

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, October 10, 1989.

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### INTRODUCTION OF BILLS

### BILL NO. 55—THE CROWN CORPORATIONS PUBLIC REVIEW AND ACCOUNTABILITY AMENDMENT ACT

**Mr. John Angus (St. Norbert)** introduced, by leave, Bill No. 55, The Crown Corporations Public Review and Accountability Amendment Act; Loi modifiant la Loi sur l'examen public des corporations de la Couronne et l'obligation redditionnelle de celles-ci.

### MOTION presented.

**Mr. Angus:** Mr. Speaker, the Bill is designed to correct some faulty legislation that will require that Manitoba Hydro place before the Public Utilities Board for review—the distinction being not decision, but for review—prior to any commitment by the Government to invest in these mega projects. It encourages the Hydro to put all of the facts, as to the cost benefits, the time frames, the schedules, of the proposed development before a commitment is made by the Government, and leaves to the Government to determine the level of mega projects.

Mr. Speaker, I think that it is a reasonable Bill which was overlooked in the first and original drafting of the Bill which was submitted to the House. I think it is something that the chairman of the Hydro Board and the Government Members have suggested that they are willing to do. It simply clarifies a piece of legislation. I think it is in the best interests of all Manitobans. Thank you.

**QUESTION put, MOTION carried.**

### INTRODUCTION OF GUESTS

**Mr. Speaker:** Prior to oral questions, may I direct Honourable Members' attention to the gallery where we have from the St. Adolphe School, thirty-two Grade 9 students under the direction of Mr. Dufort. This school is located in the constituency of the Honourable Minister of Highways and Transportation (Mr. Albert Driedger).

Also with us this afternoon we have 19 visitors from the Human Justice Training Programme, under the direction of Mr. Dennis Scott-Herridge.

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

\* (1335)

### ORAL QUESTION PERIOD

### Taxicab Drivers Protective Shields

**Mrs. Sharon Carstairs (Leader of the Opposition):** My question is to the Minister responsible for Highways and Transportation (Mr. Albert Driedger). Taxicab drivers, and certainly those in the Liberal Caucus, were very much appreciative of the comments made this morning by the Minister with respect to the compulsory nature of safety shields in taxicabs. Can the Minister inform the House when the implementation of a compulsory program of safety shields will be implemented in the Province of Manitoba?

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Speaker, let me first of all once again express deep regrets at the tragic murder that took place with a taxicab driver a little while ago. The funeral is at 1:30 this afternoon.

The Committee on Taxi Driver Safety and Health of the Advisory Council on Workplace Safety and Health, chaired by Wally Fox-Decent, recommended in February of 1987 that safety shields be mandatory in taxicabs. The Government of the Day implemented that recommendation and a few days later changed that recommendation, based on the concern that was forwarded by the Workplace Safety and Health people, as well as the Driver Vehicle Registration Department, about the safety and concern for the passengers in the back. Subsequent to that, it was left optional.

However, based on the fact that three taxicab drivers have been murdered in the past four years, it is the intention of this Minister and this Government to implement mandatory safety shields in taxicabs.

Mr. Speaker, I would like to indicate that I make that announcement here today with one proviso, that a safety shield can be designed to protect the safety of the passengers in the back. In terms of the time element, I have to indicate I have instructed the Taxicab Board to report, on the question of adequacy of shield designs available, to me within 60 days.

**Mrs. Carstairs:** We thank the Minister for that response. In light of the fact that Boston has a compulsory shield program, we are sure he can come up with the right design.

### Protective Shields - Loan Program

**Mrs. Sharon Carstairs (Leader of the Opposition):** I have a supplementary question to the Minister. Can the Minister tell us if his program of implementing this will include an interest-free loan program, making easy payments by owners of taxicabs so they can be up and running with such a program as soon as it is implemented by this Government?

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Speaker, it has not been the policy of Government in the past, when regulations of this nature get brought forward, that the Government pay for that.

I would like to indicate, if there is concern about the cost implications, until we know the cost of the design, we do not really know what costs are involved at that stage of the game. Once that comes forward, and there are provisions under The Taxicab Board Act to be able to make application for the taxicab industry to make application, then the Taxicab Board will deal with all the costs that are involved with the running of a taxicab operation.

**Mrs. Carstairs:** We are not talking about the Government buying the shields. We are asking for interest free loans to make it possible for owners to buy the shields immediately so there will not be any putting off of an essential safety mechanism for them.

### Safety Training Program

**Mrs. Sharon Carstairs (Leader of the Opposition):** I have a final supplementary question on this issue to the Minister of Highways and Transportation (Mr. Albert Driedger). Can the Minister tell the House today if he has reviewed the compulsory training program of safety drivers, and if he can tell the House how much time presently is dedicated to the safety aspects of cab drivers throughout this training?

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Speaker, I would like to indicate that the Taxicab Board is in the process of establishing a driver safety review committee, with representation from owners, drivers, users, police, the board and Government to consider various measures to improve driver safety, including safety shields, drop safes, better emergency lights, better alarm and response systems—that is something that is very sensitive—driver-controlled rear door locks and emergency vehicle location systems.

**Mrs. Carstairs:** The one item on the list was the question I posed, which was, will he review the training program of drivers so we know they are adequately trained in use of safety?

\* (1340)

### Free Trade Agreement Motor Vehicle Regulations

**Mrs. Sharon Carstairs (Leader of the Opposition):** I have a new question to the Minister of Highways and Transportation. Last year, when Members opposite defended the Free Trade Agreement, we received assurances that the agreement would have no effect on the health and safety of Canadians. Now we learn that in order to comply with the agreement, the federal Government will have to sanction the use of unsafe vehicles on our roads. A recent decision by the federal Government to disregard its own safety regulations will

open the border to used vehicles which are unsafe according to Canadian standards. My question to the Minister is: what action did he take to oppose the federal Government's decision to waive the motor vehicle regulations?

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Speaker, I have some difficulty with that question for the simple reason that under the trucking deregulation that is taking place across the country right now in conjunction with that a National Safety Code was established. Manitoba has implemented with the exception of one or two all the implementations that are required under the National Safety Code including the inspection aspect of it. Any vehicle that comes into this province will be inspected. If they are not safe they will not be allowed to drive on our highways.

**Mrs. Carstairs:** Mr. Speaker, with all due respect, we realize the Minister does not have to answer the questions, but we would like him to even be in the same area. We are talking about automobiles crossing the border.

Mr. Speaker, what is this Minister prepared to do, in that the federal Government has reduced the standards, to ensure that imported vehicles crossing the border from the United States to Canada under the Free Trade Agreement meet our safety standards.

**Mr. Albert Driedger:** Well, addressing the automobiles aspect of it, we have spot inspections that are taking place right now. We have inspectors out there, with as many as we can muster, that are doing the inspections on vehicles. If they are not safe, then they have to comply or take their vehicles off the road.

**Mrs. Carstairs:** The standards have been reduced. They were reduced by a federal Government that said safety standards were not in jeopardy in this country, yet we have just discovered that they are in jeopardy as soon as the Americans tweak their ears.

We want to know from this Minister what he is going to do to ensure that vehicles crossing from the United States to Canada meet Manitoba safety standards.

**Mr. Albert Driedger:** Mr. Speaker, I indicated before that we have our spot safety checks that we do on cars. If they are not safe they are not allowed to drive. They have to get them improved. That will continue. We are very concerned. The one thing that I and this Government have always been concerned about is the safety on our highways of our vehicles and of our roads, and we will continue to do that. If further action is required, I can assure Members of this House that we will take that kind of action.

### Rheumatologists Shortages

**Mr. Gary Doer (Leader of the Second Opposition):** Mr. Speaker, in November of 1988, the Minister of Health (Mr. Orchard) received a brief dealing with the crisis with rheumatology and people suffering from arthritis

in the province. The Minister received a brief and was made aware of the very serious and deteriorating situation for those types of patients, something I am sure that everyone in this House shares as a priority concern in terms of the suffering and personal problems with this type of very, very painful disease. My question to the Minister of Health is: given the presentation was a year ago, what action plan did the Minister develop at that point?

**Hon. Donald Orchard (Minister of Health):** I thank my honourable friend for his interest today in the issue of rheumatology in the Province of Manitoba.

\* (1345)

Mr. Speaker, there is no question that the Province of Manitoba with the loss over the last two years of half of our rheumatologists is unable to offer what I would consider and what many of the sufferers from arthritis consider to be an adequate level of specialist services in rheumatology.

Mr. Speaker, there are a number of initiatives we have taken with the university and with the various hospitals, primarily I have to say St. Boniface and Health Sciences Centre, in terms of recruitment of rheumatologists in the short term to provide the clinical time needed to serve patients in Manitoba but indeed with the dual purpose of providing in the longer run an enhancement of the teaching program in Manitoba, so we can graduate from the Faculty of Medicine in Manitoba more specialists trained in rheumatology.

**Mr. Doer:** The Minister of Health (Mr. Orchard) leaves on the record an impression that we may have only been interested in this issue today. We wrote the Minister in July of this year.

My further question to the Minister on the same topic, given the fact that it is becoming even more of a crisis in recent times, even nine or 10 months later from the time the Minister met with the group, and it is quoted as saying that the shortage has now reached crisis proportions—in fact, we have a situation where people are being referred out of the problem to the United States. My question is very specific: two years ago we had six rheumatologists, according to the self-help group; now we are down to three. What has the Minister done since November of '88 when he met with this group, and the predictions that unfortunately have become truth these days, have taken place?

**Mr. Orchard:** Let me answer the question about the interest I have had in arthritis and rheumatology by putting it into perspective. I met, as Opposition Critic during the election campaign of 1988, with the self-help society at their founding meeting when the then Minister of Health refused to attend that meeting—the issue of the three physicians expert in rheumatology that we have lost in Manitoba. One left two years ago, went back to England for a number of reasons, personal and professional; a second individual has left the province because of a change in personal status and is now practising out of Vancouver; and a third individual unfortunately has simply had to curtail the practice in

rheumatology and all medical practice because of personal health problems.

We recognized at the onset of this Government that we had a difficulty in delivering continuum of service to those suffering from arthritis. Recruitment efforts have been very pro-active.

In January of next year, 1990, we will have recruited to Manitoba replacement rheumatologists. That will help to fill in some small way the gap of the departure of the previous three over the last two years. We are a long way from achieving the recruitment goals, because rheumatologists are in demand across this country and in North America.

### Fee Schedules

**Mr. Gary Doer (Leader of the Second Opposition):** Let the record show that according to the statistics for the American Rheumatism Association there were six rheumatologists in Manitoba in '88, and they are now down to three. Eight is the desired standard for this province, as I understand it, from the standards across the country and in North America.

My question to the Minister is: we wrote him in June or July of this year, the organization met with the Minister in November of last year. Why has the Minister not initiated conversations with the Manitoba Medical Association to look at part of the problem, which is the fee schedule, which I would recognize he inherited, but has been identified as a crisis in November of '88 and something I believe the Minister should have taken action on?

**Hon. Donald Orchard (Minister of Health):** Mr. Speaker, the key word that my honourable friend, the Leader of the New Democratic Party, once Government, has inherited—when I walked into the office as Minister of Health we had five rheumatologists in the Province of Manitoba. That was below the optimum eight all during the entire 15 of 20 years of Government by the previous Party in Government.

We are pro-actively recruiting, and we have successfully brought an individual to Manitoba as of January 1, 1990. The fee schedule differential is very much in discussion between departmental staff and the MMA, in terms of resolving internally with the shoring-up fund, the disparity in fee schedule which has been identified, Mr. Speaker, as one of the detriments to Manitoba recruitment in that our fee schedule appears to be below a number of other competing jurisdictions in Canada. That is the purpose of the shoring-up fund and has been addressed to a limited degree over the past two years.

\* (1350)

**Mr. Doer:** Mr. Speaker, when the Minister entered in office there were six rheumatologists. They are now down to three. The association met with the Minister in November, and he has not initiated any discussions for 12 months with the Manitoba Medical Association. My question to the Minister is—and I have double-checked it two weeks ago and again as late as this

morning, there have been no initiatives from his department to the MMA to open up the fee schedule for rheumatologists—why has there not been any leadership by this Minister to deal with part of the problem in terms of people suffering from arthritis in this province?

**Mr. Orchard:** Mr. Speaker, I realize my honourable friend wishes to create an issue, and that is his prerogative in this House. The issue of arthritis and rheumatology is very seriously being addressed by this Government with a successful recruitment effort as of January 1, 1990. In the last seven years, there was not one rheumatologist relocated to Manitoba. That is a significant success of this Government in that at St. Boniface new recruitment has happened.

Mr. Speaker, I cannot control the personal career of one of the rheumatologists who left this province or the one who left prior to coming into office, but let me assure my honourable friend and the people of Manitoba suffering from arthritis that we have taken this issue very seriously, and we intend to resolve it like all other inherited problems we got.

### University of Manitoba Infrastructure Repairs

**Mrs. Iva Yeo (Sturgeon Creek):** Mr. Speaker, the University of Manitoba can be likened to a small city with an infrastructure much of which was built around 1910 to 1915. Over the past decade, there has been severe underfunding of capital expenses. There is a growing list of deferred maintenance and operational renovation projects with the cost escalating with each deferral. Almost a year ago the Minister of Education (Mr. Derkach) and two of his colleagues toured the problem areas and, to date, there has been no action.

Can the Minister tell the House, as a part of alleged good management, what his Government is going to do to prevent the real possibility of a disaster at Manitoba's largest university?

**Hon. Leonard Derkach (Minister of Education and Training):** Mr. Speaker, I am very happy that the Member for Sturgeon Creek (Mrs. Yeo) has asked this particular question because the situation at the University of Manitoba or the University of Winnipeg or Brandon University did not occur overnight. It is a problem that has been there for a long time. Yes, a year ago I did tour the University of Manitoba to view personally the kinds of problems that they had with capital infrastructure with equipment and so forth.

Mr. Speaker, I can assure the Member for Sturgeon Creek and the Members Opposite that this Government has taken a very active role in ensuring that our capital facilities are brought back to a proper level. We did that with the School of Dentistry and we are going to do that with all other capital facilities. In the capital facilities budget there are significant monies that are going to be allocated to ensure that those problems are looked after and very soon the Member for Sturgeon Creek will know specifically the kinds of dollars that have been allocated to those projects.

\* (1355)

### Steam Tunnel Collapse

**Mrs. Iva Yeo (Sturgeon Creek):** I am not sure that the Minister understood the question, Mr. Speaker. With \$200 million set aside for a rainy day, will the Minister immediately allot funds to assure the university that that rainy day will not occur when a steam tunnel collapses, a real concern with the approach of the winter season.

**Hon. Leonard Derkach (Minister of Education and Training):** Mr. Speaker, it is strange that I have been in this House now for about a month, and this is probably the second question I have received, and it has taken the Member Opposite this long to arrive at this decision after she read it in the newspaper.

Mr. Speaker, I can tell you that this Government is addressing the issue, and in the Estimates she will know exactly the amount of money that is going to be allocated to look after the infrastructure and capital facilities at our universities.

**Mrs. Yeo:** I think, if the Minister will look in Hansard of June 26, 1989, he will see I have already spoken about the concerns.

Will the Minister, along with his colleague, the Minister of Workplace Health and Safety (Mrs. Hammond), look through the steam tunnels and look at the asbestos and the concerns of the steam valves that are overoperating to assure that there is no immediate danger to any of the people that are using those tunnels at the universities?

**Mr. Derkach:** Mr. Speaker, the Workplace Health and Safety people have in fact looked at those very areas, and we do have concerns about the steam tunnels at the University of Manitoba. She said she brought it to my attention in June. I can assure her that we looked at the problem long before June and it was addressed long before then.

A problem that had started years ago, she expects a solution to in a month. Very soon she will know exactly the dollars that will be allocated to those kinds of structures to ensure that the safety is maintained and to make sure that capital facilities are brought to standard.

### Community Investment Fund Legislation

**Mrs. Gwen Charles (Selkirk):** Mr. Speaker, in a letter dated September 20, the Minister of Culture, Heritage and Recreation (Mrs. Mitchelson) stated that the incorporation of the Community Investment Fund, which is to be a voluntary board set up to replace Manitoba Community Services Council, is to be completed by year end. The letter goes on to state that legislation will be required to incorporate this fund.

Well, Mr. Speaker, the date is October 10, and our Order Paper is filled with Bills. Why is this Minister

neglecting her responsibility? Where is the Bill, and when will the fund be in place?

**Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation):** Mr. Speaker, I am glad the Member has asked that question, so I will be able to clarify in the House. Yes, the Community Investment Fund will require legislation and that legislation will not be coming forward this Session.

The issue that is at hand right now is ensuring the accountability for Lotteries dollars is put in place for next year's Estimate process. We are in the process of making sure that those Lotteries dollars will be accountable by next year's Estimate process. We are in the process of getting agreements struck among all of the umbrella groups and the special agreement groups so that will be able to happen.

### Funding Delays

**Mrs. Gwen Charles (Selkirk):** Well, in the same letter she goes on to state that it will be in place by the year end. Why is she going back on her word in the letter to the organizations?

**Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation):** I believe in that letter it indicates that we will have agreements in place with the special agreement groups and with the umbrella groups by the end of this year so that they will be able to be accountable within next year's Estimates. That is what we are working towards and that is what will happen.

**Mrs. Charles:** Mr. Speaker, why is the Minister, therefore, giving out five-year grants if she is going to do it as in a transitional period? The grants are being given by her political crony, Bob Swain. What is her process in doing this? She promises by the year end and does nothing.

**Mrs. Mitchelson:** Mr. Speaker, by year end we will have agreements in place with all of the umbrella groups and all of the special agreement groups so they know that they can do some long-range planning, and they do know that they will have to be accountable through the Estimate process.

The Members opposite can ask all the questions they would like to ask, and all the questions they should ask, to hold this Government and this Minister responsible for the allocation of Lotteries dollars.

\* (1400)

### Free Trade Agreement Manufacturing Sector

**Mr. Leonard Evans (Brandon East):** My question is for the Minister of Industry, Trade and Tourism. According to a recent study, the free trade deal has cost 60,000 Canadians their jobs, including 3,000 people in this province.

Can the Minister tell us what benefits have Manitobans obtained from the free trade deal in the area of the manufacturing industries?

**Hon. Jim Ernst (Minister of Industry, Trade and Tourism):** Mr. Speaker, I reject, first of all, the preamble of the Member for Brandon East, the suggestion that all of the job losses that have happened over the past several months, last year, were brought about by the Free Trade Agreement is wrong, that the Member is wrong, and he can see ghosts all he wishes.

The fact of the matter is that free trade has been good for the manufacturers in this province. Just ask Palliser Furniture, for instance, who have added some 300 or 400 new jobs as a result of the Free Trade Agreement. It is the best thing that ever happened to them.

**Mr. Leonard Evans:** Perhaps the Minister could tell that to the workers at Campbell Soup, Ogilvie and Marr's Leisure Products and at Toro Industries in Steinbach. Tell it to those workers.

Mr. Speaker, what specifically is his department doing to help Manitoba manufacturers cope with the free trade deal?

**Mr. Ernst:** Mr. Speaker, again, I reject the comments of the Member for Brandon East (Mr. Leonard Evans). He is wrong.

We can go through them chapter and verse if you like, but I do not think it is appropriate in Question Period. We will reserve that for the Estimates process.

Mr. Speaker, what are we doing today? We are conducting free trade seminars with our manufacturers in this province. We have enhanced the offshore promotion of our exports. We have several other programs which we can go through again in detail in the Estimates process to show exactly what we are doing to ensure our industry is (a) competitive and (b) aggressive in the offshore market.

**Mr. Leonard Evans:** Has the Minister any analysis from his department on specifically what manufacturing industries will expand in Manitoba because of the free trade? According to the last document we had, there were 65,000 jobs in manufacturing in August 1988, and there are 65,000 jobs in manufacturing in August 1989. Where is all the big growth we are talking about?

**Mr. Ernst:** Mr. Speaker, we talked at the beginning of the Session about what has happened in the manufacturing industry. I do not know what statistics—statistics can often be selective, and this should not happen on a regular basis to quote those individual statistics, because it can be turned around. Let me suggest an 8 percent increase in manufacturing in the Province of Manitoba is the second highest in the country; new plant and investment up 578 percent; manufacturing investment up 105 percent.

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

**Mr. Speaker:** Order.

### Goods and Services Tax Sales Tax Credits

**Mr. Reg Alcock (Osborne):** Mr. Speaker, after complaining about statistics, the Minister uses a great many to support his side of the argument. There is another side to that debate.

Mr. Speaker, we finally have a definitive position from the Manitoba Government on the goods and services tax presented by the Minister of Finance. At least we have the Chamber of Commerce's presentation with the Province of Manitoba cover.

One of the things that is not included in this, Mr. Speaker, is any reference to the indexing of credits for low-income Canadians. All of the agencies that provide services to low-income Canadians have expressed concerns about the effect of inflation on these rather minimal credits that are now being presented. The Minister of Finance neglected to address that concern, and I am wondering why.

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, the Member has a copy of the presentation that we have made. We talked about the major flaws that we see in the GST. They include the visibility. They include the potential impact on the Manitoba economy. They include certain other matters which we have dialogued over some considerable time. Last Friday morning there was a reference made to certain aspects of sales tax credits and their inflationary aspects.

**Mr. Alcock:** Not quite, Mr. Speaker. There was a reference made to sales tax credits. However, the concern is that they are not going to be indexed. Does this Government support full indexing of the sales tax credits?

**Mr. Manness:** Mr. Speaker, I have no problem answering that question. As Governments in the past from time to time have inflated our own cost-of-living tax credit directly taking into account inflationary elements in the economy, I would expect and would support any call that would cause the federal Government from time to time or by way of some formula to see indexing be part of the GST.

**Mr. Alcock:** Well, Mr. Speaker, perhaps if the Minister believes that, he can put it in writing and send it to the Blenkarn Committee. He neglected to do so on this document.

### Goods and Services Tax Income Security Programs

**Mr. Reg Alcock (Osborne):** I do have a question for the Minister of Community Services. Coopers and Lybrand, in their report on the impact of the GST on Income Security Programs, mentions the increasing practice of recovering income from members of the community on income security. Will the Minister assure us that practice will not exist in Manitoba?

**Hon. Charlotte Oleson (Minister of Family Services):** Mr. Speaker, I assume that the Member is meaning

getting back monies that have been paid, overpayments, paid in error?

**Mr. Alcock:** Sales tax credits.

**Mrs. Oleson:** Sales tax credits. I will have to have a look at that. The department is at this moment studying the effect of the GST with social services in Manitoba in conjunction with the Department of Finance, and there will be answers forthcoming to those questions.

### Free Trade Agreement Motor Vehicle Regulations

**Mr. Jim Maloway (Elmwood):** Mr. Speaker, my question is to the Minister of Highways and Transportation (Mr. Albert Driedger) and follows up on a question asked earlier by the Leader of the Opposition (Mrs. Carstairs).

The federal Cabinet has waived Canadian Safety Standards for used cars from the United States to help implement the Free Trade Agreement. The new rules also lack a system whereby Canadian owners would be informed of defects and subsequent recalls. Canada has tougher seat belt, higher bumper standards and daytime running light standards in cars. Consumers will lose unless Canada and the United States develop a system to attract recalls, liens, and fraud across the border.

My question to the Minister is: what system does the Minister have to track recalls, liens, and frauds across the border?

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Speaker, I will take that question as notice.

**Mr. Maloway:** Mr. Speaker, I have a supplementary to the same Minister. Criminals might also take advantage of the lack of a common car registry between the two countries to sell stolen cars, cars with liens against them and rebuilt cars passed off as originals. Manitoba only requires that cars be in safe mechanical order and does not really check for the stolen cars and cars without liens. How does the Minister plan to deal with this potentially serious problem?

\* (1410)

**Mr. Albert Driedger:** I will take that question as notice as well, but I can indicate that whatever it takes in terms of bringing our standards up to whatever requirement we think is the right standard that we should have, we will do that, Mr. Speaker.

**Mr. Maloway:** Mr. Speaker, I have a final supplementary to the same Minister. Now that the Minister recognizes this initiative was taken on the part of the federal Government to pacify the U.S. in terms of implementing the Free Trade Agreement, what steps are he and the First Minister (Mr. Filmon) taking to make representation to the federal Government to tighten standards?

**Mr. Albert Driedger:** Mr. Speaker, first of all, we will review what our standards are and what our jurisdiction

is. In conjunction with that, we will take whatever steps we have to do with our counterparts federally to discuss with them to see what jurisdiction they have in terms of the safety standards and what standards we have in the province. It was my understanding that we have our own standards. I will gather all the information and I will report back to the Member.

