought in revisions to other fees under this section in this past year?

Mr. Albert Driedger: Based on the fees that we have here, that we will be applying, or we are considering applying, the same fee applications to all criminal-related charges under the Criminal Code.

Mr. Plohman: So the Minister is saying there will be a number of additional fees coming forward yet?

Mr. Albert Driedger: I am told that there will be a small increase in fees and the criminally-related charges for reinstatement, but it is of a nominal nature.

Mr. Plohman: I wanted to ask the Minister whether it would be appropriate to ask about driver testing under this section, or should it be under safety or licensing or where? Also the Manitoba Safety Council and Safety Program for taxi drivers, for example, I want to raise with the Minister. Can I do that under this section or under Management?

Mr. Albert Driedger: I have no objection to that because what we have done from now, we have covered everything under that jurisdiction and the previous categories. If we want to deal with anything that is related to driver and vehicle licensing and safety, we can deal with that here, we have no difficulty.

* (1440)

Mr. Chairman: On a point of order, the Member for Assiniboia.

Mr. Mandrake: That is the reason for my previous question, Mr. Chairman. Now we are deviating from what we had originally said. We are going to go step by step in the appropriate manner, but if we are going to go asking questions about licensing under The Highway Act, The Motor Transport Board Act, under this particular line, fine. But I wish if that is going to be done, then I would sure like to place a few questions under those particular issues.

Mr. Chairman: On the same point of order. The Member for Dauphin.

Mr. Plohman: Yes, Mr. Chairman, the Member for Assiniboia asked about the boards and committees that were under the jurisdiction of the Minister. The Chairman correctly pointed out that comes on the next

page, Boards and Committees, and it deals with the Motor Transport Board, Highway Traffic Board, Licence Suspension Appeal Board and so on. So I was not asking about questions that would fall under there, I am asking about questions that I believe fall under Driver and Vehicle Licensing. It is just a question of whether they fall under line 1, or whether they go further down into (b), (c) or (d), not on the next page in a completely different appropriation.

So I do not know if the Member is speaking about the same issue, Mr. Chairman. I am talking about issues that come under Driver and Vehicle Licensing.

Mr. Chairman: I would thank Honourable Members for their input. A dispute over the facts is not a point of order. We must pass these issues line by line and I think the Minister has indicated a little bit of latitude in proceeding through here.

Mr. Chairman: On the issue then, the Member for Dauphin.

Mr. Plohman: Yes, I have a number of issues that I would like to raise with the Minister. Firstly, just Order-in-Council 951 dealing with the grant to the Community Therapy Services of Manitoba, could the Minister just indicate what that \$7,000 grant was for and is this the first one? I do not recall this particular group receiving funds in the past from the Minister of Highways and Transportation?

Mr. Albert Driedger: Mr. Chairman, this is the first time that grant has been paid out, the \$7,000.00. As indicated, it is paid to the Community Therapy Services of Manitoba. This is an organization that helps the handicapped group regarding parking, handing out the decals, et cetera, so we feel it is a beneficial program, a needed program and we are quite pleased with that.

Mr. Plohman: Mr. Chairman, is this in conjunction with the rural transportation of handicapped people in any way? What exactly will they be doing with this funding?

Mr. Albert Driedger: Mr. Chairman, this is to help staff, a portion of one person to be in the office to handle the phone calls of people who phone about getting decals, the handicap decals for parking. So this is just to assist with that organization where people can phone in. Members are well aware that we have the handicapped parking aspect of it where you can park, you need a special decal for it, and so we actually are funding part of that whole system there through this organization.

Mr. Plohman: Mr. Chairman, I recall the formation of that program and the requirement of a placard and decal for parking, and this is now not being administered by the department then, it is being administered by the Community Therapy Program?

Mr. Albert Driedger: Mr. Chairman, the department is still administrating the program itself. This

organization is sort of acting as a storefront help in terms of providing that information. So it is sort of a hand-in-hand type of operation that we have with them. We still have the actual administration aspect of it, it still comes to the department.

Mr. Plohman: Also, now on to a topic dealing with defensive driving courses. The taxi drivers were obviously concerned about the whole issue of safety for taxi drivers themselves in light of particularly what happened again in this past week.

We are also concerned about the public, and the fact is that taxis have rather a bad experience overall with accidents. The cost to MPIC has always been more than the premiums paid over the years and I guess it is catching up with the additional costs that they are having to pay in premiums for insurance through MPIC. Obviously, because of the length of time that they are on the road and the number of kilometres they make it stands to reason that they would have a higher accident rate. It is important to protect the public by requiring, I believe, special training programs for taxi drivers, in the same way we would require ambulance drivers and so on to be trained. I would think that taxi drivers should have special testing and I believe we were implementing something in that regard.

Can the Minister indicate whether he has proceeded in any way to implement a requirement for new taxi drivers to have a defensive driving course, for example, which it seems to me would be a positive step and well received by the public, especially in light of the claims that are made by taxi drivers to MPIC for accidents, and the need to protect the public since they are carrying passengers.

Mr. Albert Driedger: As indicated yesterday, in my response in the House, was four mandatory actions that were, well, four were by the Wally Fox-Decent committee on dealing with the four-month review of taxi driver safety and health with regard to Winnipeg taxis.

The first one that was a mandatory program was the training program for new drivers and dispatchers. This has been instituted by the taxicab board. That program is offered to all taxicab drivers. As far as forcing or mandating any of the drivers to take a defensive driving course, at the present time, and there is some sensitivity in this area because the question is, why should we single out the taxicab drivers as such, when at the present time we have regulations and legislation in place that if a person has so and so many demerits he automatically has to come for a show cause hearing. Subsequent to that, he will then, if there is further neglect and further problems, ultimately be subjected to the loss of their driver's licence like anybody else. The sensitivity comes in the fact that we, it is felt, especially by the taxicab industry, that they should not be dealt with differently than anybody else.

Mr. Plohman: I understand that the Fox-Decent Report dealt with recommendations, a number of recommendations: One, passenger information and other, the mandatory ones as the Minister outlined, the

shields. It also dealt with passenger information, I said that, a light, an external light that could be activated by the driver and also training for drivers. I understood that training was largely the geography of the city, customer relations, dealing with customers and the need for good upkeep of the car, cleanliness and so on, as part of the training. I think that is something separate from what I am thinking of. Those things are all important for the driver to have, but it is also important from the public's point of view that the driver training, special driver training, be put in place. That is what I was asking the Minister.

* (1450)

In view of the special responsibility that they have in transporting the public, there would be a reason for singling them out. As the Minister said, there is a sensitivity not to discriminate against one group of drivers. In this case, they are transporting passengers for pay, and therefore it is a unique situation. Has the Minister any intentions of considering a program such as that, or has he basically ruled it out as being unfair or not necessary?

Mr. Albert Driedger: Mr. Chairman, I am prepared to take that recommendation over to the chairman. As I indicated yesterday, we are in the process of establishing a taxicab advisory board, especially in view of the activities of the last weekend. I have talked with the chairman of the Taxicab Board and indicated to him that first of all, I think our constitution is ready for that board, and have indicated to him to deal with other issues that come forward. I will forward this recommendation as well to him, including the fact that the safety aspect of it is something that we want dealt with for the drivers and certainly for the public use as well.

So we will forward this as part of the recommendation that once the advisory board has been established that they deal with that as well and look at the possibilities of the pros and cons of it.

Mr. Plohman: Mr. Chairman, I appreciate the Minister's undertaking. I also wanted to ask him about Dimar Training Systems. When Bill Ward made many approaches to me, as Minister over a four-year period, to be recognized for his program, Performance Driving, I believe that he established at Gimli, there was a rather significant fiasco there with the race track that was set up which eventually was settled through a great deal of ingenuity by the people involved, the local people involved, in setting up that track at the old airstrip there.

I understand that now the Minister has agreed to approve this training system as an alternate to the Manitoba Safety Council. Now, whether it is at Gimli or some other location, I am not certain whether that is significant. What is significant is that it is the same operator. I would ask the Minister if that is correct, that drivers now who have to take a defensive driving course now have an option of taking either a course offered by this gentleman through Dimar Training Systems, a private for-profit operation, and the Manitoba Safety

Council's Defensive Driving Course? Is that a fact, that these are both now made available to the public as an option?

Mr. Albert Driedger: Mr. Chairman, first of all, I would have to indicate that we have had occasion to meet with Dimar people, or the company representatives, on various occasions. Departmental staff has been looking at a program—incidentally the program that we are talking about is not the one that was being given at Gimli. This is a different course that we are talking about here. It is an advanced driving course, I suppose, because some of the Crown corporations, for example, the companies have their people take this course where you drive company vehicles. It is sort of an advanced course, I suppose, completely different from the crash course, if I can call it that, the one that was established at Gimli.

Mr. Plohman: Performance Driving.

Mr. Albert Driedger: Anyway, what has happened, we have met with them, we have reviewed the whole situation. We see the request was whether their course could be offered as an option to the Manitoba Defensive Driving Course. We have checked through that. We feel there is no big problem with offering it as an option. You have to understand that we want to be very careful that we allow it only as an option because the Manitoba Defensive Driving Course costs \$30 whereas the course offered by Dimar costs 100.00. So if somebody feels that they want to have a more—should I call it advanced?—I suppose it would be advanced because they do more actual driving than just instructive course, so we are in the process of allowing this program to come forward as an option. If somebody wants to take it and pay the additional funding, that is their prerogative but it will not deter from anybody taking the defensive driving course for \$30 as we have it in place right now.

Mr. Plohman: My understanding is that Mr. Ward has already been approved, and he is representing himself as approved by Government and marketing himself in that way. I take it from the Minister that he is saying that he is sanctioning this course, and I would ask him then on what basis? Is this personal experience? I know that Mr. Ward for months and years wanted me to take his performance driving course and I never did. I wonder if the Minister has been out there and had that experience and decided this is good for all drivers and it should be available as an option. On whose recommendation has he sanctioned this course?

We have to remember now that the Manitoba Safety Council has operated a defensive driving course for years. We are saying to the public, you can go here and it is safe for you to do so and it is a good course and we want you to have the option of taking that. That is what we are saying when we offer it as an option. I just wonder on what basis the Minister has made that decision.

Mr. Albert Driedger: First of all, Mr. Chairman, I think the Member should be careful not to confuse the program that Mr. Ward was offering at Gimli. This is a different program that he has developed which he

is offering, as I indicated before, to those corporations that want to have it. I do not want the Member to confuse—I call it a crash course, but maybe that is the wrong word to use.—(interjection)—Crash avoidance course, okay. This is a different course, but before we even consider anything of this nature with staff, I myself have not taken either course but staff, when the request has come forward, they looked at it very, very objectively. In fact we had a very nervous individual who felt that we were combing it too closely and were taking too much time to review it. Staff have taken the course, reviewed it and feel that we have no objection offering it as an alternative.

The Member should well know, having been the Minister, that my staff and Driver and Vehicle Licensing are very sensitive about anything that would impinge on safety and they have not changed their attitude at all. In fact I would suspect that they may have gotten a little tighter in some cases. That is not said as a slight, that is a compliment. Based on the advice that, after having taken the course and reviewed exactly what it is doing, they felt that we should have no problem with the course. As a result, a decision was made to allow this as an option.

Mr. Plohman: Mr. Chairman, just this one last question on this. I do not want to cast any aspersions on the individual involved in this. I know that Mr. Ward is certainly a very smooth operator and he is a good businessman, in other words. He certainly can sell himself and his program. Has the Minister, in addition to considering the actual safety of the course, looked into this individual's background in depth to assure himself that he should have this kind of responsibility entrusted in him? Just a question on that because I think that is very important from the public's point of view.

* (1500)

Mr. Albert Driedger: Mr. Chairman, I have not done a background investigation of the individual. I would just like to indicate that the fact that we have allowed this option, that we will be looking at it very, very, carefully. If we feel there is any way that the privilege of the option is going to be abused in any way at all that is the same prerogative of giving the individual that right, it can also be taken away. So we are going to be watching this one very, very closely because certainly by doing this it is a judgment call, and we want to make sure that it works. So as far as the individual is concerned, whether to what degree that would be relevant if he—I do not think he has a criminal background. Certainly, the fact that he is an astute businessman should certainly not be a detriment to coming forward with a proposal, but I just want to indicate that we will be watching this one very, very closely.

Mr. Plohman: Just, Mr. Chairman, to conclude on that. I did not suggest that he has any criminal background or anything untoward because I do not know that. But I think it is important that if any individual comes forward with something like this that there be some type of bonding requirement or some special safety check that

is done, a security check, and so on, in that kind of situation. That is really all I am asking the Minister. I am not in any way suggesting that he could not meet all of the requirements with flying colours. I am just asking the Minister whether in fact that kind of thing was done or not.

Mr. Albert Driedger: Mr. Chairman, he has to qualify and complete an examination to qualify as a driver, instructor's permit. When I indicated before that we are contemplating giving him the licence, this is part of the condition that he still has to take that qualifying course.

Mr. Plohman: Mr. Chairman, I wanted to just touch on another area before turning this over to the Member for Assiniboia (Mr. Mandrake) or others who might have questions in this area, the question of driver testing and waiting periods. I have been approached by a couple of individuals indicating to me that there are rather significant line-ups and waiting time to get a driver test at the present time.

I am wondering whether the Minister can assure the committee that this is not because of reductions in staff in that area, or why that is taking place at this particular time of the year, because in discussing this with the Registrar in the past it certainly has been indicated, and I recall, that the spring of the year is usually the busy time. Yet these people have indicated they had to wait six weeks, and after persistently making some calls they finally got it down to four weeks, they said. I thought that was rather a long time for a person to wait. This is in the City of Winnipeg I am talking about, not outside.

Mr. Albert Driedger: Mr. Chairman, first of all, the Member is probably aware that we have moved to centralized booking, and I can recall when I was in the Opposition that myself, as well as my colleague from Steinbach, Bob Banman, at that time, constantly raised the issue with the Government of the Day about the tremendous line-ups that were taking place, especially in certain centres. In some areas there was no problem, in some areas there were extreme problems. I know of many cases, even my own children when they went for their driver's test, they did not go to the nearest community of Steinbach. They went to Vita where there was not the line-up. Because what happens in some cases kids were getting up at five o'clock in the morning, were sitting there waiting and waiting, and ultimately there were some bookings taken and some were taken ad hoc type of thing. Invariably they maybe have to go two or three times before they finally got their tests.

I always criticized that when I was in Opposition. Now we have the centralized booking system in place, and we feel that generally it is working extremely well. It has finally taken that waiting and anxiety out of it where you can get a time and go. There were some flaws when we implemented it, but we are streamlining it more all the time.

We have also changed the various communities, which days we are there. In the rural area, I would feel that it is working exceptionally well; a big improvement over

what we had before. The Member is correct that prior to bringing in the centralized booking in Winnipeg, the normal waiting period was seven weeks. That was the average waiting period that you had. We still have cases in Winnipeg during the busy time where it could be anywhere up to that. That would be at the maximum when it is busy; however, as things taper off it could be as little as three and four days of waiting. So centralized booking in our view is definitely working.

We have had many communities express concern about maybe a reduced service; in some cases, it is perceived cut back of service. However, we have indicated all along that the moment that the demand builds up in these areas that we will escalate our service in that area. We think it is a much more professional and rationale approach, and I think it is a benefit to the people that want to be, that make application. So as indicated initially, there was a lot of apprehension I suppose from the general public about how it would work.

We feel that—and I have scrutinized it possibly closer than maybe any other having some concerns about that. Certainly when it appears that maybe or it did appear that there was a reduction of service in the rural area, I felt very conscious of that because that was perception. We feel now that we have it in a working mode acceptable, I think, to us. We feel comfortable with it. We are going to watch it very carefully. We have indicated to communities that have expressed concerns about a possible reduction that the moment the demand is there that we will provide the service. We think it is done in a much more orderly fashion.

Mr. Plohman: It is good to hear that the system is improved through the centralized booking and that was obviously the hope that there needed to be that improvement and that there would be as a result. I am just asking the Minister whether it is usual to have that length of period at this time of the year? Whether additional staff are put on when there is a backlog, perhaps redistributed, juggled the staff to areas of high demand?

In the area now which is, we are talking October, for a four-week waiting period, the individual that last talked to me mentioned that it was six weeks initially.

Mr. Albert Driedger: I am informed by staff that at the present time, we are performing more tests than we have over the last three years for this time of year. The same thing applies apparently in driving schools, they are booked heavier now than they have been.

When we talk of a seven-week waiting period, I am going to be checking with staff to see if there are ways in which we can improve that aspect of it. The thing is not stagnant, it just does not stay at a level line. It keeps fluctuating all the time. You cannot have staff there to take and address all the situations because then we would have them on pay doing nothing half of the time. It is a matter of trying to adjust these things. Even the concern expressed by the Member will make me go back and see whether there are ways that we can look at improving it.

Mr. Plohman: Mr. Chairman, that is all the questions I have right at this time and I will come back to them later.

Mr. Mandrake: Mr. Chairman, the Member for Dauphin brought out the handicapped decals. At the present time, if I am not badly mistaken, it is just a sheet of paper that is placed on the dashboard of the vehicle. Am I right or am I wrong?

* (1510)

Mr. Albert Driedger: Mr. Chairman, it can be on the dashboard or it can be on the windshield, back or front. The choice is left up to the vehicle owner where he wants to put that decal.

Mr. Mandrake: The method is acceptable, Mr. Chairman, but if I may at this time offer a suggestion to the Minister, probably adopting some kind of a same type of a program that is used in Germany, when you go into vehicle inspection a little decal at the back of the vehicle with a wheelchair on it and affixed to the rear licence plate. It could be done when you renew your plates instead of going through this losing this card. I know I have lost my card in my car for parking.

Mr. Albert Driedger: Mr. Chairman, I am informed that this was looked at but the response from the handicapped group is that they do not necessarily want it on a permanent basis because it could make them vulnerable to abuse or attack or stuff of that nature if they have it in their permanently. They prefer to take and put it on when they park and other than that do not have it on there. When you have a permanent, a fixed, thing on the back of the windshield it identifies them on an ongoing basis as having some disability problems, that is the reason why the option is there to take and put it on your windshield or put it on the back.

Mr. Chairman, further to that, there is a decal that may be fixed to the upper left-hand corner of your rear number plate of your vehicle, on the licence plate, basically that kind of a thing.

Mr. Mandrake: The reason why I am asking that question, Mr. Chairman, is because I have spoken to several of the handicapped people who have these decals in the car and they are not aware of the fact that they can use a decal placed on the rear licence plate. Now, I think we could probably take a far more aggressive role and offer this information to these people because, as I said, I know the City of Winnipeg's pass that you put on your dash, a wind comes along, blows it out the car. It has happened to me on numerous occasions and for a person who is handicapped I would prefer to have an educational program offering them at least this other avenue that they can utilize.

Mr. Albert Driedger: Mr. Chairman, when they come and apply for one of these decals, and we talked about that program before, they get a brochure, the brochure that I just showed to the Member here which indicates exactly the options that they have in there. If they are not aware of it, that is something that we cannot be responsible for because the information is right there. It is right in here and they get this when they make the application. See, right in there, so that is available

to them and certainly I think everybody that would want to read that—and I would expect that people would—they should then realize there is that option of having that on their licence plate.

Mr. Mandrake: The Member for Dauphin says: I spent a lot of time developing that brochure, but I am just only asking, Mr. Chairman.

When they are applying for this, are they advised of the alternatives? If they are, fine, sir, I will not go any further than that.

Let us go on to the centralized booking system, Mr. Chairman. I am quite confident everybody around this table must know Ed Fabian from Brandon. I have received a letter from him dated the 9th of August 1989 and these are just a couple of cases which he has brought to my attention regarding the centralized booking system.

He speaks about a family member who was told to go to Treherne to get his driver's testing as opposed to Rivers. Another person from Anola was directed by the centralized booking system to go to Boissevain instead of Beausejour, only to find that no interviews were being held on that day in Boissevain, having made the journey as directed. I have numerous documents here that would provide the Minister of some of the dastardly deeds that are going on with this centralized booking system and the hours that they have spent trying to get through. I think this is where the problem comes in, is trying to get through on the line to the central booking system operator.

Mr. Albert Driedger: Mr. Chairman, first of all I think I probably get more correspondence than maybe the Member does when it comes to these issues. I would like to indicate though, and we have no problems admitting error when we made one. In the case of Anola, this was an error that was made and in the case of Mr. Fabian from Brandon, we have a real pile of correspondence that has come forward and we have addressed pretty well everyone of his concerns, maybe not to his satisfaction.

The Member probably knows that Mr. Fabian is a commercial driving instructor. In fact, three weeks ago we sent staff out to meet with him and have a discussion with him. We have actually adopted some of his recommendations. Mr. Fabian is, I do not think, necessarily that impressed with the centralized booking system. He is against it. He has written myself on numerous occasions. He has written the Attorney General and I do not know whether he has written the Chairman. He has not, well, maybe that is one he has missed. Certainly we are well aware of Mr. Fabian's concerns. We have been trying to deal with it and will continue to do so.

I dare say, Mr. Chairman, that I will not—there better be some, aside from the fact that we have admitted that during the implementation of the program we had similar difficulties. We have this all straightened out and I personally feel very confident and feel good about the program and if there are areas where we have to review things, I am prepared to take that. As a general

criticism I hope there is some good validity in terms of making criticism towards the system.

Mr. Mandrake: Mr. Chairman, I am sure the Minister remembers a newsletter I sent out on the amount of time that the people on the outlying areas take before they can get through to the centralized booking system. I think this is the frustrating part of it because they have to get through on this WATS line, this 800 line. It is very, very frustrating when it takes that length of time to get through. Is there anything that this Minister or his department has ever done to address this issue at the most critical times, and I think the times are between May and, say, October, November.

Mr. Albert Driedger: Mr. Chairman, as I indicated during the implementation period that we had some technical problems and that was part of the problem. As I indicated, we have been trying to address these things in an ongoing basis. We think that in the last two months we have dealt with that to some degree. In fact, we have had our own people phoning just to test to make sure that we can get through, and we think we have the problem resolved. I would also like to indicate that for next year that we are looking at possibly adding a few extra staff and phones during the busy season so that we can even streamline it further. But, by and large, we feel the service that is being provided is a much, much better service than we have had in the past under the other system.

* (1520)

Mr. Mandrake: I appreciate what the Minister has just finished saying. Would he be so kind as to table all of the initiatives that he has taken to improve the centralized booking system so that when Mr. Fabian does contact me, at least I would not have to then put the onus on his department or Mr. Coyle's department saying, go speak to him? If I could be provided with some of this information, maybe I could probably help out Mr. Fabian in answering some of the questions—that would be helpful to him.