### **GATT Decision Canadian Dairy Products**

**Mr. Laurie Evans (Fort Garry):** Mr. Speaker, tomorrow the General Council of GATT is expected to endorse a prior panel recommendation that Canada not be permitted to include processed dairy products on its import control list, specifically ice cream and yogurt. This will mean that there will be, essentially, free flow of these products into Canada from the United States subject only to the existing tariffs.

My question is to the Minister of Agriculture. What impact does he see this having on the Canadian and Manitoba dairy industry?

**Hon. Glen Findlay (Minister of Agriculture):** There is a bit of a presumption there that it will be accepted by GATT. It is only a recommendation that GATT can make to a country like Canada, and we can choose or not choose to abide by the regulation.

**Mr. Laurie Evans:** The Minister well knows that Canada has not gone against a GATT decision to date.

My supplementary question to the same Minister is: can the Minister indicate what impact the further reduction of the tariff on American products coming into Canada will be?

Prior to the Free Trade Agreement there was a 17.5 percent tariff on the entry of dairy products. It has now dropped, as of the 1st of January, 1990, to 14 percent, and it will disappear entirely by 1998. Can the Minister indicate what impact that will have on this supply-managed industry?

**Mr. Findlay:** We have had considerable discussion with the Milk Producers Marketing Board as recently as last Friday. They were in, we talked about this, and nobody really knows the true impact that this will have because there is going to be a little more competition, and whether our industries here can handle that competition, time will tell. We are in consultation continuously. The dairy industry realizes that they must, in the eyes of the consumer, be seen to be competitive and offering the lowest cost product on the market at the highest possible quality. They know they have that mission in front of them and we are still looking at the question as to how we can react as a province and as a country, as things unfold in the coming months.

### **Free Trade Agreement Canadian Dairy Products**

**Mr. Laurie Evans (Fort Garry):** Mr. Speaker, can the Minister confirm that Canadian dairy products cannot move into the United States because those dairy

products are on the import control list of the Americans, and does this, in his opinion, adhere to the intent of the Free Trade Agreement?

**Hon. Glen Findlay (Minister of Agriculture):** I will go back to the first answer I gave, Mr. Speaker, which said that we can choose not to abide by the GATT ruling, the GATT decision, and what he has just put on the record is a good indication as to why we would choose not to.

### **Federal Drought Program Ag Rep Assistance**

**Mr. Bill Uruski (Interlake):** Mr. Speaker, over the last number of months the Minister of Agriculture has indicated that the participation in the federal drought program would not be undertaken by the province because it was a solely announced federal program, and that there would be no participation of the Government of Manitoba.

The program has so many flaws, and so much confusion is out there with appeals and with farmers trying to find out what the calculations are. His staff are not participating in assisting the farm community because of his earlier refusal. Now that Manitoba is contributing financially to the federal program, can the Minister assure this House, and the farmers of Manitoba, that his staff out in the field will in fact assist the farming community in trying to get the necessary information to process their appeals against the federal rulings?

**Hon. Glen Findlay (Minister of Agriculture):** Mr. Speaker, I can assure the Member that my department staff are assisting producers in this issue, as they have in every other issue, to the best of their ability. Through the ag rep offices we are prepared to supply the information that has been developed by crop insurance on a risk area basis, for farmers to know what the kind of yields are on a long-term basis.

**Mr. Uruski:** Mr. Speaker, perhaps the Minister should check with his extension staff. Crop insurance information is one thing, but ag reps assisting farmers is another and that is not happening.

**Mr. Findlay:** I hate to hear a distinguished Member put untruthful information on the record.

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

**Mr. Uruski:** Mr. Speaker, the Minister should know that even secretary-treasurers in rural municipalities are complaining that they really cannot get the information on this whole area, and his staff are not assisting the farmers because they do not want to get involved. It is so screwed up, that program, and I do not blame them. I, quite frankly, do not blame them.

## Goods and Services Tax Farming Impact

**Mr. Bill Uruski (Interlake):** Mr. Speaker, I ask the Minister of Agriculture, on another matter: can he indicate whether his department has done an analysis on the impact of the goods and services tax on the farm community and, if they have not, why have they not, because their brief to the federal Government, as of October '89 gives no indication of the impact on the farm community?

**Hon. Glen Findlay (Minister of Agriculture):** Mr. Speaker, the Member started that question by a deliberation of accusing my staff of not helping the farm community. I categorically reject any Member who was a former Minister of Agriculture standing up in this House and maligning the staff of the Department of Agriculture. They have assisted farmers on a continuous basis. A letter from the Deputy Minister a week ago gave them clear authorization to discuss with farmers any problems they had with making appeals to the federal Drought Assistance Program. Yes, there are problems with that program and the way it is administered, and my staff are doing everything possible to help farmers deal with the issues that they have in front of them.

**Mr. Speaker:** The Honourable Member for the Interlake, with his final supplementary question.

**Mr. Uruski:** Mr. Speaker, I do not blame the staff. I blame the Minister because he gave the direction. He gave the direction that he would not be involved in the program and I did not blame him for that. Now that he is financially involved, let us get on with the job. What about the answer to the question about the farm community and the impact on them from the goods and services tax?

**Mr. Findlay:** If the Member would have listened to the answer to the last question, he would have heard very clearly that the department staff has had a meeting, the ag reps have been talked to by the Deputy Minister, and a letter has gone from the Deputy Minister authorizing staff to give all the information that they can to help the farmers deal with the problems that they have in making their appeals on that particular program.

## Highway Traffic Act Justice Minister's Comments

**Mr. Speaker:** The Honourable Member for St. James has time for one very short question.

**Mr. Paul Edwards (St. James):** Mr. Speaker, my question is for the Premier (Mr. Filmon). This morning the Minister of Justice (Mr. McCrae) indicated at the committee hearings looking into further amendments to the drunk driving legislation that the reason the drunk driving legislation was so poorly drafted in the first place was because he did not want to cause himself and his staff the effort to get it right until he had tested

the waters in this Legislature. This is indeed bizarre logic. My question is: will the Premier please respond to his Minister's statements which constitute, in my opinion, a recommendation of an abuse of the legislative process?

\* (1420)

**Hon. James McCrae (Minister of Justice and Attorney General):** I am satisfied, Mr. Speaker, that the Honourable Member did not get on his caucus list today for questions and decided to pop in regardless. He gives us a very careless and disjointed rendering of what went on in the committee this morning. I am sure a rereading of the Hansard for this morning will clear that up for him.

The Honourable Member would suggest that Governments go ahead and enter upon lengthy processes of implementation prior to having legislative approval. This Government does not operate, Mr. Speaker, on issues as important as this without legislative approval, and the Honourable Member, he makes clear the approach that he would use if he were given the opportunity, which is a fat chance, I suggest.

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

## ORDERS OF THE DAY

**Hon. James McCrae (Government House Leader):** Mr. Speaker, should it be the will of the House to complete the Estimate process for the Department of Agriculture and the Department of Highways, the Agriculture Department would be followed by the Rural Development Department, and Highways Department would be followed by the Health Department.

I move that the Speaker now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

**Mr. Speaker:** I would like to thank the Honourable Government House Leader for that clarification.

It has been moved by the Honourable Government House Leader that Mr. Speaker do now leave the Chair and the House—the Honourable Member for Ellice.

## NON-POLITICAL STATEMENTS

**Ms. Avis Gray (Ellice):** Mr. Speaker, would it be possible to have leave to revert back to non-political statements?

**Mr. Speaker:** Is there leave to revert back to non-political statements? (Agreed)

**Ms. Gray:** Today we had the opportunity, some Members of the Government and Members of the Opposition, to be part of a reception honouring foster parents this afternoon. I would like to make special note of one particular foster parent, Susan Torrie, from Richer, Manitoba, who was honoured as foster parent of the year. I think, Mr. Speaker, all Honourable Members would join this afternoon in congratulating Susan Torrie.



Susan represents a foster parent. She has fostered in eastern Manitoba for Child and Family Services. She has also fostered for the South Child and Family Services, and what she does is oftentimes takes special needs children.

I think the love, the dedication and the unending commitment of individuals such as Susan Torrie should certainly be recognized by all Members of this Legislature. We do join in saying congratulations to Susan, and thank you very much to all foster parents in Manitoba.

**Mr. Speaker:** Does the Honourable Minister of Family Services (Mrs. Oleson) have leave to make a non-political statement? (Agreed)

The Honourable Minister of Family Services.

**Hon. Charlotte Oleson (Minister of Family Services):** Thank you, Mr. Speaker, and thank you to Members of the House for that privilege.

Yes, I would like to associate myself also with the Member for Ellice (Ms. Gray) with her remarks on foster parents, and most particularly of course with the award given to Susan Torrie at lunch time to recognize her work and her dedication to the foster children in her care. Of course, also she is representative of the foster parents of Manitoba and I know realizes she was really accepting that award on behalf of all the foster parents.

Foster parenting is a very important and vital part of the services provided by my department, so it was a pleasure for me at lunch time to attend the reception and to take greetings on behalf of the people of Manitoba to the foster parents and personally thank them for all their work and dedication. Without them we would be in a very difficult position.

As I say, I associate myself with the words of the Member for Ellice (Ms. Gray) and congratulate and thank all foster parents in Manitoba.

**Mr. Speaker:** Does the Honourable Member for St. Johns (Ms. Wasylycia-Leis) have leave to make a non-political statement? (Agreed)

The Honourable Member for St. Johns.

**Ms. Judy Wasylycia-Leis (St. Johns):** Thank you, Mr. Speaker. I would just like to briefly add for the record the support of Members of our caucus in recognition of foster parents in Manitoba, to associate myself and the feelings of my caucus with the sentiments of the Member for Ellice (Ms. Gray) and the Minister of Family of Services (Mrs. Oleson).

We too would like to pay tribute to all foster parents for their incredible contribution to quality of life in Manitoba, and in particular to the award received today by Susan Torrie. Thank you.

**Mr. Speaker:** It has been moved by the Honourable Government House Leader (Mr. McCrae), seconded by the Honourable Minister of Finance (Mr. Manness), that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

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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 Lac du Bonnet (Mr. Praznik) in the Chair for the Department of Agriculture, and the Department of Rural Development.)

## CONCURRENT COMMITTEES OF SUPPLY SUPPLY—HIGHWAYS AND TRANSPORTATION

\* (1430)

**Mr. Chairman (Harold Gilleshammer):** I call this meeting to order to discuss the Estimates of the Highways and Transportation Department.

Item 8. Expenditures Related to Capital, (b) Aid to Cities, Towns and Villages \$1,500,000—the Member for Assiniboia.

**Mr. Ed Mandrake (Assiniboia):** Could the Minister please provide the two critics of the work that he has now undertaken under this section for Aid to Cities, Towns and Villages, please?

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Chairman, I am not sure whether I did table that in the House. If I have not, I certainly am prepared to forward that information to the critics on both sides. I was under the impression that I had done that. If I have not done that, I will bring that information forward.

**Mr. Mandrake:** If my memory serves me right, Mr. Chairman, we arrived at this subsection just prior to recess last Thursday and I brought up an issue and that was in the The Pas area. We had not discussed tabling of the other reports or the aid that he had provided to these various towns and villages.

**Mr. Albert Driedger:** Mr. Chairman, I will make a list available to Members of the committee of the whole Grant-In-Aid program to towns and villages.

**Mr. Chairman:** Item 8.(b)—pass.

8.(c) Work in Local Government Districts and Unorganized Territory, \$4,600,000—the Member for Assiniboia.

**Mr. Mandrake:** Mr. Chairman, again, instead of going through a long dissertation on this, could the Minister please table all of the work that has taken place to the tune of \$4,600,000 in the local government districts and unorganized territory?

**Mr. Albert Driedger:** Mr. Chairman, I cannot do that for the simple reason that the local government districts have their projects which basically they identify. We are involved in the capital funding. We allow so much. In

fact, I might indicate that we increased the funding to local government districts in the last budget to the point where I think it initially was at one time. There was a cutback and we have restored that funding and they basically have their road program under which they operate. If the Member is aware, certain projects are 50-50 and certain projects we do work in the local government districts to the tune of 100 percent, on market roads. They have certain responsibilities in terms of snowplowing, maintenance, et cetera, on certain roads. I can give the Member the monies that have been forwarded to each local government district.

**Mr. Mandrake:** Mr. Chairman, that would be very sufficient.

**Mr. Chairman:** Item 8.(c)—pass.

8.(d) Rural Municipal Bridge Assistance Program, \$500,000—the Member for Assiniboia.

**Mr. Mandrake:** Mr. Chairman, I noticed last year there were no monies for this type of a program. All of a sudden, this year we have \$500,000.00. Could the Minister please explain how is it that last year there was no assistance program for this type of endeavour, yet this year we have \$500,000 in it?

**Mr. Albert Driedger:** Mr. Chairman, with great pleasure can I explain why there was no money there last year. This is a new program we have just initiated this year. Maybe I should take some time to clarify exactly what this program consists of. As the Member is aware, and as committee Members are aware, we have the Grant-in-Aid to Cities, Towns and Villages which addresses basically communities. However, there was no provision for any funding for capital programs in municipalities, specifically bridges, so we have developed what we call the Rural Municipal Bridge Assistance Program, which is basically going to be shared 50-50. We will cost share 50 percent of the consulting engineer.

One of the requirements is that if a municipality has a bridge, in many cases—first of all let me back up a step because I am confusing the issue. We have had many requests through my department and other departments, Municipal Affairs, Water Resources, for funding for bridges which basically do not come under Government jurisdiction. It was felt that it was necessary to maybe address that.

What we have done is we have developed a program. Part of the program is that they require a professional consultant or engineer to do the design aspect of it. We pay 50 percent of that. The engineer will then come forward with his recommendation. He will also be supervising the job, whether it is culverts, a bridge, whatever kind of crossing that is acceptable; however, we maintain that there have to be certain standards in terms of weight and width because we are cost sharing as Government. We want a good program, and we do not want the municipalities to build bridges that would not adequately take weight because we would be partly liable in a case like that.

That is why we are asking for qualified engineers to do the survey design and the supervision of it to make

sure that the job is done right. On the bridge itself, we will be cost sharing 50-50; however, we will not be cost sharing the approach with the dirt that is involved, because it was our feeling that most municipalities have this kind of equipment available, and could probably undertake that work cheaper than any other way.

So that is the reason why we had actually hoped to have \$1,000,000 in the program. However, we realized at the time when we made the announcement that possibly until we initiated it and got it going with engineers who actually do the survey design that we might not be able to flow that much money this year.

I have to indicate, however, that I am very pleased with the applications that we have received. To date we have approved one bridge in the R.M. of Springfield, I believe, and we have also given approval for the engineering to proceed in six other municipalities where they have made application. We have looked at the applications. We feel that it is justified, and I have given approval up to \$10,000 in each of those six for the initial engineering. Once the engineering process is completed then they come back and get final approval for the construction end of it.

**Mr. Mandrake:** Mr. Chairman, I can appreciate what the Minister is doing, and I compliment him upon this new initiative that he has undertaken.

Could he provide the critics with the areas in which this assistance program is being offered to? You just mentioned R.M. of Springfield, are there any other ones that you have documented and you can probably provide this committee with a list?

**Mr. Albert Driedger:** Yes, Mr. Chairman, all municipalities have been written. When we came forward with the program and proceeded with it, we wrote all municipalities telling them what the program was about. Subsequent to that we then sent out application forms to each of the municipalities. We have put in a deadline on it because there has to be, somewhere along the line, a deadline in terms of the applications. The deadline I believe was in September sometime and we have to date a total of 18 applications, some that we have given the tentative approval on, others we are still waiting for the final decision in terms of whether they can qualify or not. I can give the Member the partial list. I have it here for myself. I can make copies of the list for the Member and forward it to him, or if he can wait until we have dealt with the balance of the requests and then give him the finalized information at that time.

\* (1440)

**Mr. Mandrake:** That is quite all right, Mr. Chairman, to the Minister, but there is no necessity in having a partial list. Once it has been completed, if he could provide both critics with the copy, I think we would be very, very appreciative.

**Mr. Albert Driedger:** Mr. Chairman, once we have the list completed, I will make sure that the copies of the list get to the critics.

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

(e) Acquisition/Construction of Physical Assets: (1) Other Projects, \$4,326,200—the Member for Assiniboia.

**Mr. Mandrake:** Mr. Chairman, could the Minister please explain, under Other Projects, where it is to a tune of \$4,326,200, what does that really entail?

**Mr. Albert Driedger:** Mr. Chairman, I will indicate what is involved under Acquisition/Construction of Physical Assets. One is airport upgrading, where we had a request for \$379,500.00. We appropriated \$76,000 for that. Mr. Chairman, let me make a correction here. Under airport upgrading we have \$379,500 for this year. For gravel pit restoration, which I made reference to earlier on, we have \$48,000 put in here. In that, basically what we do, we go around and try and get the gravel pits in the safe condition—the sloping. We had some discussion on that.

Highways equipment and tools accounts for \$3,083,700.00. Crushed gravel purchases, where we buy crushed gravel, \$2.9 million. Crushed gravel issues—that \$3,250,000 is a revolving fund where we put crushed gravel, where we do this during the course of the winter. We put it out early and then we charge it back to the various jobs.

Bridge material purchases are half a million dollars, and here the same thing again. We buy a certain amount of, let us say, culverts, et cetera, and then we charge it to the job so it comes back as a credit.

Highways, buildings and storage yards is \$712,800.00.

Improvements to weigh scales is a standard thing of about \$75,000.00.

Ferry landing improvements is \$45,000.00. The ferries themselves, we have \$135,000 appropriated for that.

Capital grants for transportation for the mobility disadvantaged in rural Manitoba—we have gone into that program to some degree. We have \$50,000 in there.

Then under the water bomber contract we have \$147,200, making up a total of \$4,326,200.00.

**Mr. Chairman:** Shall the item pass—the Member for Assiniboia.

**Mr. Mandrake:** Under (e)(2), please, Mr. Chairman.

**Mr. Chairman:** On (e)(1), are we finished with that—pass.

(e)(2) Northern Development Agreement - Canada-Manitoba \$258,000—the Member for Assiniboia.

**Mr. Mandrake:** I noticed that there you have \$258,000, and under (3) is exactly the same Recoverable from Northern Affairs to a tune of \$258,000.00. Is this a coincidence or do these two items run hand in hand? If so, I would like an explanation on that.

**Mr. Albert Driedger:** I will try and explain it here. Under this funding here, this is part of the Northern

Development Agreement, the Canada-Manitoba Northern Airport Development Program, and the following projects are funded by the Northern Development Agreement in 1989-90. They set the priorities in terms of where we spend the funding. For example, gravel for Pukatawagan is \$200,000; for Shamattawa it was \$300,000; fencing at Berens River was \$35,000; at Gods Lake Narrows it was \$15,000; the shop floor at Red Sucker Lake was \$5,000; the runway lights at Red Sucker Lake was \$40,000; and South Indian Lake was \$50,000, for a total of \$645,000 which basically is recovered through the Department of Northern Affairs under the agreement.

**Mr. Chairman:** Shall the item pass—the Member for Churchill.

**Mr. Jay Cowan (Churchill):** Perhaps the Minister can indicate what is the projected status for the continuation of projects that have been funded in the past under the Northern Development Agreement with respect to negotiations that are now ongoing?

**Mr. Albert Driedger:** I wonder if the Member could clarify, so I get the question right.

**Mr. Cowan:** We have had a Northern Development Agreement in place now since the mid-70s really for the—

**Mr. Albert Driedger:** Together with the federal Government?

**Mr. Cowan:** Yes, with the federal Government under different names, Northern Development Agreement, the Northlands Agreement. It appears as if that agreement now will not be renegotiated. There were a large number of projects which were funded under the Northern Development Agreement as part of its ongoing activities.

I am asking the Minister if he has any information as to the status of the negotiations, or lack of negotiations involving the Northern Development Agreement, and if it is not to be renegotiated, what will happen to the projects? How will they, that are currently funded under that program, be funded?

**Mr. Albert Driedger:** Mr. Chairman, it is my understanding, and my people work relatively closely with the Department of Northern Affairs, that they are in the process of negotiating right now. We anticipate that there will be some agreements reached with the federal Government. Once that has happened, then we come into play. It is the Department of Northern Affairs that does the negotiating and that involves—like the requests we have from the various communities for airport upgrading, for new airports, and these are the kinds of things that Northern Affairs is working on right now. Once they reach an agreement, then we have our role to play in terms of responsibility, as the Member well knows, in terms of doing the actual construction if there is an agreement, maintenance, et cetera.

**Mr. Cowan:** Certainly the Department of Northern Affairs keeps the Department of Highways and

Transportation updated on the status of the negotiations. Can the Minister indicate what negotiations are taking place? He says that they are negotiating right now for some new agreements. Will they be agreements based on the Northern Development Agreement or the Northlands Agreement model?

**Mr. Albert Driedger:** Mr. Chairman, we do not have the details exactly of what they are working on. They have various projects they are trying to work on based on the requests that we have—that Government has received for, let us say, airport construction. I do not have an update at the present time in terms of exactly where they are at. I can try and get that information, but the latest conversation that we had with the department was that it is still being negotiated and I have nothing more definitive.

**Mr. Cowan:** Yes, two specific questions, and the Minister says it is being negotiated. Can he indicate when it is anticipated that those negotiations will be complete? The second question is based on his wording. He says that various projects are being worked on at the present time. Does that mean that the negotiations are not going to fall into the model where you have an umbrella agreement from which different projects are pursued but rather will be developed around specific projects and separate agreements?

\* (1450)

**Mr. Albert Driedger:** Mr. Chairman, I want to indicate that there was some hope that agreements would be completed by the end of this month but we do not have that assurance. I think that the target date was the end of this month. The Member is aware that airports are not the only aspect of it that is involved. There are many other aspects, including roads and other services. I do not have a list specifically of the ones that the Minister of Northern Affairs (Mr. Downey) has on his plate before the federal Government. It would be most appropriate maybe to ask him.

**Mr. Cowan:** The second part of the question was not answered, Mr. Chairperson. Are we to anticipate from what the Minister said that there will be various separate agreements based around separate projects, or will they be an umbrella agreement from which different projects will be financed and pursued?

**Mr. Albert Driedger:** Mr. Chairman, the Department of Northern Affairs is basically the whole of the negotiations. I cannot indicate whether it is on a package deal or on a project-by-project basis. I wish I would because it would give me some comfort in terms of doing the planning within our department as well, but we do not have that information.

**Mr. Cowan:** The Minister has made my point, inadvertently I believe, but it is a valid point nonetheless. If they do not know how that agreement is going to be structured, they do not have a comfort level which enables them to plan effectively over the course of the next one to five years, five years being the common

term of the agreement. If the Government is going to negotiate piecemeal agreements, their job is going to be much more difficult as a Government and as a department, as all departments will suffer that same consequence of a piecemeal approach. They will not be able to plan effectively. The communities will not know effectively what they have in store for them, how they should access programs over a period of time, and it will be a very disruptive process. I would hope that the Government would operate as an entity and that there would be consultations between the different departments with respect to negotiations.

I can tell the Minister that when we were negotiating the new Northern Development Agreement back in '81, there was extensive consultation with the departments to determine how they would like to see that agreement structured. Is he telling me that process, that internal process, has broken down to where an agreement is anticipated to be struck by the end of this month, or was anticipated to be struck by the end of this month, and he does not even know what format that agreement might take? Is that what he is trying to tell us?

**Mr. Albert Driedger:** Mr. Chairman, let the Member not try and twist this thing around to where it is a big issue. The process is very much the same. The Department of Northern Affairs fully knows what our needs and concerns are in terms of the various projects that they have on the table. When they have completed their agreements with the federal Government, they will have addressed those and will let us know exactly where we stand with that. They are the ones that are doing the negotiating, and if they come up with a package deal our concerns will be addressing that and we can take it from there. If they come on a project-by-project basis they are also aware of our needs in terms of time requirements, supplies, et cetera. It is not as if we are operating independently of each other, but they are doing the negotiating and I am not involved in that at this stage of the game.

**Mr. Cowan:** Which approach would the Minister prefer?

**Mr. Albert Driedger:** Well, Mr. Chairman, if I had my druthers I think we would want a package deal, a long-term package deal, so that our planning would be a little bit more suitable. Certainly that is a given. Rather than do it on a project-by-project basis, I would like to have an agreement that would be five or ten years from my department's point of view so that we could say this is when we want to undertake certain works. The Member was well aware, when we talk of doing upgradings with northern airports, you just do not move equipment into some of these places overnight, you have to wait until the season allows it to happen so that you can do your crushing, et cetera. There is a lot involved, though. Staff know what they are up against and so does the Department of Northern Affairs.

In that respect we work very closely, just like we did with Norway House when we talked about dividing the responsibility of roads in the system. We accepted a certain portion of it, including the bridge, and the Department of Northern Affairs was taking over the balance of the roads in the community. I mean, we work

on many projects together. The same thing with the winter roads, some of the funding basically has been coming out of the Department of Northern Affairs, I believe. They have done some. I am not trying to be evasive about anything, I am just trying to explain to the Member basically that the system is still operating the way it used to operate and there is good co-operation. I am certainly not upset with my colleague, Mr. Downey, who is the Minister responsible for that. I converse with him and staff converses with staff, but at the present time I do not know exactly where they are at with their negotiations.

**Mr. Cowan:** Just to check my own understanding of the situation, the Minister indicated that Northern Affairs does a portion of the winter roads and then Highways and Transportation. My understanding is that the only Northern Affairs projects for winter roads would be Pikwitonei and Thicket Portage which are small winter roads but very important to those communities nonetheless. The rest come out of Highways and Transportation, so it is quite an insignificant amount by comparison, although it is of some great significance to the communities that they receive those winter roads. Is that correct?

**Mr. Albert Driedger:** Mr. Chairman, that is correct. I just used that in reference to some of the things that were being done jointly. It is not a major condition.

**Mr. Cowan:** Speaking of airports then, in the Northern Development Agreement projects. Granville Lake has been asking for an airport for quite some time. It was on a longer list of airports that needed to be developed over a period of time. The last new airport of course in the North is the Tadoule Lake airport, which has served that community very well and I think added to the quality of life of that community as well as helped to make it a safer and healthier place to live and to work for residents there.

However, there is to my knowledge in my area one area that still requires an airstrip that does not have one, and that is Granville Lake. They are isolated during the freeze-up and the break-up period of the year which can be quite lengthy in that part of the province. There was a fatality a couple of years ago with someone going through the ice, travelling from Granville Lake to Leaf Rapids during either the freeze-up or break-up period. They felt that that may have been avoided had there been airstrip capacity in the community. I do not know if that was the case or not, but I think a strong argument can be made, not only based on that incident, but based on many other problems that the community experiences, for at least a small but workable airstrip for that community so that they can have some greater access than they now have. Would that be one of the projects which the department has put forward as a recommendation for any new agreement?

**Mr. Albert Driedger:** Mr. Chairman, I might indicate that the Granville Lake airport is on the long-term list as part of the ongoing negotiations with the federal Government.

**Mr. Cowan:** Can the Minister indicate what other airports are on that long-term list?

**Mr. Albert Driedger:** Mr. Chairman, Wasagamack is another one that we think is a priority, and Poplar River is a new one. They have a strip there right now, but I do not think it is adequate. We are looking at putting that forward as another strip that should be on the list.

\* (1500)

**Mr. Cowan:** I am somewhat familiar with the Wasagamack strip from a number of years ago, but I do not have any recent experiences with it. At one time, there was an emergency strip in Wasagamack. The residents like to refer to it as an emergency strip because they said if one were to attempt to land on it, it would indeed be an emergency. At least there was a cleared area there that was not suitable as an airstrip on an ongoing basis, but was possible to be utilized from time to time. I would ask the Minister if that airstrip is still functional at all, even to the very limited extent that it was in the past?

**Mr. Albert Driedger:** Mr. Chairman, I would have to indicate that the airport that the Member is referring to is not usable, with that kind of a buildup around the area. There is a temporary, provisional site that has been identified outside the reserve, a couple of miles away. We have met with the people from the community on a few occasions talking about it. If the agreements are fruitful with the federal Government, then naturally that is the one that we would be looking at in terms of providing that kind of service.

**Mr. Cowan:** I would just like to make a special plea for the Granville Lake airstrip. I know the difficulties in trying to build airstrips and the cost of building airstrips in the North, but they are very important to communities. Granville Lake is a community that is relatively isolated in a lot of ways and the community has been lobbying for a number of years, including the previous Government, quite stringently for an airstrip. I am pleased to see that it is still on the list. I hope that the negotiations will be successful that will allow for the continuation of an airport construction project under whatever new federal/provincial agreement is forthcoming.

I am somewhat worried because the last time the Northlands Agreement ran out when a Conservative Government was in power, I will be quite frank, it was not successfully renegotiated. It was put on hold for a period of time, and it was not until a New Democratic Party gained Government that we were able to negotiate a new agreement. I do not want to see that same situation happen again.

I am concerned about the lack of progress in negotiations since the new Government has taken office. So I will encourage the Minister to put whatever pressure he can on his colleague, the Minister of Northern Affairs (Mr. Downey), to ensure that a comprehensive agreement is negotiated and one that will be able to include the construction of new airstrips, such as the Granville Lake, the Wasaykamak and the Poplar River airstrips, which are all very needed airstrips at this time.

The last Northern Development Agreement did not allow for the use of monies under it for airstrips in communities such as Leaf Rapids.

The Leaf Rapids airstrip is one that, for quite some time, has required some upgrading and improvements. There is an airstrip there that is usable, but at certain times of the year it is less usable than others. There are certain times when even the medi-vac cannot land in the community. That creates some concerns and anxieties.

That is particularly the case where you have an industrial community with a mine site and mill being the main employer in the area. Both mine sites and mills do, from time to time, experience very serious accidents which require immediate attention.

The residents of that community would feel much more comfortable if the airstrip was improved to the point where it could accommodate the citation; the medi-vac plane, the life flight at any given time. They require not substantial improvements but improvements that would cost more than the community itself can afford to pay on its own.

I would ask the Minister if he is prepared to encourage his colleague, the Minister of Northern Affairs (Mr. Downey) to do something the previous administration was not able to do, and that was improve provisions for construction, maintenance and improvements to airstrips, such as the Leaf Rapids airstrip, in any new agreement.

**Mr. Albert Driedger:** Mr. Chairman, first of all, I would like to indicate to the Member that his requests are noted in terms of the various aspects that he dealt with to some degree. He expresses some concern about the record of his Government in terms of the agreements that they made.

I just want to indicate to him that I am very pleased with the performance within my department in terms of the monies that we have expended on highway construction and our concerns that are ongoing in transportation. I want to assure the Member that our priorities are in the right place, and we will continue to work extensively to try and improve the airports in the North.

Dealing specifically with Leaf Rapids, as the Member is aware, Leaf Rapids is not included under our remote program. However, we have joint arrangements that are ongoing with them. I can indicate to the Member that I landed there this summer and met with the community, and they expressed their concern about the runway at that time.

Certainly, as we can bring forward funding and work out arrangements, we would like to have all our airports in good condition up north. There are ongoing requests from even the people who are supplying the service, that are flying the planes in there, indicating they would like to have upgrading of airports in terms of paved runways with the proper lighting, et cetera. We certainly will continue to see whether we can do that.

Any one of us that fly up north from time to time and land on these have thoughts about this and concerns about it. I can indicate to the Member that we will certainly not have the airports in northern Manitoba play any lesser role than they have in the

past, hopefully a more progressive role that we can do in terms of upgrading them.

**Mr. Cowan:** The Minister indicated, when he met with Leaf Rapids residents, that they expressed concerns to them and gave an overview in a very general statement that those concerns would be dealt with by himself and his Government.

Can he indicate what specific action he has taken since that meeting to deal with the specific concerns that were addressed to him at that time?

**Mr. Albert Driedger:** Is the Member asking about Leaf Rapids, per se?

Mr. Chairman, to date we have not done anything specific with the Leaf Rapids one. I am not sure, and I have not checked whether the Department of Northern Affairs has anything on their books for that.

**Mr. Chairman:** Shall the item pass? Item (e)(3) Less: Recoverable From Northern Affairs, \$258,000—pass.

(f) Canada-Manitoba Churchill Agreement, no expenditure. The Member for Assiniboia.

**Mr. Mandrake:** Mr. Chairman, we finally came to this one. Has the Minister had any conversation with the federal Minister in renegotiating this Churchill Agreement for the forthcoming year, or is this a dead issue now?

**Mr. Albert Driedger:** Mr. Chairman, this whole issue of the Canada-Manitoba Churchill Agreement, as the Member is aware, the agreement, the ERDA agreement, has terminated. The province pretty well met their obligations in terms of Churchill. However, the federal Government has not necessarily completed their part of it. Unfortunately, in the conversations that I have had with the federal Minister, raising it with him, he has given the indication that the portion of the federal responsibility that has not been met to date, that they will be putting that under a different program as a top priority.

I have grave concerns about that. I have always been very frank about my concerns about what was going to happen up there. We are still looking at a new air terminal building up in Churchill, and we hope that the federal Government will honour that commitment. We also have further dust-proofing that was required. I hope that obligation will be met. However, as I indicated in our discussion earlier on, when I had my Director of Transportation, Jim Wallace, here, that we are meeting with the federal Government. Right now my director is meeting with the federal counterparts. I had hoped that this would have happened during the course of the summer. However, that did not develop that way.

We are making contact now to set up the meetings. My understanding with the federal Minister at that time was that after staff had come up with a variety of options we would then get together and see whether we could work out some arrangements. I am not happy with the time that it is taking. Certainly we will keep the pressure on and see whether we can come up with some long-

term options for Churchill. We have gone through this scenario earlier on, once already. We can go through it again if we want. The reason why there are no monies there is because there is no agreement at the present time, and the monies that were expended last year was the completion of that portion of the agreement where we had responsibility in.

\* (1510)

**Mr. Mandrake:** Mr. Chairman, that is exactly what I am worried about, that now that the agreement is going to be terminated, in the press release by the federal Minister, he said that either remote areas are going to be reconsidered in a year's time. Everything is coming to fruition and in a year's time we are probably not even going to have any kind of passenger or freight going into Churchill, and that is a very, very deep concern to me.

I appreciate that this Minister has written the federal Minister numerous letters, but I think it is time that we stopped writing letters and we are going to have to probably go visit our Prime Minister of Canada and explain to him exactly what this Prime Minister has done to Manitoba. He has completely devastated our economy. We just recently found out that we might be losing 674 VIA employees. Prior to that, it was CN employees. I mean, how much more can the economy of Manitoba stand?

So I would urge the Minister to take a more aggressive stand with the federal Minister of Transport and come up with an agreement that is going to stand the time and is going to have some substance to it. I am not saying it did not have before. Do not get me wrong, but the way the federal Minister is operating right now, I do not know, it saddens me the way he is operating.

**Mr. Albert Driedger:** Mr. Chairman, let me put some correction on there. There is not 600-and-some-odd VIA employees that are going to be laid off, it is 214. I believe that I quoted the figure the other day already which is a magnitude concern regardless of what we do.

Mr. Chairman, we can go through the whole Churchill debate again as we did the other day. I am prepared to repeat again the whole issues of the concerns that I have, what I personally feel and what I would like to accomplish to some degree, but I think I have put that on the record already. However, I have to indicate that—I will repeat this aspect of it: I am committed to making sure that Churchill continues to operate and I would like to see more than just this year to year knee-jerk reaction which we end up doing at this stage of the game.

I indicated the other day that from the time when the population of Churchill was 7,000 people, we are down to less than 1,000 now. I do not know the precise number but certainly whatever has happened to date has not been positive. It has gone the wrong way, and we either have to decide to get some long-term commitment to make Churchill, if not viable, an entity in Canada and in Manitoba, because at the rate we are going now the grain movement is just one aspect

of it. There has to be a much more general plan developed in terms of what we are going to do with Churchill because a tremendous amount of money has been put into that community over a period of years, and we still do not see a positive light on the horizon as far as the future is concerned.

I look back over the history, Mr. Chairman. I had some terrible trepidations about Churchill when I started off because for a while the way the grain movement was last year with only two ships, and for a while it looked like there might not be any movement through there this year. Fortunately we have some, but that is almost like it is some kind of temporary appeasement that we get. I want to see something much more definite than that. In order to have that, there has to be a desire by the federal Government which is their responsibility. They are the decision makers in this case with the port, as well as CN, and many other aspects of it. They have a responsibility to give us some indication for the future as to whether Churchill will survive or not. It is to that end that I am trying to see whether we can be more definitive and work at all aspects of it, indicating once again that I am fully committed to do whatever I can to keep the community of Churchill going.

**Mr. Mandrake:** I appreciate the Minister's answer. The reason why I brought that up is because we have hashed this over before on the Churchill line. Now without further adieu, if the Member for Churchill (Mr. Cowan) has any questions, we can proceed.

**Mr. Cowan:** I believe my colleague, the critic for Highways and Transportation, the Member for Dauphin (Mr. Plohman) indicated that I could not attend when this matter was being discussed during the regular Estimates due to other commitments, and I would be here at this stage to make some comments on the Churchill situation. I will put those comments in the context of the situation as I understand it.

Certainly the federal Government has a responsibility, a prime responsibility and a fair sphere of influence over what happens in Churchill. That has always been the case. In the past, many of our battles were with the federal Government with respect to the lack of action and activity for Churchill, the port and the community. We fought very long and hard on many different issues to bring about certain actions and activities on their part which we felt had potential for benefitting Churchill.

However, we are now not in that position to speak directly to the federal Government except on very specific occasions when at great time, energy and expense we undertake to do so. The Minister is in a much better position to speak directly to the federal Government and to speak directly to the public of Manitoba with respect to what the federal Government does or does not do regarding the future of Churchill.

I do not believe that this Minister has done enough, and I say that somewhat hesitantly because I like the Minister as an individual. I believe that he has tried very hard to do as much as he can and perhaps he has done as much as he can, I am not certain, but given the benefit of the doubt I think he would certainly strive to do so.

Having said all that, it has not been enough. It has not been enough because last year we had a devastating year for the Port of Churchill. As the Minister indicated earlier, this year was starting out to be the same. Quite frankly I do not believe it was until there was a grass-roots lobby that went to meet directly with Minister Bouchard and Minister Mayer that we had any firm commitment that the Port of Churchill would have a shipping season at all this year.

As a matter of fact, if one would go through the public commentary, through the media, leading up to that, one would see very clearly that Mr. Mayer, Mr. Bouchard and other federal Ministers including Jake Epp were speaking quite disparagingly about Churchill. They were giving rise to many concerns that there would be no shipping season at all. They made comments to that effect that certainly implied that would be the case if they did not state so explicitly.

It was at a meeting of the grass-roots lobby organization led by my Leader, myself and Mr. Rod Murphy, the Member for the federal constituency of Churchill, that we saw the first spark of hope, the first ray of hope, first bit of a turnaround. It was at that time that we were able to indicate there looked like there might be a shipping season this year.

It was this Party that broke the news that there was going to be about 300,000 tonnes shipped through the port this year, and it is my understanding that would now come pretty close to 280,000 tonnes in seven ships.

I think the credit for that should not go to any particular Party but should go to a very strong lobby effort that included grass-roots organizations, not only from this province but from other provinces, who stated very clearly that if there was no shipping season at the Port of Churchill this year the federal Government was going to pay very dearly for it in political terms. I think that had a large effect on what happened and did in fact result in a moderate shipping season this year.

I would have only hoped that the Minister would have undertaken to lead that sort of lobby; I would have only hoped that the Minister would have undertaken to be more forceful in his presentations; I would have only hoped that the Minister would have taken the steps that are necessary to let the federal Government know very clearly that this is a battle which we do not intend to lose, it is a battle which we intend to continue until we have a fair share for the Port of Churchill.

\* (1520)

I have to lay some fault at the doorstep of the Liberals as well, Mr. Chairperson, for not agreeing to the recommendation that the Canadian Wheat Board be directed to ship at least 3 percent of Canada's grain exports through the Port of Churchill on an annual basis, at least an average of 3 percent. That, by the way, was a recommendation agreed to by the entire group that went to Ottawa earlier in the year to lobby on behalf of the Port of Churchill. The group also, after the meeting with the Minister, said that they would continue to put forward that recommendation.

I would ask the Minister, having said that he would like to see more than just a year-to-year knee-jerk

reaction to the problems at Churchill and indicating that the only way we could avoid that would be to obtain a long-term commitment to the Port of Churchill, why is it that his Government will not commit to pressuring the federal Government to direct the Canadian Wheat Board to ship an average of at least 3 percent of Canada's grain exports through the Port of Churchill on an annual basis?

**Mr. Albert Driedger:** Mr. Chairman, first of all, the Member made some reference to not wanting to be too hard on me, but he felt he had to be critical. We do not want to unnecessarily pat each other on the back on the eve of our 12th anniversary, which is tomorrow in case the Member has forgotten.

If we talk of the Member representing Churchill for 12 years, he is giving a fair amount of advice here in terms of the shortcomings of this Government in terms of how we make representation to the federal Government. I hope the Member is not going to try and indicate that just because they went down as a third official Opposition Party in the province, and having that same mode at the federal level, that their trip down there was the main reason for the movement of grain. I think that would be irresponsible if you thought that, because most certainly that myself, our Government, federal counterparts, there has been a lot of lobbying going on, the fact that they happened to chose that, the fact that they went down at that time.

I have to indicate that I was not happy with the fact that they gave an indication at that time that they were ready to move when they had not given me that indication. I felt critical of that approach, but let them not try and indicate that their trip down there scared the federal Government into making that kind of a decision. When you can see the kind of decision the federal Government just made on VIA Rail, certainly they were not shivering in their boots, and scared. They just made that kind of a commitment at that stage of the game to alleviate getting more pressure. That I think would be irresponsible, that kind of a statement.

If we look at the total record of Churchill, Mr. Chairman, including the 12 years that the Member has represented it, he says, well, they accomplished a lot. They did not accomplish that much.

In fact, I have to be critical of the last 20 years of Government because it has been a downslide from a long time ago, when we used to have the Americans in there, when we used to have more federal participation in there. It has been a losing battle and it is going downhill. That is the point that I was trying to make, that I do not know whether I and my department, or whether this Government can turn it around, but certainly I feel that it has to be addressed on that scale indicating that we cannot continue this kind of thing. Ultimately, for whatever reasons that the federal Government can find that we do not get a long-term commitment, we are facing the potential of their closing the port for whatever reason or the rail line for whatever reason at any given time. I do not think that is adequate.

I think that I am hopeful and determined that I want some kind of commitment out of the federal



Government as to the future of Churchill. Aside from the provincial responsibilities that we have, the various things that we have going right now, I think that unless there is that desire and commitment by the federal Government, and I do not care who it is, who is the Party in power at the time, that there has to be some desire to say there is going to be a future for Churchill 20 years from now, and start addressing it in that light. We have cases, we can liken the scenario of some of the Maritime provinces where a lot of federal money is pumped in and it is not necessarily a viable operation, but they do it because of the regional aspect of it. I think this is the kind of approach that we have to use for Churchill and see whether we can get something more definite. I am very concerned. That concern has not just developed. The problems just have not developed in the last year and five months that I have been Minister. These problems were there for a long time before that, developing just like I indicated they developed with VIA Rail.

In VIA Rail's case, if the problem had been addressed head-on possibly 20 years ago, we would have had a system in place that would have been more viable, more economical. We would have had new units on the road, there would have been a future maybe for VIA. At the present time, we deal with it now, decisions get made, and that is what concerns me, that we do not have that kind of a situation developing at Churchill where they say, well, nothing is viable and therefore we will quit putting money in.

It is from that point of view that I say that we have to have some longer-term commitments. I have raised this both with the federal Minister, with CN, with Ports Canada, with the Wheat Board, addressing the aspect of the question that the Member finally came up with, which was whether he was disappointed with the approach that we would not request the federal Government to force the Wheat Board to have a commitment of 3 percent. I do not know whether that, the Member full well knows the operations of the Wheat Board, and he does not necessarily agree with the concept that the Wheat Board is an arm's-length entity from Government and it should not be subject to influence by that. We could use that same application with Crown corporations, that supposedly I could use that with people like my motor transport board who are a quasi-judicial board arm's length from the Government. If it was that easy to go and do something of that nature, I think it would have already been done. It would have been done by the previous administration.

The fact is that if you are going to use that kind of an approach with the Wheat Board, the Member is fully aware that half of the farmers would be up in arms and hue and cry about interference with the Wheat Board. It is for that reason that our main Opposition Party, the Liberals as well as the Conservatives, feel sensitive about going and telling the Wheat Board, you shall. Our conversations with them have been to the point where we would like to have this 3 percent committed somewhere along the line, but as far as being able to take that kind of a position and forcing them to ship 3 percent through there, that is, I think, not being responsible.

**Mr. Cowan:** Indeed, it would be irresponsible if I were to suggest that it was as the result of the third Party

going down to Ottawa that we obtained the type of commitment that we obtained this year. I have been very careful not to do that on any occasion, including today. If the Minister had listened more carefully to my words, or understood them more clearly, he would have understood that I did not say that.

I said it was as the result of a delegation of grass-roots organizations. As the result of a delegation that included Dennis Delaronde, president of the local union at the Port of Churchill and also a representative of the Manitoba Metis Federation in Churchill. It was a delegation that included Mr. John Hromichuk, president of the Churchill Chamber of Commerce. It included Mr. Mark Ingerbrigton, Mayor of Churchill. It included Mr. Charlie Phelps, the president of the Hudson Bay Route Association. It included Mr. Don Figurski, chairperson of the Port of Churchill Development Board. It included Mr. Stan Geddes, the Mayor of Lynn Lake and chairperson of the Northern Manitoba Regional Development Corporation at the time. It included Mr. Ken Collin, Deputy Mayor of Thompson. It included Mr. Terry Hendrickson of The Pas-Port of Churchill Promotion Committee. It included the Leader of the New Democratic Party, Mr. Gary Doer. It included the Highways and Transportation Critic for the New Democratic Party, Mr. John Plohman. It included the future member for the community of Churchill, soon to be included in the constituency of Rupertsland, Mr. Elijah Harper. It included the Member for Thompson and a previous member of the Port of Churchill Development Board, Mr. Steve Ashton, and of course it included Mr. Rod Murphy, MP for the area, and myself.

It was the breadth and the nature of that grass-roots lobby effort that I believe provoked a positive response from the federal Government with respect to announcing that there would be a shipping program. The Minister may be upset with the way in which it was done. He said he was, that it was made at that particular time, but the fact is I do not think it would have been made otherwise. I base that not on just the experience of that particular trip alone last June. I base it on the experience of the year previous when we had similar difficulty in getting any commitment to grain shipments through the Port of Churchill from the federal Government. It was not until the day that we had a grass-roots lobby meeting in this particular building that in that case was organized by the Minister of Highways and Transportation, that we had any indication there would be any ships at all coming to the Port of Churchill last year.

\* (1530)

What that tells me is that when you have two specific instances of where announcements were made on the days the grass-roots lobby efforts were undergoing, or were being undertaken, that grass-roots lobby effort had something to do with those decisions.

I believe it on the basis of the facts before us, the empirical evidence. I also believe it on philosophical grounds. I believe that if you want to bring pressure to bear on a Government which is supposedly responsible to the people that elect it, then you have the people that elect it bring that pressure to bear as

forcibly as they can. Certainly we have a role to play as elected representatives of those people, but I believe that role is strengthened, in particular when in Opposition, when those people are along the side of us and we are alongside of them as equals asking for action to be taken.

Given that it has worked twice in the past and given that we have an uncertain situation as to not only the continuation of this year's season but also next year's season, is the Minister prepared to more forcibly put together a grass-roots lobbying effort that will carry on the work of putting pressure to bear on the federal Government to ensure that Churchill receives its fair share of Canada's grain export shipments on an ongoing basis?

**Mr. Albert Driedger:** Mr. Chairman, I have indicated at many times that I support the concept of having 3 percent of the export grains moved through the Port of Churchill. I have no difficulty with that. If I was a decision-maker I would make that decision, because I feel very proud of Manitoba and very selfish about Manitoba in that respect.

How to go about getting that? The Member says, well, develop a grass-roots—we have gone through this when we had our committee sitting at one stage of the game, you know, how we should develop the kind of pressure that can be brought to bear on the federal Government. The Leader of the Opposition (Mrs. Carstairs) says get up and scream, have the Premier (Mr. Filmon) phone the Prime Minister.

I do not know what more pressure could be applied than having all the Ministers of Highways and Transportation across the country, for example, put pressure on the federal Minister and have him there in the room when we were debating this, getting into a bit of a scuffle almost, not scuffle but into a bit of a tiff in front of the media about this kind of thing. If that is not pressure, then I do not know what pressure is. The idea, and this is possibly where we differ in terms of opinion how we should do this, whether we stand on the corner and scream and yell, and hue and cry type of thing, or where we constantly try and work and negotiate.

How to apply pressure is a matter of concept. There is the public way of doing it or the way that the system basically makes provision for in terms of Minister to Minister, Government to Government, in terms of bringing forward this pressure. You know, I just do not agree with the fact that we should take and round up a trainload of people and go to Ottawa because I feel that would not necessarily be the way to get that kind of response. We will continue to try and get a commitment, if possible a long-term commitment, from the federal Government for the future of Churchill.