Mr. Albert Driedger: Mr. Chairman, I have a great difficulty with that. We are in communication with Mr. Fabian, we have responded to his letters. If the Member wants, maybe he can get copies of Mr. Fabian's correspondence with us and look what we have done. I mean it is not a secret what we have done, but I have just indicated he has been writing to us on an ongoing basis. We have not just responded by correspondence, we have actually sent somebody out to meet with him and talk of these things. Now, I am supposed to indicate exactly what we have done in terms of Mr. Fabian's concern, if he is going to contact him. He is contacting us on a regular basis. If the Member wants that information, Mr. Fabian can provide him whatever information that we have sent him.

Mr. Mandrake: The Minister is getting rather vexed. Well, I am sorry, Mr. Minister. All I am asking for is what I have brought to your attention just now. Sure, you say you have taken initial action to correct it. What other type of initiatives have you done, have you taken, to eliminate some of the problems that were addressed?

Mr. Albert Driedger: Mr. Chairman, I thought I had outlined it relatively clearly when I came forward with this thing, indicating that when we implemented this new centralized booking program that we ran into certain difficulties with the phoning aspect of it. We have tried to have an ongoing improvement of this service and we are still doing that. The Member for Dauphin (Mr. Plohman) raised the fact that there were still, at certain times, long waiting periods. We are trying to address that. It has been an ongoing thing since the time that we implemented the program in terms of trying to make the improvements.

So I do not know what the Member is looking for, a list of saying this is how it was and then we changed the hours, and we changed this, and we changed that. I have indicated that we have the system working much, much better. We feel relatively comfortable with it. It does not mean that we are totally satisfied with it, and we will continue to upgrade it. But the program itself has been I think a tremendous improvement.

I repeat again that I think that with the exception of a few individuals who probably did not understand it, we are providing a much, much better service than we have ever done before. We will continue to try and improve it even further.

Mr. Mandrake: Well, I do not ask the Minister for a detailed comprehensive report. It is just some of the issues that were brought, in fact, by the Member which were answered, and all I am saying is that I know, for example, he makes mention of the problems about going to—

An Honourable Member: Boissevain.

Mr. Mandrake: Yes, Boissevain and places like that. Hopefully, that will be addressed so that it does not happen again. I mean, if it means a public relations seminar with the people who are operators or answering the phones, has that been addressed? It is as simple as that.

Mr. Albert Driedger: Mr. Chairman, I would like to indicate that we are monitoring this program on an ongoing basis. I also indicated, and not in defence of ourselves, but the fact that an error was made in a particular case at Anola. If we feel that at any case that the service, that there is more demand for it, I have said this to many, many communities who express concern about how the program was going to be affecting them. I have indicated many times that if the need is there we have the flexibility to take and provide additional service, and we certainly will do that.

So I want to stress again that I think that we have gone through some growing pains. I think we have the thing well on track. There is a lot of effort and thought that has gone into this thing and we are very pleased with the way it is going. I am not saying that we are resting on our laurels. If there are further improvements, we will certainly address them. If there are individual concerns at any given time, it does not have to be today here. In most cases, if the Member gets a copy I probably already had a letter on it, and we have already

been looking at it, but if there are specific concerns and he does not feel comfortable with the way we have dealt with it, bring it back to us. We do not have a closed-door policy. The Member can raise it with Mr. Coyle here, who is very receptive to running a good shop. If there are concerns, he is prepared to address those.

Mr. Chairman: 6.(a)(1)—pass.

6.(a)(2) Other Expenditures, \$2,123,800—the Member for Assiniboia.

Mr. Mandrake: I have just one question on this line here. Recoverable from Canada of \$40,000.00, what is the reason for this recovery?

Mr. Albert Driedger: Mr. Chairman, that is related in part to our National Safety Code.

Mr. Chairman: Shall the item pass—the Honourable Member for Dauphin.

Mr. Plohman: Mr. Chairman, the Safety Code could be discussed under Transport, Safety and Regulation. Thank you.

Mr. Chairman: Item 6.(a)(2)—pass.

6.(b) Licensing: (1) Salaries, \$1,423,700—the Member for Dauphin.

Mr. Plohman: Mr. Chairman, could the Minister indicate the current status of the photo-licence system. I believe he has indicated the Government has approved it for implementation. When it will be implemented, what the cost to the driver will be, and if there are any other issues relating to its implementation, if the Minister could summarize for us?

Mr. Albert Driedger: Mr. Chairman, first of all, I have always been supportive of the photo licensing as such, and with the responsibility within my department I was very keen when the issue came up about developing a photo licensing . . .

Mr. Plohman: Something like tollgates.

Mr. Albert Driedger: I will get you for that, John. I will get you for that. However, I have to indicate that when we entered into discussion with staff about the idea of photo licensing, and quite a few jurisdictions have it already, it was my perception that we could make a decision, figure out roughly the cost, then within three months we would be snapping pictures and having them on drivers.

Well, hello, hello, did I get a rude awakening. It is not quite the way it works. It is a very complex way, and we have had endless advice. We have looked at endless options on this and looked to other jurisdictions that have done it. Invariably I have to say that in the case of Ontario I think it took three years from the time that they made the decision until they finally had them on. What makes it unique in Manitoba is the fact that we have insurance on top of our driver's licence, while

other jurisdictions just have straight drivers' licences. Then you could maybe take a picture and have it all on one card. We have looked at every option under the sun. Even my own colleagues have been very critical in terms of why it can not be done faster, why can it not be done this way, why can it not be done that way. We have used every avenue of research in terms of trying to establish a system that would be an adequate system, that would fit in with the fact that the driver's licence is a very personal thing and your driving record goes with that as well. The confidentiality aspect of it has to be dealt with. The decision, basically, was to go with photo licensing, and that we would be going with a two-part licence, one being the photo and one being the renewal document which has to be renewed on an annual basis. One of the complexities of that is our renewal document has to have all the pertinent information on there, bilingually included, plus the donor aspect of it. It is impossible that we could get it all into one card with a photo there, so it is a two-part document that we have.

* (1530)

The driver's licence has to be renewed on an annual basis. Your photo licensing, the way we are proposing it, would be renewable every four years once we have the implementation program. It is a tremendous complex problem. In fact, Mr. Chairman, I might say that as staff came forward with various proposals and presentations, it was almost frustrating. I felt there had to be a faster and better way, but we have exhausted all those options. We feel there is no better way. We finally decided on a program and a plan that we felt was acceptable. We have tendered that. The tenders have come in, and we are in the process of evaluating those tenders at the present time.

Once we have that information, I will be going forward with a recommendation to Cabinet, and then decisions will be made in terms of whether we proceed with it from thereon in. Generally, I have approval in principle to proceed with it. In spite of the fact, if everything goes according to plan and we go through the various hoops and approvals at this stage of the game, we still would not be looking at implementation until January 1, 1991, so we still have well over a year. It will take us 12 to 16 months to get this system in place.

What would be involved is, because we are looking at a system whereby you can go to a certain agent and have your picture taken, we have to look at speed. Because if anyone has gone for a driver's licence at the end of the month, you know that there are long line-ups, so we cannot have a process that is going to take 15 to 20 minutes and stuff like that. So the picture has to be taken. It has to be co-ordinated, together with your driver's licence information, which has to be registered on our computers. If you lose your picture, for example, you know that you can get an extra document—come forward.

I could go on at length about all the implications of this thing. We are at the verge, based on the question that the Member asked, of making that decision. We are evaluating the tenders that we have right now. Once we have done that, then we will go through the various

stages. I do not know whether I am at liberty to indicate the cost factor at this stage of the game, because I think that is something that Cabinet has to make a decision as to how the process will be handled and how we will allocate the costs.

Mr. Plohman: Mr. Chairman, I am not surprised about what the Minister is saying because I have received that information previously. When we looked at this in just a cursory way, it was rather complex and expensive, and not something that was easily done. So I was rather surprised when the Minister announced that he was going to be doing this, and now it seems like it is perhaps even uncertain whether it would actually proceed, depending on the costs. That is why I think the costs are important.

The time is also important. The Minister says that the earliest would be 1991, but the issue is one also of cost, and perhaps if it is passed directly on to the motorists, to the people being licensed, then people will not mind paying it. That is something obviously the Government has to weigh, but there is a substantial increase in the budget for this Minister in this area, if he is going to see it implemented.

I see a 10 percent increase in licensing for this year. Is some of this for—and I notice in the Supplementary Information, increase in staff years for the Photo Driver Licensing and Merit Discount Program, can the Minister indicate whether one or two staff are working full time on developing this licensing system, or would that be overstating it?

Mr. Albert Driedger: Mr. Chairman, we have seconded five staffpersons to work on the photo-licensing at the present time.

Mr. Plohman: Mr. Chairman, the Minister mentioned something about a tender, evaluating a tender. Is he telling us that he has asked for tenders already for photo-licence? Was this for developing the concept? Is this for an actual—would this be farmed out to a private company to do? Is he at the stage of actually evaluating a tender? Is this just a preliminary proposal to get an idea of ball park figures?

Mr. Albert Driedger: We are past the initial proposal stage, we have actually tendered the project. We are analyzing the tenders at the present time. The decision, once we have analyzed the tenders, then will go forward to Cabinet and further decisions will be made under the terms of implementation of it. We will be having hard figures at that stage of the game.

Mr. Plohman: The Minister cannot indicate a global figure including administrative costs and so on that would not affect the evaluation of this tender or jeopardize anyone. Is he talking something like a \$2 million figure to implement or a \$3 million figure to implement, somewhere in between?

Mr. Albert Driedger: Mr. Chairman, I would not be prepared to make any statement on that basis at the present time, because we have to make a decision as to, once we have the final figures to take forward,

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whether we are going to use a cost-recovery system or whether we are going to have a subsidized system and stuff of that nature. I am not prepared to divulge figures at this stage of the game.

Mr. Plohman: I was not asking the Minister how he is going to recover the costs, whether it is going to come from general revenue or whether it is going to come from increased fees, from another type of taxation. It is just a matter of what the cost would be to implement. I was asking for a global figure here and not for the cost to the driver or to the taxpayer of implementing this program. I agree that it is a very positive thing, although there is at some point a trade-off when you come to the costs.

It is difficult to discuss the merits of such a proposal without, on the other side, weighing the actual costs of implementing it. The Minister, I think, is at the point where he does know the costs of implementing it. He just does not know how he is going to collect them yet. He has a ball park figure of what it is going to cost. Am I high when I say \$3 million or is that low, or is that even close?

Mr. Albert Driedger: I do not have hard figures here. I am not going to confirm or deny or speculate as to what the figures will be. Once we move forward with this thing, it is not going to be a secret, we are not going to hide how much the things are going to cost. It will be packaged properly, the information will come forward and then the Member can applaud or criticize whatever he wants at that stage of the game. At this stage of the game I would not be prepared to forward information of which I am not sure of.

Mr. Plohman: Then can the Minister indicate, and we will let him off the hook easy again as we usually do here, feeling sorry for him. The Member for Assiniboia (Mr. Mandrake) is not going to let him off the hook, and he is going to hammer him away and then I am going to come back again and we are going to keep pushing for this.

What I would like to know is: will the Minister be able to give us a timetable, a projected timetable now since he is finished the evaluation? The initial proposals, and he has a tender that is going forward. What are we looking at in terms of an announcement? Before Christmas, in terms of a go on this or is it sometime in the New Year before a decision will be made in the Minister's timetable?

Mr. Albert Driedger: Sometime this fall.

Mr. Plohman: So we should know, is there any monies in here for implementation in this budget in these lines for implementation of this program?

Mr. Albert Driedger: Only development costs.

Mr. Plohman: In addition to the increase in the salaries portion and the secondment of five staff, there is also some in the Other Expenditures line that has been allocated for development of this project. How much could we say has been used there?

Mr. Albert Driedger: In this appropriation there is \$70,000, Mr. Chairman.

Mr. Plohman: Mr. Chairman, is there another appropriation with other dollars?

Mr. Albert Driedger: Yes.

* (1540)

Mr. Plohman: Which is that and how much? I am sorry, Mr. Chairman, which is that and how much?

Mr. Albert Driedger: Mr. Chairman, there are other appropriations spread throughout this department here to the tune of a total of \$325,000, and part of that—maybe if I can just clarify that to some degree. What happened as we were developing the proposal we used staff from the various components within this department on an as need basis. That is why it is hard to definitively say, well, we have hired so many, because once a decision is made to go ahead with the whole thing and we complete the package, at that stage of the game there will be precise money allocated for that, but at the present time, because of the development stage, we used it sort of on a spread-out area wherever we could have people that we needed and could find to work on the program.

Mr. Plohman: Mr. Chairman, I was not asking for salaries and staff in the various areas, I was asking where the dollars under Other Expenditures was allocated and I guess the Minister would be able to identify that if he took some time, \$70,000 in licensing is another, some in safety and some more in—where?—Transport, Safety and Regulation, or Management Services, perhaps. So that would be spread in those appropriations.

Could the Minister indicate what has been the experience with the single licence plate and also whether he is considering changing back to two-licence plate system. There is a significant saving to the province on that. We had put that in place a couple of years ago. The Member for Assiniboia is shaking his finger here. We take credit for all of the things, not just those that some people thought were popular and some were unpopular. As a matter of fact, the Minister, when he was in Opposition, his Party was saying that this was a very bad move and so on. I have not detected a widespread outcry certainly among the public. Maybe the police have continued to lobby for going back to a two-licence plate system, but I do not think it has had that big an impact with the public. You see all kinds of different plates now that are put on that in some way express the individuality of the driver within the limits that have been established within the law.

I just wanted to ask for a general kind of report from the Minister on his assessment of the success or failure of going to the single licence plate system, and maybe he could also indicate whether there is a plan to have a complete change of licence plates in this province in the near future, or are we going to continue with the plan that the previous Government put in place, which was to slowly replenish the supply and not go

with a major purchase which is millions, at least a million dollars or more cost to the province.

Mr. Albert Driedger: Mr. Chairman, the Member is correct, I was opposed to the deletion of the front licence plate. I assumed that the Government of the Day in their desperation to find money used that as a money saving project where they removed, or allowed the front licence plate to be removed.

The enforcement people have raised major concern about the issue. As the Member well knows, they must have raised it with him at the time when he implemented this and they are still continuing to pressure for that, especially in view of the fact that we have the increased activity in the drinking and driving legislation, that we have the central information system that is now established across the country in terms of identifying vehicle registrations as well as drivers' licences, et cetera, that this is actually a bit of a hindrance, knowing full well that the reason or rationale behind this was the cost aspect of it, and I am faced with that as well.

I do not think anybody is very excited about the fact that when you drive down the highway nowadays you have a variety of what I call some of them stupid licence plates in front. We have had cases reported to us where the guy has a Manitoba licence plate in the back and he has an old out-of-province licence in the front. Like everybody is having fun with these things. I think for enforcement reasons this is not that good. If the Member says it has sort of died down, it has not necessarily died down that much.

I want to indicate just at this stage of the game, the Member asked what are we going to do, are we going to make some changes? I will indicate to him that we are having a look at it at the present time. There is no decision made for or against, whatever the case may be, and the cost being the big factor. If cost was not such a big factor, I would have no difficulty making that decision, a long time ago already, like that. But certainly we have to look at the cost aspect of it and weigh it against benefits and whether it is feasible to do it.

(Mr. Edward Helwer, Acting Chairman, in the Chair)

I know other provinces have gone the same route to some degree, and I will just indicate that at the present time without a firm commitment I am reviewing it. Ironically it should be raised today because I was slated to have a meeting at lunch time to discuss some of the pros and cons of it. So I cannot give any definitive further answer on that, other than that we are looking at it. I just illustrated some of the concerns we have, both the cost factor plus the inconvenience of not having a licence plate up front.

Mr. Plohman: Yes, Mr. Acting Chairman, I appreciate the cost factor. That is the only reason it was done. It was not done for any other reason, and it was done with great reluctance. So it is something obviously that I wanted to get from the Minister because I knew that he was opposed to it when it was brought in as a lot of people were in the Government at that time. However, the dollar factor won the day on it. It is a question of

whether the cost outweighs the problems associated with it, offsets it to such a degree that it is believed that it is not worth putting those plates back on again for the cost associated with it.

I would like to ask the Minister as well, the question about the rapid exchange system for driver licences. That was something that was underway and then when the National Safety Code came in it was accelerated. As we take credit for the single licence plate for the Member for Assiniboia (Mr. Mandrake), we also take credit for beginning the process and the start in Manitoba, at least, of the rapid exchange system. So that there would be an interlocking system, an automated system, with all provinces. Licensing jurisdictions would have this information immediately when drivers move from one province to another. If they have lost their licence in another province—I know the Member for Assiniboia is pleased to learn that we are very concerned about this and wanted to eliminate to the extent possible the incidence of people who should not be driving at all, who should not be on the highways, because they had proven that they were a danger to the public, were able to get a driver's licence in another province and continue to drive.

That was a major concern, and it has gotten to the stage where this can be prevented to a large extent. Can the Minister indicate whether that is fully operational now, and whether in fact the Registrar, without giving names of course, could indicate whether there have been some incidents already where this system has paid dividends for the province in terms of identifying drivers who were trying to beat the system, who were not licensed in other provinces?

Mr. Albert Driedger: Mr. Acting Chairman, I would like to indicate, and I am glad that the Member for Dauphin (Mr. Plohman) is updating the Member for Assiniboia (Mr. Mandrake) as to the history of the program. I would like to indicate that the program is fully operational at the present time. In fact, I think I indicated early on in my report when we started our Estimates that some of the Ministers had their names and their vehicles put on the system and in 40 seconds flat they got the information. The central distributing, what do we call that, everything goes into Quebec, into that computer system, and to a central switch in Quebec and then into the provinces and back and it is just like that. It is a super dandy program. There was some discussion prior to us implementing it officially, I suppose.

* (1550)

What happens is that drivers, if they lose their driver's licence here in Manitoba, they would skip over to Alberta and get one there. Alberta, for example, has a five-year licence, at least they still have. We just talked about some of the examples of what happened previously and how this is going to circumvent that kind of thing, vehicle registration as well, in terms of stolen vehicles, ownership mainly at this stage of the game. I would just like to indicate I do not care who started it, we finished it. It is in process. It is working well and we are pleased.

Mr. Plohman: I just want to certainly indicate to the Minister that I am very pleased to see it implemented

and completed. Is there any further refinement of it, requirements yet that have to be added to it.

Also can the Minister give an estimate of the final cost of implementing that system for the province?

Mr. Albert Driedger: The total cost for Manitoba was \$1.8 million. The total program cost \$1.8 million, the feds picked up \$1.6 million of it, our cost was \$40,000 for implementation of it. There must have been some shrewd dealing going down.

The Member asks whether there is any more refinement of it. I would like to indicate that the second phase which is being worked on right now, that is being added to the system and that is to include commercial carrier profiles which is part of the National Safety Code aspect of it. That is the second phase that is being worked on right now. Far back somewhere we are looking at a phase 3 which would be basically tied to police information, Canadian Police Information Centre, but that is further back. I do not know what time, possibly five years, but certainly the present system is working in place and working well and we are working on phase 2. So we all feel it is a great accomplishment.

Mr. Plohman: Also, I just want to first of all indicate that the cost sharing was done under the National Safety Code, I would expect, and that is why we are able to achieve that kind of federal involvement; otherwise, it probably would not have been that high.

It is rather unusual to see that it was actually 1.6 of the 1.8 million. I know the sharing formula was not that high. Just for clarification I ask the Minister whether other portions of the implementation of the safety code are that high, a federal percentage, or is it just because this was done first and the money flowed on this aspect of it. So if the Minister could clarify that.

The second point, we are on Licensing and under Licensing, the vehicle safety inspections is listed in the Supplementary Estimates. Rather than waiting for safety, I will ask under this particular section, commercial vehicle safety inspections, whether there is now a plan to implement a compulsory safety inspection for all used cars in this province?

At the present time it is done at random by selection, or Licensing has that *-(interjection)-* if the Member for Assiniboia would look at his Supplementary Estimates, the last line says under "Licencing, Expected Results: The provisions of commercial vehicle safety inspections to enhance vehicle safety on the provincial road system."

So clearly this is the appropriation to deal with this. I wanted to ask the Minister this then as to whether he was planning on implementing it, particularly in view of the GST which the Motor Vehicle Dealers Association of Canada, or perhaps it was in Manitoba, raised in public recently. There would probably be more and more cars sold privately, therefore, without inspection requirements because of this implementation of the GST when it comes in to avoid that tax.

Has the Minister looked at that assertion that was made by the Motor Vehicle Dealers Association, I

believe, and has he evaluated that and considered whether that might be a reason to move forward with this legislation that was considered for a number of years?

As a matter of fact the Member for Steinbach, Mr. Banman, who was just mentioned by the Minister, recently asked that of me each year, but he did not have the GST to deal with at that time. He did ask me, when I was Minister, whether we planned to implement it.

As a matter of fact, the Member for Pembina (Mr. Orchard), when he was Minister of Highways and Transportation, just prior to the 1981 election had some legislation that was ready to go for proclamation and never did happen. June, some months before, there was plenty of time actually for him to do it, but it did not happen. He had all of the paperwork printed up and so on, but it just sat on the shelf and so we were approached on numerous occasions to implement that. Now I ask this Minister whether in fact the pressure, intensity of the lobby is increasing and whether he is almost to the point now of putting forward this proposal or is he seriously considering it now?

Mr. Albert Driedger: Mr. Acting Chairman, I should appeal to you, to the Member that he asked me—I am trying to keep up with all the questions he keeps asking me.

Mr. Plohman: Just two issues there.

Mr. Albert Driedger: Well, first I am going to get to the last issue, but he asked me first of all as to why the cost sharing was so positive in terms of, and part of, this is the first program that came forward under the National Safety Code and that is why and because the feds really wanted it, that is why we had an ample cost sharing from the feds.

Now that I have answered that, next question? I know the question. I find it interesting that my colleague, the Member for Pembina (Mr. Orchard) was the one who basically worked on this inspection aspect, the vehicle inspection thing. I am sure knowing my colleague from Pembina that in his aggressive manner had he had the opportunity, he would have come through with that legislation.

I find it most interesting that the Member for Dauphin (Mr. Plohman) having been the Minister for many years must have studied it to death, because obviously the lobby is, not quite to death, because it is still alive and the lobby is *-(interjection)-* Well, certainly, there was not much direction left in the office for me in terms of how to deal with this one and that is the reason, Mr. Acting Chairman, why I am now studying it.

I have to indicate though, in all sincerity, the lobby is continuing. I had the occasion to meet with my colleague, the Minister responsible for MPIC (Mr. Cummings), to discuss other aspects of concern. For example, the area of vehicles that have been written off, how do we identify that? So I have to indicate that we are having discussions with them. We are looking at maybe developing something that would be an

acceptable thing and the lobby continues. No decision has been made.

Mr. Plohman: The lobby continues, but has the Minister got to the point—just one more question on that, and I know it is a very difficult and touchy issue. I might say though that the Member for Pembina (Mr. Orchard) actually had ample time to implement it, the election was not called till September for October and he had some six or seven months, the form sitting there, to actually proclaim. By the time we got a hold of them they were outdated and would have had to be printed over again anyway. That is one of the little fiascos that never came out during the MTX affair was all of the money that the Member for Pembina spent on these forms that sat on the shelf. I do not know why that did not come out. Perhaps it did not compare, but it was significant.

The issue of the Autopac write-offs is a very serious one and one that we tried to address with some legislative changes. I understand now that even though, and I have to say in all fairness, the staff were under great pressure to move quickly and come up with some solutions. Maybe it was not the solutions that they wanted or would have time to think out in their entirety, but now I understand that the amendments that were made to The Highway Traffic Act to provide for identification of the write-offs were stated to be unworkable by either Autopac staff or Motor Vehicle staff. I want a better understanding of why they are unworkable and what is intended to take their place in the absence of having this overall program of inspection that the Minister continues to review.

Mr. Albert Driedger: Mr. Acting Chairman, one of the blessings of defeating a Government and then taking over some of the things that they have had in the mix or even passed, which the previous administration had passed legislation as well, it had been passed I do not know how many times previously, passed and never proclaimed, and this legislation is sitting there having been passed but not proclaimed. We walked into one like that with The Off-Road Vehicles Act. We finally proclaimed it and we got that one straightened out with much difficulty.

So it makes a person a little gun shy with the legislation that was passed to go running around proclaiming all these things without having full information.

My understanding is that the identification of the vehicles that MPIC has written off, you know, the idea of putting a decal or something like that on the door frame, stamp on the door frame, is something that we are walking through this looking at it. That was one of the reasons that it could be painted over, it could be removed, many things of that nature. Staff from both MPIC, as well as my department, are having another walk at it and before we will proclaim the legislation, I think we would like to take and see whether we can work out some workable solution to it.

* (1600)

Mr. Plohman: Mr. Acting Chairman, it must be one step at a time very slowly. We used to play that game, one baby step forward and three giant steps backward.

Mr. Albert Driedger: If it is going to take me as long as him, I still have five years.

The Acting Chairman (Mr. Helwer): Order.

Mr. Plohman: Mr. Acting Chairman, I would at this time turn over the questioning to the Member for Assiniboia (Mr. Mandrake) if he would wish. I would ask one question though about The Off-Road Vehicles Act. Can we ask that under this area, or is it best under Safety or some other section?

The Acting Chairman (Mr. Helwer): Safety.

Mr. Albert Driedger: Anywhere at all, it does not matter to me.

Mr. Plohman: I will let the Member for Assiniboia follow up with some of these important items. He may have another point of view on them.

Mr. Mandrake: First of all, Mr. Acting Chairman, I appreciate the opportunity to participate in this debate, seeing that the Member from Dauphin (Mr. Plohman) raised a multitude of questions.

The first one I am going to tackle is the safety of vehicles. In fact, I am going to be introducing a resolution.- (interjection)-

The Acting Chairman (Mr. Helwer): Order, the Member for Assiniboia, carry on.

Mr. Mandrake: I am sorry, I cannot speak when people are gabbing in this place. I would kindly ask them to be quiet so I can present the question to the Minister so he does not misinterpret what I am saying.

The Acting Chairman (Mr. Helwer): Carry on.

An Honourable Member: He will not talk about the white Lincoln anymore.

Mr. Mandrake: The Member from Portage la Prairie (Mr. Connerly) is trying to be funny, but he is not funny at all, so I am not even going to bother listening to him.

Safety of vehicles are paramount in everybody's mind, Mr. Acting Chairman, and I am going to be introducing a resolution in this legislature which will address this issue. I am talking from a professional point of view. I realize that it is a very, very difficult thing to correct. I think I might have some suggestions to the Minister, through this resolution, which might address those areas. I want to go step by step and I will address them as we go along.

First of all, when we are talking about Autopac write-offs, the most important thing about an Autopac write-off is the person who is repairing the vehicle not be a backyard autobody person. Ninety-nine chances out of a hundred he does not have the proper equipment. He will just butcher the frame on that car and then put the lives of Manitobans on the line.

My suggestion, when it comes to an Autopac write-off, and particularly with the new vehicles with high-

strength steel, if the repair person does not know where the high-strength steel is located, and how - (interjection)- The Member from Pembina (Mr. Orchard) facetiously says it is in the car, and it goes to show you, Mr. Acting Chairman, how intelligent this human being is. He was the Minister of Transport, he should know that the present new vehicles today have high-strength steel located only in very strategically located places. If he does not understand that, obviously he did not do his homework when he was the Minister of Transport.

Without further ado, this high-strength steel, if it is not repaired properly to OEM standards, and that is original equipment manufacturers' standards, you are going to be in trouble. So when you repair this vehicle, it should be done by a qualified journeyman autobody repair person, and it is thusly certified as such. If it is done that way, that vehicle will be brought up to OEM standards and that vehicle—in fact some of the Ministers are probably driving one of those vehicles right now. Those are Autopac write-offs that have had frame damage. That is No. 1.

The Acting Chairman (Mr. Helwer): Can we stick to the Licensing there? We are on Licensing, the Salaries on Licensing.

Mr. Mandrake: No, the Member from Dauphin (Mr. Plohman) had brought up the safety of vehicles, Mr. Acting Chairman.

The Acting Chairman (Mr. Helwer): That is fine. Carry on.

Mr. Mandrake: Therefore, if this latitude was provided to the Member from Dauphin (Mr. Plohman), I think it should be provided to me. Okay.

Mr. Albert Driedger: You got it.

Mr. Mandrake: Now, Mr. Acting Chairman, that is one issue. That is one issue that I will be addressing in my resolution.

The other thing is that when we sell vehicles, be it used or new, it should go through a safety inspection by a qualified and a certified mechanic. On the rear portion of the certificate, it itemizes the various items that it has to have be inspected by a certified mechanic, and also the most important thing is if a person deregisters his vehicle, his own personal vehicle, three months later goes registers it, it should also fall under these conditions.

I will just go through that and I will ask the Minister to respond to what I have just brought up.

Mr. Albert Driedger: Some of the points that the Member brings forward bear discussion and thought. I would want to indicate that through this whole process, and obviously the Member knows full well just by hearing the previous comments that this thing has been debated for maybe seven, eight years.

It is not that easy to establish a resolution to it. As indicated, certain legislation was passed, not proclaimed

because of the implementation problems with it, and so what we are doing at the present time, together with representatives from MPIC, the Minister as well as myself and my staff are starting to work to see whether we can address this aspect of it.

The Member has to understand that we have a lot of people who are dealing cars through the back lane. We are looking at the possibility of establishing some kind of an inspection or safety certificate. At the present time we have an ad hoc system in place where we do some random checking.

In spite of what we would be debating here today, I can indicate that this debate has taken place many times over, and certainly for staff it is almost like rehashing straw again because each time there is a change of Ministers, their administration, they start from scratch again, enthusiastically saying all the things we should do in terms of vehicle inspections. Then we start getting the full implications of the backlash from some of these things and then you start studying it a little bit more. I am not trying to make light of it. It is a problem area and has to be dealt with somewhere along the line. We are trying to deal specifically with the Autopac write-offs at this stage of the game and I think that we probably will be maybe coming forward with a resolution to that hopefully within the next couple of months. We are serious about trying to deal with that.

* (1610)

That ties in again with the vehicle inspection thing, which we do on a random basis now. I personally raise this myself especially where you have Autopac write-offs and we should not sell them, maybe we should not sell them. At the same time, some of them do not have any body—not body damage but let us say superficial damage, aesthetic damage, okay, whatever. So they are not necessarily always write-offs, Autopac writes them off and then you can either sell them at a sale or the individual can buy it back, then take it to a bodyshop, fix it up. In some cases the body shops even buy these things, then fix them up, then turn around and sell them and if they do a good job on it, it looks like a good car.

How sound is the car? Should it be safety inspected before it is allowed to be sold that way? We say, yes, it should. How do you find out which are these cars? You have to have an identification system in place in order to do that. Then when you go and register this nice looking car that has all been fixed up, you have the serial number on it, the registration, you go up there, the Autopac agent will insure it, it is a model so and so, based on this and that, but we do not necessarily know whether it would be, the frame is structurally sound, whether there are things that could impinge on the safety of the car. These are all the little things that are being dealt with.

I could go on at length of the circumstances and all the things that will happen, but like I say, staff is fully aware of this. What they are trying to do is get the Ministers involved at this stage in the game to try and develop something that would be acceptable and address the problem as well.

Mr. Mandrake: Mr. Acting Chairman, I am going to specifically place my attention on Autopac write-offs, because the Minister said that is something of a grey area, or he does not know how to cope with it. I will offer him a suggestion.

Every vehicle that is purchased through Autopac and is very, very easily identifiable, must be certified—and I say this—must be certified by a journeyman autobody repair person. The reason why I am saying it has to be a journeyman is because if it is anything less than a journeyman he does not understand high-strength steel, he does not know how to correct high-strength steel, he does not know how to bring the frame or any portion of that car, of that vehicle, to OEM standards.

Now, if it is an Autopac write-off, the vehicle must have a certificate by a journeyman autobody man. Once that criterion has been met, then the mechanical aspect of it could be then addressed by again a recognized journeyman mechanic. I mean, to me it is rather a simplistic way of doing it. Put the onuses on the person who is doing the repair.

If the repair is done by a backyard mechanic, he will take it into—first of all, you say on there, was this an Autopac write-off, yes or no? -(interjection)- Just a minute, please. The next paragraph says if any of the above information has been falsified upon date of purchase that I can give this car back to the seller for a full refund of the purchase price of that car.

Mr. Acting Chairman, I will guarantee it as a professional autobody man myself, you could soon find out whether or not that vehicle was in an accident to any degree.

Mr. Albert Driedger: Mr. Acting Chairman, it might sound simplistic the way the Member lays out his concerns about having the vehicles serviced or fixed by a licensed journeyman mechanic. It is not quite that simple. In terms of the total system that is in place right now under my department, Highways and Transportation, we are responsible for the inspection of commercial vehicles. The previous administration a number of years ago transferred the responsibility of cars and other vehicles to the Manitoba Public Insurance Corporation, so that is really their responsibility in terms of how they do that.

What I have suggested to the Member is that we are trying to see whether between the two departments we could come up with a reasonable way of making sure that Autopac write-offs can be identifiable and that they would maybe have to go through a safety check and exactly how that process would be developed.

We are working on that right now. I am cognizant and appreciate the comments the Member is making how we should do it, and I accept the fact we will take them into consideration along with the many others that staff and other people have. I illustrate this only because we know that there is a problem out there. We are trying to address it. I alluded to the fact that we are trying to deal with it and should possibly come up with some solution maybe within a couple of months.

Mr. Mandrake: Mr. Acting Chairman, the Member for Dauphin (Mr. Plohman) brought up the point of licence

plates. In our travels through Winnipeg and throughout, not particularly rural Manitoba, but particularly here in Winnipeg, you see front licence plates from Germany, from back in the early '70s. Now is there any regulation within The Highway Traffic Act that would permit, I will not say to permit the use of those plates, have the enforcement by the police officer, whereby they can say you must not use those plates in front of the vehicle.

(Mr. Chairman in the Chair)

Mr. Albert Driedger: Mr. Chairman, I would like to indicate to the Member his point is a good point. I will be tabling The Highway Traffic Amendment Act next week and we will be dealing with that in that Act. It will be addressing the concern that he brought forward.

Mr. Mandrake: The Member for Dauphin was always making mention of what they started and, et cetera, et cetera. Well, they did start it, a real boondoggle when they reduced the deficit by \$12 million in the budget. That is why we probably had to lose our front plates. So I mean when you take \$12 million away, you are going to have to start catching up with some results, so why not take the front plate away from us? One question, please, on that issue, have the school bus drivers made presentations to this Minister as to the possible hazard that they are experiencing because of the front plate not being on the vehicle?

Mr. Albert Driedger: No, they have not, but I do not see how the front plate not being there is a hazard. I think it is an inconvenience, if somebody would stop and have their lights flashing, if somebody drives through or comes through that it might create some problems for them for identification purposes. I do not think it creates a danger, necessarily, an inconvenience, the same thing it does with the law enforcement people. They would prefer to have the licence so that they can identify a little easier, as they are approaching the vehicle, things of this nature. So that concern, I know, is out there but it has not been officially presented to myself.

Mr. Mandrake: On this front licence plate, is there any evidence that ever since the front licence plate was eliminated, even though we do have two plates, we now could take the front plate off and just use the rear plate, and put some other foolish plate on the front, like—oh, I do not even want to get into that. I get rather frustrated the way some people put plates on the front of the car. My questions being: have we seen an increase in crime in a rural area because of no front plates on the car?

* (1620)

Mr. Albert Driedger: Mr. Chairman, we have no statistical information on that and I do not know whether the law enforcement agencies would have. They certainly have not indicated to us if that was the case and if they had a case, I think that they would have probably raised it with us already.

Mr. Mandrake: The Member for Dauphin (Mr. Plohman) says from his seat, far-fetched, but I mean people like

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KAP address that issue. I do not think it is a far-fetched idea and all they are saying is reinstatement of the requirement of the front licence plate on vehicles as a useful means of identifying unfamiliar or suspicious vehicles in rural areas. This is why I ask the question. KAP is not a small organization, it is a very, very powerful lobbying organization on behalf of the farmers.

Mr. Plohman: You are just fearmongering.

Mr. Mandrake: So let us not have that on the record by the Member for Dauphin saying that.

Mr. Plohman: Mr. Chairman, a point of order.

Mr. Chairman: On a point of order, the Member for Dauphin.

Mr. Plohman: I think it is important that sometimes some history is given on these things, not to pat ourselves on the back but to ensure the Member for Assiniboia (Mr. Mandrake) has all the details so that he does not have to indicate that somehow people were not covering all these angles.

This was one of the most important questions we asked of the Registrar, Mr. Coyle at the time, to research in other jurisdictions where they had one licence plate, whether there was an increase, and there was no measurable increase. That is one of the things we looked at and why we still went ahead with it, knowing that. I do not know where the Member thinks in one year he is going to find those kinds of facts here in Manitoba. It is far-fetched.

Mr. Chairman: I would thank Honourable Members for their input. A dispute over the facts is not a point of order.

Mr. Mandrake: I will not get into an argument with the Member for Dauphin because I do not think it would be very appropriate at this time.

The other question is on the safety aspect of vehicles, Mr. Chairman, and the problem of tinted windshields on vehicles, particularly on brand-new vehicles. Has that been addressed by this Minister, and what is the regulation now with regard to vehicles with tinted—not only the front windshields, side and back?

Mr. Albert Driedger: Mr. Chairman, this problem of tinted glass—you can call it that or plastic on glass—has been around for a little while. There is no standard in North America that one can use and say, well, at this stage of the game it is too dark.

I have had personal experience with a few cases that have written to myself where the tinted glass was perceived to be too dark. As a result, an individual got a ticket to the point where I think under that kind of a conviction, which is a highway traffic conviction, lost some merits on it and was very emotional about it. It is a problem that has been there for a while.

What we have done to try and address it, we have formed a committee early this spring and together with various other organizations, the industry, enforcement people, they are all on this committee, and they are trying to see whether we can develop a standard that would be acceptable. We might turn up being leaders in North America in terms of this, because there is no official standard that can be used. We feel that, if not for anybody else but certainly for our own selves, we can develop that kind of a standard that we can use. We hope to have a report on this by probably late, late this fall maybe, hopefully before Christmas, depending on how things go.

Mr. Mandrake: I can understand the Minister's concern, particularly if they were done by an aftermarket tinting of glass. Now, I am sure the Minister understands what I mean by an aftermarket tinting of glass. I can understand because that could be taken off. What happens, Mr. Minister, if the Member for Dauphin buys a brand-new car tomorrow morning and he says I want my glass tinted and it is thusly tinted from the factory.

An Honourable Member: Gary Doer has that.

Mr. Mandrake: In fact, I was just going to bring that up.

What happens now? It is the original equipment manufacturer that tinted that glass. There is no way you can take that glass out unless you replace it. What are we going to do? Are we going to put this regulation under the Highway Traffic Act the way it is right now in a moratorium basis whereby if nobody is going to be penalized for this? Because I would hate to see the New Democratic Leader (Mr. Doer) being stopped tomorrow morning because—in fact all his windows are tinted. If I may suggest, they are very, very heavily tinted. You cannot see inside. You can see outside but you cannot inside.

Mr. Albert Driedger: Mr. Chairman, I would want to indicate to the Member that in The Highway Traffic Amendment Act that is coming forward that we are making provision in there for establishment of a standard which would then be used within the province. In the meantime, the law enforcement agencies were instructed this spring to put a moratorium on issuing of licences until we have had an opportunity to establish a standard. That is the process that we are in right now and, like I indicated before, possibly with the law enforcement people, the manufacturing industry involved as well as our safety people, that maybe we can come up with an acceptable standard that was then going to be the benchmark even for other areas including the manufacturers. We are working on that and hopefully once we have that come forward, that is why under the legislation we are making provision for that kind of a standard.

Mr. Mandrake: I appreciate what the Minister just finished saying but again, are they going to have consultation with the manufacturers? I want to use vehicle licence plate number 204GCB, that is the Leader of the New Democratic Party. He has a car that has tinted windshields all the way round. Is that going to

be an acceptable standard or is he going to be asked when the new regulation -(interjection)- pardon me? But is this regulation by the Manitoba Government, this Tory Government, going to be in compliance with the manufacturers' standards? It is all well and good to put a regulation into place, but if your standard is going to be higher, saying you cannot have it that dark, what are we going to do then?

* (1630)

Mr. Albert Driedger: There is a federal standard which makes provision for allowing at least 70 percent penetration of light through the window. That is a federal standard, minimum. What further complicates the problem in some cases is that individuals add additional screening in there either through plastic or whatever the case may be, and that is why we want to establish a standard that we can apply in Manitoba, that can be enforced by the law enforcement agencies, and that is why the consultation process is taking place. We have the input of the law enforcement people, the industry, so that it is something that can be safe and still be acceptable to the general industry.

Mr. Mandrake: Mr. Chairman, again I want to bring the Minister's attention to this particular vehicle. Any kind of a professional autobody person will guarantee you that the sight through the side window is probably more than 70 percent, because if a person is sitting there, I doubt it very much whether or not I would be able to recognize him. With the 70 percent, you would have at least a decent chance of recognizing the person inside the car.- (interjection)- That is right, from the outside. From the inside, you do not have any problem looking from inside out. I am saying from the outside looking in.

These are the kinds of things I would like to bring to the Minister's attention so that we do not get ourselves in a real boondoggle here a year from now whereby we have put in a regulation, the Leader of the New Democratic Party drives down the street, and all of a sudden he is hailed down by the local police and he is given a citation because he does not meet the standards, but this has been original equipment manufacturer standard.

Mr. Chairman: Shall the item pass—pass.

An Honourable Member: Which line are we on?

Mr. Chairman: Item 6.(b)(1) Licensing.

Item (b)(2) Other Expenditures \$856,500—the Member for Assiniboia.

Mr. Mandrake: Under the \$110,000 worth of recoverable from Canada, what was this recoverable for, Mr. Chairman?

Mr. Albert Driedger: Also part of the National Safety Code, Mr. Chairman.

Mr. Chairman: The item is passed.

Item 6.(c) Safety: (1) Salaries, \$3,909,900—the Member for Assiniboia.

Mr. Mandrake: This is the one that we can address, The Off-Road Vehicle Act, am I right? Is this Safety?

Mr. Albert Driedger: I have no difficulty.

Mr. Mandrake: On July 26 the Minister restricted the use of registration, insurance, age restriction, helmet, driver's licences for people in the northern area. I commend the Minister for this action, but I think he has gone too far on this. There is no reason why we should have had an age restriction whereby people up north should not wear a helmet.

I have before me an intercom from the Manitoba Medical Association that states that people under age 14 account for the majority of off-road vehicle injuries.

I would strongly suggest to the Minister that maybe we could go back onto this news release and modify it to the fact being this, put a minimum age of 14 or 13 and also that they must wear a helmet, because as you can well appreciate, Mr. Chairman, head injuries are a very, very serious problem. I do not care whether the person is up north or is down south, the same thing should apply, and particularly more so, because up North it is a very, very rough terrain and probably more susceptible to being thrown off the vehicle that they are driving and sustaining injuries.

Mr. Albert Driedger: Mr. Chairman, let me try and outline for the Member the process that we have gone through.

This was legislation that was passed prior to us taking Government. After some consideration, we proclaimed the legislation. Upon proclamation of it, we felt there had been adequate discussion and consultation done.

There were various concerns brought forward to us, very actively in fact, by various lobby groups. What happened is that we had a group of four Ministers that met and reviewed the Act itself, the Minister of Northern Affairs (Mr. Downey), the Minister responsible for MPIC (Mr. Cummings) and the Minister of Health (Mr. Orchard). The four Ministers got together and reviewed it sometime in July. At that time after consulting with staff as well to look at various options to see whether we should make provision for certain exemptions, the decision was then made by the Government of the Day to create exemptions, specifically three.

One was for farmers that provided they stayed on their own property and used the off-road vehicle for farm purposes, well, really for whatever purposes as long as they stayed on their own land and did not drive on public property that they would be exempt from the regulations. The other exemption was the commercial fishermen who use it for means of livelihood, so exemption was made for that. The third exemption was for the licensed trapper who needs off-road vehicles, snow toboggans, three-wheelers, whatever the case may be.

The decision was then made to have these three categories of exemptions. When we tried to implement the legislation in some of the remote communities, we found extreme difficulty in terms of getting them registered. We had a particular case where an insurance

agent was flown down to register. Out of something like I think 700 vehicles, 30 got registered, with great extreme difficulty and almost danger to his own health. He finally managed to register 30 of them, and then we realized we had a real problem of enforcement in these communities.

We then regrouped again, based on the problems we were encountering. If we had for example proceeded to, we could have either had legislation that was not applicable or we could not really enforce in these northern communities, because we would have to fly into some of these remote communities with law enforcement people and then ticket everybody. So we took and did a further review. Subsequent to that a decision was made, with a lot of talk and discussion about it that communities which we considered remote communities, we would exempt these communities from this legislation.

A remote community means any community which is not connected to the provincial highway system by a year-round all-weather road. Why we have exempted them is that specifically it affects many of the Native communities, because to them it is actually a way of life, off-road vehicles. They use them for hunting, for fishing, for getting firewood, for many things. It is a way of life for them almost to the same extent as it was for the commercial fisherman, for the registered trapline, or the farmer.