Obviously, Mr. Chairman, the previous administration did not get that commitment. I am not indicating I can get that commitment, but most certainly their approach, whatever way it was at that time, was not successful. I am hoping that mine will be, and if not I will face the consequences of that regretfully, very regretfully. I am certainly going to do everything possible before anything

of that nature would happen. I have my way of approaching it, together with my Government and, as I say, the Member well has his ideas how that should be done, but his approach has not been successful either in getting a long-term commitment for the future of Churchill.

**Mr. Cowan:** The whole system is falling down around you. The rail system, the port system is falling down around your ears, and you want to play by Queensberry rules. The fact is that there is a federal Government that shows no commitment at all to the Port of Churchill, to the Hudson Bay line, to the VIA service in the area, to the community of Churchill, or to the North of Manitoba in general, and they show no commitment because they think they can get away with it.

That federal Conservative—and I underscore the word Conservative—Government in Ottawa will do anything that it can believe it will get away with. That is the short and long of it right there. As long as the Minister wants to play the diplomatic channels game and not come out and be forceful in a public manner on the Port of Churchill and the future of the rail line, we are going to end up with the type of results that we have to date.

Let there be no doubt about it because the record is very clear. The two worst seasons, going back for decades with respect to the Port of Churchill, have taken place since this Minister assumed office. That is not something to be proud of. That is something to be ashamed of, and if he is not ashamed of it, then we are ashamed of it for him, quite frankly.

You cannot play in the backrooms and the corridors of power when you are being shafted in the way in which you are being shafted and expect to get results. The results have come about as a result of public pressure, no more, no less, and they will only continue to come about as the results of public pressure.

You are going to have to take the gloves off with your federal counterpart. I realize how difficult that is for you. I realize that they are the same political stripe as you. I realize that you share many philosophical points with them, many philosophical approaches with them. I understand that you feel a duty to protect them.

**An Honourable Member:** Bull.

**Mr. Cowan:** Well, the Minister from his seat says, "bull." Well, then get out and state publicly what it is they are doing to the Port of Churchill and the Hudson Bay rail line and why it can no longer be left alone, why it can no longer be suffered in silence, as the Minister is doing?

He has had to be pushed and prodded and cajoled into every action he has taken. He has shown no initiative of his own with respect to dealing with this problem in a public way. Every public initiative has been generated from around him, not from within his department or his office. He has tried to protect the Minister when he came to town and we wanted to make him publicly accountable. We wanted to have him meet with the committee, the all-Party committee, which the Minister said he struck to have those sorts of meetings,

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and yet he was protected by the Minister from doing so. It was not until we forced our way into a meeting with him that we even got the courtesy of a few words from him. The Minister's approach is not working, and the proof of the pudding is in the figures.

He said that we did very little for the Port of Churchill, that our approach did not work. Well, the fact is we had a five-year agreement. Where is that five-year agreement now? It shows up as a zero, as a nought, as nothing on the Estimates book. Can the Minister indicate what the status of the negotiations for the continuation of that five-year agreement are at the present time?

**Mr. Albert Driedger:** Mr. Chairman, the Member can get vexed and excited all he wants. He gets nervous when I tell him that his record—

**Mr. Cowan:** My record is very clear, very clear.

**Mr. Albert Driedger:** —of the previous administration is not good either. You have no commitment for a long-term future for the Port of Churchill, you have none. Look at the record. The population used to be 7,000 people there and it is down to less than 1,000 and you take a lot of credit for that. Let us not talk about our record versus yours. You like to hang your hat, the Member likes to hang his hat on the fact that we both know that the federal Government is the same Party as ours. He has no idea what my discussions with the federal Minister are.

**Mr. Cowan:** Well, then tell us, that is what I want to hear.

**Mr. Albert Driedger:** Well, I have indicated all the time the position I have put forward. I have put my position forward with Mr. Lawless from CN; I have dealt with Ports Canada; I have dealt with the Wheat Board; I have dealt with Charlie Mayer; I have dealt with Benoit Bouchard, indicating that we want the kind of 3 percent commitment that we wanted. The fact that the Member can sit here and yell and scream about what he has done and what he would do has not brought any better results than what I am doing right now. The fact that we had a drought situation last year, the lobbying, I have indicated, if the Member wants he can back in Hansard and see exactly the discussion we had the other day where I indicated that I think the lobbying of the committee that we had at that time helped bring about at least two ships last year when there was none designated.

**Mr. Cowan:** What about the lobby this year?

**Mr. Albert Driedger:** Well, the lobby this year, if the Member wants to take credit for that, he can take credit for it. I do not care, but if he feels that the fact that he and some people went down there made the difference in terms of the decision-making, when he says the federal Government is not listening to anybody anyway, how do you think that they would be listening to you and your delegation, that that forced that kind of a decision?

Mr. Chairman, we can go around the bush on this one many, many times. I have my commitment to Churchill, which is just as dedicated as yours is. Maybe my approach is different from your, but yours had not produced that many results either.

**Mr. Cowan:** The Minister's approach, his commitment, and his views have resulted in the worst two shipping seasons in the history of the Port of Churchill. That is how effective it has been. The figures do not lie. If he wants to look back at the record, let him look back at the Lyon years and what happened during those years with the Port of Churchill and The Pas from the grain shipments.

\* (1540)

It was not until the 1981 election that we saw those shipments go up again. It was not until the New Democratic Party administration that we saw the long-term commitments start to be put in place with respect to the federal-provincial agreement which now appears to be going nowhere under another Conservative Government. I am not saying that the Minister at the federal level does not listen to anybody. I did not say that at all.

The Minister has not listened to me if that is what he has inferred or taken from my comments. I have said that they only listen to public pressure, that they do not listen to the words that he whispers in the Minister's ears in the back rooms of the Parliament in Ottawa and the back rooms of this Legislature. They listen only to public pressure. The fact that the Minister indicated that last year's lobby effort, which was a public initiative, accomplished something, and the fact that this year we got an announcement on the same day that we had a public lobby very clearly indicates to me that they listen to only one thing. That is what I am asking the Minister to do, to cast aside his own political loyalties and his own political needs to protect his counterparts in Ottawa and put before them, prioritize before them, the future of the Port of Churchill. The specific question to the Minister was, what is the status of the Canada-Manitoba Churchill Agreement?

**Mr. Albert Driedger:** Mr. Chairman, the Member goes on with that tirade about all kinds of things, so I will take the opportunity to answer on it before I answer the question.

I indicated the Member might as well get his head out of the sand as well, in terms of the record. When he talks about what my record is and what his record is for 12 years when he has been the representative for Churchill, no commitment, period, no long-term commitment at all, period.

He talks about public pressure. That is his prerogative in terms of how he wants to apply public pressure. If you feel the federal Minister gives in to public pressure then he would have broken his back with VIA Rail, which obviously he had a tremendous amount of public pressure to, of no avail. The decision was made. If you want to use that approach it is your prerogative, but I think you are naive if you are saying that by standing and yelling with public pressure you are going to make a decision differently.

Obviously the federal Government has shown, and I am not protective of them, that if they want to make a decision they make it regardless of public sentiment or public pressure, which is what has happened in the last little while.

I am not defensive of that either, or my position I have in terms of VIA Rail or with Churchill. I made that commitment. When he wants to talk on the record he puts out his paper, he says look at the record of me as Minister and what they have done in the past. Well, just look at what has happened to your population figures since you got elected in '77. Let us compare that and then tell me you have done a good job for them.

Talking about what the status is of our present situation with the negotiations, I had just indicated before, I did that already the other day, that my staff is negotiating with the federal Minister's staff in terms of looking up what options there are, at which stage of the game we will sit down and see whether we can come up with something that is going to be of a long-lasting nature for the Port of Churchill.

**Mr. Cowan:** If anyone has his or her head in the sand it is the Minister, who has been caught off guard so many times by serious blows to Manitoba's transportation network, including the Port of Churchill, that he has become somewhat wobbly and unstable when the issues are discussed.

Here is a Minister that stands up in the House day after day and says, well, I did not realize they were going to make those sorts of massive cuts, well, I had assurances that we would have consultations before they made those sorts of massive cuts, well, I thought we would have a better shipping season for the Port of Churchill, I did not know, I did not know, my goodness, my goodness, and he wrings his hands.

Well, the fact is that the cuts are going on around him day by day, that the two worst shipping seasons in the history of the Port of Churchill have been while he has been Minister, and he has not done anything to correct that situation.

The fact is he has failed, and failed miserably when it comes to encouraging the more effective use of the Port of Churchill. It is because he is afraid to take on his counterparts in Ottawa, it is because he is afraid to take on the system that has always lobbied long and hard against the Port of Churchill, and it is because he has colleagues in his own caucus who for far too long have been critical, silently critical in some instances, more openly critical in others, of the Port of Churchill and its use.

So the fact is that the Port has suffered under a Conservative Government, suffered under the Conservative Government federally and suffered under the Conservative Government provincially. Earlier the Minister said he was going to involve the all-Party committee that was struck by resolution of this House in determining options for negotiations for the continuation of the Canada-Manitoba Agreement. Why has that involvement not happened? Why has the all-Party committee not met for months now while the

situation has deteriorated under the stewardship of this Minister?

**Mr. Albert Driedger:** Well, Mr. Chairman, let me first of all indicate to the Member that he questions my capability about getting information from CN and from the federal Government.

I will tell you something. The interesting thing is when his colleague, the critic of Highways and Transportation (Mr. Mandrake), made a statement the other day about 10 positions being moved to Edmonton, that was false information he put on the record as well, that there is only one position that is being transferred to Edmonton and six positions are being deleted here but not being transferred.

It is a matter of how you play with these words, and the Member has always, over the years that I have known him, had the knack of doing that.

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

**Mr. Cowan:** No, the item shall not pass just yet. Mr. Chairman, I am asking why has the all-Party committee not met since much earlier in the year, and why has the Minister not kept his promise to the all-Party committee to involve them in reviewing the options for the extension of the Canada-Manitoba Churchill Agreement?

**Mr. Albert Driedger:** Now that we are down to questions, then I will try—

**Mr. Cowan:** They were asked before.

**Mr. Albert Driedger:** After you make a long speech, you ask a question.

**Mr. Cowan:** Well, make an answer, after you make a long speech.

**Mr. Chairman:** Order, please. Order.

**Mr. Albert Driedger:** That is what I am going to do now. Mr. Chairman, the all-Party committee was formed last year when there was grave concern about no grain coming through the Port of Churchill. At that time, there was an all-Party committee with two Members from the NDP, three from the Liberals, and three from the Conservative Party. We met at various occasions. We have, I think, developed a scenario of putting tremendous pressure on. The Member does not have to have that all repeated exactly how we went about that.

We met this year again, earlier on in the year, looking at addressing the concerns of Churchill. At that time a scenario was developed that we should use an approach—we could not get agreement within the committee in terms of how we should deal with this situation. I took the proposal the New Democrats brought forward and we took it back to our caucus. They could not agree with the kind of concept and approach that was being presented.

As a result of that, we did not feel that to get together in the committee and argue if we could not agree. Last

year there was a unified approach in terms of we all wanted one thing, all of us, and that was to get grain through there. We managed to get I think, through the lobby efforts, some grain moved.

This year it would appear, and it appeared at that time we would not have any grain moving through the Port of Churchill either. However, that approach that was being used and was forwarded by the New Democratic Party was such that, in my opinion, I felt the committee could not function properly and achieve what they did last year. It was for that reason that I did not call the committee.

Subsequent to that, we did receive information about a program being developed for the Port of Churchill. That does not mean that the activities, just because the committee has not been meeting, in support of Churchill have not gone on. I have indicated before that we have an interdepartmental committee that is working on a variety of options.

We are looking at changing, as I indicated at that time, the Port of Churchill Development Board. If the Member wants to wave his flag about the accomplishments that they had, it was during their tenure that the Saskatchewan-Alberta Governments withdrew their funding for the Port of Churchill. We went back and tried to get that commitment, thought I had the commitment, did not get it, and subsequent to that have formed the Churchill Development Board—not the Port of Churchill Development Board—which will be funded through Manitoba. We are going to be having Manitoba representatives on there, not representatives from the other two provinces. The reason the committee felt, at this stage of the game, in my view, I feel that we have very little to accomplish other than argue amongst ourselves, and I think that is not a positive thing to be done at this stage of the game.

**Mr. Cowan:** What specific part of the strategic plan for the Port of Churchill 1989 shipping season, which was presented on February 20 of this year to the Minister, did his caucus disagree with?

**Mr. Albert Driedger:** Mr. Chairman, I do not have that agreement in front of me, I have to go back and review it exactly. The Member is well aware of some of the concerns that were raised by my colleagues that were on the committee. They had some concerns about the way the scenario was developed, in terms of the chart which was ultimately going to take and ask for resignations, et cetera, et cetera. These were the things that the Member had on there that raised some concerns.

If you are going to call the committee just to go through the kind of scenario that we are going through here, this is fair, these are the Estimates and we have the room to do that. To call a committee together to go through that same process again, I think would be a waste of time.

**Mr. Cowan:** The strategic plan for the 3 percent commitment for the average annual shipment of Canada's grain export shipments through the Port of

Churchill went as follows, and I would ask the Minister to stop me where he finds disagreement or difficulty with the chart.

The first step was to request a commitment for an average of 3 percent of all Canada's grain export shipments through the Port of Churchill. If we received written or firm public commitment to that 3 percent goal, we would then request specific details in the 1989 shipping plans. If the federal Government refused to commit to 3 percent, we would then request a meeting with the Minister. If the Minister—and that was the Minister responsible for the Wheat Board—agreed, we would then ask for that firm commitment. If we received the firm commitment, we would ask for a specific plan. If we did not, we would then ask for a meeting with the Prime Minister, if the Minister refused to meet with us or refused to provide that commitment. If the First Minister refused to meet with us, we would then enlist the support of all MPs just as had been done here at the provincial level. If the First Minister still refused to meet with us at that time, in other words, they refused to give us a commitment, we would demand the removal of the Wheat Board Minister. Now where did the Minister find fault with that strategic plan?

**Mr. Albert Driedger:** Mr. Chairman, I thought I would outline exactly what I did. At that time when the New Democratic Party came forward with their proposal, I took it back to my colleagues. They viewed it, they said it was not acceptable and left it at that. I have indicated all along that the first portion of that proposal, which was at 3 percent, I have always supported and will continue to support, and I feel justified in supporting it.

We can disagree here for the next four hours, it does not matter really whether we agree or not agree. I have indicated what my position is as Minister responsible, that I feel that I am on the right track in terms of trying to get something of a long-lasting nature for the Port of Churchill. The Member feels differently, that is his prerogative. We can debate that for a long time; I have no difficulty with that. I will defend my position in terms of how I feel about Churchill, that it is my intention to operate together with my Government as best we can to get some kind of a commitment on Churchill, a long-term commitment for grain movement, for the economy of Churchill. The Member can—being the representative I can understand, he can put on the record what he wants. I will debate it with him, as long as he wants to.

**Mr. Cowan:** The Minister indicated earlier that there was optimism for an extended shipping season this year. Can he indicate if he still has that particular optimism?

**Mr. Albert Driedger:** I was distracted momentarily, did the Member indicate whether there was an expanded program for this year yet?

My latest information is that we are still hopeful that there is going to be more vessels coming. I do not have anything definitive except some rumours and some of the rumours actually involved a major big boat among

a few others. I will have to try and get an update in terms of what—it is only rumours I do not have a firm commitment.

The Member has on many occasions, basically because of I suppose his connections with some of the people involved, has had information prior to myself. If he has anything along those lines now, I will very much appreciate hearing whether there is anything further.

\* (1550)

**Mr. Cowan:** The indication I have now is that there is one ship in now, and that there is one ship yet to come on October 16, docking on October 16. That is the end of the shipping season. There is no grain. There will not be enough grain left to carry on with a shipping season after that unless more grain is being shipped up to the community.

I would ask the Minister if he believes that there is going to be, at this point in time, based on rumours or optimism or hopeful expectations, shipments beyond October 16.

**Mr. Albert Driedger:** Mr. Chairman, I am still hopeful that the program will be expanded to have shipment through the Port of Churchill beyond October 16.

**Mr. Cowan:** When would the Minister be able to indicate that that will or will not be the case seeing that we are now six days away from October 16?

**Mr. Albert Driedger:** I do not get any advance notice of the program as it is being developed. Once a commitment has been made, then I think I have not had the information any sooner than anybody else. Usually the people in the system become aware of it as soon as I do. I wish I could be more definitive and say there was another three, four, or five ships coming through there. I cannot say that for sure.

**Mr. Cowan:** In the past, the Government has put together a list of Churchill enhancement initiatives, 48 of them to be exact. I would ask the Minister if he can give us an update as to what is happening with those particular enhancement initiatives, starting with the extension of the current subagreement. I believe the Minister has indicated that some of the current federal obligations, under the agreement, will be continued under a separate program. Can the Minister indicate what program that is, when it is anticipated that those projects will be completed, what projects are included under what program, and what projects of the initial agreement, which now may not have any definitive proposal for extension or completion?

**Mr. Albert Driedger:** Mr. Chairman, the other day I had undertaken and made a commitment to the Members of the committee that my Transportation Director, Mr. Jim Wallace, would be bringing an update forward of all the projects, giving a status report of each one.

Mr. Chairman, I had indicated then that it would come forward, that I would need a few days to have staff do

it. They have a lot of projects that they are working on right now so as soon as we have that, I have made the commitment that I will forward that to both critics.

**Mr. Cowan:** Would that be the commitment the Minister made on October 2?

**Mr. Albert Driedger:** I am not sure which date it was, but at the time—

**Mr. Cowan:** Was it made in the context of the overall discussion?

**Mr. Albert Driedger:** It could well be, Mr. Chairman.

**Mr. Cowan:** The Minister, at that time, said that he would bring that forward in a couple of days.

**Mr. Albert Driedger:** That is right.

**Mr. Cowan:** We are now a week past that date.

**Mr. Albert Driedger:** That is correct.

**Mr. Cowan:** Can the Minister indicate if he is going to have it here before his Estimates are completed?

**Mr. Albert Driedger:** I am not sure, Mr. Chairman, because my Director of Transportation did not have it on my desk today, yet. I have indicated that it was a priority. They are working on it and, hopefully, we can debate the Estimates until I have it. I will try and have staff maybe go and check whether we have an update on that.

**Mr. Cowan:** The second project was the development of a new subsidiary agreement on Churchill. Can the Minister indicate what the status of his department's efforts to develop a totally new subsidiary agreement on Churchill are at the present time?

**Mr. Albert Driedger:** Mr. Chairman, it was my impression that is what we were working on together with the federal Government. That is why my director is working with the federal counterparts, and when they develop various options, at that stage of the game, the Ministers would get together and look at seeing whether they can come up with something, a new agreement, that would be acceptable.

**Mr. Cowan:** When does the Minister anticipate that will be?

**Mr. Albert Driedger:** Mr. Chairman, I had already, earlier, expressed concern about the fact that I thought this process should have been completed by this fall, and it is not. We could not get the federal people to sit down with us until just recently when we made contact with them now again. So the process is in the mix right now. Once we have that developed, I still hope that I will be meeting with the federal Minister before Christmas to discuss some of these things.

**Mr. Cowan:** Why does the Minister think it is taking so long to get the federal Government to the table on this issue?

Tuesday, October 10, 1989

**Mr. Albert Driedger:** Mr. Chairman, I have indicated all along that I have very grave concerns about the commitment of the federal Government toward this, and that is not speaking in defence of them. I am very critical of them in terms of the fact that we do not have the kind of response that I would like to see for the Churchill community; in terms of Ports Canada; in terms of the air terminal; in terms of the rail line rehabilitation; in terms of hopper cars; in terms of an alternate source of transportation, possibly—I am talking about the railbus concept. There are many things that I am not happy with, but I intend to take and pursue these things and hopefully we can get some kind of an understanding.

**Mr. Cowan:** This is just the point. The federal Government constantly kicks sand in the face of Manitoba and in the face of this Minister, quite frankly, when it comes to issues of this sort.

I remember back in early February or March when the Minister was assuring us, and these are his words: we will know if the federal Government is leading us along on this. My staff, who are very competent staff, by the way, and very committed to the enhancement of the use of the Port of Churchill, improvements in the community, he said, have worked with the federal Government for years and years and years, and now know if the federal Government is trying to stall, drag its feet, and manipulate this process by mouthing kind assurances, but doing nothing.

The Minister, at that time, indicated that he had some commitment from the federal Government that there would be a staff committee that would meet and start to deal on all these issues. We would know within a couple of weeks' time if the federal Government was using this as a ploy to stall and to prevent taking any positive action on the Port of Churchill, or whether it was a sincere attempt on the part of the federal Government to come to grips with the problem and to work with the provincial Government to continue the agreement, and to continue with projects that enhance the future of the Port of Churchill. What is the Minister's perception of that process right at present?

**Mr. Albert Driedger:** Mr. Chairman, I am not very happy about it.

**Mr. Cowan:** Does the Minister think that the federal Government has been stalling us on this issue?

**Mr. Albert Driedger:** My suspicions are, yes.

**Mr. Cowan:** What is the Minister going to do about it?

**Mr. Albert Driedger:** Mr. Chairman, I already have. We have made contact and indicated that based on the commitment that the federal Minister made that things should start moving at the present time. I believe we finally got their attention to that effect, but I am not happy about the fact that it has taken this long to do.

**Mr. Cowan:** How did they make the contact? When, and what was the specific response that gives some encouragement to the Minister at the present time?

**Mr. Albert Driedger:** Mr. Chairman, we made contact when we met at the Ministers' Conference in Calgary on the 20th and 21st.

**Mr. Cowan:** At that time, what comments did the federal Minister make that gave encouragement to the provincial Ministers?

**Mr. Albert Driedger:** That meetings would be arranged.

**Mr. Cowan:** Have meetings been arranged?

**Mr. Albert Driedger:** My understanding is, yes.

**Mr. Cowan:** When might those meetings be and who will be involved?

**Mr. Albert Driedger:** Mr. Chairman, I will check the date with my director of transportation. He would be the one who will be heading the Manitoba position, and I do not know how many counterparts the federal Minister will be having at the meetings.

\* (1600)

**Mr. Cowan:** Are these the same meetings that the federal Minister promised us last spring?

**Mr. Albert Driedger:** That is correct.

**Mr. Cowan:** At that time there was one meeting scheduled and others anticipated. How many were held?

**Mr. Albert Driedger:** One initial meeting.

**Mr. Cowan:** I remember the committee meeting well, the all-Party committee meeting, where the Minister indicated that he would come back to us if he thought that there was not going to be any progress early in the year with respect to that process. I have to find fault with him again for not having indicated to anyone until the first time, to my knowledge, this day that there was only one initial meeting held, when at that time we were told there would be at least a couple, and that the process went nowhere and yet he had given a commitment to let us know as soon as possible if he felt that we were being manipulated by the federal Government.

We were being manipulated by the federal Government all along. The Minister did not call the all-Party committee to let them know of that. Whether or not he thought there might be a fight there or not is not of significance in my mind. That all-Party committee had discussions where opinions differed, sometimes strongly, sometimes less strongly. It had discussions where opinions were the same, but it continued to function.

I, quite frankly, thought that it should take a more aggressive role and I have always indicated that right from the day I spoke to the motion on it in the House, but the fact is it was undertaking its action, and the Minister arbitrarily, without consultation, without discussion, cut off the all-Party Committee meetings, held no more meetings because he was afraid of a

fight in the committee. He thought it would not prove useful and kept to himself, kept secret, kept from the committee, kept from Members of the Legislature and kept from the public the information that the federal Government had totally reneged on a commitment which the Minister had indicated publicly would be to the benefit of the Port of Churchill.

Quite frankly, that is the fault we find with the Minister. He should have been out on the front steps if necessary of this building saying the federal Government is reneging on a commitment which I gave you my word would solve some of the problems if pursued effectively and sincerely by the federal Government, and yet he said nothing. Why did he not tell anyone, anyone on the committee, anyone in the public, anyone in the Legislature, that process which he held out hope for at the beginning of the year was turning out to be nothing more than a sham and a manipulation by the federal Government of the all-Party Committee of the Manitoba Legislature on the Port of Churchill?

**Mr. Albert Driedger:** Mr. Chairman, instead of standing on the front of the Legislature steps and yelling and screaming, it was my intention—and feel that it is the best approach to take, to continue the negotiations with them. Walking away from them certainly is not going to help, so we are pursuing the best avenue that we can, which is to try and keep on negotiating with them to see whether we can get a good deal for Churchill.

**Mr. Cowan:** Yet there is nothing definitive. There is not even anything that is of a general nature the Minister can indicate has been negotiated between the federal and the provincial Governments respecting the continuation of the subsidiary agreement on Churchill.