That is why we were specific in saying remote community and identifying what a remote community was. Many of their children under 14, for example, are fully involved in the operations of hunting, fishing, whatever activities they do. We feel that exemption further clarifies and addresses the intent of the legislation pretty well. Certainly aside from the hue and cry from dealers and stuff of that nature, generally the legislation is well accepted at this stage of the game. The general public has accepted it, and I think we have addressed the unique concerns for exemptions that we have in place.

Coming back to the Manitoba Medical Association, I would just like to indicate that they have written to me as well, have raised their concerns. I have responded to them outlining the reasons why we have done these things and have indicated to them that I will be meeting later during this month to have a discussion with them on that aspect of it. They have indicated to me the safety aspect of it, of the children in the North, is vital. We certainly agree. However, statistical information, we do not have any that can really indicate that is a major problem there. Certainly we are prepared to discuss that.

* (1640)

Mr. Mandrake: Mr. Chairman, I certainly do not want to be placed on record as saying that I am for registration, for insurance and drivers' licences for the people up north. As I said, I am very pleased that the Minister took this initiative, that he does not want that for the people up north because, No. 1, it is going to be very, very difficult to control, and No. 2, the enforcement aspect of it. There are other ramifications that are going to be impossible.

All I am trying to address now, Mr. Chairman, is the age restriction and the use of helmets. If we are going to be placing a regulation for people in southern Manitoba to say that they must wear helmets, why is it that we cannot do the same thing? I mean, are the people up north any different from the people down south? I do not think so, Mr. Chairman.

The same thing goes with an age restriction. What is the difference? I mean the Minister says, well, they are involved in the day-to-day business of the family, i.e., probably trapping or hunting or whatever their endeavour is, and rightly so. I mean when we put a young child, and I am going to say the age of 10, and its life in jeopardy by putting it behind, let us say a 400 CC snowmobile—and a lot of them do possess those types of snowmobiles—we are putting one life into jeopardy. I would be very, very upset if we lost one child all because we did not take the initiative and said that we should have a minimum age. I would strongly suggest age 14 would be an acceptable level for myself and I am sure our Party. Anything less than age 14, I think should have supervision by an adult before he or she could share that vehicle.

Mr. Albert Driedger: Mr. Chairman, that is what the legislation provides for at the present time with the exception of the exemptions that are put forward. If the Member agrees with the fact that we have an exemption of registration for the northern communities, how can we apply a portion of the regulations saying under 14 should not drive these all-terrain vehicles and wear helmets? If we cannot enforce the registration aspect of it, we are certainly not going to be flying law enforcement people in there to start giving tickets to kids under 14 who are driving or wear helmets. So I mean it is a matter of reasonable application of the exemption that we have.

Mr. Mandrake: Mr. Chairman, the Government's role is to provide legislation. I appreciate the laws are going to be broken almost everyday. You drive down here on Portage Avenue, people tailgating each other, and nothing has been done, because it is very, very difficult to enforce it. But if Government takes a leadership role and suggests that this must happen, sure, you must wear a helmet or you should wear a helmet, and the age restricted at 14 years old. Now, if the parent then puts a child onto this vehicle, who is 10 years old, then the onus is upon the parent saying, no, maybe—they are responsible people. Maybe they will not then, because they will say, it is against the law, you should not do that.

Mr. Plohman: Mr. Chairman, my colleague was going to ask some questions as well on this issue.

Mr. Mandrake: On this issue?

Mr. Chairman: The Member for Churchill.

Mr. Cowan: Mr. Chairman—

Mr. Mandrake: Pardon me, a point of order.

I asked the Minister and he never replied to me. I would certainly appreciate his reply.

Mr. Chairman: The Honourable Minister.

Mr. Albert Driedger: Mr. Chairman, my reply is basically that we have looked at these things very carefully. When we established the four exemptions that we have, we felt that this was going to address the concerns of why the legislation was put in place in the first place. We feel comfortable at this time to those kind of provisions. In fact, the Member that is standing at the back of the room there, the Member for Swan River (Mr. Burrell), was very instrumental in bringing some of the concerns forward of the people, basically the trappers, the commercial fishermen, and was one of the people that I think brought forward the views of the general public, especially the northern people.- (interjection)- Well, many people had input into it, but I am just indicating that the exemptions that we have, we feel comfortable with at this stage of the game and I am not prepared to make any further changes.

Mr. Mandrake: Just one comment, I do not expect the Minister to reply to it. All I am going to say, Mr. Chairman, is that the children of our province should be treated equally, whether they are up north or down south. If the child down south is required to wear a helmet, I think the child up north should be wearing a helmet. If we have a regulation, a certain age regulation for a child down south, we should have the same type of application for the child up north. We should not discriminate between east, west, north, south. They should be all treated equal, and with that I will turn it over to the Member for Churchill (Mr. Cowan).

Mr. Jay Cowan (Churchill): Mr. Chairperson, this is indeed a difficult issue, and it is an issue that has to be considered within the context of the culture of the North as well. The points that have been made by Members speaking before me are valid points, but I do not know if they take into consideration the entire context which one must examine when one reviews these sorts of issues.

The fact is that snowmobiles and off-road vehicles mean different things to Northerners in remote communities than they do to Northerners in non-remote communities and they do to people in rural communities and they do to people in the city. Quite often in my constituency you will see children, and they are children, they are sometimes as young as six, seven years old—

An Honourable Member: They drive like crazy.

Mr. Cowan: Well, driving a vehicle to go pick up water for their grandparents because there is no running water in the community, because it is cold out and they have to carry water for some distance because they believe that they should, as part of an extended family, help their grandparents who may not be able to get out to do that sort of work. They use snowmobiles and all-terrain vehicles and off-road vehicles for gathering wood, for taking groceries from The Bay to the home. It may be in some communities that even although the population may be less than 700 to 800, it may be three or four miles from The Bay to the house at the farthest end of the reserve, particularly reserves more

so than Metis communities, but Metis communities also have some very large distance between the store and the outskirts of the community.

So the all-terrain vehicle is a very necessary part of their livelihood. It is not that they have vehicles available to them, other vehicles. The days of the dog team are gone in most areas, and the days of modern roads have not yet come, although we hope they will in a lot of areas. So the all-terrain vehicles becomes the lifeline of the community, and it is the lifeline just as much as a bus is in the City of Winnipeg, or just as much as the car is, or just as much as another form of vehicular transportation may be in the urban centres, so that it is necessary for people who would not normally find it necessary to use an all-terrain vehicle in other parts of the province to use it in the North.

* (1650)

I think the age restriction is an issue that has to be reviewed in that context. Now, one wants to make certain that anyone who uses an all-terrain vehicle, because there are some dangers associated with them, understands the dangers, and understands how to use a vehicle and understands the safe practices that are involved in using such vehicles. I think we may have a bit more work to do in that area, if I might, Mr. Minister, with respect to educating people and providing training for the use of all-terrain vehicles. I would like to see the Government give some consideration to that while it has implemented these exemptions.

As far as helmets are concerned, I think one has to look at that very carefully, because helmets do protect lives and they do have some influence on the way in which people perceive their vehicles. I think that young people, as well as older people, as well as trappers, as well as people who use the all-terrain vehicle in other areas can safely use helmets. There is a cost factor there that is involved, and there is an education factor that is involved, but I think that is something that should be considered over the longer term, and I am going to make a definitive recommendation on that in a moment.

With regard to registering of vehicles in remote communities, that is an area where I believe there should be exemptions that are fairly flexible and are fairly far-reaching. The vehicle should not have to be registered in remote communities where they do not have road access certainly and in a lot of remote communities where they may have road access but it is very limited road access. I think that is an issue that I hear quite a bit about in my constituency. The fact is they do not get the same benefits that others get, supposedly from the funds that they put out in order to register vehicles, and there is a strong concern and one which I think is valid in that area. Registration, there is absolutely no need for registration of all-terrain vehicles in remote communities from my perspective. It is just not necessary.

With respect to what has been put in place though, I know there are some very serious concerns that have been expressed by the MMA and others about the impact of the exemptions. I think the only way one can

tell whether or not those concerns are going to be borne out or not is to monitor the situation very carefully.

My first question to the Minister, having made those introductory remarks is: is there a system in place that is monitoring and will continue to monitor and evaluate the accident frequency rate, the accident severity rate and the impact of these exemptions using comparative data where that data is available?

Mr. Albert Driedger: Mr. Chairman, in view of the exemptions that we have established, we will be watching this very carefully. We have made two exemptions from the time that the legislation was passed and proclaimed. We are concerned naturally about having done this. A lot of time was taken to debate and look at the pros and cons of the exemptions, first as I mentioned the first three, and then the further exemption for the remote communities. We will certainly be monitoring exactly what happens if we find and can establish—and it will not be that easy to do—that there is a high accident rate and the type of accidents and injuries sustained, whether it would require that we bring forward helmet legislation, let us say specifically for the remote communities to include them as part of the legislation, then we certainly would not do that.

I think we have to allow a little bit of time based on the exemptions we have now to do an assessment to see whether—in my conversations with the northern people they say they have been utilizing offroad vehicles all their life and that they have a good sense of safety with it. It is a part of their life and I can give the Member the assurance that we will monitor it. If there is a requirement for further legislation on that or further amendments, we are prepared to do that.

Mr. Cowan: Well, certainly there is a greater familiarity with offroad vehicles in the north because of the necessity of them than there is in other areas of the province in most instances. I would say as a general rule of thumb that stands. There probably is a safer operation of those vehicles because people do know that it is difficult to get medical treatment if there is a serious accident. At the same time, the terrain is rough and the vehicles are used much more frequently and there are much more adverse circumstances than there are in other areas. That may result in spite of the fact that there is a safer operation generally and more familiarity in greater accident rates. That is something that has to be considered in any sort of evaluation or monitoring program. The Minister has indicated that they are evaluating. Have they taken a look at the data to date to get any baseline data to determine whether or not there is an accident frequency and accident severity difference from type of community to different type of community across the province?

Mr. Albert Driedger: Mr. Chairman, we have a system in place to track the accidents, but it is a sort of a ground type of tracking at this stage of the game, very manual, intensive. We do not have this sophistication at this stage of the game to do the proper tracking for off-road vehicles. We are trying to establish that and we hope that we have enough that our way of doing it is adequate enough to be able to establish whether there is a pattern developing in terms of accidents.

I realize it sounds a little loose but most certainly the effort is there in terms of trying to see whether we can establish something of that nature. I think if there was a rash or outbreak, or for example if we saw that in remote communities the accident ratio with off-road vehicles was higher than those communities where we have the legislation being in effect in terms of helmets and age restriction, we need a little time to sort of floss this thing out in terms of establishing it in those patterns.

Just a further comment, Mr. Chairman, I am informed that we will also do a review of this with the MMA based on the information that they have because they also can contribute to that. So, it is not that we are trying to circumvent the MMA in spite of the request that they have made. As I indicated before, I will be meeting with them. We will have some discussion with them and hope that we can have a sensible approach in terms of seeing how we can establish this information for a decision.

Mr. Cowan: I have one suggestion and then I will turn the floor over to my colleague, or one broad suggestion. No. 1, I would like to see the parameters of the study that is being done, if that is possible—not at today's meeting—but if the Minister can afford some information on how the review, the evaluation, the monitoring, is being undertaken and what the anticipated results are over the next little while that would be helpful.

With regard to the MMA concerns, those concerns I think are concerns that are based on their review of the literature and their review of circumstances, but I do not think those concerns are based very much on first-hand knowledge of the North. What I would suggest to the Minister, if they are going to consult with the MMA with respect to those concerns, that they have at that meeting as well representatives of the MKO, representatives of the MMF, and representatives of the NACC because unfortunately, doctors do not get up into the North enough and they certainly do not get up into the communities that are represented by those organizations enough. I do not think they have a good understanding of the cultural distinctiveness and uniqueness of the use of all-terrain vehicles.

Although all-terrain vehicles are a fairly new technology, they do not have a full understanding of how the Native culture and the northern culture have taken that new technology and incorporated it into their traditional lifestyles and life patterns in a very effective way. So I think that while their concerns I think are well motivated and sincere, they are not truly reflective of the circumstances that confront northerners. I think it would be a very good educational session for Northerners, who would always like to see more doctors to talk about their problems, and for the doctors who should want to understand the situation better.

Now having said that, I would also like the Minister to look carefully at developing an educational program on safety, in consultation and conjunction with the NACC, the MMF, and the MKO, for all-terrain vehicles, and that any studies that would be undertaken in the future be discussed with and responded to by the MKO, and the NACC, and the MMF. They are the

representatives, at least, of those who are going to be the most impacted by any changes. I believe they have some very good suggestions from time to time that can be incorporated into those studies and reviews.

* (1700)

So I would hope that the Minister would carry on with any consultation that is currently ongoing with those organizations, but certainly when reviewing this whole issue over time and when meeting with others who may have a different opinion of the issue, would involve representatives of the organizations which I have indicated have a very specific interest in this area.

Mr. Albert Driedger: Mr. Chairman, I have taken note of the comments that the Member has made. I do not want to necessarily make a full commitment that we are going to have all the representatives on there in the meeting with the MMA. I can see where it would be beneficial for the Minister having that, but that might get to be a bit of a heated situation. However, I have indicated to some of the chiefs from the northern communities to write to MMA expressing their view in terms of what we have done, whether they are acceptable or not, and the reasons for that. I am going to consider the possibility of having at least some representation at the meeting with MMA.

The other thing I would want to indicate—

Some Honourable Member: Albert, get them all in the same room in dewy light in the middle of January.

Mr. Albert Driedger: I can appreciate the suggestion. However, the other thing I want to just indicate, the Member stressed that we should be looking at having some safety courses, educational courses. I just indicated to the Registrar that based on the fact that we now make them register and pay, that possibly this would justify the fact that we should also deal with that—MPIC used to have a snowmobile course. I am prepared to discuss it further with my colleague, the Minister responsible for MPIC (Mr. Cummings), to look at the possibility of developing an off-road vehicle type of program, because of the fact that we are now charging them for the registration.

Mr. Mandrake: Mr. Chairman, on September 10, being on safety of vehicles, I had a comment of course. First of all, I have to admit the comments that were made by the Member for Churchill (Mr. Cowan) were very valid. His input certainly will be listened to and considered. I hope that the Minister is going to apply some of the wisdom from the Member and, hopefully, not have an accident by a child up north. One life is too much to lose.

Having said that, I would like to bring the Minister's attention to the very, very, serious accident that happened at Trans-Canada Highway which was reported in the September 10/89 Free Press whereby a car was completely demolished on the Trans-Canada Highway when the people were coming out of Gaol Road. Now, I use that highway frequently going to see my little brother, taking him out to the various areas. I belong

to the Big Brothers Association. I noticed one thing and it was glaring to me. That is the 70 kilometres sign that states "70 kilometres ahead" is so close to the one that says "70 kilometres," that maybe we could take that one back a little bit further to identify to the travelling public to give them some more lead time, this 70 kilometres coming in. I do not know how we can approach this in such a manner whereby we will save another life because that tragedy certainly should have never happened.

Mr. Albert Driedger: Mr. Chairman, we will make note of the comments of the Member. I have had other instances where people who possibly have been speeding, or whatever the case may be, but approach a community and you have a sign that gives you the warning sign, you know, "50 coming up." By the time they get to the 50 sign they are still running at 70, 80 kms an hour. These things supposedly are done by design, but I am going to be prepared to talk to the engineering staff to see whether there is a special ratio that we use.

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

* (1430)

SUPPLY—AGRICULTURE

The Acting Chairman (Mr. Parker Burrell): Committee, come to order. The last section was 8.(a) to (h). Have you got any preference, Mr. Minister, where you go now, or has anyone else?

6.(d) Milk Prices Review Commission—the Honourable Member for Fort Garry.

Mr. Laurie Evans (Fort Garry): Mr. Acting Chairperson, I do not think we want to necessarily rehash the whole issue of the out-of-court settlement with the board in this particular case, but what I would ask the Minister is, going through the details on the out-of-court settlement, I come up with a figure that approaches three-quarters-of-a-million dollars as being the annual cost to the department. Is that in fact approximately what it did cost on the out-of-court settlement for the current year?

Hon. Glen Findlay (Minister of Agriculture): Mr. Acting Chairman, that question should have come back up under Animal Industry where we could have dealt with that, so the staff, for that question, I will have to have here later. I do not have the figures in front of me either, so I would have to look that up.

Mr. Laurie Evans: I will look forward to those figures because it does appear to me as though that is a fairly expensive settlement that was arrived at, but it may well be that was the best way to handle this because, of course, most of that funding does go back to assist the industry. So I do not argue with that.

I would like to move into a little different aspect of it then, Mr. Acting Chairperson, and that is, as we know there has been the deregulation of milk and here again

one can argue the pros and cons of that, but as a consumer I do not think that I have identified any bargains at the retail level. In other words, the implication that the removal of the minimum price could result in price wars and that in one way or another could be beneficial or in the long term perhaps unfortunate for the consumer, but can the Minister indicate what level of monitoring has been undertaken and whether or not there has been any evidence to date that the deregulation, particularly the removal of the minimum price, has had any beneficial effect on the normal consumer?

Mr. Findlay: Mr. Acting Chairman, yes, there is monitoring going on, on a continuous basis at the retail and the wholesale level to determine what kind of pricing is taking place. Your comment that there has been no major saving for the customer, I guess, in general, no, there has not been a great price war, but there has been some milk specialising by the different stores, maybe on a quiet basis. I would say that is good. It indicated stability, because we have a snap-back provision that if anybody starts major undercutting where they are selling below cost of acquisition, then that will be an unsettling circumstance for many of our retailers and would cause us to look at what is going on. I am pleased to see that there has not been full-scale outright war in milk pricing. There is stability, and I think all the players in the system seem to be doing satisfactorily with the deregulation that is in place. That is the positive signal for me. Different customers might see special prices here and there. I would hope stability remains in the system in the months and years ahead.

Mr. Laurie Evans: Has the monitoring that has been done to date given the Minister any indication of the percentage of milk that is being sold at the maximum allowable retail price, say for normal homogenized milk as opposed to that which is selling, and what would be the selling range that has been monitored? How many cents differential is there normally between the minimum—the lowest price that you can find in the City of Winnipeg, for example—and the so-called number that are at the maximum?

Mr. Findlay: Where 2 percent milk is being sold, the range is from 93 cents to \$1.04 for one litre.

He asked for a percentage at the minimum. Our indication is that at least 75 percent of the milk sold is at the minimum price. Different stores will range anywhere between the minimum, between the 93 cents and \$1.04. So there are decisions made by the various retailers as to the volume that they might sell of a fast-moving brand, whether they should be competitive stay down at 93 cents or be 95 or 97 or even up at \$1.04 at the maximum. So I guess there is a lot of decision-making being done by the retailers and they have that responsibility of the price they believe they can sell the product at. They are responding to consumer pressures because the lowest price of 93 cents is available for about 75 percent of the milk sold.

Mr. Laurie Evans: In the same vein, Mr. Acting Chairperson, does the Minister have any information as to what is happening at the smaller outlets when

you are looking at a situation when the big stores are not open? In other words, are the small outlets allowing a fluctuation to occur so that when you or I forget to buy milk during the week and have to rush off to the little corner store, are they bumping their prices up to the maximum on those particular days but trying to be more competitive at other times during the week?

Mr. Findlay: No, those fluctuate day by day during the week. Whatever price they have picked, they tend to stay with it throughout the week. Some of the smaller stores are up at the \$1.04, some are at lower levels, depending on the competition they believe they have to meet. They are not fluctuating just in order to so-call gouge the consumer at those times when they cannot get into the larger store.

Mr. Laurie Evans: I have a final question relating to the monitoring of the price of milk. Does the Minister have any indication as to whether the percentage that is being sold by different outlets has varied considerably since the deregulation? He has indicated that something like 70 percent appears to be sold at or about the 93 cent level, and then the amount that is up at \$1.04, in other words the 11 cent spread, I would assume is relatively small. Is there any evidence that the sales at the lower level are higher than they were prior to the deregulation?

* (1440)

Mr. Findlay: Mr. Acting Chairman, there is starting to just recently be some indication, I say, some indication, of a bit of a shift to the increasingly higher percentage of milk being sold from stores where they have the lower price as opposed to stores that have the higher price. So the consumer is making a decision obviously to go when that store is open, or drive the distance to that lower-priced store and buying more there as opposed to the higher-priced corner stores, which is normally where the higher price is. So just recently there is starting to be a bit of a shift to consumers going after the lower price.

Mr. Laurie Evans: Well, I have another question or two in the same vein then. Does the Minister have any evidence of any stores using milk as a loss leader, where they are actually selling it at or below their wholesale purchase price?

Mr. Findlay: No. We do not believe at this point that there is evidence of anybody selling it below their, what we call, net purchase price.

Mr. Laurie Evans: Well, the question to the Minister is: is it fair to say then, Mr. Minister, that to date there have been none of the catastrophic consequences that were expressed as being possibilities? Those things have not occurred with the deregulation of milk, to date at least?

Mr. Findlay: Yes, I thank the Member for his comments. I am very pleased with the stability that there has been in the milk retail industry and the wholesale industry after the deregulation, none of the hue and cry about

the horrible things that would occur, about the gouging and the undercutting and driving retailers out of business. None of that has occurred, absolutely none. I have no evidence of it.

So basically I would like to congratulate everybody who is involved in that industry for the calm common-sense response that they have shown to the responsibility being put in their lap for setting price in a responsible fashion, because very clearly that is what has happened.

Mr. Laurie Evans: I would just like to return to what were really the consequences of the out-of-court settlement here briefly, without getting into the financial details of it. I would like to know from the Minister, has the transition over to the Milk Recording Corporation and the other corporation, the MFC Testing and Research, now been completely undertaken? In other words, the Government, other than supporting it through grants and other forms of payment, is entirely out of that aspect of the industry.

Mr. Findlay: I will just give a small answer, but I prefer to talk more on that topic when we get to Item 7, Federal-Provincial Agreements, when we will have Tom Pringle of the ADM here, but technically, yes, the Milk Recording Corporation has taken over complete responsibility for the milk recording activities under their private corporation. Money is going in there and I will give you the figures when he comes with the document.

Mr. Laurie Evans: In that same vein, has there been any transfer of what were Government staff to the new agencies, or have those who were originally working in that area with the Government found their way into other roles and the new corporations are staffed by entirely new people?

Mr. Findlay: One staff member has moved from the department over to the Milk Recording Corporation, Marcel Fraser.

Mr. Laurie Evans: Briefly into another area, and that of course relates to the Manco Dairies, and this is probably a little separate from the commission per se, but can the Minister tell us exactly what the state of the sale is and the plan as far as the retention of the plants and the staffing in Manitoba? Does he have access to that information and has that been finalized?

Mr. Findlay: I think things sound like they are in fairly good shape with regard to the transaction that has been struck between Manco and Dairy Producers Co-op Limited from Saskatchewan.

As the Member well knows, the agreement was signed and is subject to ratification by the members of Manco, and those district meetings are occurring over the course of this month. The expectation is they will be completed by the end of October, but there is certainly no indication that the members would vote against the completion of this deal.