**Mr. Albert Driedger:** Mr. Chairman, I have indicated I will bring forward a report of all the things that are ongoing, the projects, and once I have that information I will bring it forward and the Member can then deal with it as he sees fit.

**Mr. Cowan:** We are talking about a new agreement now, not the continuation of the existing projects. I am talking about the continuation of a subsidiary agreement. Can the Minister confirm, as he indicated earlier, that nothing really has happened with respect to the negotiations? Is there a negotiating mandate that has been agreed to between the two parties? Is there a negotiating protocol that has been agreed to between the two parties? Is there a negotiating process that has been agreed to between the two parties? Have they set up specific dates where specific items would be negotiated? Has any of that come to pass at all?

**Mr. Albert Driedger:** Mr. Chairman, I will repeat again. Earlier on in the year when I indicated that my understanding with the federal Minister was that my staff and his staff would work out a variety of options that would then be presented when I meet with the federal Minister later this fall. That was my impression at the time. That has not happened to the extent that I would have liked to see it have happened. We have pursued it further now. The staff will be meeting with

them and once we get these meetings underway I will be able to have a better indication as to whether there is going to be anything positive coming out of it or not.

**Mr. Cowan:** One of the things the Government wanted to do and listed in February was to gain a commitment from the Wheat Board to provide adequate grain shipments to Churchill. Does the Minister feel he has done that?

**Mr. Albert Driedger:** No.

**Mr. Cowan:** One of the other initiatives was to undertake discussions with Canada to review the fact that the Churchill line-related costs should no longer be charged against grain producers. Have those discussions with Canada been undertaken, and if so what is the result of them?

**Mr. Albert Driedger:** Mr. Chairman, those discussions have been undertaken. I have made that request. I have not received a positive answer to date.

**Mr. Cowan:** One of the things the Government wanted to do was negotiate with CN with respect to the level of rail rates applicable to Churchill line pertaining to resupply activities. That was because some of the resupply operators have had difficulties with the movement of containers by rail, and that has limited the ability of Churchill, and the Port of Churchill specifically, to perform a much larger role as a resupply agent for the territories. Have those negotiations with CN been held and, if so, has there been any result in change with the level rail rates applicable to the Churchill line in that regard?

**Mr. Albert Driedger:** Mr. Chairman, there have been some discussions. I do not have an immediate update on that at the present time. To date, we have not accomplished that.

**Mr. Cowan:** It was suggested that the Government would undertake discussions with the Territories regarding opportunities for increased resupply activities. Have those discussions been held and have we gained increased opportunities for resupply?

**Mr. Albert Driedger:** Mr. Chairman, there have been discussions but we have not gained any additional resupply activities up north.

**Mr. Cowan:** There were also supposed to be discussions with the Territories and the feasibility of contracting out the co-ordination of road and rail shipments to both the air and marine modes which followed from a recommendation of the IBI study. Has there been any progress made on that?

**Mr. Albert Driedger:** Mr. Chairman, I will get an update for the Member on that. If the Member is going through all the items, that is fair. I have indicated that an update is coming on it. I do not have that with me here, but he can go through the items and I can probably have to give him vague answers because I do not have definitive information before me.



**Mr. Cowan:** Well, so far all the answers, except for that last one, have been definitive and they have been that there is no progress made, except with the continuation of some activities under the present agreement.

The Minister indicated that they would have discussions with the Hudson Bay Company to encourage a greater use of Churchill for resupply operations. Have those discussions been held, and have there been any greater use by the Hudson Bay Company as a resupply operation in the port?

**Mr. Albert Driedger:** Mr. Chairman, I will have to get an update for the Member and let him know the status of that.

**Mr. Cowan:** I think the Minister will find that there have not been when he provides that update.

There were going to be discussions held with NTCL regarding expanded services. Does the Minister have any indication as to whether or not NTCL expects to have an expected shipping season for resupply operations this year than it did in previous years?

**Mr. Albert Driedger:** Mr. Chairman, I will get an update of that information and provide it to the Member.

**Mr. Cowan:** Has the Minister had any discussions with Transport Canada regarding the use of Churchill for an eastern sealift?

**Mr. Albert Driedger:** Mr. Chairman, I also on that one will get an update for the Member and provide him that information.

**Mr. Cowan:** That is an easy one. Has the Minister had any discussions or has he directed his staff to have any discussions with Transport Canada in that regard?

**Mr. Albert Driedger:** Mr. Chairman, I have directed staff to have that conversation.

**Mr. Cowan:** Can the Minister indicate if staff have had that discussion and if they have reported back to him as to any progress made in that area?

**Mr. Albert Driedger:** Not yet. Mr. Chairman, staff have not reported to me but I will get an update as to the status, a written report to the committee.

**Mr. Cowan:** 48 of these.

\* (1610)

**Mr. Albert Driedger:** I know.

**Mr. Cowan:** Does the Minister have any progress to report on any of them because I would anticipate, if there was any progress at all the Minister would certainly have in front of him, the detail in front of him? Of the 48 proposals, has the Minister been advised of any positive progress of a definitive nature with respect to any one of them?

**Mr. Albert Driedger:** Mr. Chairman, the reason why I took that question as notice the other day and indicated to Members that I would bring back an update of that was because there is specifically 48 of them involving, for example, establishment of a national park. There are a variety of these things, for example, the rocket range. There are a whole bunch of these that an interdepartmental committee is working on. Some are being worked on outside with the federal Government. I told the Members at that time I would get an update so they had the current information at that time. I do not have it at the top of my head, I am getting that information forward. At that time it was acceptable to the Members of the committee. Today it is not, but that does not change anything. I will still provide that information.

**Mr. Cowan:** What we would like to do is have that information available to us while the Estimates are ongoing. We are very close to the Minister's Salary. It is conceivable that the Estimates could pass today and yet we do not have that information available to us. The Minister indicated, when he took the question as notice, it would be available to us in a couple of days. A couple of days have long since passed by and we are now nearing the end of the Estimates. That is why it is important that we get some answer to these questions, so that we can use this process, which is the most effective use of legislative time with respect to detailed questions like this and the appropriate place to ask such questions, to gain further information from the Minister.

The fact that it is not here again tells me there is not the level of commitment to the future of the Port of Churchill that is required, because I would believe that the Minister would want this debate and this dialogue here to be as forceful and as strong and powerful as possible so that he could use it as a way of leveraging some more commitments from the federal Government, from other parties involved with the Port of Churchill. He could say, look here, this is the pressure I am getting, these are the problems that are being created by the federal Government's lack of commitment, by the Wheat Board's lack of commitment, by the lack of commitment by CN, by the lack of commitment of Ports Canada.

The fact is that his voice alone is not doing the job. He needs help in this area, yet when he has an opportunity to gain that help he sloughs it off to the point where we are not going to have the information available to us today. If we finish the Estimates today we end up in a situation where we have not had a good opportunity to discuss that and aid the Minister in what he says are his efforts to increase use of the Port of Churchill.

**Mr. Albert Driedger:** Mr. Chairman, the Member puts his case well. He is pushing on behalf of Churchill. We can go back to the scenario that we had before where we were sort of argumentative in terms of our views of the whole thing. Be that as it may, I have indicated the undertaking that I will bring that information forward. If I had it I would bring it here today. If we had it here today we would go through the scenario where he could

say, well, why have you not done this and I would say, well, this is where the status is at. It would not change a thing in terms of what you could express your displeasure with. What you are doing now in terms of the things that—because I do not have it here you could express displeasure in some of the items that come forward that are under the 48 items, say, well, I do not like the idea, the Minister has not done his job. I mean, you could make that statement about the whole 48. I will still provide that information. The Member has all kinds of avenues to bring that forward for discussion purposes.

The Member has been in this House for 12 years just—well, not quite, one day less—like I have, and he knows what avenues are open to him for bringing up an issue, whether it is in Question Period, whether it is in debate. He has never been at a loss to find an avenue to discuss these things. Knowing the Member well enough, he would probably bring that in under Northern Affairs and any of the other departments as well. That is his prerogative. Let him not feel that he is being slighted by not having that information immediately in front of him now. I will indicate to him again, as I did to the other Members, that I will bring that information forward.

**Mr. Cowan:** What I am told by the Minister, he indicated to the other Members, was that he would bring that information forward in a couple days. That has not happened, if the assumptions which we dealt with earlier and he agreed to earlier, are correct. He said earlier that the reason the Government and the Liberals as well, speaking on their behalf, had refused to pressure the federal Government to direct the Wheat Board to ship on an annual basis at least 3 percent of Canada's grain export shipments through the Port of Churchill was because, "If they did so half the farmers would be up in arms." Yet a little bit later in an answer to another question, he said: if I were a decision maker with respect to the operations of the Canadian Wheat Board I would make that decision to ship 3 percent of Canada's grain export shipments on an average basis through the Port of Churchill. How does the Minister square those two comments?

**Mr. Albert Driedger:** Mr. Chairman, I do not have a decision-making role in the Wheat Board; I do not have a decision-making role with the Crown corporation of CN; I do not have a decision-making role with Ports Canada; I do not even have a decision-making role with the federal Government, the Minister responsible for those Crown corps; nor do I have a decision-making role over the Wheat Board which Charlie Mayer has.

My position by and large has to be to lobby on behalf of Manitobans and Churchill, and I have been doing that in the most effective way that I know how. The Member might not agree and really it does not matter to me whether he agrees or not because my concern is not the Member for Churchill (Mr. Cowan), my concern is Churchill. He can take and paint whatever scenario he wants, but I am doing it in the way that I, as Minister responsible, think is the best way to do it. The results might not please the Member, they might not please me, but that is the approach that I am using. He had

years of opportunity when they were Government to take and impress and use his approach which has not been that outstanding either.

That is why I indicated before, coming back to the same scenario. I had a real guilt complex for the longest time because of what happened in the last year and five months, until I started looking at the statistics of what happened over the last 20 years, out of which you were in Government for 15 years and the population went this way. I come back to that. I do not have that guilt feeling any more. I am going to do the best I can based on whatever I can do for the port of Churchill and the Churchill community. If the Member agrees with that, that is his prerogative. I do not care. I have a commitment to Churchill and I will do it the best way I know how. If he does not like it—tough. Tough. You had your turn, it did not work out very well, so you take it from there.

**Mr. Cowan:** Well, the Minister's approach is not working. We have been through that before. We have been through the history before and the fact that we do not have a subsidiary agreement now; that we do not even know if all the activities under the previous subsidiary agreement are going to be fulfilled by the federal Government; that there does not seem to be any overall strategic plan for the port of Churchill on the part of this Government; that we have had the worst two shipping seasons in the history of the board under this Minister's tenure. Sure, he should have some sleepless nights. Sure, he should worry about that, because there is nothing in the future that shows that it is going to get any better.

The Minister says he is going to stick by his approach whether it works or not. Well, I will tell him that a more reasonable person would take a look at an approach that has resulted in the results that he has and try to find a better one, because if you cannot produce results, and the Minister cannot, we can go through that full list of 48, and if we find ten percent of those activities where progress has been made I would be surprised. When you cannot produce results then you better figure out what you are doing wrong and try to figure out a better way to do it.

The fact is that the Minister has seen a better way to do it. He just refuses to acknowledge it. I do not know why he refuses to acknowledge it. I do not believe it is out of pride. I do not think he is a prideful person in that way. I do not think pride gets in the way of pragmatism on the part of this Minister. I think that is a good quality that he has. It may be out of stubbornness, and I think at times he is more stubborn than at other times. I do not think that he would let his own personal stubbornness get in the way of the future of the port of Churchill and the community. It is not out of stubbornness.

It may be out of spitefulness, but I do not believe he would have those sorts of motives. As a matter of fact, I know he does not, quite frankly. I ask myself, why does he not change the tactics, because the tactics he has are not producing results. That is why I am so hard on him, not because I want to be hard on him. I happen to like the Minister as an individual. I think

he is probably one of the better people in the Cabinet that sit across from us. I have a lot of respect for his motivations. I have a lot of respect for his desire, in this instance, to make things better, but I have very little respect for what he has accomplished. That is why I am angry. Perhaps that is why he is a bit angry and a bit defensive, because he has not accomplished anything. Time ticks on. The clock goes round and round—two bad shipping seasons in a row with no indication that we have any commitment for a better shipping season next year.

\* (1620)

The Minister and the Member from behind me say that is why we have this problem. Yet, if they looked at the facts, they will see, that there was in fact significant progress made, and yet the worst shipping seasons in the past 20 years have been under Conservative regimes. There is a reason for that. That just did not happen, there is a reason for that.

What we are trying to do, what I am trying to do as MLA for the area, is to encourage the Minister not to repeat history; not to do what was done under the Lyon administration; not to do what has been done to date under his administration; but to turn this situation around and get some forward progress. That is not happening. The specific question to the Minister, and he said, if I were a decision maker, I would make that decision to ship 3 percent of Canada's total grain exports on an annual basis through the Port of Churchill. I do not think I am misquoting him because I took careful note of it when he said it.

If that is what he believes and if he were in a position of power he said he would do that, in spite of the fact that it might, and I want to go back to this later, but I will not do it today. We will probably have another day to do it because I have taken up a lot of the committee's time today, but this is an important issue and I want to turn the floor over to my colleague. If he says he would make that decision if he had the power to do so, why does he not use what influence he has, put it together with the influence of the Opposition, put it together with the influence of grass-roots organizations, and say to the federal Government that they as decision makers should make that decision, and direct the Wheat Board to ship at least an annual 3 percent of Canada's total grain export shipments through the Port of Churchill? If he would do it if he had the power, why will he not stand out there and say let us make the others do it in whatever way we can?

**Mr. Albert Driedger:** Mr. Chairman, first of all, let me indicate to the Member that he should know full well having spent 12 years with me in the House that I am not spiteful and I am not stubborn.

**Mr. Cowan:** Well, that you may be.

**Mr. Albert Driedger:** I might have different views and we can agree to disagree in our views on how this situation has been handled, and we have obviously done that for the last hour and a half. I have no difficulty with that. I have no difficulty with the fact that we disagree.

I would just like to indicate that when he made mention before about not having done anything, in a year and five months we have 48 projects, maybe many of them have not moved on but I would like to indicate, I wonder how many projects you moved on when we look at the record in terms of exactly what initiatives did you come forward with.

**Mr. Cowan:** . . . car, railbus—

**Mr. Albert Driedger:** Railbus, where is the railbus? The railbus was gone before I got into office, Mr. Chairman. I mean we can look at all these things, there is a variety of it, so we are back to the matter of we have a difference of opinion on these things again. Let the Member not say that everything has stopped since that time. It has not.

**Mr. Chairman:** Shall the item pass—the Member for Assiniboia.

**Mr. Mandrake:** Mr. Chairman, according to all the statistics that I have before me, the original committed funds for the Canada-Manitoba Agreement on Churchill was well over a hundred million dollars. I think it was 115 million. I notice here it was shaved to 93 million. Could the Minister provide me with some information on that?

**Mr. Albert Driedger:** Mr. Chairman, I wonder if the Member could clarify his question. I do not quite understand it.

**Mr. Mandrake:** Mr. Chairman, the original committed funds for the Canada-Manitoba Churchill Agreement was well over 100 million. I noticed on here it is now shaved to \$93 million. What was the reason for it?

**Mr. Albert Driedger:** Mr. Chairman, I am not sure. I would have to get that information. The fact is when I had my Director of Transportation here I could give the precise information. I have indicated before I am prepared to get that information.

**Mr. Mandrake:** If the Minister could provide me with that information, what the original funding was, I would appreciate it.

**Mr. Chairman:** Shall the item pass—the Member for Churchill.

**Mr. Cowan:** The subsidiary agreement also included some improvements to the rail line, some experimentation particularly. Can the Minister update us as to what has transpired with the use of cryo-anchors on the Churchill line and if they have any results as of yet on that particular project?

**Mr. Albert Driedger:** Mr. Chairman, I would have to indicate that the experiment which is basically what it was, I believe was successful. The report is supposed to be coming forward, in fact within the month or something like that, but we feel confident that there is a lot of merit to the point where we have actually used some of those on my highways up north, and so

we feel that it is a positive thing. We are experimenting on the highway aspect of it as well, and I think first indications are that the report should be a favorable one, but we do not have it yet.

**Mr. Cowan:** Another major aspect of the Manitoba-Canada Subsidiary Agreement was work to develop greater tourism presence in the Churchill area. Has the Minister done any analysis as to what effect the uncertainty about the continuation of VIA Rail service to that community has had to date and will continue to have, given the fact that the federal Minister has indicated they are going to review that line in a year's time, using the same criteria they have used which has resulted in so many massive cuts to VIA Rail service across the country?

**Mr. Albert Driedger:** Mr. Chairman, the indications from the federal Minister, in his letter to me of just the last few days based on the decision that was made with VIA Rail, there was an indication that they will be reviewing it with the option of having alternate passenger service, dealing with the possibility of an alternate transportation system. I assume it was maybe to talk about the railbus aspect of it again.

Talking about the tourism aspect of it, this was one of the things that we were hoping would supplement some of the lack of income in the community. The one thing that is bothering me a little bit and why we finally established the interdepartmental committee was the fact that we had the Minister of Industry, Trade and Tourism (Mr. Ernst) working on projects, we had the Minister of Natural Resources (Mr. Enns) working on the Parks aspect of it, we had the Minister of Industry, Trade and Tourism working on the rocket range, my department having various things. That is why we were trying to synchronize the activities.

I would like to see, aside from Government, an individual core, that whole thing to some degree that could work in conjunction with the Government departments as well as the initiatives of the Churchill Development Board which we are in the process of establishing now. We are going through the legal hoops at the present times in terms of dissolving the Port of Churchill Development Board which had broader guidelines involving other provinces, to establish precisely that it would be more than just a Port group, that it would be broadened to deal with the total Churchill concept. I would personally like to see and would be working maybe to be making that recommendation to have a key individual who would take and co-ordinate those activities, because we have other interests involved.

We have had the occasion during the course of the summer to meet with the Count and the Ambassador for Belgium on a few occasions who have expressed interest in maybe developing a two-way traffic through the area. Their perspective was to try and see whether they could access the American market, the southwestern American market through Manitoba, through the Port of Churchill.

We are looking at the possibility of accessing the European Common Market through Belgium, which is

sort of the gateway into the European Common Market. In my view I need somebody who would synchronize all these activities, also who would help play a role in terms of the—by packaging this whole thing would help to lay our case before the federal Government in such a way that we feel we can deal with a lot more strength.

**Mr. Cowan:** The Minister indicated in the House the other day that he felt some comfort in the fact that his and his Government's aggressive lobbying with the federal Government had saved the Churchill-to-Winnipeg or Winnipeg-to-Churchill run. Does the Minister still feel that pride in those accomplishments?

\* (1630)

**Mr. Albert Driedger:** Mr. Chairman, I do not know whether it is a matter of pride or not, but I know I have made reference about the Churchill line in my correspondence with them, and the federal Minister has corresponded, addressing my concern in his correspondence, saying that decisions were made and that the northern routes would not be affected.

**Mr. Cowan:** Would the Minister be prepared to table that correspondence?

**Mr. Albert Driedger:** Mr. Chairman, I will be prepared to table that in the House tomorrow.

**Mr. Cowan:** How does the Minister square the fact that previous to the announcement we had a commitment from Minister Bouchard that the line would be protected until 1999 and, following the announcement, we had no assurance that line would be protected past the next year?

**Mr. Albert Driedger:** Mr. Chairman, I will try and get—what I am trying to get is a clarification from the federal Minister on that, based on the decision that I just received, basically, today, the special report of the decision. We are assessing that and, based on that, we want to ask for clarification, exactly the decisions or the statements that were made previously, and based on the decision now. I hope that we have the assurance in my mind that we will continue to have service provided for northern communities as we had until now. I would hope that we have an increase, or expanded service, in terms of equipment. Of course, there is an allusion to having upgraded equipment by the year 1992. I would hope that would include areas like the northern routes.

**Mr. Cowan:** But the fact is that up until this announcement we had a firm commitment to the protection of the Winnipeg to Churchill run, and one would anticipate that it was the protection in substantively the form in which it now exists, until the year 1999. Now we have no more protection, other than an indication that during the course of the next year one will consider different modes of access to otherwise inaccessible communities that could result in the elimination of the VIA service. Does the Minister not think that the federal Government has reneged on that commitment, or at least, at the very least, has set the stage for reneging on that commitment, to protect

that service until 1999? Railbus service is not the same as VIA. Certainly there should be railbus service on that line, but it should be in addition to the existing VIA service, and the existing VIA service now does not fill the entire need. It does not particularly fill the need during the tourism season, but it certainly at other times of the year does not fill the need for some of the more inaccessible communities along the Hudson Bay line.

So what we have is a federal Government that is setting us up for another fall, and that fall is the elimination or substantive change in the way which VIA Rail service is provided to Churchill and the communities along the Hudson Bay line. Does the Minister not read that from the announcement that he has just received?

**Mr. Albert Driedger:** Mr. Chairman, I already have indicated my concern and will be asking for a clarification based on the commitment that was there and, based on this decision, I want a clarification on that. As I indicated, with the exciting morning that I have had, I got the correspondence, I have not even gone through all the details of it. I would like to get a better interpretation of it and will then look for a clarification in terms of exactly what the intent of the decision is.

**Mr. Cowan:** Would the Minister table that correspondence tomorrow and perhaps we can help review it?

**Mr. Albert Driedger:** Mr. Chairman, I indicated before that I have the letter from the federal Minister which I am prepared to table. Basically, I have the report that I think everybody has access to at this stage of the game. I do not think the Member necessarily wants to have that report but what I am going to do is table the letter that I received and indicated I would do that tomorrow.

**Mr. Cowan:** I understood that commitment to include previous correspondence as well, previous correspondence to the decision, or the announcement the other day where the Minister indicated that he had lobbied on behalf of the line.

**Mr. Albert Driedger:** Mr. Chairman, I have, with the exception of this letter that I received today, tabled all the correspondence in the House already for a period of time.

**Mr. Mandrake:** Just one comment, Mr. Chairman. During the Estimates I had asked the Minister about the Churchill line. At that time he indicated to me that he was not quite sure whether or not it was going to be protected.

So let us not have it on record saying that he did some lobbying on behalf of Churchill, because if my memory serves me right I specifically asked him, is your line going to be protected from Winnipeg to Churchill, The Pas to Churchill, or from Thompson to Churchill? At that time he said, I am not sure. So I just wanted that on record. With that, I have no more comments.

**Mr. Cowan:** Well, I seem to recall, and I would have to go back to look at the exact wording, the Minister

in the House indicated previously that he did have a commitment, and I do not know that may or may not be the case.

I can tell Members of the committee that I sat in the same room with Benoit Bouchard and he said, when asked the question as to the continuation of the service and the rail line, that line and that service is protected until 1999.

There was definitely a commitment which may or may not have been gained or may or may not have been repeated by the provincial Minister from the federal Minister, with respect to the continuation and protection of that line.

That is what has been reneged upon as far as I can read the documentation which was available to us last week, which said we are now going to review the continuation of that line within the context of whether or not accessibility to the area, to remote communities, can be accommodated in other ways.

It had no reference to continuation of tourism operations, no reference to the economic impact on the community, no reference to the continuation of any particular level of service other than that which would provide for basic accessibility, a very, very concerning and troubling statement on the part of the federal Minister who, previously to date, had indicated there was a firm commitment until 1999.

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

Resolution No. 79: BE IT RESOLVED that there be granted to Her Majesty a sum not exceeding \$112,926,200 for Highways and Transportation, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1990—pass.

The last item that we will consider for the Estimates of the Department of Highways and Transportation is, item 1. Administration and Finance, (a) Minister's Salary, \$10,300.00. Shall the item pass—the Member for Assiniboia.

**Mr. Mandrake:** Yes, thank you very much, Mr. Chairman. I presume under this we have some latitude to discuss things. Unfortunately, we are pressed for time. I will be fast. I would prefer the Minister to take it on record and supply me with the information afterwards, okay?

PR 405 between Lorette and Ile des Chenes, I have been getting calls from the school district, R.M. of Tache and Ritchot. Would the Minister provide this committee some assurance, that in his next year's capital budgets for roads that he would look at this PR?

\* (1640)

The taxicab industry, Mr. Chairman, we have had a study done by Jody Gilmore. We have not received a copy of that study. I would appreciate it very much if the Minister could provide me with a brochure of that study.

Now, during Estimates I had asked the Minister about the amount of insurance for 12-man vans. He did not

answer me. He said it is going to be the same criteria as for taxis. What would that be then, please?

On the taxicab, what I would like to know is the composition of the Taxicab Board, which he has provided me, and I really do appreciate it. The only question being is that you have two members, Michael and Surinder. Those two people, what qualifications do they have to sit on that board? Have they ever run a taxi, have they operated a taxi, what kind of qualifications must they have to be on that board?

**Mr. Albert Driedger:** Mr. Chairman, I thought the Member was going to put all his questions and concerns on, and then I am going to make sure, just so they do not forget any of them, I am going to have a copy of Hansard first thing tomorrow, and then we will take and address them in writing to the Member.

**Mr. Mandrake:** Okay. In your Air Brake Manual, and in perusing through it, I find beautiful illustrations, and it says here, as shown in red—which it is—but it also says, application air, shown in blue. It is not, somebody goofed. Now I can go on through various pages—

**Mr. Albert Driedger:** Which report is that?

**Mr. Mandrake:** That is your air brake manual.

Mr. Chairman, I have received a call from a John Evans and he has been phoning the registration branch and asking them not to send him a duplicate copy for his vehicle registration. He is still getting it. The gentleman's name is John Evans, licence is 801 BBX. If he does not want it, why do we send it out? It does not make any sense to me.

The new schedule for driver and vehicle licensing was reduced from three o'clock to two o'clock. Why in the rural area, particularly in Brandon?

The other thing, Mr. Chairman, I appreciate that this does not fall underneath the Minister's jurisdiction, but it probably could go under Urban Affairs. This little access into the Legislative Building whereby we have all that congregation of vehicles, could we not put some kind of a light infrastructure there before we lose somebody in an accident? That has got to be the deadliest corner I have ever seen in my life. I would plead to this Minister to speak to the people in Urban Affairs and maybe do something with the city, in conjunction with them, to meet that problem because I would not want to see anybody, particularly pedestrians.

With that, I have one question and the Member for Inkster (Mr. Lamoureux) wants to ask a question. The other question, Mr. Minister, I asked you last year whether or not you would consider talking to the appropriate Ministers for funding so that the Moose Lake-Goulds Point Recreational Association could do a comprehensive feasibility study as to the Goulds Point. I have yet to receive a reply. Could you possibly provide me with that, please? I will turn it over to the Member for Inkster.

**Mr. Kevin Lamoureux (Inkster):** Mr. Chairman, I would like to ask the Minister in regard to the Touche Report,

and the recommendation to increase the taxi fleet here in the City of Winnipeg. In the past, taxis have provided services to hotels, they have also offered services as couriers. In fact, in 1985 the number of trips ranged in approximately 1.5 million to 1987 where trips were 1.2 million. Plates sold for a high in 1985 of \$60,000 and today sell for in and around the \$40,000 to \$50,000 mark. I am wondering if the Minister will give the Government's position on the numbers of taxis, and does he believe, or is he of the opinion that the number of plates should be increased in the City of Winnipeg?

**Mr. Albert Driedger:** Mr. Chairman, the Member is probably aware of the fact—he made reference to the Touche Ross Report which came forward which was considered a controversial report by the taxicab industry. Subsequent to a variety of meetings that were held, we made a commitment to have public hearings where everybody, including the taxi industry, could have input into it. Those hearings were held and have been concluded. I am awaiting the report from the chairman of the Taxicab Board in terms of his conclusions of those hearings and the recommendations that will come forward.

Once I have that report, at that stage of the game the Government will have to look at the recommendations and see which ones they want to implement. That is the process that we are at. I expect that report possibly certainly by the end of November, at which time we will be dealing with that.

The taxicab industry is well aware of the process that has been gone through and they, aside from what happened today, are awaiting some kind of recommendations to come forward.

**Mr. Lamoureux:** I would anticipate that the Minister would be hearing from the owners/drivers of the units so that they will get some on-hand or first-hand feeling in terms of what type of salary they are making. I think an argument can be made that with the surplus of plates that in fact the consumer would not necessarily benefit in terms of a cheaper fare, because after all the fixed costs remain the same. The other question that I did want to get on the record was the Minister, the Member for Assiniboia (Mr. Mandrake), asked the Minister regarding the size of the board. Can the Minister confirm if it is five, and if it is five how many are actually filled at this time?

**Mr. Albert Driedger:** Mr. Chairman, I just have three listed but I was under the impression that we had more people than that. I will check that information. I thought there were four people on there.

**Mr. Lamoureux:** From what I understand, you have the city councillor, you also have the chief of police, or a representative of the police force, then you have three appointees from yourself.

I would ask which appointments, or on what criteria, as the Member for Assiniboia (Mr. Mandrake) tried to get across, on what criteria did you select those three members that are representing the Government?

**Mr. Albert Driedger:** The three that are within my jurisdiction are the ones that are listed here. The city

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representative and the member of the Police Commission, who are also on the board, are not listed. The sheet that I presented to the Members here are the ones that are listed; Don Norquay, being the acting chairman of the board; Mr. Michael Hill, who is appointed by myself—Mr. Hill I think was a representative or was involved with the Chamber of Commerce; and Surinder Sanan who is also an appointment of this Minister. Those are the three that basically I appoint. The city has their own representative. The Police Commission has their own. These appointments were basically recommended to me in discussion with the City of Winnipeg people as well as the taxicab industry.

**Mr. Lamoureux:** Maybe the Minister can take this question as notice. I am still interested in terms of his criteria for the selection of those board members. I also would ask him why he would not include a taxi driver or owner or someone from the Consumers Association, or ideally maybe one from each. I will leave it at that so someone else can ask a question before five o'clock.

**Mr. Albert Driedger:** I will take it as notice.

**Mr. Bob Rose (St. Vital):** I would like to know specifically from the Minister, the paper that I have in front of me says board members. Are these all these positions here, are these the appointments by the Government, or are they indeed the board? The Taxicab Board consists of five people. There is a listing of three here. I would like to know from the Minister, if I could, if there are vacancies at present on the board and if so, how long have those vacancies been in existence?

**Mr. Albert Driedger:** Mr. Chairman, under the Highway Traffic Board, the Chairman, by and large, dictates whether there are three members of the board sitting, or five, depending on the issue, and where the location because the Chairman has the prerogative of saying, well, three members will go to Flin Flon or The Pas, whatever the case may be, to deal with an issue. These are the members of the board. I am talking the Highway Traffic Board. Under the Motor Transport . . .

**Mr. Rose:** I am talking about the Taxicab Board.

**Mr. Albert Driedger:** Oh, the Taxicab Board, is that where the Member is asking if there is a vacancy?

**Mr. Rose:** The Taxicab Board is mandated to have five members. There are three listed here. The Minister has said that the three listings are those who are appointed. What I am asking the Minister is, are there vacancies and, if so, how long have those vacancies been on the Taxicab Board?

**Mr. Albert Driedger:** Mr. Chairman, my understanding is there is no vacancy. I think by the composition of the Taxicab Board there is an automatic provision for the city to appoint one, for the Police Commission to appoint one, and that would make it five. That is why we do not have them listed here. I would have like to see them listed anyway.

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

## SUPPLY—AGRICULTURE

**The Acting Chairman (Mr. Darren Praznik):** Committee, come to order. We will now consider item 1.(a) Minister's Salary, \$20,600—the Member for Fort Garry.

**Mr. Laurie Evans (Fort Garry):** Mr. Acting Chairman, I am not sure that item 11 and item 12 were actually passed according to the minutes. I believe the last one that was passed was the Education Tax Reduction Program. I think the last minute in Hansard, on Thursday there, Glen, does not indicate that.

**The Acting Chairman (Mr. Praznik):** If the Member for Fort Garry will give the Chair a moment or two, we seem to have a different recollection on the part of the Chair's book and the record of the Clerk.

**An Honourable Member:** Page 1649 of Hansard.

**The Acting Chairman (Mr. Praznik):** It has been pointed out to me by the Clerk that in the Votes and Proceedings of this committee it indicates the resolution has been passed under that particular item, so we now continue on with item 1.(a) Minister's Salary. Shall the item pass—the Member for Fort Garry.

\* (1430)

**Mr. Laurie Evans:** I have just a very short question on this, Mr. Acting Chairperson, and it relates specifically to the recent announcement on the feed grain subsidy. Has the Minister had opportunity to review this and is he in fact any closer to including the hog producers in this than he was last week at more or less the same time?

**Hon. Glen Findlay (Minister of Agriculture):** Mr. Acting Chairman, at that time I had indicated I had concern about the possibilities of the end of the line and countervail calculations. I guess I have to say that concern still is with me. Also I indicated that I wanted to see whether the pork industry could come up with the trust fund they had proposed in regard to minimizing the market impact of the countervail, particularly on the downstream products that were being exported. There have been cross-Canada meetings over the past 10 days with the various pork boards and the Canadian Pork Council attempting to come to a resolution.

I am not aware at this point in time if they have been able to come to a resolution, and if all of those things get sort of taken care of, we know what is coming down the road. I am prepared to go back and look at the idea of including the pork industry in this program because clearly there is no question that we would like to keep everybody equal as much as we can.

The other question with regard as to how we are going to handle the American situation, that I would like to see resolved beforehand. I guess the only other

direction to go would be to get Saskatchewan and Alberta to back off their program in the pork industry because clearly what they are doing in those two provinces is going to be added to the countervailing there. There is almost no doubt about it the way the American attitude is now.

**Mr. Laurie Evans:** Mr. Acting Chairperson, it is not my intent to prolong the Estimates today, having indicated on Thursday that I was prepared to pass them at that time. I think the Minister is aware of the major concerns that I have in the way in which he has operated his department this past year. I just wanted to repeat very briefly that the major concerns I have relate to what I feel is the unfair offloading of federal expenditures onto the province and this relates primarily to the agreement by the province to share in the drought program, which I think was one that was unfair. I feel that the Minister was essentially subjected to an element of blackmail on that particular issue.

I will wait to see what the final negotiation is on crop insurance. I believe the Minister has indicated that the negotiations are ongoing and I would hope that the Minister would do his utmost to try and keep the provincial share of that to what he feels is the minimum that he can—I guess to use slang terminology—get away with in this one, because I do feel that the long-term benefits in crop insurance will depend to some extent, at least on the share that the federal government takes on. I think that it is important if we are going to have equality across the provinces that the federal Government take a very major share of that.

In conclusion, Mr. Acting Chairperson, I note in the paper today that two additional Maritime provinces have signed what I assume are, if not exactly the same, but similar to ERDA programs in support of agriculture. One of them, the federal Government, is picking up 60 percent; and in the other case, I believe it is over 50 percent. I do not recall the exact figure, but it is more than 50 percent of the total cost.

So I would hope that the Minister would take these examples as support when he is further negotiating with the federal Government on ERDAs, or the replacement of ERDAs, to do his utmost to make sure that the federal Government adheres to something at least approaching the 60-40 split which was the one that was in place with the ERDAs that were finalized as of March 31 of this year. Thank you, Mr. Acting Chairperson.

**Mr. Findlay:** I would just briefly comment to the Member and thank him for sort of putting those issues back up on top again, because, yes, we have talked about them. With regard to the federal Government's offloading costs onto the province, it is certainly a very serious issue. We attempted, as he well knows, to battle on the drought program right down to we were the last ones left and really had no choice in terms of getting the money to flow into rural Manitoba.

The crop insurance question, I guess the cost-sharing thing as I would say at this point in time is as I have indicated in previous comments, that no provinces objected to the 25-25-50 split that has been talked

about, but right now I would have to say that our position is going to be to get the maximum federal contribution and to have it the same in all provinces. There cannot be one province that has a different deal than another province, because we need equality province by province across the country. I do not think that we can argue that we should have a better deal than Saskatchewan and Alberta, as maybe the Member from Interlake (Mr. Uruski) might think we should, but I want to see us have an equal program in terms of contribution.

I think it is fair to say that in crop insurance we have pretty well the best program that exists in Canada right now. We have a lot of new initiatives that other provinces are just getting started up on, but the idea, if the federal Government does come down and says to us, we will just fund a barebones program with none of the options like hail spot loss, or coverage adjustments, or any of those options, then we would not have a program to satisfy our farmers. So then we would get into a tough negotiation as to what aspects of the program the farmers want and what level of funding we can get from the federal level. So I would have a feeling that discussion is not going to be resolved very quickly, because different provinces have different points of view of what is an adequate program for their province.

With regard to the ERDAs, yes, it is imperative that research be improved and accelerated in agriculture, and ERDAs were an important part of doing that, not only in the concept of research, but in the concept of transmitting research information out to the farm level. I think the Agri-Food projects did a real good job in that respect, and because of the success there, it is certainly our intention that we will continue to have them jointly funded provincially, and if we can get a 60-40, that would be great and that is what we are going for.

**Mr. Bill Uruski (Interlake):** Mr. Acting Chairman, I want to raise a few specific questions yet of the Minister on the feed grains announcement that he made with respect to the cattle and sheep industry. He made the announcement as to the level of payment to those industries. Can he advise Members in this House how the program in fact will work, who will be eligible, and how the calculations and the record keeping will be made?

**Mr. Findlay:** Mr. Acting Chairman, I think we will just talk primarily about the beef industry, that is the largest element. The basic administration will be done through tripartite, because all the figures on animals fed and animals sold are going to be travelling through that office. I think there is an opportunity there to minimize the amount of administration that is necessary to determine who qualifies and for what number of animals. For a farmer who is not enrolled in tripartite it will then have to be by application, and the payment will be made only on slaughter animals, in other words, the animal that is taken through to slaughter, and of course it is a slaughter animal that was fed in the province.

\* (1440)

With regard to what level of payment will occur per animal, we have indicated \$9 per ton, but the



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department is going to discuss with the sheep association and the cattle people what would be appropriate factor of number of tons of feed to finish an animal. The department in its own calculations has a figure of 1.59 tons per animal. Feed grains are used to finish a mature steer. I think Saskatchewan uses a figure of about 1.6 or 1.63, something like that, but we are going to go out and negotiate with the cattle people and with the sheep people to see that the figures the department uses in conversion are acceptable, but basically it will be roughly 1.6 tons per animal paid at the rate of \$9 per ton, so it will work out to a benefit to the cattle industry of \$14-\$15 per ton.

**Mr. Uruski:** Mr. Acting Chairman, can the Minister indicate when the payments would be made? Is it a quarterly payment, is it an annual, semi-annual, how will the funding be made?

**Mr. Findlay:** Because tripartite calculations are basically done, payments are made on a quarterly basis, we think it would be appropriate to do it on a quarterly basis. Again that administrative detail is still subject to change, but a quarterly basis we would think would be the most appropriate way.

**Mr. Uruski:** Mr. Acting Chairman, who will be eligible to receive those payments?

**Mr. Findlay:** As I said earlier, it would be animals finished in the Province of Manitoba through to slaughter weight. It could be sold direct to a packer or through an auction mart for slaughter. If it is sold for slaughter then it qualifies for the payment.

**Mr. Uruski:** Mr. Acting Chairman, am I understanding correctly that anyone who markets slaughter animals will be eligible for the payment? Is that correct?

**Mr. Findlay:** Any animals that are fed in Manitoba will qualify for the payment.

**Mr. Uruski:** Well, Mr. Acting Chairman, let me put a situation to the Honourable Minister. If I happen to be in the cattle buying business and I purchase animals and I may feed them, as has been the case, very little or several weeks or maybe a month but I do sell them as finished animals, would I then, as the marketer of those animals which will be slaughtered in Manitoba, be eligible for the subsidy?

**Mr. Findlay:** I would assume that the Member is getting at livestock dealers as opposed to farmers, and it is our desire that the animals be owned for 60 days prior to sale. In other words, that should weed out the person who is in and out of cattle on a daily basis, buying and selling. There certainly could be a potential difficulty with dealers but we feel that 60-day ownership of those animals and if there is a problem in that area, we may have to go to being sure that the producer of record at the final sale is the person that owned those animals for a period of time, but I say 60 days is what we are looking at right now. We think that will weed that problem out. We do not want to be paying the benefit twice on the same animals. That is a criteria that the

administrative staff have been given that they must sort out, a method to prevent that from happening. We want it to go to the true bona fide person who fed those animals.

**Mr. Uruski:** Well, Mr. Acting Chairman, I am aware that the Provincial Auditor is in fact looking at cases under the Beef Commission and verifying, or attempting to verify audits and records. I want to tell the Minister, I know from my knowledge going back now almost two years, that the verification of records is a very difficult process. The Minister will have, no doubt, difficulty in verification as to length of ownership and the like. Records will be produced, there is no problem producing the records. Whether or not the records that are produced and what has actually occurred is the same thing is another question.

I want to tell the Minister that he should look very carefully at the process of verification because I am well aware of instances where when the Beef Commission allowed farmer to farmer live sales that whole question of record keeping and verification was one that was very difficult to maintain. In fact there is no doubt in my mind that there will be instances, although very difficult to prove, but there are I am sure many instances in which the commission ultimately paid subsidies on the same animal more than once. No doubt in my mind. The question is the actual proof of being able to determine that animal did get two payments and that is the difficulty in this whole process.

I want to urge the Minister that whatever system he puts into place that there is at least either enough length of time, the record keeping is one that I think will always be accommodated by those who wish to use the system. You either have to make a decision that the buyers of cattle are ineligible or you put in a system in which the length of time that those animals are in place are of such a period of time that the facilities that are there cannot accommodate that system. I would hope that the Minister looks at that very seriously.

**Mr. Findlay:** I can assure the Member, Mr. Acting Chairman, that the staff have been charged with the responsibility of doing the very best they can to minimize the negative things that might happen in that program, and also remind them that in the process of running this program there will be some use of inspectors who are presently employed by the tripartite unit, will be spot checking obviously those people who we might think should be spot checked to try to keep some fairness and honesty in the process of running the program.

The program has been well-intentioned and has been well-received by the cattle industry and we want it to be going to their people that dutifully should be receiving that help. We hope that it stimulates the industry to the point of getting us back to finishing more cattle but he can rest assured that we will take his comments in the process of looking at ways and means of setting up a program that will reduce the abuse if not eliminate it.

**Mr. Uruski:** Mr. Acting Chairman, can the Minister indicate—and one way of eliminating the most difficult

problems is to eliminate basically the cattle buyers—whether that at the present time is a consideration in order to try and minimize the difficulties that may occur for feedlot operators and others who legitimately are in the finishing business in this province?

**Mr. Findlay:** Yes, I can tell the Member, Mr. Acting Chairman, that we have had a discussion with staff and that consideration is very definitely on the books and is being looked at.

**Mr. Uruski:** I want to make a few comments with respect to the Estimates before us, Mr. Acting Chairman, I have raised a number of concerns to the Minister. I will repeat some of them and show that there is concern in the farm community over a number of issues, some of which are not directly under the jurisdiction of this Minister of Agriculture (Mr. Findlay) but clearly issues that have been relatively down played by this Minister because they happen to have been put into place by his colleagues in Ottawa.

Mr. Acting Chairman, the whole question of offloading that has been touched on by the Liberal Agricultural Critic on Ottawa—the Minister here of course was assuring everyone a number of months ago that clearly the question of federal drought payments is a national responsibility and should be so. He was blackmailed into cost sharing that program and, lo and behold, what is occurring? He may, as he did today, protest that staff are helping farmers and maybe in some areas they are. I can tell him that—and I do not blame the staff because the Minister is—

**An Honourable Member:** Oh, I think you are.

**Mr. Uruski:** No, Mr. Acting Chairman, to the Minister of Northern Affairs, it was the Minister's own pronouncements that said, look, it is their program, it is their delivery, it is their responsibility, because we had nothing to do with it, and quite frankly I do not blame the field staff.

Now that we are contributing upwards of \$30 million to this program there are a large number of concerns as to how the actual maps were drawn, because there are townships where on the border of the township, one township there is no payment, right across the road there is the payment of—and I will tell him the questions that I raised about the R.M. of Bifrost, across the road the payment of \$17 an acre. Now, clearly that is a difficulty to those producers who are directly across the road looking over at their neighbours who got \$17 an acre and themselves sitting there receiving no assistance in the next township.

\* (1450)

There are difficulties with the program, and the municipal secretary-treasurers and those in the area who are charged with handling the appeals really cannot provide explanations and assistance in terms of how the federal Government arrived at its decisions, because they were not part and parcel of it. Even your staff, I have to say, were not part and parcel of it and that is the dilemma. So staff have in fact stayed away and

said, look, here is how you go about it. They provided the assistance of saying, here is how you go about, but sitting down with producers and saying, all right, here is what information we have, here is how we would analyze it, here is what we would tell you to do and how to put it forward, that really has not happened. Maybe it is now by virtue of his pronouncements. I appreciate that but clearly as of the latter part of last week in my discussions with several municipal areas that in fact was the case.

Mr. Acting Chairman, more than anything I think this Minister in terms of the politics of agriculture in this province and in this country, he will have to learn that notwithstanding one's colleagues they will lead you, and in this case they are leading you very quickly down the garden path to some very serious concerns and some very, very serious consequences for the farm community in this province. To basically sit quiet and not speak out on behalf of the farm community, for example, on the Cash Advance Program—

**An Honourable Member:** Oh, come on.

**Mr. Uruski:** Mr. Acting Chairman, the Minister says, oh, come on.

The Cash Advance Program was announced at the end April. It was not until September that this Minister sent a letter to his colleague saying, hey, there is no cash advance program. Put something into place.

That is May, June, July, August, four months after the budget took place. Unless there is previous correspondence, and the Minister will tell me, yes, we did, here is the correspondence that we put on record on this, but there were no additional measures announced and raised with the federal Government. The whole question dealing with, as I said, the offloading, the federal/provincial agreements, the Member for Fort Garry (Mr. Laurie Evans) talked about additional agreements being signed.

It appears for some reason Manitoba is being singled out by their colleagues, whether it is the Meech Lake Accord, whatever the situation is, by their colleagues in Ottawa for the holding out on funding measures that really would put Manitoba, at least, on a par with other provinces.

Saskatchewan had a sewer and water agreement, this is probably the third year now. We have yet to sign a sewer and water agreement. We were told in '88, just get out of our way, we will show you how to deal with Ottawa, and we will put that into place. There has yet to be a sewer and water agreement for the rural areas.

One of the major communities that has been hurt by the federal cutbacks, namely the community of Portage, requires a massive infusion of funds just to maintain their system or bring it into being, into place, for that community, because it is basically in a state of repair because the community decided to put in a system that does not work, and now the rest of society and the rest of the province is basically having to put that right.

Mr. Acting Chairman, the other area—and clearly the Minister has to take responsibility, there is a lack of

leadership on his part in the whole area of what I would call the sensitive and humane treatment of farm families in the question of the debt review process.

There is no doubt the changes in the board that have been made by his Government—the board became a very political instrument on behalf of the Government, in comparison to the board that was in place prior, because when we brought in the board, when the Act was brought in, we consulted with all political Parties and put into place a board that crossed all political lines.

There were Members from all political Parties on that board. The original board was removed and replaced with no consultation of previous political Parties, or other political Parties in this House, and basically became, as I would say, a Government operated board, a Conservative board, because it is a Conservative Government in the province.

That change, as well, brought into being an attitude change on behalf of the board. It is coming clearer and clearer that the board is becoming an advocate on behalf of the lending institutions involved.

Notwithstanding the Minister's protestations that the board is going all out, he will find, as the months go on, more and more farm families who are not only disillusioned but very, very disheartened by the process that they have been put in through the mediation process. Mr. Acting Chairman, that will become very much an albatross around the Minister's neck with respect to the mediation process.

The Minister provided very little leadership in the whole question, or is providing very little leadership in the whole question of the federal goods and services tax. I mean, there has been virtually no analysis done by his branch, at least that his colleague, the Minister of Finance (Mr. Manness), put forward in the brief to his fellow counterparts. It does mention that the farm community, that it will impact on them by—I am going to quote from it, because I circled the areas, "Farmers will experience accounting and cash-flow problems under the present proposal." Surely the provincial Government and the Minister of Agriculture could have calculated the amount of money that farmers will be paying on the basis of all their input costs that they will require year in and year out. The whole question of rebates is a major problem in terms of the cash flow that he mentioned—he mentioned the words "cash flow." Farmers all over this province are raising concerns as to how they will be impacted by this tax, but yet his Government is committed—rather than looking at alternatives to this tax—to a system of in fact a tax, a consumptive tax, as outlined by his Minister of Finance.

\* (1500)

Mr. Acting Chairman, it places the farm community in a very vulnerable position and the Minister of Agriculture in this province has said very little, and done very little, in terms of determining the impact of this tax on the farm community.

So, Mr. Acting Chairman, the budget, as we have here in place, is virtually a stand-pat budget. It does

not change anything that has occurred over the last number of years. The reduction is \$20 million over last year, and the \$20 million basically takes into account the participation in the drought program. What is not included in this budget, which will ultimately reflect in future budgets to the detriment of the farm community, is what the farmers of this province will be faced with. We will see the farm community having to pick up, in future years, the \$30 million that he has now committed himself to, and it is not accounted for anywhere that the province has to take charge of. If it is going to be paid over a number of years, if there is another disaster, who is going to pick it up? Who is going to pay for those additional costs? It will be at the expense of the farm community in terms of future programming and future necessary agreements to benefit agriculture in general.