We have had a discussion with people from Saskatchewan, and we certainly had some of the same

questions that you have raised about, are they going to continue to use the same volume of milk, are they going to buy it at the price that the board wants to sell it at, like the same price that other processors buy it at, and what about the jobs and the activity that they are going to create, at Brandon in particular, Winkler, Dauphin, and other locations in the province?

Indications they have given to us is the status quo, other than some management changes and some efficiencies put into the system to their liking, is where they are going to be. In regard to milk volume and most jobs, there may be some job changes, some shifts and that sort of thing that they deem necessary because of their efficiency desire, but it looks like it is going to be a good deal for the consumers and the producers of Manitoba that the industry will continue under the Manco name operating with the plant in Brandon and then processing milk produced in Manitoba.

Mr. Laurie Evans: Mr. Acting Chairperson, I have a final question under the Milk Commission. Does the Minister know the status of the Manitoba producers? My understanding was they were not going to be identified as fullfledged members of the co-op now that the sale has taken place, whereas of course they had been while it was still under the Manco ownership.

Mr. Findlay: The indication we have is the present members of Manco will no longer be members of the co-operative, but that is subject to final ratification of the deal, but that is our indication at this time.

Mr. Bill Uruski (Interlake): I would like to ask the Minister whether the discounting and undermining of the price controls that are in place at the present time are still continuing between dairies?

I call it discounting and they may not want to know it as discounting. In fact, the replacement of equipment and basically the attempts to gain shelf space between dairies.

Mr. Findlay: Since the deregulation occurred on May 1, that activity has to the best of our knowledge ceased. There are no longer any complaints and no evidence that there is any giveaway of equipment to attract market share going on in the industry, which was fairly widespread prior to the actions on May 1.

* (1450)

Mr. Uruski: Are there any moves that the commission can report, moves by any dairies of basically trying to gain shelf space from one another?

Mr. Findlay: Mr. Acting Chairman, in answer to the Member's question, there does not appear to be anything out of the ordinary other than competition trying to attract shelf space for its quality of product and quality of service. There is not the price gouging or the large discounts that he may have in mind, or might have created or imagined would have occurred after deregulation. That has not occurred.

Naturally, there is always competition in larger and smaller amounts to attract shelf space, but it seems

to be primarily done with the idea of better quality service or better quality product. That seems to be the angle that they are trying to use to attract shelf space. It is not massive price cutting.

Mr. Uruski: Can the Minister indicate how much discounting of milk has occurred since deregulation?

Mr. Findlay: Basically, we answered that question when I was questioned by the Member for Fort Garry (Mr. Laurie Evans). There has been, as I said, virtually very little of it. Price stability has been the name of the game ever since May 1 and all the players in the game, the retailers and wholesalers, have responded in a very responsible fashion in not creating massive discounting or price wars. Maybe the consumer is probably not as happy as she thought she would be, because those great prices have not occurred. The stability has been the name of the game in the industry.

Mr. Uruski: Mr. Acting Chairman, is there a review presently being undertaken as to future changes of milk prices? There was an increase in prices granted a number of months ago. Is the review that is now in place an annual review, or is that done more frequently than that?

Mr. Findlay: On the retail and the wholesale pricing, they do quarterly reviews. On the cost of production, the formula for setting producer prices is updated monthly. Anytime there is a 2 percent move, it can trigger a change in price.

Mr. Uruski: Is the Minister indicating that the formula that has been in place for the last two years continues to be the formula, or have there been changes to the basic formula in establishing both the cost of production of dairies and farmers and subsequently, of course, to the retail prices for consumers?

Mr. Findlay: The cost of production formula to establish producer price has been in place since 1983 with updates and revisions. To determine the formula for the retail and wholesale pricing, it is a new formula that has been put in place May 1 of this year and will be updated quarterly.

The Acting Chairman (Mr. Burrell): Item (d)—pass.

Item (e)—the Honourable Member for Fort Garry.

Mr. Laurie Evans: If I am correct we have now just passed the fifth anniversary of The Farm Lands Ownership Act and I would assume the Minister has probably done some sort of a five-year analysis of this particular board and I would like his assessment as to the necessity of the long-term retention of this board. Has it in fact served a useful purpose that would warrant it being continued indefinitely or is this something that he is contemplating with changes in the rules regarding ownership in Manitoba that this might eventually become almost redundant, if not totally redundant?

Mr. Findlay: While Dale Osborne comes in, before I answer the specific question you asked about farm

lands, I will go back and answer the questions you had about the milk settlement. You had asked the question about the annual cost of the total settlement and you mentioned some \$750,000 in the first year. The '89-90 cost is \$744,000, made up of 125,000 towards an electronic capture system, a transportation system, a computerized route process that they are going to put in place, \$80,000, sample transfer boxes \$30,000, transitional costs \$24,000, start-up grant to Milk Recording Corporation 150,000 and an annual grant to Milk Recording of \$280,000.00.

All the money goes directly into the milk industry and that was the essence of my desire to create a settlement—are there things that needed to be done for the industry that we could help them with, particularly the Milk Recording Corporation.

If we are going to put money into the industry let us resolve that issue of the court case and, rather than on legal fees and court costs, spend the money on putting it directly into helping the milk industry in various ways and means.

I have just given you a list of seven items that were identified and those were the dollars that went into each category totalling almost three-quarters-of-a-million dollars in the first year, and the major component being the Milk Recording Corporation which I think will attract a lot more producers to use Milk Recording as a management tool in selection and management of their herd. You have the total figure, I think we gave you the figures. It scales down to 500,000 in the next year, and then 335,000 in each of the subsequent three years, for a total of 2.2 million.

* (1500)

Mr. Laurie Evans: The Minister has answered my couple of questions.

Mr. Findlay: In regard to farm lands ownership, you asked a general question about the role of the Farm Lands Ownership Board. Really, they handle about 150 cases a year. You were asking about need for continuing the presence of that board, whether we are contemplating changes. Certainly there has been discussion about the need for the board, whether changes need to be made.

There are really two distinct schools of thought. One is those that are selling land do not want any restrictions in the way of attaining highest price. They would like all the bidders that can get into the game to come forward and be free to bid and buy. There is the other group of people, particularly the young farmer, or anybody purchasing land, but particularly the young farmer, who likes to see some restrictions so that his competition is only Manitobans, or at most, Canadians. He would not like to see the doors thrown wide open so people with considerable wealth from different parts of the world could come in and compete with them and drive the price of land up.

So we have taken those elements into consideration, and at this point in time I would have to say we are not contemplating any major changes to the Act itself.

The Act does give the board reasonable authority to make decisions on a case-by-case basis so that we have people that would be considered making good investments in the Province of Manitoba, we can allow that to happen, and screen out those who would be considered undesirable for the Province of Manitoba. So at this point in time, we are not contemplating any changes or proposing any changes of any magnitude.

Mr. Laurie Evans: I would just like some clarification on the Minister's comment. He says he is not contemplating or planning any changes and I guess what I am asking is, when he says that, is he meaning that he is not planning or contemplating any changes as far as the board and the Act is concerned, or is he still looking at changes in terms of the restrictions on land ownership, because the Minister, I am sure, is aware of the comments that were attributed to him in April of this year where he sounded as though there might be some changes planned and legislation coming in to that effect almost immediately. Is he backing off of that in a sense and not planning those legislated changes for this Session?

Mr. Findlay: I think, clearly, we had given consideration to it. There had been representations made to us from those who are reaching retirement age, saying, hey, throw the gates open, let everybody come in and bid. I guess the reason for making those comments was just to let people know of where we were at in terms of the thinking process, and see what response would come back. Really I guess we have a high level of motivation to do what we can to help the young farmer get into the business of farming, and there have been several of them come forward requesting that the provisions of the Act restricting ownership be kept in place because their fear of the driving up of the price of land. I guess I would say that their considerations are taking priority over any other consideration at this time.

Mr. Laurie Evans: I guess the follow-up question then, does the Minister have any evidence or any data that would lead him to the conclusion that if there was some removal of some of the restrictions, particularly permitting greater ownership by Canadians—and I have no question and no argument when it comes to foreign ownership, but I certainly do have some concerns as to restrictions regarding Canadian ownership. As an individual, I see no reason why I should have restrictions on whether I can own land in other provinces in Canada. We were talking about breaking down interprovincial barriers, it would seem to me this is one of the logical ones that a person as a Canadian should not have serious restrictions as to whether or not they can own land in another province. I think if the Minister is going to not make any changes it is incumbent on him to have some information that would indicate that if he was to open this up so that there was a broader range of ownership allowed for Canadians that it would, in fact, be detrimental to young farmers.

I suppose the obvious answer could be that it would depend on the regulations which are present in other provinces. Here again it would seem to me that perhaps it is time that we looked at a somewhat universal policy

across this country as to who can and cannot own land within Canada as opposed to having varying restrictions within individual provinces.

Mr. Findlay: Certainly the area of Canadians being allowed to buy Manitoba farm land is an area that has been considered to a fair extent by us, and I guess more specifically a Canadian farmer opening it up to that respect. I guess the Act now allows the board on a case-by-case basis as I said earlier to receive applications from Canadians or Canadian farmers who want to make a purchase here. If they can convince the board that purchase is in the economic best interest of the Province of Manitoba, they can allow it to proceed.

Really the board is not preventing sales. It is just reviewing sales on a case-by-case basis, so that Canadians can buy farm land, Canadian farmers most particularly can, and I have some sympathy to opening it up to Canadian farmers.

To Canadians in general, it may bring money into the province, but there is a lot of rich real estate in southern Ontario that can be quickly translated into a good investment in Manitoba. It creates some difficulty for our own producers or young people in particular to buy farm land in Manitoba. It is being done under the jurisdiction of the present Act. Canadian farmers is an area that I have a high level of interest in, in terms of allowing that to happen.

Mr. Laurie Evans: Does the Minister have an estimate of the amount of land that is farmed in Manitoba presently under lease arrangements as opposed to the owner actually doing the farming her-himself?

Mr. Findlay: According to the 1986 census on tenure of farm land it would indicate that about 7.3 million acres are rented and about 13.2 million acres are owned. So it is about two-thirds owned, one-third rented, out of the twenty million acres in the province.

Mr. Laurie Evans: The statistics that the Minister gives come close to agreeing to the report in the paper where Ernie Frieson, the president of the Winnipeg Real Estate Board, indicates that recent statistics show that 40 percent of Manitoba farm land is worked by non-owner operators under rental agreements. I think one could infer from that that there is already a significant amount of land that is being utilized through lease arrangements. So personally I feel that the restriction to non-Manitoban Canadians being held to 10 acres or less seems to be a restriction that is probably not warranted in the present circumstances. I would hope that the Minister would be looking at the feasibility of non-resident ownership being released while maintaining a pretty strict curb on foreign ownership.

* (1510)

Moving back to the board here, in the last year—I assume this is the last report that is available or I have missed the more recent one. This is the '87-88 report. It indicates that 172 applications for exemptions were considered and 162 were awarded. I guess the reason

for my question as to the necessity of the retention of a full-fledged board is that if there are only 10 out of 172 that are denied, I would have to assume of those 172 a large proportion of them probably could have been screened by staff, gone through and essentially rubber stamped, because they must fit some sort of a standard where they are automatically allowed. I would have to infer from this that the bulk of the time that the board spent must have been on the 10 that were denied and relatively little time on the 162 that were passed because they may have been just formalities.

Mr. Findlay: The Member asks about the activity level of the board. The board meets about every six weeks to review the applications that have come forward. Most clearly anybody who is considering purchasing land, knowing that they have to make an application, is probably only going to pursue that application if they believe that by and large they have a reasonably good chance of being approved. I would not consider the 162 to all be rubber-stamped cases. I would think that the staff would develop certain information to present to the board and they would review it and make recommendation based on the information that they have, whether they accept or reject it.

So I would say that out of the 162 a considerable amount of time was undoubtedly spent on making that final decision. There has to be a lot more possibly potential purchases where people just did not bother to proceed because they knew that the chance of being approved by the board was not good.

Mr. Laurie Evans: I do not want my comments to be misconstrued here, Mr. Minister, but I get the impression as you go through Government documents that boards are established but they are rarely discontinued. They seem to go on. Their longevity seems to be almost indefinite. Will the Minister be reviewing this particular board now that it has completed five years, and doing a very thorough assessment of what it has accomplished in that four-year period, and deciding I assume for himself whether the continuation of this board is beneficial as far as the department and the province are concerned with the view to looking at the various options that range all the way from expansion of the board to reducing it, to eliminating it? I think there is a whole range of possibilities and I assume that is normal practice after five years.

Mr. Findlay: Certainly we are in the process of reviewing it. You referred to a newspaper article, and that stimulated a fair bit of comment to come forward on both sides of the issue. I would have to say, in balance, there seems to be a desire to continue to maintain some level of surveillance on land ownership in the Province of Manitoba. I guess some of it stems back to maybe some bad incidences of some people having come in a few years ago, bought up land, and then found that it was not anywhere near the kind of land they thought it was. They did not farm it all that well and then up and left. Those memories are still there. So whether the board is able to prevent all those things from happening in the future is a good question, but in balance my reading so far is that although there is a desire to open it up—and some people say to open

it all the way up—but gee, just a minute now, maybe we better, maybe some of the incidents of the past still need watched a bit. So there is not a complete unanimity that we remove it. In fact, I would say that the position is probably 60-40 in favour of removing it, maybe 60-40 the other way depending on what group you talk to. So I think they still play a role that is of some importance in the province, but I think it is very difficult to argue against Canadian farmers having the right to purchase farm land in Manitoba.

Mr. Uruski: Mr. Acting Chairman, have the board activities, have they changed substantially from last year to this year since numbers of cases and exemptions? Can the Minister, if he has the statistics, provide them for us?

Mr. Findlay: In the fiscal year, that I gave you previously—it would have been '87-88, I have 172 cases; this past year 148 cases. So it runs in and around a 150 plus or minus 20 cases.

Mr. Uruski: Mr. Acting Chairman, with the death of the former Executive Director Richard Loeb, has the Government appointed a new executive director?

Mr. Findlay: I failed to introduce Dale Osborne when he came in—the acting executive director of the board.

Mr. Uruski: Thank you. I would like to extend my congratulations to Mr. Osborne who has been there as investigating officer for a number of years, and I know that the board will, I am sure, uphold the principles of the legislation.

It was interesting to hear the comments of the Member, the Liberal Agriculture Critic who basically is indicating that it is time for another shot at opening the Act up. It would be an interesting exercise. We certainly had the experience in Manitoba of opening the legislation up in the '78-81 period. I will let him check the statistics of what occurred, but it certainly would be an interesting move. In my mind it would be very detrimental at this point in time, and I say that in a sense that land prices have bottomed out and are starting to escalate. I would think that there is probably in the economy a greater confidence in reinvesting into farm land once again, and exactly what occurred in the late '70s, agricultural returns were on the upswing, land prices were starting to climb and the people who thought that farm land—and there were some that did extremely well in flipping land sales when the Act was opening up farm land.

So we could in fact see some returns of that, maybe not within the next year, but clearly with the strengthening of grain prices, the same phenomena would be there again, and basically what we would be doing is setting another spiral of agricultural lending into the question of, and capitalization of farm land.

Mr. Findlay: Mr. Acting Chairman, I did not detect a question there, I guess, just a general comment. I think very clearly my position and our Government's position is we are in favour of ownership, and ownership by the operator as much as we can promote that process

through good lending practices by MACC, or just land that is in the ownership of MACC, just get it back into ownership of farmers.

* (1520)

Back when we were in MACC, the Member might remember that I put some figures on the record that we had in the past year sold some 21,000 acres through MACC by putting it up for bid to highest bidder or exercising the option to purchase under lease. Previous average year by year was around 2,000 to 3,000 acres being put back into ownership and we have gone up to 21,000. So that is our desire.

Clearly there is, I believe, potential for land values to increase. A Member mentions stronger grain prices. We are still waiting for that to happen, but I also believe that we will not see escalating, skyrocketing land prices this time that we saw in the '70s and early '80s, because I think there is a much greater sense of stability out there with regard to what land is really worth. People are not any more prepared to pay whatever they have to to get it. They are more likely to look at the ability to repay the loan, cash flow it. I think pretty well every financial institution now is looking at giving out mortgages on the basis of ability to repay, rather than collateral. I think that is a very significant move towards making farmers a little more cautious in bidding unrealistic prices for land, prices that the land actually cannot afford.

There has been a fair bit of information put out by our department and other sources indicating to farmers how they should structure lease arrangements, how they should structure pricing, how they should value land. There are various models that are put out there. I cannot just think of them on top of my head, but there are different models to give farmers direction in establishing land value and how high they should bid or could bid, given certain interest rates and the potential for the land to gross certain incomes over a period of 10 years. I would have to say 10, 15, 20 years ago, it was just whatever the other guy bid. If you wanted it bad enough you bid higher, and you did not care about repaying because inflation would take care of it. I do not think we can depend on inflation to be able to pay for land in the future.

It may have worked for a short time in the '70s, as the Member mentions, some people quick flipped. I guess the Will Rogers concept you do not make it anymore was far too prevalent. Nowadays I think there is a realization that it has to be able to pay for itself on an annual cash flow basis. I think that will keep a lid, or a sense of responsibility at least, in land prices in the future.

The Acting Chairman (Mr. Burrell): Okay then, Section (e)—pass.

Okay, Section (f)—the Honourable Member for Fort Garry.

Mr. Laurie Evans: Just one very simple question here, could the Minister provide the data on the level of this grant for the previous five years?

Mr. Findlay: I cannot give you an absolute yes or no as to whether it has changed or not, but we do not believe it really has changed. I can tell the Member and he probably well knows that we are in the process of giving consideration to ways and means in which we could do a better job in that granting process to the university. In that context I am having supper tonight with the new dean and I am sure this will be an element of the conversation tonight.

Mr. Laurie Evans: Well, one may suspect that I have a bit of a vested interest here, but I think the Minister well knows that my time at the university in research is virtually nil so I do not regard myself as having that sort of a vested interest. But I do want to convey to the Minister the importance of this grant even though the size of it may be less than myself and my colleagues would like. It has been a tremendous stimulus to research within the Faculty of Agriculture over the years and of course it goes back to the days when the Honourable Minister was also a member of the faculty, so I think that he is very conversant with the significance of it. While I certainly am not going to attempt to direct the Minister, I hope that he would give serious thought to the gradual increase of this to a much more significant level. I think he has essentially admitted that the increases have not even kept up with the inflation factor in recent years and that, at least, would be a step in the right direction if inflation was covered on an annual basis so at least the purchasing power maintained a stable level, if not improvement.

Mr. Findlay: There is no question that we are reviewing what has happened over the past period of time and, if there is any doubt about my feeling about the value of research, particularly in the agriculture industry, it has been phenomenal, the success rate and payback to research.

I guess my only qualification on that is that we really, in our industry, must spend our dollars in what I would call applied research or problem-solving research. We have a number of problems and the dollars we as a department put in should go to that problem solving. I guess that is the way I look at it and the so-called basic research dollars should come, maybe, from another grant and source for the university.

So in the discussion, I tend to put that point of view forward, that give us some really good responsible applied research, problem-solving research, and the departments have done that. They have showed me what they have done over the past two or three years, and it is fairly impressive. We have just got to keep doing that and have a strong interrelationship with our department and the agricultural community so that they know that the department is there. The university is there to resolve problems as they come up and are fairly responsive in being able to deal with problems that come up in the production area.

I would like to see a greater liaison between the three players, the department, the university and producers, in making decisions as to what we should be putting our emphasis on in the research area. That is a discussion that I intend to continue, with the new dean.

Mr. Laurie Evans: Just a couple of points I would like to make to the Minister, because as a Conservative,

I suspected the Minister was probably going to make -(interjection)- I am not Conservative, but referring to the Minister as being a Conservative. I was a little surprised that the Minister did not emphasize, to a greater extent, the involvement of the private sector because this tends to be sort of a Conservative approach to a lot of this.

I would just like to point out to the Minister that, first of all, the agricultural industry in Manitoba when they are in a depressed state, as they have been somewhat in recent years, the cycle tends to be just the opposite to what we need. When the economy is in a downturn, the private sector tends to turn off the tap as far as research funding is concerned. When things improve, they also improve and I think it would be wise for the Minister to look at it that perhaps the time for greater stimulus in research is the time when the economy is in a downturn, because I would regard research as an investment rather than a cost.

I would like to address my second comment to the Minister of Education (Mr. Derkach) and, that is if you take a look at the support that goes to the universities, one can argue that the support for research in Manitoba is probably one of the lowest of all of the provinces in Canada. The only support that comes from the province to research is that which comes in via salaries. There is virtually nothing that comes from Government support to universities that you can identify as research dollars that are available to the purchase of equipment for the hiring of technical staff.

I think this is something that the Minister of Agriculture (Mr. Findlay), the Minister of Education (Mr. Derkach) and their colleagues—it would be well worthwhile to sit down and to take a look at exactly how much research money is provided by the province for research across the whole range of disciplines in this province. I think that you will find that even if you start off looking at the money that is made available, in terms of scholarships for those who are seeking advanced degrees, we fall into the bottom category. We provide very little on a provincial basis in terms of scholarships for MSC, or PHDs, regardless of the discipline. There is very little in university research dollars that can be spent on capital for research.

There is practically nothing, and it even goes so far, Mr. Acting Chairperson, that when you do go outside and, say, go to the Natural Sciences and Engineering Research Council, or some outside granting agency, we have reached the point at the university where you have to really look at it as to whether you should take—you are looking a gift horse in the mouth sometimes, because while you may be able to go out and get a grant for the capital expenditure, you come back and you find the university does not have the operating funds to allow you to maintain that equipment over a long-term period of time.

* (1530)

I am sure I am not telling the Minister of Education (Mr. Derkach) anything new, but we have reached a point in Manitoba where the amount of money that goes into the salaries and the operating, in terms of

the utilities and what not, is such a high proportion of the total amount of money that is available, you are almost strangled as far as being able to do anything where you need a little bit of flexibility and a little bit of money that is available for the so-called unexpected expenditures. If you have a major breakdown in something you are hard-pressed to find the dollars to do anything with it.

The answer that this is an administrative problem, as far as I am concerned, does not wash. While we are talking specifically about agricultural research, I do not think it differs very much in agriculture than it does from any other disciplines, that the research and the scientific community in this province have been relatively poorly dealt with over a long period of time, in that there just is not much to work with.

Hon. Leonard Derkach (Minister of Education and Training): Mr. Acting Chairperson, because the Member kind of implicated my department in his comments, I would like to respond in some way.

Just to suggest perhaps if the Member for Fort Garry (Mr. Laurie Evans) has been keeping track of what has been happening since this Government took office, he will know there has been some very significant assistance going to the universities in this province since then.

I have to agree when we take a look at the University of Manitoba, or the universities in general in this province, there is a lack of perhaps renovation of deteriorating equipment. When I walked through the buildings at the University of Manitoba and looked at the deteriorating conditions at the Faculty of Agriculture I could say it should have been addressed some time ago.

Nevertheless, these are sort of the priorities that a university has to set for itself. I could just say that since we took office we have put some \$3 million into the Faculty of Dentistry for renovations to deteriorating equipment and buildings there.

This year we said we would make available to the Faculty of Management some \$200,000, just in this year alone, to upgrade their programs so they would be able to compete with other provinces within this country. I might say, Mr. Acting Chairperson, that program was aggressively criticized by Members on his side of the House. I could also tell you that we have put in to a fellowship fund some \$200,000, which has been named the Roblin Fellowship Fund.

Although there is much more to do, I can tell you we have gone a considerable way in just the short period of time we have been in office, and we intend to do more as time goes on.

Mr. Findlay: Just a further comment to what the Member has brought up in his comments. I am sure he is also aware that in addition to the \$875,000 that go in directly from the department, over the past four years some little over \$1 million has gone to the Faculty of Agriculture through Agri-Food, so an additional funding of approximately \$200,000-\$250,000 a year, so that is going in.

He mentioned the private sector, and yes, we look to the private sector as a possible source of funds, but I must also caution the Member that the private sector can also be a source of doing research.

Looking at putting the best use of research dollars the Government puts into research, I am not opposed to the idea that if you set up a system where anybody can apply for research money, basis the projects that they want to propose, I do not think the university is the only place that research can be done. It may well be the best, but it is not the only.

I do not want to leave the impression that every research dollar we will put forward should automatically go to the University of Manitoba. There may well be other places that the research could be done, and hopefully in consultation with the university in a cooperative sense.

I think a partnership between the university, industry and Government is a good partnership in getting the best mileage out of each research dollar, because let us face it, there are not a lot of dollars running around that we can waste in the research area.

My request will always be to maximize the efficiency of the use of those dollars, and the university has responded in some fashion in that regard in recent years, particularly moving towards what I would call a more extensive applied research program. I expect that to continue and the private sector to play a role. I think UGG is one company, the grain company that has put some money into research and it is money that was not there five years ago and I hope more of it happens in the future.

Mr. Laurie Evans: Well, I do not want to prolong this discussion unduly, but I certainly agree with the Minister that we are anxious to participate, but certainly do not feel that the university is the only one that has research potential. I am sure that the Minister knows that we have worked with agencies such as PAMI, and UGG, Manitoba Pool, Ducks Unlimited. There has been a tremendous range of different private-sector groups that have provided research. Here again I hesitate to mention this for fear that I stimulate my colleague from the Interlake to get into a long monologue on this, but I think the example that is probably the most important is the concept of plant breeders' rights. I would hope that the Minister, through his Government, would stimulate the rapid implementation of that Act by his colleagues in Ottawa, because there I think is probably one of the greatest opportunities for the private sector to take some action, and despite the propaganda that has been circulated that this is probably the best way in order to get the private sector heavily involved in what would be a very productive and, I think, a worthwhile investment for not only the private sector, but for the farmers whom they are servicing.

Mr. Findlay: Yes, very clearly we are fully on record as supporting plant breeders' rights and believe it will bring money forward that is certainly needed in the plant-breeding sector. My understanding is that the legislation is proceeding at the federal level. Certainly in this four-year mandate we expect to see it put in place.

Mr. Uruski: Mr. Acting Chairman, the comments of my two colleagues appear just like two peas in a pod but slightly well worn.

The Acting Chairman (Mr. Burrell): Item 6.(f)—pass.

6.(g) The Family Farm Protection Act—the Honourable Member for Fort Garry.

Mr. Laurie Evans: I would just like the Minister to bring us up to date on the activities of the board. The most recent review indicates that in the past year ending March 31, the board received 334 applications. I would hope that the number of applications may be dropping off. Could the Minister just bring us up to date on just what the level of activity is, not only with the provincial Mediation Board but also with the federal Farm Protection Board as well?

Mr. Findlay: Mr. Acting Chairman, in answer to the Member's last comment, it is hoped that the number of cases will be going down. It was certainly our hope, but I will give him the figures which do not tend to show that in fact. It tends to show maybe the opposite.

In '87-88 there were 330 cases; in '88-89, 320; this year, so far in the first five months to the end of August, 148 cases. The cases continue to come in at the same rate. We are projecting a 22 percent growth in cases for this year over last year. There is a growth in cases. Basically, when a person makes an application, they tend to make application to both boards now. We have a joint relationship between the two boards. There is a growing number of cases.

The two regions of the province where the growth is definitely occurring is in the central and the southwest regions. Unfortunately, the eastern Interlake regions are the low areas; the northwest is somewhere in between.

The board is working very aggressively to keep up-to-date in the number of cases that they have in front of them, and when they come forward to be able to act on them as rapidly as possible and process them and bring them to a resolution.

Just to give you some idea of how that is working, on April 1, 1988, the number of cases that were in process was 257. A year later the number of cases in process was 221. Now they are down to 192, so it shows that they are moving the cases through more rapidly. The time spent for cases is being shortened up a little bit as they get more efficient in the process.

* (1540)

I would also like to introduce to you Gil Shaw, the new executive director at the board.

Mr. Laurie Evans: It is a pleasure to welcome Mr. Shaw back to Manitoba. Here again, it is one of those cases where—Mr. Shaw and I have, in fact if I am not mistaken Gil probably played sports, which goes back 30-some-odd years ago on the campus, so it is making me feel old to see him looking in such great shape.

I would wonder whether the Minister could give us some sort of a figure as to the average time from when

an application is made till the time that that particular case is solved? Now this may be a very difficult one, but I get the impression that there is a tremendous range. Some of them seem to be wound up virtually with one meeting and the settlement of others drags on forever. Is there any way that you can give us sort of an average figure as to how long a case takes to be resolved?

Mr. Findlay: There is a requirement under the Act that cases be resolved in the 90-day period, but there can be extensions if the process of mediation is still ongoing. About 50 percent of the cases are dealt with well within the 90-day limit. That is the desire of the board, to be able to speed up the process of mediation to the best of their ability. I think it is fair to say that the board members have become somewhat more experienced in how to deal with cases. Every case has its own peculiarities. I think they have shown a pretty good track record in being able to find resolutions where there is a resolution that is feasible in any sense.

I also understand that there is a fair level of acceptance now amongst the financial institutions that the mediation process here is fair and reasonable. They are not fighting it like they were when it first came in.

Mr. Laurie Evans: I expect this question is also going to be difficult for the Minister to give a very precise answer, but can you give anything in terms of what you might refer to as a success ratio on this, the number that have come in? Is there a mechanism where the same individual may come to the board, a resolution is arrived at that seems to be appropriate, and then a year or two later they are back again? Really what I am after is some sort of a general view of the success that has been achieved.

Mr. Findlay: Yes, in terms of so-called success ratio, it is a good 50 percent of the cases. I will give you some specific statistics. In the period '88-89, 356 cases were dealt with by the board, and 165 of those cases resulted in the farm being retained and in 15, the home quarter was retained. So that is 180 cases where they continued to live on the farm and, most of them, 165 out of 180 retained the farm. So it is over 50 percent resolution in a successful sense.

Mr. Laurie Evans: I infer from that that the remaining—whatever the percentage was—roughly half then essentially went out of business.

Mr. Findlay: In addition to the cases I have already identified, there was some 20 percent of the cases where they no longer—73 cases or 20 percent—desired mediation. Now either they had given up the ghost, or they had by themselves resolved their differences with their creditor. Some of them may have continued farming, some not. There were 61 cases where there was no settlement achieved, but some of those cases subsequently came back to the board and were resolved. So it is a good solid 50 percent and in a variety of other circumstances in excess of 50 percent of resolution in a positive sense, but certainly there are a fair number that scale down their farming and certainly some, but not all of the remaining group, go entirely out of farming.

Mr. Laurie Evans: Does the Minister have any figure as to the percentage of so-called farms that have problems that are actually going to the board, as opposed to those who just do it through sort of normal channels either by going out of business, quitclaims, or whatever happens? In other words, just what percentage of the problems are actually addressed by the board?

Mr. Findlay: Under the Act, there are two ways that applications can come forward to the board, under Part 3 which is voluntary, and under Part 6 which is where foreclosure proceedings have been implemented. Just as an example, on March 31 of this year, the number of cases for processing was 206 under Part 3, and 371 under Part 6. Right now, what is happening is there is more and more coming in under Part 3, the voluntary, as opposed to Part 6 which is where foreclosure proceedings have been instituted—I am sorry, it is the reverse. Yes, Part 3 is the foreclosure, Part 6 is voluntary.

There is a substantial number that come forward on a voluntary sense as opposed to being forced. Probably there is a realization out there obviously that we have a difficulty, let us go there before foreclosure proceedings start. It is probably easier to negotiate before the final nail is in the coffin, as opposed to after.

Mr. Laurie Evans: Well, I have another hypothetical question then. This board as I recall has only been in place for what, three years now is it? 1986 I believe it was, two-and-a-half to three years. The theoretical question is: was there a need for this sort of a board before it was actually brought into being, and does the Minister anticipate that this type of a board would continue on forever, or is there a point where the agricultural economy improves to the extent that—I will preface my remarks—there are always going to be a few people going out of business for some reason or the other, whether it is poor management or whatever it happens to be? There will always be some, but would the Minister anticipate that this type of a board would be a requirement almost permanently from now on because of the lack of other adequate facilities within the private sector to deal with this?

Mr. Findlay: I guess as recent as this spring we thought we were going to be moving into a scenario of fewer cases. As I gave the figures out, the dry area of the province is going to have a significant number of cases coming forward again in the next year.

* (1550)

I would say that the need for the board is going to be driven by the number of cases that come forward. As long as we are getting either a rise or anywhere up in the 300 cases a year situation, there is going to be a continued need for it. As I indicated earlier, there seems to be a growing acceptance from the financial institutions that the Mediation Board has done a fairly valuable service in helping them resolve difficult cases with some of their clients. They prefer to use the Mediation Board rather than having to go face to face with their clients, which is not an easy situation.

So I think there is a growing acceptance out there on behalf of the financial institutions. I think farmers

that get into this situation by and large, many of them, over 50 percent, obtain a resolution that maybe they could not have obtained by themselves. As long as the caseload stays up where it is at, and we have some success, I think there is going to be a need for it on behalf of all the participants.

My ultimate desire would be that we would get to a position where we did not need it anymore because the caseload was way down. That would indicate that the farm economy was strong and recovering.

Mr. Uruski: Mr. Acting Chairman, I would like the Minister to repeat the statistics that he gave me at the end, or gave my honourable colleague from Fort Garry, about the applications under Part 3 and Part 6, the number of applications last year under those parts. I think the statistics that he quoted, one was 271, and I did not get the other statistic of applications for the Peer Advisory Panels under Part 6 of 271, and I did not get the actual leaves to foreclose under Part 3 of the Act.

He quoted those statistics to the Member for Fort Garry (Mr. Laurie Evans) and I just caught the last one.

Mr. Findlay: I gave you figures of '87-88. There were 331 applications that came forward. Out of that there were 234 under Part 6 and 97 under Part 3; the next year, in '88-89 there was a total of 320, 177 under Part 6, 143 under Part 3; and in the five months to date this year, 148 total applications, 59 under Part 6 and 89 under Part 3. That has been the split between the voluntary, which is Part 6, and the foreclosure under Part 3.

Mr. Uruski: Mr. Acting Chairman, I guess I should ask the Minister, has he projections of what appears to be occurring now, since he has given us six-month projections currently? Does he have projections for the end of the year and into next year? Given the circumstances of our earlier discussions over the last couple of days about governmental support to the agricultural industry, primarily in terms of income stabilization where it has been well agreed here in this House, in our discussions the last two days, that WGSA, all other support payments, are viewed to be basically non-existent for the finishing touches of '89 and into '90.

What projections does the Mediation Board have in terms of those two areas for the coming year, given that prognosis, or whatever prognosis the Mediation Board has for financial circumstances of farmers?

Mr. Findlay: Mr. Acting Chairman, just going back to a comment I made earlier, I said that 22 percent growth as a 22 percent growth in Part 3, but at the same time they are projecting a 26 percent reduction in Part 6, so in balance about the same number of applications, just around the 300 for this year as opposed to the previous two years which were 320 and 331.

In terms of predicting, projecting how many cases would come forward would not even be fair to attempt to project, because we really do not have any idea as to how far some people have strung themselves out

and maybe this is the year when the crunch comes. Financial institutions would know the answers to that question. They know how many cases they have in the various categories that they create.

Our track record is surprisingly consistent over the past three years if you used the projections we have taken for the rest of this year in terms of just a little over 300 cases coming forward each year under Part 3 and Part 6 combined. I guess the best we can say is there is no reason to indicate that there is going to be escalating in the future, also no reason to say they are going to be declining. In and around the 300 per year, until we see a better signal, would be the best we could estimate.

Mr. Uruski: Mr. Acting Chairman, the Minister gave us statistics for '88-89 in terms of the completed number of mediated cases and he indicated that 165 retained their farm, 15 retained their home quarter and 70 required no further mediation. I am assuming that difference between the total for the year would be the number of cases still in the process of mediation. I wonder whether the Minister and/or the board would have some indication as to the number of acres involved, the size of farm units and the numbers of parcels of land. I want to say to the Minister that possibly—and I may have neglected to ask that question of MACC—since there were a number of applications in terms of five years for land lease and the like and whether those parcels that—I know they gave us 104 with five-year leases and 16 with four, and three at two, and two years with no purchase and one year with no purchase, 23, there were those statistics—whether those statistics were for individual quarter sections or were they actually farm units. I guess I neglected to ask that question of MACC in terms of—and maybe they know—farm units.

So do we know the number of acres involved in, for example, from the Mediation Board, because they would be taking some of the MACC cases, but would we know the numbers of acres involved in the processes involved? Is there some breakdown as to farm size, type of units and acreage involved?

* (1600)

Mr. Findlay: We cannot give a breakdown on the acres business with regard to farm size. It is best to say the applications that have come forward are all over the map in terms of anywhere from \$25,000 in debt up to \$3 million in debt. There is no particular farm size that is not vulnerable to resolution of debt problems.

Most of the farms that have tended to come forward have been grain or cattle farms. Apparently, now there are some hog farms coming forward and unfortunately some in the poultry area too. The supply management sector is also involved.

It seems to be all over the map, but there is no good tracking at this time to say a particular sector or farm type is more vulnerable than another, other than we know the grain sector has been vulnerable and most farms have a component of grain associated with them.

Mr. Uruski: Can I then try to clarify the statistics in terms of farm retained? Does that mean the entire land

base of the farm would have been retained, or that a substantial portion of the farm would be retained and some portion of that land may have been, as part of the mediation process, turned back to the mortgage holder?

Mr. Findlay: Of the 165 I gave you that resulted in the farm being retained, it is basically the whole farm. There are modifications of that, but basically it is the whole farm retained in that 165 cases.

Mr. Uruski: Of the cases of no further mediation, would that be basically the—because if it would fall into the category of home quarter, where the home quarter would have been retained, the farm family basically would have been living on the farm unit. The additional cases of 70, just so I understand it, would be cases where the family ostensibly may be living in a rural area but has moved off that farm unit. Is that correct? Is my interpretation fairly accurate?

Mr. Findlay: Basically, it is a difficult question to answer as to what is to happen to those 73 cases where they no longer required any further mediation, because there is no longer a record of them, because they are not in the process of the board following them, because, for whatever reason, either they have terminated or they personally have been able to resolve their cases or they have sold off a portion and paid the debt that they had owing and stayed in farming. In that 73 that no longer require mediation there is not a track record to determine what eventually did happen to them, if that is what you are asking about.

Mr. Uruski: Yes, Mr. Acting Chairman, I am asking that, because would they not have moved into the statistic of farms retained if there would have been a successful mediation process? I guess maybe I should then go back and ask the Minister, of those 70-odd that is no further mediation, would they fall in both categories of Part 3 and Part 6?

Essentially if they fall into Part 3 and no further mediation, then obviously some sort of court resolution or court movement in terms of repossession because there would have been application or leave to repossess under Part 3 and some portion of those would have been mediated, but if it would have been a successful mediation, would those statistics not have moved into either the farm retain or home site retain? I am just not understanding how they are keeping those statistics.

Mr. Findlay: Of the 73, they are split between Part 3 and Part 6, 23 under Part 3 and 50 under Part 6. I guess we just do not have a good clear answer as to what has happened with the 23. Again they could have resolved their differences with their creditor and then brought the process to a completion. Some of them may be farming, some of them not. Those figures that I gave you on 165 and the 15, these are not included. This is a separate category entirely.

Mr. Uruski: Mr. Acting Chairman, I have separated them out as they are in the previous year's annual report, in that same way. I made the assumption that

all three categories are totally separate units and the difference between the total amount would be cases still in process. Yes, I would say between the 250 and the three-something, that would be cases still in process.

Can the Minister tell me or give me a breakdown or percentages of breakdown of applications under Part 3 as to whether they are private, public—public meaning MACC and FCC? What is the ratio in leads to repossess between credit unions if he has banks or if he lumps them all into one, the private sector versus the public sector in terms of leave to repossess and/or voluntary applications? Who do they involve? They probably involve a mixture, but I guess the clearest statistic that should be able to be obtained is on Part 3.

Mr. Findlay: I will give you percentages under Part 3 for about eight categories. Each financial institution is separated out. Under the private financial institutions there would be 22 percent, credit unions 12 percent, FCC 39 percent, MACC 20 percent, and other privates 6 percent. The leading category would be FCC at 39 percent, second place MACC at 20 percent.

* (1610)

Mr. Uruski: Mr. Acting Chairman, would the Minister have any corresponding statistics as to the level of lending by these various institutions in terms of the proportion of the farm debt that each unit would have? I know that MACC, for example, has about 12 percent, by their own statistics, 10 percent to 12 percent of the farm mortgages, and the credit unions I think are probably in the same percentage. I am just going by memory but FCC and the private banks, they do not have that proportion.

Mr. Findlay: Yes, we will get that figure for you in a minute. We do not have it right here.

Mr. Uruski: Yes, Mr. Acting Chairman, while they are working on that whole area, perhaps the Minister may want to update the statistics for the next full year on the Table 3, Program Involvement of the Annual Report of the Mediation Board on page 10, where it has been indicated that Program 1, Program 2, Program 3, Program 4 with the total commitment as of March 31, 1988, of \$624,000. The bulk of the commitment for families in financial distress was the guarantee portion where lenders have in fact written down loans and assistance was provided to farm families in order to complete the settlement. Is there a corresponding breakdown of those four programs for the next fiscal year which of course has long been over?

An Honourable Member: Which year is that?

Mr. Uruski: Well, we would have the annual report ending March 31, '88, so we would be looking at a period of April 1, '88 to March 31, '89. That would be another full year, and we would not have those annual reports as yet, unless the annual reports are available, Mr. Acting Chairman. If they are available for the operation of the board then possibly we could have those maybe distributed.

Mr. Findlay: Maybe if he could give us a copy of that annual report we could check, compare the figures here. Just while we are looking at that, to give you the updated figures, you asked the question about the percent of lending by the various categories. The chartered banks do 37 percent of the lending, MACC does 13 percent of the lending, FCC 22 percent of the lending, credit unions 15 percent, personal and other 13 percent. So you see the comparative statistic there in FCC, 22 percent of the lending, 39 percent of the cases.

(Mr. Darren Praznik, Acting Chairman, in the Chair)

In answer to the question about the comparative commitments under the various programs, I will have to report back. What I will give you is the total over the next five years committed in each program, and that is essentially what you have there in that table. For the following year, '88-89, in Program 1, the commitment is \$3.3 million; in Program 2, \$1.1 million; in Program 3, \$109,000; Program 4, \$128,000 for a grand total of \$4.6 million committed over the next five years.

Now, knowing that those commitments are there, some of the producers will not draw the full amount of the money because the guarantees that are there will not be drawn on completely, or some farmers may not be able to follow the plan and, for whatever reason, just opt out. So it is a year by year review on those programs. Those are the maximum commitments that are in place over the next five years and naturally subject to considerable alteration for a variety of reasons.

Mr. Uruski: Mr. Acting Chairman, the breakdown of those programs, in Program 1, would that be the area where lease payments would be guaranteed to lending institutions and MACC and FCC, and is there a breakdown of the assistance as between, say, private and public lending institutions? Is there a further breakdown? There may not be and I am just asking whether that is available at all.

Mr. Findlay: We will not have the breakdown any further than just the total figure for all areas combined. But you mention Program 1 as being lease guarantee—no, that is land payment guarantees; the rental guarantee is Program 2.

* (1620)

Mr. Uruski: Mr. Acting Chairman, since we have MACC there, the Minister indicated that there were earlier, in terms of lands that were sold by MACC, would they have been as a result of negotiated settlements under mediation and/or voluntary settlements? Those units that have been retained, the statistics that I quoted earlier, how does that compare to the land that in fact has been put on the market and sold by MACC? What would be the comparable land statistics of retained ownership and retained leased back position or farm units, because we talked about units, we did not talk about land base and sold land base.

Mr. Findlay: The nature of the question is difficult to determine just exactly what the Member is after. Maybe

the exact figures that he is after are not really available, but by and large about half of the land that is sold as a result of quitclaim came through the mediation process, another half would have come with voluntary quitclaim, people just turning the land back in and saying, that is it.

Mr. Uruski: I am trying to get an acreage figure if I could on—while there are 104 units which were quitclaim settlements through MACC where there is a five-year leaseback, what I am trying to understand is how does the acreage of those farm units compare to the acres that MACC has placed on the market?

I am trying to recall the Minister's statement. I think he indicated there were 21,000 acres sold last year by MACC on the market. How does that 21,000 acres sold on the market compare to the acreage of the farm units that are continuing as a result of either (a) quitclaims, basically from the quitclaims or settlement through the mediation process because generally speaking those farmers would have gone through the mediation process. I am making that assumption but what would the acreage of the farms that are retained be? What I am asking is, did we sell twice as much as we leased back to farmers? What have we done in terms of the process of settlement? Did we move the land on the market in 21,000 acres as the Minister indicated? What did we retain in terms of the units that we talked about? That is what I am trying to get some relationships there.

Mr. Findlay: Just to backtrack on the total acreage that the corporation has in its ownership right now—about 120,000 acres—21,000 was sold to producers last year. There are 32,000 acres on leaseback presently with the corporation, and the rest of the land under MACC ownership is out under tender leases, various terms of tender leases, one to five years. Same as the leasebacks, they vary between one- and five-year terms.

Mr. Uruski: Mr. Acting Chairman, so that of the 120,000 acres then the remaining 60,000, 70,000 acres approximately are lands that have been, in effect, dispersed from portions of farm units. That is essentially what would be the case. Am I correct in that assertion?