So that is putting the farm community at risk in one way and as well we, as Manitobans, by cost sharing in this federal program, will in fact pay twice. We will not get an increase in equalization payments to this province, which means that amount of money that we are now sharing in becomes an additional cost to Manitobans, both farmers and non-farmers, and we lose in terms of equalization so that we have to tax our farm community and our taxpayers at a far higher rate to pay for those programs that he has now agreed to that are not taken into account into this year's budget.

So, Mr. Acting Chairman, although his Estimates, and he certainly has respect from Members of the House as being a very diligent Minister—I want to say that to him—but his lack of voice, of protest of the ill treatment that farmers across this province and across western Canada are receiving from their counterparts in Ottawa, is one that will haunt him. While it may be on some fronts a strength of his quietness, his quietness in these areas leads and is leading farmers in this province to think that he is very soft on his colleagues in Ottawa.

**Mr. Findlay:** I gather that last week when we were here we were going to wind this up quickly but because of the long dissertation I have just heard there will be some more time required here.

I would like the Member for Interlake (Mr. Uruski) just to reflect a little bit on some of the things he has said because some of the things I am going to say may haunt him because of what he did not do when he had the opportunity to be here.

Mr. Acting Chairman, there are a number of things with regard to the drought that are haunting us from what happened in 1988. Certainly there are some areas of the province in 1989 that had far below average crops and the kind of moisture conditions we have right now certainly do not bode well for a crop in 1990.

The farm community is under a significant degree of stress, from the ability to produce to the commodity prices that are in place, to the ability to access markets because of certain countries in the world taking a negative attitude on trade, to the fact that we have high interest rates, that we have a high dollar policy in this country. It all reflects back to creating difficulties

for the farm community in day-to-day decisions and the year-to-year decisions.

Very clearly with regard to the Member's comments about my staff not participating and helping farmers it is absolutely and categorically wrong because the ag reps all have the data from crop insurance that was used for determining the long-range yield. That data is there so they can assist farmers to tell them whether an appeal is reasonable or it will be difficult for them to demonstrate that their area was not treated fairly.

I want to remind the Member what I told him when we were in Estimates, that crop insurance develops data on a risk area basis of which there are 16 in the province. When you take it down to a township basis the reliability of data is certainly being challenged. The data that is developed by crop insurance has been established over—and wheat 25-year history is in place. It is fairly reliable data, I think the best you will find. I do not think you will find any other source of data that is any more reliable than that.

With regard to his comments on the interest-free component of cash advance. To say that we took no position, we had three ministerial meetings since that was announced until I had to write the letter because there was no giving at the other end. I was the only province to stand up and take a stand on this. The only province.

If he had read the Co-operator this weekend—probably he did read the Co-operator and that is why he felt he had to raise the question—what we did in that process has been fairly well received because at least we lined up with the major farm organizations in saying that the abrupt removal of that program is going to have severe economic impact not only on the farmer but on the ag service industry. I can tell you, out there right now there are many guys in the fertilizer business wondering where their business went, simply because the farmers have decided we do not have the cash now, we cannot put the fertilizer or the chemical on this fall. That is where the fall-out is starting.

We made our position very clear. We realize there has been an abuse of the program, therefore if you go for the six-month interest-free program it would give the farmers the cash now and give the quotas time to be in place. In the latter six months of the year when the wheat board really wants the wheat board grains in the system so they can go out and sell them on the export market, it will force the grain into the system when you take away the industry portion. I think it was a reasonable compromise. I have heard nobody object to that, but to this point in time there has been absolutely no acceptance at the federal level unfortunately.

The other area he commented on was the Mediation Board. Well, I will challenge the track record of this Mediation Board with the one he put in place anytime on any platform, anywhere in terms of the amount of cases that have been resolved. The number of cases that are in process has been reduced by 100 from roughly 300 when I took over, down to about 200 now, and the number of cases coming in is about 300 a year. We are steadily doing a better and faster job of

being able to resolve cases because something has to come to conclusion in a case that is in dispute. You cannot drag it on forever and hope that the person who put the money into the system is going to go away and shut up. That is not going to happen. The Mediation Board have faced some incredibly difficult situations with trying to mediate for farmers. Every case is different. I think they should be congratulated for the kind of successes that they have had rather than malign, saying that they are political appointees and they do not know their work. They have committed millions of dollars in farm assistance through the four programs, whereas in his period of time in office, he put two budgets of \$6.5 million and never spent a penny, two budgets of \$6.5 million and never spent a penny.

We now have several million committed over the next five years. I am pleased to report that for many of the farmers, where that was put in place a year ago, they have not had to call on those funds, because they are able to meet their lease payments, their mortgage payments on their own. They did not have to fall back on Government funds to support them. I think there has been a success story there albeit, and I will use the former Minister's own words, we cannot save everybody. That is unfortunately the facts of life. We have over 50 percent, and when we were in Estimates we gave him the figures—over 50 percent are still on the farm in a farming situation. There are several millions of dollars committed to support to keep them there.

The fourth issue, on goods and services tax, the Minister of Finance has put a paper on record, our opposition to the goods and services tax, the problems that it will create for the farm community in terms of the amount of counting, the extra cost of running their business by having to basically absorb that tax until they get the rebate. We are firmly on record requesting that not be deducted at the time of sale, that the farmer never have to pay it. If he is not going to have to pay it in the final analysis, why should he pay it and then ask for a rebate? Let us not have it deducted at all.

\* (1510)

Just like the provincial sales tax on farm inputs, it should not be deducted at all. The federal response that we got, in my eyes, is not satisfactory on that question. I think most farm organizations are in line with the concept that we should not be paying tax, and therefore we should not be subjected to paying it and getting a rebate because naturally there is going to be some slippage in it. There is an additional administrative cost in doing it that way that never needs to be incurred, so our position there is fairly clear.

I would like to go back to a few other issues that the Member for the Interlake (Mr. Uruski) failed to comment on. They would be things like the excess summer fallow program, which he, for a long period of time, refused to look after the Interlake farmers and we moved on it. It was an issue right in his own backyard—to use his own words—haunted him for some period of time, but his stubbornness, his absolute stubbornness would not allow him—(interjection)—

We solved a major problem in the dairy industry. There was a suit in front of the Government since 1981;

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we resolved that. It is in the Estimates this year and the process of the way things are running in the milk industry, they have never been better. We resolved the dispute in terms of the lawsuit and we resolved the situation with regard to the dairy producers' lack of satisfaction with a proper quota transfer policy and it is working 100 percent right now.

We have put in place a Soils Agreement which is going to go a long way to looking after conservation of Manitoba soils in the future, something that has been long overdue in this province because of the problems we have had, particularly with wind erosion in the 1980s.

We have a 35 percent reduction in school tax, something which he refused to move on. If there had not been a 1986 election where we had this as one of our major platform promises, he would never have moved on it. We had a major amount of money going into the beekeeping industry, an industry that has had some severe difficulties over the last two or three years. He refused to do anything on it.

We have now the feedlot industry into a degree of stabilization, something he refused to do. We have equalized the playing field in the livestock industry across western Canada, something that he refused to do.

So with regard to the improvements in crop insurance, I will not even talk about because they are so massive over what he had in place that I think the farmers out there know the kind of input that we have had in the year and a half in the agriculture industry. Albeit, we know there are some problems in front of us that we must resolve, and I ask for their indulgence in being able to address those problems.

Sure, we have some difficulties in negotiating with the federal level of Government. They are negotiating with 10 provinces and sometimes they play one off against the other. Because we have had some successes, I do not think they should be ignored and just highlight on the problems we have ahead. We will deal with those problems to the best of our ability to resolve them on behalf of the farmers of Manitoba. I guess if there is anything I hope for in the next year before we come back here again, I hope that Manitoba is blessed with enough rain to put us back onto a positive position with regard to food production in this province.

**Mr. Uruski:** Mr. Acting Chairman, I just could not leave the Minister of Agriculture (Mr. Findlay), his comments dealing with either lack of or diversion in terms of several programs that were not dealt with. One of those I wanted to raise—and since he has raised it, I was not going to comment on it—was the whole question of the dairy industry and the lawsuit.

Mr. Acting Chairman, the Minister decided for political reasons, not for administrative and costs reasons, to bring into play the whole agreement dealing with quotas and to put up the kind of money that he has put up which in fact, over the next number of years will virtually offset the entire amount of the lawsuit, so that the Government, the taxpayers of this province, really got nothing out of the signing of the deal. The dairymen

got everything. Not only did they get their money, and I want to say we were in discussion and negotiations on setting—in discussions setting up the new record system, the milk-testing system, and all the programs that were in place and were going to be in place for the dairy industry, but I would not put the integrity of the Civil Service on the line by agreeing to settling that suit out of court, because in fact the Minister of Agriculture (Mr. Findlay), by virtue of this settlement, has in fact said everything that we have done in this \$3 million suit, because it was a \$3 million suit, and what he has paid forward is \$3 million so he has basically paid for the suit and given the dairy industry everything that they have wanted.

I do not disagree that the question of the milk testing and the independent lab were items that were in fact being negotiated, but to put into place the quota system and provide the money was, in my view, unnecessary in terms of the situation with the dairy industry. It was not a case that the province's position in this case was somehow eroded. The Minister can say all he wants but the case was weak and we would have never won, Mr. Acting Chairman, not on the basis of the expert witnesses that were in place at the time that I was there. So I believe in this area the Minister is in fact weak in trying to put forward a case that this was necessary and everything is working fine.

Mr. Acting Chairman, I will not say much more in terms of the other programming. I have indicated that I did, during my time, take some very hard positions and I admitted what had occurred. But we stood up for the farmers of Manitoba. I cannot say as much for this Minister of Agriculture (Mr. Findlay) having the heart of the province's farmers in his scope.

**Mr. Findlay:** Mr. Acting Chairman, I guess I would have to comment on the milk suit because that Member, when he was Minister for some six years, he had this issue in front of him. He had the civil servants strung out on a string because he was doing nothing. He was doing absolutely nothing, and he says that we sacrificed him. We saved them because they had enough of sitting there wondering what was going to happen, when the lawsuit was going to take place, and they were suing for some \$8 million. As he says, we are going to spend \$2 million in court costs and then end up paying \$8 million and then still want to get involved in the programs that we are involved in like milk recording, like a quota transfer policy, like some help in the transportation area. Those are areas that had to be done anyway and we did them and resolved the case at the same time, and the civil servants involved I think are quite relieved that the issue is done and gone and there is back to some degree of harmony between all players in that industry.

I have had some comments from various levels of the dairy industry which should indicate that things are going very well at this point in time, maybe even better than the critics out there thought they might.

**The Acting Chairman (Mr. Praznik):** Item 1.(a) Minister's Salary, \$20,600—pass.

Resolution No. 6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,945,500 for

Agriculture, Administration and Finance, for the fiscal year ending the 31st day of March, 1990—pass.

That concludes the Estimates of the Department of Agriculture.

## SUPPLY—RURAL DEVELOPMENT

**The Acting Chairman (Mr. Darren Praznik):** This section of the Committee of Supply will next consider the Estimates of the Department of Rural Development. Is the Minister ready to proceed? Would he like to call in his staff?

We will wait for the Minister.

Following the Minister's opening comments and those from the two critics, we would then invite in the staff. The Honourable Minister would like to begin with an opening statement.

**Hon. Jack Penner (Minister of Rural Development):** Mr. Acting Chairman, it is my pleasure today to appear here before you to present to you our Estimates for Rural Development.

Mr. Acting Chairman, this is a new department which has been formed to address the concerns that have been voiced many times in rural Manitoba. The expansion of the former department of Municipal Affairs to include the Water Services Board, the Regional Development Corporation and the Conservation Districts is certainly, I believe, a great improvement over what was there previously.

It will allow us to provide services to rural Manitoba that are required in a more coherent and orderly fashion. I would like to present the Estimates expenditures for the Department of Rural Development for the year 1989-90, and Members of this Chamber have received copies of the Supplementary Information which links program description to financial detail.

This year will see new directions taken by one of Manitoba's oldest departments since 1986, I suppose, when the office of the Municipal Commissioner was created. Municipal Affairs has served as the formal liaison—

**An Honourable Member:** You said 1886.

**Mr. Penner:** I am sorry, correction, 1886—between the province and its municipal partners.

Today that role is being extended and the newly named department of Rural Development will continue to function as the initiator of provincial-municipal Government policies and a regulator and monitor of certain municipal responsibilities.

\* (1520)

My department will continue to carry out certain line functions and provide liaison and will be the advocate for the some 200 municipalities within the provincial system.

Our goals have been broadened, as I said before. Within our expanded mandate, we will strive to enhance

the future of rural Manitobans in partnership with local Government. I believe that the municipalities and the LGDs and rural communities in general have done a tremendously fine job in promoting the viability of our rural communities. They have continually promoted environmentally sound and sustainable economic development in this province, and will continue to do so by facilitating the diversification of the rural economy in order to provide regional income stability.

I believe, Mr. Acting Chairman, that it is important to recognize that there are economic factors out there that need to be considered when Government puts in place a department such as Rural Development. There are some goals that we must set and we are in the process of setting those very goals now. My department has been enlarged by the addition, as I said before, of the Water Services Board, which was formerly housed in the Department of Agriculture. I believe that because of the fact that municipalities work so closely with the provincial Government to provide water services and those kinds of functions, it is probably much better housed in the department where it is now.

The conservation districts authority from the Department of Natural Resources again is a natural to be brought into the mix of Municipal Affairs because of the way that they interact and have interacted with municipalities in many areas. The programming of conservation districts coincides very closely and naturally with municipalities.

The Rural Economic Development Corporations again are very closely tied to municipal organizations and members of municipalities. The towns and villages that depend to a large extent in some communities on the ability to be able to access the programming and information provided by the Regional Development Corporations is certainly again an important part of the new department and I look forward to working very closely with them.

Meeting our objectives, I suppose, cannot be accomplished without the full participation of our rural municipalities. I do not think enough can be said about those people who especially during this period of municipal elections that have come forward and let their name stand, put themselves before the people to allow the people the choice to provide adequate service to those people through the municipalities and the municipal councils.

I want to say that I would congratulate all of those people who are currently standing before the people as candidates in having come forward and let their name stand. I think it is admirable that there are people still interested in the democratic process, and that there are also people still interested in serving their communities through the municipal corporations or the municipal process.

I have had an opportunity to meet on several occasions with the executive members of the Union of Manitoba Municipalities as well as the Urban Association, and I believe that we have developed or formed a very close and positive working relationship with those two organizations. I believe that it is encouraging that those two groups, especially, are

supportive of the efforts that we are currently making. I believe it is an indication of the dedication, the dedication, to the bettering of life in municipal Manitoba.

I would also like to say at this time that the Association of Municipal Administrators are a very important part of the delivery service and ability to deliver services to municipalities and through municipalities. Again I want to acknowledge the work that the elected people in the districts on the conservation authority are doing. Their work in conserving our land and our water is nothing short of very admirable.

The land and water strategy that this province did last spring and the involvement of those associations and members of the Conservation Districts Associations were most appreciated. As you know, Mr. Acting Chairman, we held some 27 meetings throughout the province consulting with rural Manitobans in what kind of policies in land and water they would like to see put in place. Through that process we had some 3,000 presentations made that very clearly announced the establishment of good water policies and good land policies for this province.

Again, I want to say that the rural sector is a vital part of our province, and the social conditions and the worker productivity compare in many areas very favourably with the urban sectors. However, for rural areas to grow and prosper, certain elemental shifts will be needed to bring forth a new strategy which focuses on the fundamental economic challenges that we face today.

Agriculture and a lot of the other economic environmental and social sectors need to be looked at, and they must become very, very key and important players in making sure that our rural economy is enhanced.

\* (1530)

The challenge facing us is to develop a climate in which sustainable development can flourish, ongoing economic development and equal challenges to ensure that all Manitobans, no matter where they live, can participate and have access to their Government.

To meet these goals several steps have already been taken, Mr. Acting Chairman. Our Government has announced that public sector services, which can be delivered effectively from locations outside of Winnipeg, will be decentralized. The task force, as you know, has been struck, and it is co-chaired by my Deputy Minister, Gerald Forest, as well as Brian Ransom, the previous Minister of Finance in this province.

They are facing a monumental task, but I believe that we have chosen well when the Premier asked the two to co-chair that initiative. I want to say that the committee that has been established has made major strides in indicating to the Community Development Committee of Cabinet as to what direction this whole decentralization process should be heading in.

Broadening Manitobans' access to Government through the creation of a western Manitoba Cabinet office, I believe, will also enhance the access of people to Government. Experience has shown by the use that

office has been made of by western Manitobans. The facilities there indicate very clearly that need is being addressed and is being made use of, and should have been in place many, many years ago. The funding for the regional Cabinet office has, of course, gone through the Department of Regional Development.

The Rural Development Institute, which is attached to the University of Brandon, is gearing up to examine and tackle the issues regarding the future of rural agriculture and Native communities. The institute will provide research data, recommendations and serve in an advisory capacity to Government departments. Again, funding is attached to Rural Development and financial support to local Governments.

There is one thing that I think needs to be said in that there will be a rural development conference in Brandon on the 25th and 26th of October of this month. Some of the participants in that conference will be the Minister of Rural Development from Saskatchewan, as well as the Minister of Municipal Affairs from Alberta. I believe that it will allow for Manitobans to participate substantially in providing Governments such as ours with the information that is needed, and the direction, through that process, in establishing programs for the future of the development of rural Manitoba.

Grants in lieu of taxes are projected to increase for this year in excess of \$1 million. The Urban Transit Grants, which assist local Governments with providing public and handi-transit services to their citizens, have been increased by close to \$30,000.00. The police grants and the formula by which they are calculated have been examined by a committee, as you probably know, Mr. Acting Chairman, comprised of representatives from my department and from the municipal organizations. The committee's efforts are, I believe, in the final stages and I expect to have their report and their recommendations regarding the formula in the very near future.

Training and education for municipal officials will continue to have a high priority within my department. A series of seminars for municipal election officials are planned prior to the municipal elections which of course are ongoing right now, or the campaigns are going on right now, and a series of workshops for newly elected councillors are planned for early in the new year. Our ongoing involvement in Municipal Administrator's Certificate Program run through the University of Manitoba will also continue as it previously has.

\* (1540)

I suppose one of the discussions that has most often been entered into in the last while during my meetings with municipalities and organizations, the urban organizations, is the question of assessment reform. This has been, I suppose, an ongoing issue with the previous Government, and I want to thank Members for their continuing support of the goals of assessment reform. I think legislation is a vital ingredient of assessment reform and is being readied for introduction. As soon as it will be ready we intend to bring forward that piece of legislation. We will then be into some major changes, I believe, in the near future.

I am quite convinced that the assessment reform, if and when it is ready and if and when we can introduce it, will be most welcome by many people across this province.

Public education, in my view, will also be an essential part of the transition that will be required in the new process. When we look at the new system that will be required, the computerization and a number of other processes that will have to be put in place, it is important that all Manitobans will be or should be as informed as we can have them. I want to say that the education process is currently being developed so that Manitobans will have a clear understanding of the assessment system and how it will impact their specific properties.

Computerization, as you know, was well on its way when the previous Minister during the last Session of Estimates was before you, and I want to say to you that it is now a reality in all of the assessment branch district offices. Our Portage la Prairie test office was the first to become operational and it went live on May 8 of this year. The R.M. of Cartier was the second one and all of the assessment offices are currently on the MACS system. At the end of May an eight-week rotation for training of assessment branch staff started and all the staff has now been trained and is fully aware of the operations of the MACS system.

I want to remind Members that what has been built up to now is basically Phase 1 of the computer system. It encompasses the ability to store all land information in the province and to value that land. The report production capacity is also operational at this time. This portion of the system allows the production of assessment notices and rolls, tax notices and so on.

Of course, you should recognize the Manitoba Assessment Computerized System has two phases. We are right now in the process of starting the second phase of the development of the Manitoba Assessment Computerized System. Phase 2 will do for buildings what Phase 1 has done for land, and that is to basically store all building characteristics for assessment purposes in the computer. We expect this second element to be operational by somewhere in the year of 1993.

Continuing interest in municipal and district land use planning indicates the willingness of Manitobans and their local Governments to preserve and conserve their economic, social and environmental resources. The ongoing success of district planning programs is proof of this willingness, and it is expected that two or more planning districts will be formed this year. We are in the process right now of finalizing one, and the other one should be on line by the end of the year.

The natural linkage of Manitoba's land and water has been enhanced by the addition of Water Services Board. Those programs will provide direct financial and technical support to the local Governments and to individuals.

Economic growth and its relationship to the environment and the recognition that the two are interdependent will be strengthened by the team of rural economic development planners whose efforts will

enhance other initiatives put forth through the department. Their work with communities, local business people and through regional development corporations from sustained development perspective augurs well for a strong rural Manitoba.

Provincial commitment to the environment and to conservation of our resources is clearly shown through conservation districts programs and their ongoing acceptance by local Government and Manitobans alike. This year, one more conservation district has been formed and another one is in the process of being formed. I believe that will complement to a large degree the areas of Turtle Mountain, Alonsa, Turtle River, Whitemud, Cooks Creek. The new one of course is the Pembina one, and the one we are working on now is the Shoal Lake area. I would think again that will lend itself well to the whole southwestern part of the province.

The new Department of Rural Development is in for some exciting times I believe. The new name itself suggests that the impact of development to rural Manitoba and communities and for our client group is exciting. I believe both rural and urban centres can benefit greatly by some additional resources being applied to rural communities.

Manitoba's rural development efforts, both long- and short-term, will be to enhance the future of those communities in rural Manitoba, in partnership with local Governments and with Manitoba in promoting wise stewardship of all our resources and with the goals of sustainable development.

I believe this department, with the programs and initiatives being brought into it, will be something that rural Manitoba has been looking for, for a long, long time.

I look forward to the questions that are going to come during the course of the discussions that are going to be held.

Mr. Acting Chairman, with that I would like to ask my staff to come forward after, I suppose, the Opposition Members have responded.

**The Acting Chairman (Mr. Praznik):** Thank you, Mr. Minister. The critic from the official Opposition Party, the Member for Springfield.

Order, please.

**Mr. Gilles Roch (Springfield):** Mr. Acting Chairman, I too would like to congratulate all those people who have let their names stand for municipal office. I find it unfortunate in some cases that several positions are filled by acclamation. One does not know at times if the officials in place are doing a very good job or if there is just too much apathy out in the various regions, because we do have a significant amount of acclamations. It is even more unfortunate that some positions are not filled at all and have to be appointed later on, but to those people in those areas in which there are contests, I join with the Minister, and indeed, other Members of this House, to give them my heartfelt congratulations.

\* (1550)



I mentioned the election. I find it kind of unfortunate that the Rural Issues Conference which is coming up in Brandon was scheduled for the same time as the municipal election date. That is going to preclude many municipal officials that have an interest in it from attending. I think that given the fact that this an election year, and it is known that it is fixed by statute, that somehow it could have been scheduled at a different time. I know that the concern has been expressed to me, and probably to the officials of the department too. However, it is on that date and unfortunately nothing much can be done about it at this point.

The Minister mentioned in his opening remarks that what was being done for rural economic development, but I note that the department itself has had a \$100,000 cut, which is, given the Minister's statements, I think that there should have been at least an amount there to keep pace with inflation, never mind a cut, given the fact that rural development is a critical area at this time.

☞ I look forward to the Minister's assessment reform legislation. I think the Bill should have been ready quite some time ago. There has been ample time to prepare for this, but rather than get into too many comments at this point, I would like to wait until that particular section comes around and more comments on this particular Bill, proposed Bill, potential Bill, and questions can be dealt with at that time.

Mr. Acting Chairman, before we get into the actual questioning of the departmental Estimates, I have some opening up remarks of my own that I would like to make and get on the record now. I will try and be as brief as possible, because I realize that time is of the essence, but I will nevertheless not omit anything which I feel is relevant.

According to the 1986 Census, the population of rural Manitoba, that is the non-Winnipeg population, grew by only 3 percent from 1981 to 1986. This was full 1.4 percent less than the 4.4 percent growth experienced by the province as a whole, and certainly far below the 5.3 percent growth rate for the City of Winnipeg.

Mr. Acting Chairman, these are alarming statistics, for if this trend continues, Winnipeg and its suburbs will become an overburdened island in a virtually depopulated and devastated rural Manitoba. Then it too will eventually suffer a decline in population and the resulting economic downturn that would inevitably follow.