Mr. Findlay: Yes.

Mr. Uruski: Mr. Acting Chairman, from what the Minister has indicated to me in terms of statistics, there appears to be a decline in the number of voluntary applications by producers prior to foreclosure but an increasing proportion of Part 3 applications almost in the reverse of what has—the trend appears to be heading that way, where in fact financial institutions both public and private are taking the initiative in terms of the financial trying to settle out cases. Is my analysis fairly accurate in making that assertion?

Mr. Findlay: Mr. Acting Chairman, yes, there is an increase in the number of cases under Part 3 which is Application for Foreclosure. I guess it shows, in MACC cases, really it is cases that are two and three and four years in arrears where there has been an inability to come to a resolution between MACC and the client.

MACC as an example is having more confidence in the mediation process as being a vehicle to get a resolution or restructuring or whatever, so that they can get back to receiving some payment on that land, because with three and four years in arrears it is still a cost to the corporation. We would have to assume the same is applying in other financial institutions if they cannot resolve something and they believe, as I was saying earlier, that the Mediation Board is a fair and reasonable way to obtain a resolution using a third party so there is a developing confidence in the process.

* (1630)

Mr. Uruski: Mr. Acting Chairman, I am sure that the process in place is gaining some confidence in the minds of financial institutions. I want to tell the Minister that the reverse is the case in terms of farmers' minds, and I say that to him and there are some examples.

I will not put any names on the record but I want to tell the Minister that there appears to be, and the statistics bear that out, a hardening of positions. Now I can understand where many of the cases will be cases which have been dragging on as the Minister pointed out over a number of years of arrears and finally something has to be arrived at. I worry about the scenario and the ratio, for example, of MACC. I say that in a sense that a fairly large proportion of their clientele are the young and beginning farmers. They are in fact the future of agriculture, and when you have MACC having 13 percent of the lending portfolio and 20 percent of the applications, then I am wondering how difficult are we getting. Now, I do not want to single out just MACC because FCC has even a worse record. I mean, FCC has a lending portfolio of 22 percent, just 9 percent more than MACC, but it virtually doubles in terms of the amount of applications for foreclosure, 39 percent. They are even worse.

That is my concern because I have not heard this Minister speak out to his federal counterparts, knowing who the federal Government has put in charge in FCC. I mean, it is the former Sacred Minister of Agriculture, Mr. Hewitt, who is an accountant by profession. I mean, accountants want their numbers clear. Whether or not young families and families are forced off their farm, to them it does not make any difference. Maybe it does, maybe I am imputing motives to that gentleman, but the fact of the matter is when you have 40 percent of the foreclosures going to your Mediation Board put forward by the federal Government, Mr. Acting Chairman, this Minister of Agriculture should have been screaming from the rooftops, what the hell is going on, why are we putting our farm families through such motions?

Next in line is none other than your own corporation. I have to say as well that the Mediation Board, in their process—I have one case and I will put it on the record but I will not put in any names. I will give you the circumstances, where a farmer came to the Mediation Board under Part VI, so there were no foreclosure proceedings. That farmer came to the board, he saw his financial position deteriorating. One of the institutions involved is MACC, so he will know who I am talking about but I will not put any—because the process is not complete.

Well, Mr. Minister, here is what has happened.

An Honourable Member: It is not complete though.

Mr. Uruski: Just hear me out. He came to the board, a panel was held, the chairperson of the panel provided eight recommendations to that farmer, one of which was to disperse his entire herd last spring. I want to put both sides of the argument because I talked to the chairperson of that board, to tell the Minister, in all fairness to him. The chairperson told me that they viewed the drought situation, the impending drought, as the reason for making that recommendation. But what they did, they led the farmer to believe that unless he met those eight recommendations the deal in settling his mediation with the financial institutions would not be complete. The farmer took that assertion from the chairperson to say, look I guess I have to comply because we have a deal in the hope that I will get a lease back and I will save my farm. So he went ahead and started implementing those eight points. He dispersed his cattle at basically what anyone will tell you is the wrong time—he had cattle and calves—in the spring of this year. They knew he had an ample hay supply and he had ample leases in terms of pasture. No sooner did he sell his cattle before he started working on the equipment, a letter came from the institution saying there was no deal.

I want to tell you that was, for that farmer and his family, as if someone took a shotgun and blew him out of the driver's seat because he believed that the Mediation Board was working on his behalf. He was convinced that a deal had been reached as a result of the panel that was held in his area. He was told that unless those eight points were being met there would be no way of resolving it, and one of the first ones was to disperse his cattle herd.

So, Mr. Acting Chairman, when he got the letter to say there was no deal, you can well imagine what this farmer started going through. To say, well, what have I done? My main means of cash flow I have now dispersed, and I argued with the board to say, look this may be the wrong time, I have land, I have hay, but a deal is a deal so I went ahead. The case is back and I have to tell the Minister that at no time during that process, when he went into the board, was there any mention or any consideration of any of the four programs that were involved.

Now he is really in a bind—no deal, no cash flow, and almost starting from scratch. The impression created, Mr. Acting Chairman, is that the Mediation Board acted, I think—I will be as nice and charitable as I can—without care for this farm, for this farm family, because really the Mediation Board in all our minds is really to be the spokesperson and the advocate on behalf of the farm family. What impression that board left for this farm family was that they were no more than liquidation agents on behalf of the financial institution, and he moved on it.

So, Mr. Acting Chairman, I want this Minister to become involved in the process and to assure the farmers of this province that the terms and the programs of leaseback arrangements and the like, that every

consideration be given to maintaining as many farm families as we can, and not putting farm families in the predicament that this one family is.

Now, I admit, Mr. Acting Chairman, that the process is not over. I mean the individual is stuck, because there was no foreclosure action. Had he known that there was no deal made, he would have held on to his main cash flow, his cattle herd, because clearly if you are going to survive at anything, you can sell your calves annually and replace your herd and still continue in a modest way, but once you have sold off your cattle and you are dependent on grain you are in real trouble. So I am, to say the least, critical of the attitude of the board in this mediation process, and this is not under a foreclosure, this is where a farmer came on his own behalf.

So I ask the Minister to examine the procedures of the board that are in place. They may not be any different, but clearly I think the Minister has to have a discussion with the board on their processes, because, Mr. Acting Chairman, I sense with the hardening of positions of especially the public lending institutions, that farm families are being pushed through the Mediation Board like through a funnel, and that farm families, especially in terms of what is coming down the road, there will be no more federal support in terms of income stabilization this year, chances are not, in our discussions, almost definitely not next year. It will be clear that the financial position of thousands of Manitoba farmers will worsen over the next 12 months. So this Minister—I want an assurance that all areas of programs 1 to 4 will be readily available to the farm community in negotiations that they undertake with lending institutions.

* (1640)

Mr. Findlay: Well, I find it absolutely disgusting that the Member would get up and malign all the board because of one case, that there may or may not be any fault. He may not even have all the facts. The case is not even completed, so he is really jumping the gun when there are 180 cases resolved for the family still on the farm and he says: oh, that is not good enough. Well, in one case we are going to malign all the board. Need I remind him, he brought the Act in, and in 1986-87, \$6.5 million allocated to Special Farm Assistance. I would wonder if he would want to get up and say how many dollars he spent? It is zero, and then the next year, \$6.5 million. How much did his board spend to help Manitoba farmers? The same paltry sum of zero.

Under our administration, the board has been putting the programs in place and putting the money out where it can assist farmers in resolving cases where there are difficult settlement. The program is working, working very well, and he got up in this House some three years ago and said, no, we cannot save every farmer, and I am sure that he still believes in that, but I find it absolutely disgusting that he gets up here today and talks about a case that is not even resolved, to malign the whole board and all their activities, when his track record is absolutely, incredibly poor, and this board has done an excellent job of dealing with very difficult circumstances to keep families on the farm.

I would ask the Member: does he say that MACC, who has got an account that is three and four years in arrears, we should just turn our back on that account? That is public money that is out there. It is costing the taxpayer of Manitoba money under Allowance for Doubtful Accounts. Does he say that we should walk away from it and not try to resolve it? Are we doing that family any good by allowing their difficult situation to just get worse and worse, and actually see, when they put the moratorium on some three, four years ago, it did actually a disservice to farmers?

They told them, you do not have to pay your debts, and when they put the moratorium back on, how much further were they in debt because they had not met their annual commitments? It did them a disservice. So I find it absolutely incredible that he gets up here and maligns the board and says they are doing no good, when they have a good track record, compared to under his administration where virtually nothing was resolved and no money was put out to help farm families under Special Farm Assistance.

Mr. Uruski: Mr. Acting Chairman, the Minister, when he says nothing was put out—in fact the annual report that he is talking about is the first full year of operations on board, and it was beginning to operate. Those statistics that are in that annual report you presented were for the full year, first full year of operation of the board. That was just the beginning of the program. Right? That is exactly what was occurring.

An Honourable Member: You budgeted twice, \$6.5 million, never spent a penny.

Mr. Uruski: Mr. Acting Chairman, there is no doubt that we intended to spend that kind of money - (interjection)- no, we did not, but the Minister cannot say that in fact the program did nothing. It was the beginnings of the program. What I am saying to the Minister is that the statistics are worsened. They are not getting better, and what I am also saying is that the public institutions are becoming harder on the farm community, when by virtue of the foreclosures, by virtue of the statistics in the foreclosures, and I want to say to the Minister that in terms of the number of foreclosures there, if anyone should be concerned about maintaining the farm community, it is the farm. The public institution should be doing everything that they can to say, let us have a leaseback program, if there is a reasonable chance of that family surviving on the farm, rather than saying let us move them out, and that is what I am trying to get through to the Minister.

I am not suggesting that everyone is heartless and I, Mr. Acting Chairman, if that was the impression I left with the Minister and the staff, I want to apologize, because I did not want to malign the board. I did not want to put the names of the individuals on the record because the process is still in place and so I do not—I reject the Minister's comments that somehow I am maligning the board. I told him there was only one panel. One panel was—well, that is what I said to him, and I apologize, if my comments were construed as to misalign the entire board, because they were not, and I want the board members and the Minister to be certain

of that. But clearly the attitude of that one panel—and I only gave one case, there are others, but they are still in motion—gave me clearly the impression that they were no more or less than a funnel for that farm family and they were on their way out. That is the impression that I was left with.

* (1650)

So, Mr. Acting Chairman, the Minister may say, well, you did not do anything. All the programs that he has enunciated were put into place by our administration. The fact of the matter is, the situation is worsening. Whether or not the boards, and I wanted the assurance and the Minister did not give me the assurance, will give every consideration of using those four programs in every way that they can to save farm families by the leaseback process because I am not sure that the statistics of those foreclosures of MACC are in fact impressive but the fact of the matter is of the total acreage that is involved, it is about 20 percent of the total acreage that MACC has in its possession.

So that the level of actual leaseback, longer-term leaseback on farm units, is not as great as the number of acres coming back into their possession. Well, it is not. There were 120,000 acres that MACC has in their possession, only 32,000 of those acres are in fact on leaseback. The remaining portion are on very short-term individual leases. They have been taken back. They have not been put back as farm units. Maybe they cannot be put back, maybe they are so fragmented it cannot be put back. What I do not want to see is if there is, say, three quarters, or four quarters available of farm unit that ultimately becomes split up and set out into separate parcels of land when, in fact, a family could have had that as a viable operation. I do not know whether that consideration is being undertaken.

Mr. Findlay: First with regard to MACC, the farmer who is negotiating a leaseback with the corporation, different ones have different reasons, they have different mixes of land bases. Basically they want it leased back quarter by quarter so that they can exercise an option to purchase. You know, if there are four or five quarters involved, they know the probability of being able to buy all four or five is maybe somewhat limited; but one or two or three quarters of the best land are the easiest ones that they would want to exercise an option to purchase if they could. So that they want it split up into quarters.

Just going back to what the Member said about the board. I can assure him that the board's desire is to keep every farmer farming where they can identify a viability for the future. They will use every reasonable opportunity to use the programs that are in place, and they are using the programs to achieve that. It is not their desire to see anybody leave the land where there is a reasonable opportunity to continue farming.

I think you also have to keep in mind that, I suppose, technically in this issue we have some degree of conflict of interest here. On one hand, we are a lender; on the other hand, we are running a Mediation Board. We have a real conundrum of a conflict. How can you go out to say to a young farmer who has paid his principal

and interest every year to keep that up because you are doing a good job, and he says back to you, well, Joe down the road is four years in arrears, what are you doing about him? You know, you have to be fair to everybody involved and you get by two years in arrears, I think it is time to look at where you are at, whether there is any potential of getting it back on track, because the further you go down the road in arrears the deeper in debt you are and the less likely it is to recover.

I think in fairness to the majority of clients who keep their accounts up to date—80 percent of the MACC clients have their accounts up to date and there is 20 percent that are in various levels of arrears. In fairness to the 80, I think some method of resolving the problems of the 20 percent have to be addressed, and that is fairness to the taxpayers who are funding any losses under allowance for doubtful accounts. It is not an easy game, it is not an easy process but I can assure him that through my guidance the board will be doing the best they can in the process of being supportive of the farmers in attempting to arrive at resolutions to keep them farming.

Technically, given the circumstances we have had in the farm community and certain parts of the province—lands are not as productive as other areas—I am surprised at the level of success that has existed and the degree to which farmers do not call upon some of the guarantees that are put in place for them. Actually through the course of a year or two they do not have to call on those guarantees, and that is good news too. I hope that the good news situations continue to outweigh the odd case where there are difficulties. We know the case he is referring to and we will follow up on it.

Mr. Uruski: Mr. Acting Chairman, I appreciate his comments and I knew that staff would be aware of the instance. I would like to ask the Minister whether, during the board's investigations, interest overcharge is coming to light in any of the instances, or does the board at all in its process of trying to reconstruct debt and the like, whether part of their investigation is to look at documentation, documents, lines of credit and promissory notes that were signed, because clearly there are a number of cases before the courts today, one of which, I want to tell the Minister, has been successful up to this point at least, by a former member of the Mediation Board.

In my discussions with that individual, it was only through the workings of his experience on the board that he started to question and look at this whole matter because he could see that there may have been instances in which that has been a major cause in some farm families in ultimately losing their farm units. They may have paid and paid and paid and unknowingly paid at a rate far different than they had agreed to originally. The trust factor that remains between the farmer and the lending institution, whether it is banks or credit unions or whoever, and in his case I have to tell you it was astounding the kind of figures that he was throwing at me when he looked over his records over a 20-year period. It quite frankly floored me that he was talking in hundreds of thousands of dollars of

additional interest payments that he had made and he was not going under. He decided from what he was seeing as a member of the Mediation Board that he had in fact been overcharged.

As I said earlier, the trust factor made it there, and I ask the Minister whether the board in its investigative process is in fact able to request records from institutions and be able to do some further checking in those areas.

Mr. Findlay: Mr. Acting Chairman, there is no question there are cases before the courts right now dealing with this issue. The board, in the process of looking at farmers' records, if they are requested to look at it they can give him an indication as to whether there is a case or not. But, really then, if there is a case it has to be taken through the legal channels because it is a legal dispute between the producer who borrowed the money and the institution that loaned it to him. It is a legal question. I know that there are a lot of farmers out there who would like to see the issue resolved in the general sense, but we are not aware that it can be resolved in a general sense. It has to be done by a case-by-case process through the legal system.

I just recall, in my own mind, I think it was in the A.G.'s office in Alberta, decided that there was not a good concrete case to be made that there was in practice a broad scale interest overcharge situation. It was on an individual case-by-case basis, if they could identify that the institution was doing something wrong and they could prove their case in court. It is not something that the board should be too deeply involved in because it is a legal matter rather than a debt resolution matter.

Mr. Uruski: While I accept the premise that that ultimately becomes an individual legal matter, the question that arises, however, is whether the board can, in its investigation, look at original loan documents and whether those are provided, because that has been part of the difficulty that some farmers have faced. When requesting copies of original promissory notes, et cetera, they have been—if they did not keep their copy in their own records—obtaining a copy of the original documents that were signed has in some instances become a difficult question. They have been unable to obtain those records.

If the board in its process were to say, let us request, let us say we owe \$100,000, let us go back and ask for the original documents that led up to this original mortgage. Let us see those original documents at the time that they were taken out. Maybe some of them were taken out 10 years ago. But at least, I think, if an interest schedule was there the board could quickly calculate what kind of interest was paid to reach the kind of mortgage that was in place if the original documents were made available to them.

The Acting Chairman (Mr. Praznik): If I could interrupt the Member, the hour being five o'clock, it is time for Private Members' Hour. The Minister will have the opportunity to respond when the committee resumes. The committee now rises. Please call in the Speaker.

IN SESSION COMMITTEE REPORT

Mr. Darren Praznik (Acting Chairman of Committees): Mr. Speaker, the Committee of Supply has considered certain resolutions, directs me to report the progress of same and ask leave to sit again.

It is moved by the Member for Lac du Bonnet, seconded by the Honourable Member for Gimli (Mr. Helwer), that the report of the committee be received.

MOTION presented and carried.

PRIVATE MEMBERS' BUSINESS

Mr. Speaker: The hour being 5 p.m., it is time for Private Members' Business.

DEBATE ON SECOND READINGS PUBLIC BILLS

BILL NO. 2—THE LANDLORD AND TENANT AMENDMENT ACT

Mr. Speaker: On the proposed motion by the Honourable Member for Inkster (Mr. Lamoureux), 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 Minister of Natural Resources (Mr. Enns). Stand? The Honourable Member for Sturgeon Creek (Mrs. Yeo). Is there leave that this matter remain standing in the name of the Honourable Minister of Natural Resources? (Agreed) The Honourable Member for Sturgeon Creek.

Mrs. Iva Yeo (Sturgeon Creek): Mr. Speaker, I am pleased this afternoon to be able to stand and speak to the amendment to The Landlord and Tenant Act, a long overdue amendment. Several recommendations have been made for some time. I believe there was a committee that was established as far back as August of 1985 to review this particular Act, an Act that has caused a lot of grief to a lot of Manitobans of different levels of existence, a lot of tenants and a lot of landlords.

The news media has reported on much of the difficulty over the years, and we have seen photographs of devastated conditions of apartments and homes. We have heard reports and I am sure each of us here as MLAs have had some of our constituents call us and state many of the problems that they have had with either being a rentee or a rentor.

* (1710)

Both the NDP and the Tories have put this issue aside, so to speak, and have overlooked the many problems and have really done nothing to address the situation. It is certainly my intention to support my very able colleague, the Honourable Member for Inkster (Mr. Lamoureux), who has proposed this particular Bill. As I said, the amendment is in response to a large number of complaints and concerns that have been raised,

particularly with the Housing Critic on our side of the House, and I am sure with many of the MLAs on the other side of the House and to my left.

I had the pleasure of meeting with some of the people from the concerned group for Winnipeg Housing, and I know that they have been working very hard in attempting to come up with some particular guidelines and some recommendations. I believe this amendment that is proposed should be adopted, should be voted upon, because I think it addresses the concerns of some of the Winnipeg Housing people as well.

One of the concerns that was brought to our attention and something that has been discussed with me by some of my own particular constituents was the aspect of disputes about security deposits and the problems that some of the tenants had as far as being told that they were in fact the ones who had caused the disrepair of the establishment in which they had lived for a number of months or even years. The tenants claim that they were not the ones who were at fault. There has not been any proposal to settle this kind of a dispute. Obviously a condition report that would be a standard type of a document that would describe the condition of a particular establishment before a tenant actually lived in it for any length of time—I believe it is seven days—so that after a few months or even years when a tenant did leave the establishment that he could or she could or they could receive their security deposits back because the condition would be described in fairly good detail.

I even suggested certainly that it should not be included in the amendment, but is there anything wrong with affixing photographs to the condition report so that the people would know exactly the condition of cupboards or counters or floors or whatever? Certainly in talking with both landlords and tenants, they have stated that they agree with a condition report of sorts. It protects both their interests, the interests on both sides of the coin, so to speak. The report, of course, would be signed by the tenant and by the landlord, so that each party would know they agreed with whatever was outlined in the particular report.

Currently there is no requirement in place. There is no requirement that says that the landlord has to fill out—must—there is no mandatory requirement that the landlord must fill out this sort of a report. Yet rather unfairly, from my way of thinking, the landlord has the authority to require that the tenant pay a security deposit without any particular kind of specification or form that is available.

I know that during the campaign one of the calls that I received, a type of call that I received with great frequency, was from tenants who said, there should be more controls. Tenants who said, we are leaving our establishment and we are in a dispute. What can we do?

I think that this Bill, this amendment, certainly will help to address the concerns that some of these people had at the time of the election. If there are better groundlines, if there are some rules laid out, that tenants will be pleased and so will the landlords in the long run. It is not a costly recommendation; in fact, in the

end, it will probably be a cost-saving measure. It seems to me to be a very responsible and reasonable recommendation to make. I cannot understand how anyone can argue in opposition to it.

Again, it seems unfair that landlords are not required to fill out any sort of a report and yet they have the option to collect. In spite of Government efforts at advertising and trying to promote rules, et cetera, there are many tenants who are still very unaware of their rights and their obligations. They do not know under the landlord and tenant and rent regulation laws just what they can and they cannot do. What are their rights?

The other concern that I have is that many people on Social Assistance are currently living in very substandard housing areas. There are many allegations, in fact, that some of the welfare money is being paid to actually support some of the slum landlords. Naturally, these particular landlords are among the worst offenders when it comes to the non-compliance and the non-reporting aspect under the current legislation. I think that these amendments would make it much easier for landlords of all levels, and in fact it would make it much easier for tenants, regardless of whether they were on welfare or lower, middle or whatever group they happen to be.

I had a discussion recently with a constituent of mine who was concerned about the rent guidelines. He had no idea there were certain recommendations, and if a tenant actually objected to some of the increases that there were certain rights and responsibilities that the tenant had, and that they could look at variations in rents being charged by landlords within a particular complex, that if there were differences in similar units, that the tenant had the right to go to the body and state their concerns.

Where does the tenant go if there is a deterioration or a lack, in fact, of maintenance of a particular unit in which they are living, and what rights does the tenant have to say to the landlord, you know, I have complained several times about a certain area in my home or my apartment. What rights does the tenant have?

* (1720)

If the tenant does not feel there is merit in the landlord increasing the rent or there is an increase in the level of living standard in the particular apartment, what does the tenant do?

I applaud my colleague, the Member for Inkster (Mr. Lamoureux), for raising this issue and for going through the process of developing this particular amendment. I would certainly hope that very, very soon we would pass this long overdue amendment to The Landlord and Tenant Act. Thank you, Mr. Speaker.

Hon. James Downey (Minister of Northern Affairs, and Native Affairs): I am extremely pleased to be able to participate in a debate as it relates to the landlord and tenant situation in Manitoba. I regret that we are taking the time of the Legislature and not encompassing fully the initiative and the positive action taken by my colleague, the Minister responsible for Housing (Mr. Ducharme), in an overall way.

I would not want in any way, shape or form to my colleague in the Legislature from Inkster, ever suggest that he would just pick out one specific area that he thought he may be able to get some political coverage and support his position in the Legislature, and in fact may enhance his way back into the Manitoba Legislature when there is an election, because when one takes a thorough and careful review and does a lot of research, as I have done on this whole question, I think what the Member may in fact do is cause a greater hardship between the landlord and tenant in this province, a greater hardship and more difficulties than what it currently is.

Let me say, Mr. Speaker, as well, that I thought we had seen the end of an intrusionary action of Government by the New Democrats in this province where they had to have a rule, a law and a regulation for everything that people did in society, but apparently not.

We have a new Member from Inkster under the guise of the Liberal Party who is far more intrusionary into the lives of people than some of the New Democrats were. In fact, the former New Democrat from Inkster was much opposed to the kind of intrusionary legislation that was introduced by this Member.

Does he realize what he has done? Does he really realize what he has done to the people of this province with the introduction of such severe intrusionary legislation? I do not think so, Mr. Speaker. I think the Member for Inkster should reflect.

I do not want to be that hard on the Member, because after all, I am sure he thought his intentions were well-meaning when he came here with this amendment, but I am so disappointed that he only dealt with one specific area out of a multitude of recommendations.

I would suggest to my colleague, to my friend the Member for Inkster (Mr. Lamoureux), that he would reconsider and reflect on what he is doing here. It is an honourable thing after a debate to withdraw such a piece of legislation because in fact the legislation that my colleague is introducing that covers a far greater need for the tenants and the landlords of this province, that he would withdraw—and far be it for me to say it is a piece of political propaganda for his own re-election purposes—this. I think he would get far more credits in his constituency than proceeding with it, that he would do greater things. He could stand and honourably say, I withdrew this one narrow piece of legislation so that we could deal with the overall encompassing legislation that my colleague, the Minister responsible for Housing (Mr. Ducharme) is introducing, and we could get on with that very positive legislation. Mr. Speaker, legislation that has been developed over the last year and a half, a very positive piece of legislation, dealing with the landlords and tenants.

Mr. Speaker, the proper time for the Member to have brought his thoughts and his amendment for it would be either at committee stage, that is a common practice in here, in the development of legislation that is a common practice. So what he is doing he, and I say it again very seriously, I think, is actually taking the time of the Legislature which is here for him to use,

but he could have used it far more constructively on behalf of a lot greater number of his constituents in dealing with the general Bill with a lot more of the recommendations as being presented by my colleague the Minister responsible for Housing (Mr. Ducharme).

I was somewhat surprised to hear the Member for Sturgeon Creek (Mrs. Yeo), Mr. Speaker, in her support of this amendment. Actually, it was not a very, to be quite honest with her, strong convincing argument that she put forward to the Legislature. In fact she expects us to accept that she thinks that it will be less costly. I have seen no evidence of it. In fact, I can produce evidence that shows very much the opposite, that what the Member for Inkster (Mr. Lamoureux) has done is introduced a very costly exercise to the tenants and to the landlords, and who pays for it, the taxpayers and the people who are trying to—

An Honourable Member: The users pay.

Mr. Downey: That is right. The tenants will pay the increased costs which the Member for Sturgeon Creek (Mrs. Yeo) did not do a very good job of researching, I have to admit. I thought she would have been a far greater indepth researcher than she has been with the background that she has.

Mr. Speaker, I can assure you that this will cost considerably a lot more money. You have to have someone go forward and prepare the intrusionary document that has to be signed by both parties. What if they cannot agree with what has to be put on the condition report in the initial stages? What happens if in that condition report—something that has to be adjudicated, not only at the beginning of the writing of the report. That costs money. I do not see any way, shape or form that this will cost less money. In fact it will cost more money. The operation and the carrying out of a mandatory condition report will cost a considerable amount more.

I think that the voluntary condition report is a far better way to go, in fact, that is not only one Member of the Legislature in Manitoba saying that, it is apparent throughout Canada. That in only one jurisdiction, and that is the Northwest Territories, has a mandatory condition report. Has a mandatory condition report is in the Northwest Territories. The rest of the provinces in this country do not have.

An Honourable Member: Well, they will come around.

Mr. Downey: Well, Mr. Speaker, they will come around -(interjection)- No, I do not think so because we do not have the kind of intrusionary politicians in the other provinces we see in this—I am not so sure that we have a Liberal over there now. I think the Member for Inkster (Mr. Lamoureux) is demonstrating far harder lines than any NDP has ever produced to the people of Manitoba, and his mandatory approach as to how things should be dealt with.

An Honourable Member: He called me a Conservative so I do not like that.

Mr. Downey: Well, Mr. Speaker, I do not think that this Member is a Conservative. I think he is an extreme

leftist, an intrusionist into what would be the normal practice on a voluntary basis. Think of the word voluntary and intrusionist and compulsory as it comes to your daily life and the more involvement Government has. Why did the Member not, and again plead with him? Well, I respect all those groups and I think that they wanted more done than just the one specific narrow area that this Member is dealing with. I do not think that this can stand the test of good relationships between the landlords and tenants in this province. I do not believe it can. As I indicated, I think there is very clear evidence that the cost will be somewhat greater than it currently is.

* (1730)

Mr. Speaker, I think it is extremely important to point out as well that if the Member, and I look at the legislation, and I know it is not fair to deal with the specifics of it, had discussed more openly with the Minister of Housing (Mr. Ducharme), he could have saved the costs of preparing this, the time that it is taking to debate this, and could have had—(interjection)—no, no, no the Member is very, very, well, now he is helping me, the Member for Inkster (Mr. Lamoureux) is helping me make my case. He says that if it was not for this piece of legislation we would not have the other. Well, he has accomplished what he has wanted. Now he should do the honourable thing.—(interjection)—Well, Mr. Speaker, he says he will withdraw it. Now I think we have accomplished a lot. The Member for Inkster said he is prepared to withdraw this Bill in view of the introduction of the legislation of my colleague. I compliment the Member for those comments.

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

Mr. Kevin Lamoureux (Inkster): Yes, Mr. Speaker, on a point of order. I did agree that I would withdraw my Bill on the condition that the Government adopt it in their legislation that they are bringing forward. I would be more than happy to.

Mr. Speaker: Order, please. The Honourable Member does not have a point of order.

Mr. Downey: Let me compliment the Member. I think he has come a long way. I think again I cannot give him any commitment, but I do not think he would get the support of, but it is worth a try, the committee stage to remove the compulsory condition report. It is the word compulsory that causes the problem.—(interjection)—Well, I appreciate the position of the committee's report. In fact I fully appreciate that. I think when they are getting the other things that the Minister, the progressive legislation that my colleague, the Minister of Housing (Mr. Ducharme) is introducing, when they see the other positive things that they would not have any difficulty in using the voluntary condition portion of it.

In fact, I would go so far as to say that I think the Member for Inkster is a rational person, and let it take the test of the Legislature and the committee—withdraw it, support the legislation my colleague brought through, let the Members of the Legislature in committee decide whether the word compulsory should be in there.

An Honourable Member: I will withdraw it once it has been accepted.

Mr. Downey: I think it would be difficult to do that. My colleague from Inkster does not understand the process to get to that stage and to speed up what is good legislation. If he were to withdraw this piece of legislation we could get on with the other business and get on with this positive piece of legislation. We could get on with the other activities of the House, and I would sure think that he is on the right path. It would be the honourable thing to do, that he is fair and open-minded and prepared to let the committee of the Legislature do the work that it should do.

I think he has come a long way, Mr. Speaker, in agreeing to withdraw the Bill, although he has a condition on it today. Maybe some of my colleagues in their discussions and their debate, may convince him just to go that other step. Back off that hard line approach, that intrusionist approach that he is wanting to introduce into this important legislation. I think he would show, yes, the whole question of landlord and tenant legislation that my colleague has introduced, Minister responsible for Housing has worked on this for a year and a half, fully knowledgeable that the Member for Inkster would gain a lot of points with his constituency, with the landlord and tenants associations, and he would certainly elevate himself in the eyes of his electorate by being the kind of conciliatory, compromising individual that I am sure he is. I really believe that the Member for Inkster (Mr. Lamoureux) would gain far more points in doing that than trying to encourage pushing it through. Naturally what he is saying, he wants to vote on it, he wants to put the question today. We have not heard what the third Party Opposition have said on this. I have not heard what their position is.

An Honourable Member: They support it.

Mr. Downey: He said they support it. I have not heard them say that, and I think in all honesty, if the Member were doing his job as he wants to do on behalf of his constituents, and I want him to help his constituents, but I want him to help them in the greater sense, the bigger picture, in the landlord and tenancy relationship. I do not want him to blow all the good activities in the work that my colleague is doing by breaking down hard feelings in the building of legislation. That is what I think he is doing.

It has been a co-operative effort in this House, and I think the development of this good legislation could be enhanced by the withdrawal of this intrusionist clause. It is. The Member for Fort Rouge (Mr. Carr) laughs. It is an intrusionist clause. Well, I can tell you it is not a laughing matter. It is an intrusionist clause which I thought the Member for Inkster (Mr. Lamoureux)

would never, ever introduce into this House. I thought he was tired of the NDP forcing people to do certain things, over-regulated, over-regulated.

Mr. Speaker, the Member is also suggesting that the Lieutenant-Governor draw regulations, that the Lieutenant-Governor-in-Council may by regulation prescribe the form of any condition report and every condition report shall be deemed to be a form as prescribed. So he is really saying that now after it is passed it should be up to the Lieutenant-Governor-in-Council to deal with the regulations that he wants as it relates to his amendment. Is that correct? Well, if it is, I think he would be again advised to take it to the committee stage where he could be fully heard and involved. -(interjection)- Well, no, I would suggest that you withdraw the Bill and try to amend the Bill my colleague has introduced.

Mr. Ed Mandrake (Assiniboia): I am more than happy to stand and speak to the Bill that our Member for Inkster (Mr. Lamoureux) has introduced into this House. I have listened with great intent to the Minister of Northern Affairs (Mr. Downey), and he has put on record several comments that I would personally like to refute.

He says that we are demanding all kinds of items through this Bill that are imposing upon people. The only thing that—and I am going to go with section out of section because I think the Minister forgot to read this Bill to provide this House with some intelligent conversation regarding this Bill.

“The Definition of the ‘condition report.’ In this part, ‘condition report’ means a report in prescribed form as to the condition and the cleanliness of the residential premises and any furniture, appliances or fixtures in the residential premises which the landlord provides for the tenant.”

Mr. Speaker: I think it would be useful or helpful to the Honourable Member if I were to remind all Honourable Members that on second reading, it is the principle of the Bill under consideration which is debatable. The Honourable Member for Assiniboia.

Mr. Mandrake: I appreciate your advice, Mr. Speaker, but the reason why I read that into my speech is that I feel that that one particular part of that Bill is very, very significant.

* (1740)

All it does is request that a condition report of the room that this person is going to be occupying that it is in safe condition. I am quite sure that the Minister of Northern Affairs (Mr. Downey) would not expect members of the public be allowed to go into a flea-infested room whereby you have a room that is absolutely, even a dog would not want to live in it. That is exactly what the Member for Inkster (Mr. Lamoureux) is trying to address.

Mr. Speaker, the Minister says that this Bill is going to be a very costly Bill. How costly could it be? All it is a form that is going to be prepared by the tenant and the landlord or the landlord's agent in regard to

the cleanliness of the premise. I cannot understand for the life of me, Mr. Speaker, why the Government in power today would be objecting to something like this. I would think we would try to protect the tenants as opposed to saying, no.

As to the Bill itself, I think it is a very commendable Bill that was proposed by our Member for Inkster (Mr. Lamoureux). I think initiatives like this are only indicative of one thing. He has done his research. He has seen the problems that were before the tenants and also before the landlords. We are not going to be talking about only one side of the fence. This is both sides, Mr. Speaker. Let us not just only say on the tenants. It is on the landlords too.

I have seen on numerous occasions where I moved into a premise when I was in the armed forces and found the room in the most dastardly condition. The landlord would say to me, well, that is the way he left it, Ed. There is nothing I can do about it. The same thing goes for the other side. So let us not be taking this holier-than-thou type of an attitude and say, well, it is just a tenant, or, it is just a landlord. Let us look at the whole spectrum of this Bill.

The amendments which are going to be discussed in committee stage, I am quite confident that if a dialogue could be established between the Minister of Housing (Mr. Ducharme) and our critic for Housing whereby he will be introducing his Bill, maybe the two of them could sit together prior to committee stage and incorporate our Member's suggestions. Then we will come up with a good housing Bill that is going to stand time.

Everybody is going to benefit, Mr. Speaker. The people are going to benefit—landlords, tenants—and we are going to have fewer grievances. It is obvious that this is going to happen, because if we have something on a document stating that this is what you have when you moved in, this is a condition that it must be in when you leave, then the onus is on both parties—I must uphold my end of the bargain, you uphold your end of the bargain.

Mr. Speaker, I take offence to the Minister of Northern Affairs (Mr. Downey) in his comments about our Member for Inkster (Mr. Lamoureux) saying that it is going to be a very costly Bill, it is going to be all kinds of things that he put on record. I take offence to that.

All we are trying to do is provide opposition. What does the Opposition do? It provides good criticism or preferably good dialogue with the Minister responsible, and coming up with an amendment to whatever Act we want to address in such a manner whereby everybody benefits, Mr. Speaker. No matter who the person is, everybody will benefit. That is I think the attitude that all Members of the House should adopt.

I realize that prior to 1988 this House was only composed of two Parties, the left and the right. Well, Mr. Speaker, unfortunately the left has kind of left us and all we have now is the right and the middle. We have a different philosophy in our Party, a completely different philosophy, and that philosophy is very, very simple. It is to work with the Party in power to the

betterment of Manitoba. But lately we have found that no matter what kind of suggestions that we offer on this side of the House, we are always criticized for saying -(interjection)- well, the Brink's truck, sure, all these other types of negative remarks. Mr. Speaker, I find that type of an attitude very, very unbecoming of a Government.

I will give you another good example. During Estimates I had addressed the safety of vehicles, and I know my profession very, very well. Without any doubts I could stack my knowledge against anybody on the other side, and I will come out No. 1 when it comes down to safety of vehicles. I offered a suggestion as to how we could go about protecting Manitobans if and when they buy a vehicle. It was taken under advisement. Well, this is exactly what I am trying to get at, Mr. Speaker. We do not want communication. All we want—and I am not talking us, on the Liberal side, I am talking about the Government side. Do not communicate with us, we are going to tell you what we are going to do, when we are going to do it, and how we are going to do it. I find that type of an attitude very, very, very rude and very cruel.

We have VIA Rail on our hands and nothing has been done. I asked the Minister of Transport (Mr. Albert Driedger) to muster enough savvy to get the First Minister (Mr. Filmon) to talk to all the Premiers in Canada and go down to Ottawa and make the presentation on behalf of all of Canada, all of Canada, Mr. Speaker, on behalf of VIA Rail, nothing has been done. Tomorrow morning we are going to hear the fate of VIA Rail and not one finger was raised.

I appreciate, Mr. Speaker, I am deviating from the Bill, but the reason why I am bringing these points up is because this Bill which the Member for Inkster (Mr. Lamoureux) has brought forward, it may not be the best. There might be corrections to it and I am sure the Member will agree with me, but if we all sit together as a good Government and a caring Government, the two of us could negotiate probably something better than this. It can be done, no question in my mind. Two heads are always better than one. But if we work in a confrontational type of manner, we will never accomplish anything because one side is going to dig in their heels and the other side is going to dig in their heels. This Bill addresses a very important issue, the issue of a landlord, the issue of a tenant, an absolute fairness to everybody.

We are not in bed with the landlord, and neither are we in bed with the tenant, Mr. Speaker. All we want is fairness to both sides and, as I said, Mr. Speaker, to fill out a form that would comply with the suggestions as made in this Bill, the cost is so minuscule it is not even funny. So I do not know where the Minister of Northern Affairs (Mr. Downey) came up with the research. I guess the computer went amuck and that is probably why the Premier's staff got such high raises, and the computer went ahead and did this calculation on this Bill. Well, Mr. Speaker, I am sorry that their computer is out of whack.

* (1750)

Again, Mr. Speaker, I would strongly urge that the present Members of Government would have a little

bit more of a futuristic look at this Bill and maybe look at it in such in a manner whereby we do not have to be confrontational and say, okay, well, to the Member for Inkster that is a very good idea. Maybe, if we just took that one particular word and twisted it around, it would probably help both Parties even better.

This is the object of good Government whereby we can sit down and say, okay, to the Member for Inkster, well, we do not particularly like the phrase that you are using at this section. Just change it a bit and it is acceptable to us. But to totally say that the whole Bill is no good, I do not think it is fair to any Member of this House, unless of course it is an outrageous Bill.

In perusing through this Bill and knowing, Mr. Speaker, what I went through when I was a tenant during my services in the military, some of the places that I had to live in were the pits. At that time, anybody who served in the Canadian Armed Forces was a second-class citizen and that is a fact. That was a well-known fact. If you came into any little town, you certainly were not received with open arms. You always had to find rental space that was substandard because you were in the armed forces. So I understand what the Member is going through. Again, Mr. Speaker, I would greatly appreciate that this Government would support this Bill and if change would be made, I think it would be to the betterment. Thank you very much, Mr. Speaker.

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, I would like to rise to make a few comments on this Bill and some of the concerns that we have regarding the bringing forward of this Bill and the manner it is brought forward and the contents of it.

As I have said privately to the Member for Inkster (Mr. Lamoureux) that I would be asking him if he was prepared to withdraw the Bill to—in fact I said I would plead, but I am not sure that I am going to plead to the extent that he is requesting, Mr. Speaker. I think through reason and demonstration of the action that this Government is presently embarking upon that, he will realize that there is a broader based and more effective way of doing a revision and improvement on The Landlord and Tenant Act and rent regulation in this province.

The Official Opposition is well aware that the Government has been involved in discussions and in planning to bring forward legislation in this area. I respect the Member for Inkster for rushing forward his Bill and getting his point on the record. I think after he has had an opportunity to look at the extensive work that has been done by the Minister of Housing (Mr. Ducharme) and his department, and on second reading of that Bill, I think he will realize that there is a very strong and sincere effort on the part of this Government to deal effectively with the problems that have been festering for a long time out there in landlord and tenant relationships.

I say festering for a long time because effectively there has not been a good system that is satisfactory to both the landlord and the tenant. While on one hand you can argue that tenants feel that they do not have an opportunity to be effectively represented in front of

a landlord and to make their case other than packing their suitcase and leaving, the landlords conversely, as the Member previous to me indicated, very often make complaints as well.

So what there has to be is a fair and accessible system, and that of course is one of the other problems. That system today, as I understand it, is ponderous and slow and backed up and not necessarily very effective for anyone.

I see from a release from the Minister responsible for Housing (Mr. Ducharme) that Manitoba tenants will soon be among the best protected in Canada. Well, Mr. Speaker, when I see that on a Government news release then it must be the truth.- (interjection)- I am disappointed that would create some sort of twittering from the Opposition. As a matter of fact, I think we will be able to demonstrate in the legislation that is being brought forward, that the best interests of both sides of this issue are being brought forward.

If you restrict the landlord's opportunity for a profit, or his opportunity to have some responsible say about the conditions of his property, then pretty soon investments will dry up. At the same time, both Parties, as I said before, have to be treated fairly and in an even-handed manner.

Mr. Speaker, I sat in this winter on a lot of discussions that led up to the presentation that the Minister of Housing has brought forward. I can tell you that there are, it seems to me, 140 or 130-some recommendations that they were dealing with as a result of committee work that has been done over the last number of years.

That, first of all, indicates a tremendous amount of effort, but it indicates very clearly the amount of concern there is about the manner in which the relationship between landlords and tenants is being handled in this province.

That is a goal that we as a Legislature, and all of us in this Legislature, can set out very clearly in our minds to deal with that problem. If the Member for Inkster (Mr. Lamoureux) is not so inclined to withdraw his Bill at this time, or if he is not so inclined to withdraw it at a later date, perhaps he will at that point, however, come out and clearly support the initiatives that are being taken.

I would invite him at that time to analyze them clearly, because it seems to me it does not matter how we deal with this. If it becomes embroiled and amended in the manner that reduces the effectiveness of what the Minister of Housing (Mr. Ducharme) is going to present, then I think we will all have to be responsible for what we deliver to the public.

I can tell you that in going through the number of recommendations and the number of problems that were presented as I sat and listened to the discussion, and I have to tell you I was listening to the discussion, one had to have an opportunity to learn what the problems were before you start supposedly passing judgement on the suggestions that are being brought forward.

The number of idiosyncrasies and nuances that become involved in the relationship between a landlord

and tenant is an extremely difficult area for a Government to have to deal with, because there has to be a balance between restriction, a balance between the strong-armed control and the rights of individuals, both the landlord and the tenant, to be able to effectively feel the legislation they are going to have to deal with is fair and responsible to both of them.

In the proposal that is brought forward here, Mr. Speaker, we are talking about a compulsory condition report. The fact is, even if we set aside the debate of compulsory or otherwise, this only deals with part of the issue in the relationship between landlords and tenants.

That is why I reiterate to the House, Mr. Speaker, that I think, when the Opposition has had an opportunity to view the initiatives that the Minister has brought forward, they will effectively reconsider. I am asking them today to give it a fair hearing. When they have done that, I suspect they will throw their support behind the Bill.

The fact that the opposition has brought forward a Bill, Mr. Speaker, to address at least one aspect of the concerns in landlord and tenancy relationships at least indicates there is a broad-based support in this Legislature for amendments and changes in this area.

* (1800)

If you want to carry that rationale one step forward, perhaps this will be the one piece of legislation that will pass through this House this summer, this fall, with unanimous support of the Legislature. I am sure that there will be considerable discussion within the committee stage because of the nature of the presentations that will be involved when the Government brings forward this type of legislation. Not only do I appeal to this Member to consider what he is doing in this Bill, I consider, as I think many people do, that perhaps he has made a political statement. After all we are politicians in this building, and we make political statements from time to time that we want to have reported to the folks back home. But when the time comes to do what is right for the Province of Manitoba and the relationship between landlords and tenants in this province, I think that he will be quite prepared to withdraw this and support the Bill that will be discussed by our Minister and brought forward for committee discussion.

In his initial statements about the Bill that he was tabling, the Minister said that his thoughts are that we have to go a lot further than just cracking down, that we have to make a system that is effective and workable. In simply dealing with the one aspect that we have done here, it does not solve all these problems.

Mr. Speaker: When this matter is again before the House, the Honourable Minister will have six minutes remaining.

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