These statics beg several questions: is rural Manitoba dying, and will we stand by and watch? What kind of future will our children have to look forward to in rural Manitoba? Will we be able to maintain our quality of life in rural Manitoba? What opportunities are available to us to reverse this trend, and are we acting upon them?

Mr. Acting Chairman, I submit that time is of the essence. We no longer have the luxury of waiting or hoping for something to happen. This has been the case for far too long. Now, as we enter the last decade of this century, the 1990s, it is time that this Government initiated real, concrete, and positive action to reverse

the economic decline and population loss in rural Manitoba. In some cases, Government can initiate action on its own. In other cases, it must collaborate with the private sector which also has a responsibility to rural Manitobans, and indeed in the long term all individual Manitobans have a responsibility, duty and interest, whether direct or indirect, in getting involved in this process.

The present trend of declining population, fewer job opportunities and an overall shrinking economic base is not a temporary situation unfortunately. It is, and will continue to be, the reality until we take the bold steps which are required to redirect and rebuild the economic base of rural Manitoba. Until that happens, our rural economy and ultimately our provincial one is at risk.

The hard fact is that even without the drought that we experienced recently, our rural economy would be hurting because its economic foundation, by and large, is unfortunately both narrow and weak. We continue to export unfinished farm products, raw materials, and I might add, well educated young people, while importing finished products and services. Our major industries, agriculture, energy, mining, continue to be strongly influenced by external forces. Per capita income has been in a steady and persistent decline since the mid 1970s.

Rural Manitoba's population is aging and our small towns are slowly disappearing. The brain drain in rural areas is enormous. The kids who stay are more often than not the ones who fail to graduate. You cannot get an employer who requires a high level of skill or training to come into a place with inadequate or inferior educational facilities. Without jobs, people leave.

Mr. Acting Chairman, we know that difficulties with the entire North American farm economy have impacted severely on Manitoba and part of the reason for that slower rate of growth can be related to farm problems. However, farm problems alone are not the only reason that the rate of growth is slower. Decisions made by Governments, businesses and Crown corporations also play a part in determining whether an area will grow or not.

When the Manitoba Telephone System closes an office in a rural town and consolidates personnel in Brandon or Winnipeg, this has a negative impact on our small communities both in terms of direct economic loss and in terms of the signal that is sent to others in the town about the utility's perception of that community.

When a financial institution closes one of its branches in a small town, it transfers the accounts and loan portfolios to a branch in a nearby large centre. More than just the convenience of personal banking services is lost to the small town. People who used to come into that town on a regular basis to do their banking would then visit the grocery store, hardware store, possibly stop at the restaurant, buy gas and so on and so forth. Now they either do not come as often or do not come at all. The direct loss of the financial service also becomes both a direct and indirect loss of business for all of the merchants in that particular town. The same thing happens if the town's only doctor or pharmacist leaves.

Yes, Mr. Acting Chairman, our rural economy is indeed at risk. In a world dominated by technology, innovation and global markets, we are rapidly falling behind in our ability to create jobs and income and thus our young people continue to leave for the cities or leave the province altogether.

The time has come to make the hard choices that are necessary in order to have a secure economic future in rural Manitoba. Many economists have pointed out that we are moving into an information economy in which technology makes it possible to work efficiently in smaller, decentralized units. We also know that small business creates most of the new jobs in the Canadian economy and in Manitoba as well. While no one program or concept will provide all of the answers, I believe that these new trends could have some important implications for future economic activity in rural Manitoba.

Therefore, the good news is that our economy can be turned around if we develop a can-do attitude and work together to implement strategies which will allow us to take control of our destiny thereby revitalizing and rejuvenating not only the economy of rural Manitoba, but also enabling us to maintain a quality of life which cannot be found in large urban centres.

Mr. Acting Chairman, having made these remarks, I look forward to going through the spending Estimates of the Department of Rural Development. I sincerely hope, for rural Manitoba's sake, that initiatives will soon replace rhetoric and that true and meaningful action will replace mere symbolism.

Are there any opening remarks from the third Party?

**The Acting Chairman (Mr. Praznik):** The Member for Interlake, with his opening remarks on behalf of the second Opposition Party.

**Mr. Bill Uruski (Interlake):** I would like to make a few opening remarks in the spending of this newly created Department of Rural Development which generally incorporates the Department of Municipal Affairs, branches of the Department of Agriculture, and branches of the Department of Natural Resources.

Clearly, the task of the new Minister of this department will be borne out by the quality of leadership that he brings forward in terms of his relationships with all segments outside the City of Winnipeg. I say that in the kindest terms to indicate to the Minister that, if anything, his role should be one of not only support but consultation and cooperation with all segments of rural and northern peoples. I refer specifically to the issue that is now plaguing municipal Governments across this province dealing with the question of taxation of buildings owned by Native people. I would hope, and we as a Caucus, that this Minister takes on the role before he moves with any unilateral action that there is adequate and complete consultation with all affected Parties on this issue.

Clearly, we as a Party believe that municipalities should not lose one penny of foregone tax revenue of municipal buildings. There is no way that I and my colleagues would recommend that any action be

undertaken unilaterally on this issue, because it is more profound than meets the eye in terms of some of the solutions being put forward by this Government.

\* (1600)

I ask this Minister to take the leadership that has been provided him and make sure that there is full and complete consultation with all Parties before he makes any recommendations to this Assembly. Some of the branches that have been transferred into his department—I expect that this Minister will explain some of the reductions in expenditures, or whether they are in fact transfers to other departments because the explanations in the summary sheet, Supplementary Information is not quite clear as it relates for example to rural economic development.

The question of feasibility, assistance to small manufacturers, it says, was transferred from rural economic development to another branch of industry, trade, before rural development moved to the Department of Rural Development. We are not certain whether in fact that funding is being maintained in the former department or whether in fact these funds have been reduced from Government totally. There is clearly a reduction in assistance to community based economic development organizations.

For a Government to espouse that, its thrust is going to assist and revitalize and look for new directions in rural economic development in rural Manitoba. Clearly, if the Government's priority is not one in assisting community based organizations, surely that money could have been put to better use in making sure that there is greater use in rural Manitoba. I say this now in the kindest terms, rather than spending \$100,000 in the ministerial office in Brandon, a new office, because, Mr. Acting Chairman, the former Government did have an office in a Government building in Brandon that was used by any Minister who went to Brandon on whatever business and could meet with people from western Manitoba, and to put in an additional expenditure into a special office, I believe, is unnecessary, is an unnecessary expenditure when there is an existing facility there.

Mr. Acting Chairman, the Minister of Northern Affairs says that the office did not do the job that it should be doing. The people of western Manitoba want access not to civil servants, they want access to politicians, to the decision makers, and clearly, spending a thousand dollars on some fancy office does not provide the access to politicians. Get your body into Brandon, into whether it is a 10 x 10 office, or one that is worth \$100,000 does not matter to those people there. The fact of the matter is, if that office is there in Brandon, whether it is 10 x 10 in the Government building, is enough to meet people from wherever. You do not have to have a pretentious palace to have an office. Well, a hundred-thousand-dollar office is nothing more than having that kind of space there, regardless of where it is located.

We as well want to congratulate all the candidates in municipal and school board elections who are seeking office and being prepared to devote their time and

energies to the service of their communities in the public good. It does take a lot of commitment, a lot of energy, and at times much frustration to be involved in local Government, whether it be at the school board level or in municipal Government. I, for one, pay tribute to those men and women who over the last many decades have been involved in one form or another in local Government, and those who come after them and are prepared to be involved, now we give them our congratulations.

Mr. Acting Chairman, one issue—and as well before I deal with the other issue—I want to commend all the staff throughout all the municipal corporations, the administrators, the secretary-treasurers, whatever title they wish to be called by, their dedication to serve their community and their political masters at the municipal level, and giving them the advice in order for the councillors, reeves and mayors to be able to make better informed and better decisions to serve the people. I commend them for their efforts and their dedication to serve rural and northern Manitoba.

Mr. Acting Chairman, the one issue that continues to be with us and likely will be with us for a while, and I believe the Minister needs a fair bit of clarification, because if I heard his remarks correctly and that deals with assessment, he spoke about the assessment process being under way, the MACS process, as far as property values and evaluations already being on computer, but the building evaluation is going to be into place in 1993, he made the statement, if and when we can introduce it. I sense from the Minister that there seems to be a backing off from the process of putting forward the assessment amendments that were to be before this Legislature this year and be ready to be put into place in principle, with legislation brought in, and to be worked into place for the 1990 assessment year.

I am not clear on the Minister's statements, and I believe that some elaboration has to be given. Because if there is any backing off, Mr. Acting Chairman, then the leadership that I spoke of earlier, of this new Minister, I believe that one would then have to question the sincerity and the motives of the Government as to why they would be backing off at this point in time.

Perhaps I am reading too much into his statements, and I hope that I am wrong in what I have heard from the Minister. He will certainly correct me and provide the information on this area.

\* (1610)

Mr. Acting Chairman, as well, the question of police grants has been the subject of much debate over the last number of years. The committee was struck when I was Minister, and I expect that there will have to be changes in the contribution schedule in placing grants, rural municipalities versus communities of populations of 1,500 or more and the like. There is no doubt that changes have to be made to try and bring about a movement towards a more equitable sharing of police costs across the Province of Manitoba.

Mr. Acting Chairman, one area that I believe the Minister has to play a greater role in is the area of the

provision of sewer and water services across this province. We were told over a year ago that this new administration had an open pipeline to Ottawa, and there would be an agreement coming forward shortly to provide for increased sewer and water facilities across the province to enhance, in essence, the quality of life of both residents in small communities and many farm families.

As the Minister well knows, this was done in his own area by the provision of rural water pipeline services throughout a good portion of, what I would call, south-central Manitoba, in the Altona area, in which the Minister is the Member.

I find the lack of an agreement from the federal Government and basically the lack of initiative in this whole area to be one of the most detrimental aspects of any thrust of this Government who pronounce that they are in fact very much rural oriented, and that they do represent a large portion of rural Manitoba. Yet the one key element that is now and has been talked about right across this country is the need for federal cost sharing in sewer and water services to rural communities in this country. It is an issue that crosses all political lines.

I did not hear this Minister speak out, in his opening address, that there is the need for a federal commitment, that he would be continuing to push for agreements. Perhaps he has an agreement that he will be announcing to the Legislature, but certainly the Estimates do not show that agreement.

There was a capital pronouncement in the Estimates of a year ago. Those capital Estimates I am assuming are there. They have been approved by the Legislature and never been used, so they do not need to put any further amount forward, but yet we have no agreement.

The communities of Portage, of Brandon, one area of Plumas, for example, I think the Minister has a lot of explaining to do on the Government's position vis-a-vis that small community. Because if ever there was, from what I perceive, a miscarriage of natural justice that is the position of this Government and their colleagues in Ottawa in how the community of Plumas is being treated.

Mr. Acting Chairman, I expect that this Minister will want to explain his involvement in this whole area. We will want to question the role of the Government and its relationship to the new Rural Development Institute in Brandon, how the institute will relate to Government and what guidelines the Government is proposing. Will it be a hands-on operation, or is the Government prepared to allow that institute to develop programming, policies and information that will assist Governments in general and provide a stimulus for rural communities to raise their concerns to look at trends of what is happening in rural Manitoba? What is the relationship of the Rural Development Institute in Brandon with Government, and how will it operate?

Mr. Acting Chairman, I will not belabour the issue much longer, but I believe this Minister's role as a spokesperson for rural Manitoba, along with his colleague the Minister of Agriculture (Mr. Findlay), has

to take a leadership role in dealing with the question of federal cutbacks and specifically with the federal goods and services tax. We have not heard this Minister at all speak out on behalf of rural Manitobans and/or especially the municipal Governments. The impact on municipal Governments, as they see it, is going to be substantial in terms of the taxation system that will be levied on them and that they will in fact have to pass it on to local ratepayers without any offsets that they can see at the present time.

This Minister, on behalf of his Government, in any of the pronouncements that have been made, does not speak about local Government, does not speak about school boards and school divisions, does not speak about the impact of this scheme on those areas, and I certainly want to see where this Minister, in his discussions with the Union of Manitoba Municipalities, the Manitoba Association of Urban Municipalities, and those groups, whether there is a liaison group being set up, or do municipalities go it alone as they appear to be in doing battle with the federal Government on this issue?

**The Acting Chairman (Mr. Praznik):** With the conclusion of the opening statements by the Minister and the respective critics of the two opposition Parties, I would now invite the Minister's staff to take their place in the Chamber.

The committee would like to welcome the staff of the Minister. If they could please take their seats in the Chamber, we would proceed.

Item 1.(a) Minister's Salary will be deferred until all other items have been passed;

1.(b) Executive Support, \$360,800—the Member for Interlake.

**Mr. Uruski:** Mr. Acting Chairman, in terms of the Executive Support, I see the department

**The Acting Chairman (Mr. Praznik):** Shall the item pass—the Member for Interlake.

**Mr. Uruski:** Mr. Acting Chairman, in terms of the Executive Support, I see the department, in terms of the administration, a new executive in the department. If so, can the Minister indicate the make-up of his department?

**Mr. Penner:** Mr. Acting Chairman, the executive staff has not changed in the Minister's office. As a matter of fact I have one less assistant than was previously the case.

\* (1620)

**The Acting Chairman (Mr. Praznik):** Just to clarify for Members of the committee, we are dealing with 1.(b) Executive Support, 1.(b)(1) Salaries—the Member for Interlake.

**Mr. Uruski:** Mr. Acting Chairman, I am looking at page 9. In terms of the supplementary estimates of the

Department of Rural Development, on that page you have a number of the key staff, although that question probably could be placed under Financial Administrative Services. I ask the Minister, has the directorship or whatever titles are given to the people reporting to the Deputy Minister, has that changed? Have there been any promotions in the department or does that continue to be the same?

**Mr. Penner:** Mr. Acting Chairman, the titles have not changed and the positions remain as they were previously.

**The Acting Chairman (Mr. Praznik):** Shall the item pass—the Member for Springfield.

**Mr. Roch:** A matter for the record, I do not believe that the staff were formally introduced when I came in. Were the staff members formally introduced?

**The Acting Chairman (Mr. Praznik):** The Member for Springfield is correct in his observation. I would ask the Minister if he could please introduce his staff to the committee at this time.

**Mr. Penner:** Sorry, I am remiss in not. It gives me pleasure to introduce to you the staff here with me today. I have my Deputy Minister Gerry Forrest who of course is familiar to I believe all of you, and his assistant Anna Fuller, and Roger Dennis, who is the Director of Finance in our department.

**The Acting Chairman (Mr. Praznik):** I would like to thank the Minister for that introduction of his staff.

We are considering item 1.(b)(1) Executive Support Salaries—pass; 1.(b)(2) Other Expenditures, \$71,900—pass.

1.(c) Brandon Offices 1.(c)(1) Salaries, \$70,000—the Member for Springfield.

**Mr. Roch:** I have a question to the Minister. Why was Brandon chosen and how did he arrive at a budget of 100,000.00? Why was it not located in a smaller community?

**Mr. Penner:** Well, Mr. Acting Chairman, why the City of Brandon was chosen is simply because of its geographic location in this province and I believe we all recognize that the City of Brandon is probably the agricultural centre or city in this province, and a lot of the people in that part of the province congregate to Brandon. Therefore, it was seen within this administration the need to provide directly to those people the kinds of services that are normally available in the City of Winnipeg or to the people of the eastern part of the province too with easy access to Winnipeg that was not available there. We believe it is important that the people of the City of Brandon and those people residing closer to the westernmost part of this province should have equal access to ministerial type services which we believe can be provided through a Cabinet office in the City of Brandon. That is basically the reason Brandon was chosen, because of its geographic location and also because of the large number of people it can serve within easy access to that area.

**Mr. Roch:** Was any consideration given at all to any other community in that general geographic area, because it is, after all, still an urban centre as opposed to a rural area?

**Mr. Penner:** Yes, there was. At the same time, Mr. Acting Chairman, there is a similar office that has been established in Thompson, Manitoba. For those people who reside in the more northerly communities we believe it was equally important for them to have similar access to similar services in that part of the province, so therefore the office in Thompson.

**Mr. Roch:** I would like to ask why the whole Department of Rural Development itself would not be located in its entirety outside of Winnipeg. I understand that the Minister's office and the Deputy Minister's office have to be located here for obvious reasons. Given the situation today on rural Manitoba I think consideration should be given to moving the department outside of Winnipeg into a smaller centre.

**Mr. Penner:** Mr. Acting Chairman, I suppose I had similar feelings and still do, as the Honourable Member for Springfield (Mr. Roch) has. I believe as many people as we can possibly muster should be located outside of the City of Winnipeg to serve the clientele that not only our Department of Rural Development but many other departments serve.

I want to say to the Honourable Member that 70 percent of our staff now function outside of this city. Through the decentralization process we are also looking at expanding even beyond that 70 percent. We just today established another staff position in Brandon, and this will be of course a continuing process.

I am looking forward, as I am sure the Honourable Member is, to the report the committee that has been designated as our Decentralization Committee will bring forward, and we will try and work from there, but it is certainly my view that we should make every effort to bring services of Government as close to the people we serve as possible.

**Mr. Roch:** I thank the Minister for that answer. It certainly is good to hear, because in this day and age of computers, fax machines, and easy movement of information, what the Minister is doing is not only desirable but it is also possible and feasible.

Can the Minister tell me where that 70 percent is located? Is it dispersed throughout various smaller communities or is it located in other urban centres outside of Winnipeg?

(Mr. Parker Burrell, Acting Chairman, in the Chair)

**Mr. Penner:** Mr. Acting Chairman, we have 19 offices located throughout this province located in 12 different communities, and it appears they are able to serve their clientele rather well, although that should not preclude one to believe that our services cannot be enhanced. We are going to on an ongoing basis review our operations and if further enhancement of our department can be made through further diversification or decentralization, that certainly is going to happen.

**Mr. Roch:** If I understand the Minister correctly, there is a commitment from the department to continue this decentralization, at least of rural development outside of Winnipeg.

I am glad to hear that, because it is certainly part of an overall necessary strategy for the economic well-being of rural Manitoba. I have at this time no further questions on this particular section. I will turn it over to my colleague.

**Mr. Uruski:** Mr. Acting Chairman, can the Minister indicate whether the two staff positions that are in this budget are filled? -(interjection)- in the Brandon office.

**Mr. Penner:** Yes, they are.

**Mr. Uruski:** How are they filled, Mr. Acting Chairman?

\* (1630)

**Mr. Penner:** I believe, Mr. Acting Chairman, without putting a smile on my face, I think we hired them, but I recognize the question that the Honourable Member for the Interlake is asking. I believe that if information I have received is correct, when the openings were created, there was an assessment made of the needs and qualified people were asked to take on those positions.

**Mr. Uruski:** Mr. Acting Chairman, perhaps I did not explain myself. Are these Order-in-Council positions?

**Mr. Penner:** Yes, they are.

**The Acting Chairman (Mr. Burrell):** The Honourable Minister. You fellows will have to slow down for the Hansard here.

**Mr. Uruski:** Thank you, Mr. Acting Chairman. The Minister, in his response, said, yes, they are. I would have expected that would be the case because of the nature of a governmental office or an executive council office would and should reflect the nature of the Government. I am pleased that the Minister has indicated that those positions would reflect individuals who in fact would reflect the makeup of the Government. I have no difficulty with that. I wonder if the Minister would indicate whether that office is located within the Government building in Brandon.

**Mr. Penner:** No, it is not.

**Mr. Uruski:** Mr. Acting Chairman, can the Minister indicate, was there no room in the Government building for an executive council office?

**Mr. Penner:** Mr. Acting Chairman, the office is located in a strip mall on 18th Street and is accessible to all modes of pedestrian traffic. It is at ground level and it is very accessible to all those that would require entry to such an office.

**Mr. Uruski:** The Minister did not answer my question, Mr. Acting Chairman. Was there no room in the

Government building for an administrative office? If I recall the provincial building in Brandon, if I am not mistaken, there is wheelchair access, there is access to people who may be handicapped, and it is in the downtown area served by Brandon's public transit system of which the Minister's department contributes to. I am not knocking the decision of the mall at all, but I question, if there was no room, then that is fine, but I would like to know whether the Government building could not have been used as being of central location in Brandon?

**Mr. Penner:** Mr. Acting Chairman, the reason I guess I answered in the manner I did is simply I am not aware whether there was or was not room in the Government building. The space that was needed was negotiated by Government Services, and therefore I am not aware of whether Government Services in fact looked within their own building, and I would imagine that they would have, and for that reason there might not have been space, I do not know. I know that Government Services acquired the property that we are in now and it seems quite adequate and serves well.

**Mr. Uruski:** Is the Minister telling me that it was under Government direction, under ministerial direction that the office be located outside of the existing Government building in Thompsonson?

**Mr. Penner:** I am not certain what the Honourable Member is asking, whether he is asking about the Brandon office or the Thompson office. I believe the last one was directed at the Thompson office. Is that correct?

**Mr. Uruski:** The former Government had a number of offices, and I still directed my question as to Brandon, but I want to indicate that the former administration did have executive council offices, some of which were budgeted through other departments. If the Minister should be aware that there was also an office in Arborg, in the Interlake, which at that time when I was Minister of Agriculture and I happen to be the MLA for that area, that small office in the Government building there was covered off by the Department of Agriculture. It was not highlighted in any Estimates as a special entity as it is here, but clearly that was—it was a known fact and I have no difficulty with the Government doing that. But I do have a difficulty or at least a question that I have raised in that if there is existing public space available in the community and the Government decides to do otherwise, then I would like to know what the rationale for that is. That is essentially my question.

**Mr. Penner:** In response to the Honourable Member, we can find out. I am simply not aware as to whether there was or was not space at the given time that we needed office space there. However, I can find out for you and give you that information once we have it. I believe if I am correct that at the time there was not adequate space there. Let me find out for you and I will get the information to you.

**Mr. Richard Kozak (Transcona):** I wonder if the Minister would concede that it is a bit unusual that

managerial staff are being paid the same amount as administrative support staff. Both are being paid at the \$35,000 level. Is that not a bit unusual to have no salary differentiation?

**Mr. Penner:** I am not sure whether that is so unusual. I would suspect that if you have good managerial staff that is within a given salary range, and the support staff is within a given salary range there should be no surprise that they be paid of very equal amounts. I do not think that is unusual at all. I think it is rather an indication as to the quality of staff that we have in our office.

**Mr. Kozak:** I certainly thank the Minister for his comments and his confidence in the quality of staff in the Brandon office. However, I would like to ask him, are there any other managerial staff in his entire department that are paid at the \$35,000 level? It is my understanding, having reviewed the Estimates of this department, that every other managerial staff person employed within this department is paid at a substantially higher level.

**Mr. Penner:** I am not sure what the Honourable Member is getting at, except just to, if this is a compliment, I accept the compliment that we were able to hire good managerial staff at the salary we did here and we were able to return them. I think it indicates two things, that No. 1, the staffperson who we are talking about here likes their job, and in both instances, and that they are satisfied with the salary, or am I to understand that we should increase the salary of one to reflect the difference in, I am not sure what you would call it, importance in the positions, because I think they are equally important.

**Mr. Kozak:** Mr. Acting Chairman, my concern is not about the quality of the individual for the position. I am not personally acquainted with the individual, and I fully accept the Minister's assurance that the individual is entirely capable and indeed perfectly suitable for the position. I am however somewhat concerned about the use of titles when the job function does not require the use of those titles.

We have in this case someone labelled a manager who is not paid at the level that one would normally associate with a managerial function. I wonder if it is necessary to use the title manager for someone who in fact does not receive recognition in terms of recompense as being a manager.

\* (1640)

**Mr. Penner:** Again, it reflects the salary levels, probably something that will in the future change. I think we need to be aware that because of the shifts of certain branches from other departments into our branch, it might have caused some of these kinds of things, in that we should not be too surprised to see some changes in these numbers for next year to reflect the managerial ability of some of these people.

**Mr. Kozak:** Mr. Acting Chairman, my Party and I do not dispute the need for the Brandon office. I do not

think anyone in this House argues that the people of Manitoba should not be as well plugged in to Government as humanly possible. However, I wonder if the Minister could tell us which departments have in the past been inadequately represented in the Brandon area in such a way as justified need for the present Brandon office.

**Mr. Penner:** It would appear to me that by the essence of the question that there is some doubt in the mind of the Member opposite as to the need of the Cabinet or ministerial office in Brandon.

I want to say to the Member opposite that I believe it is time that people in rural Manitoba were served with the same kind of efficient services that people in Winnipeg are, and are able to, at least to the point where we economically can. That was the intent of establishing an office there: to make sure that Cabinet's accessibility was more readily available.

I want to say to the Member for Interlake (Mr. Uruski) in a comment that he made before, it is the people that the Ministers who are required, and I could not agree with you more. At the same time, it is also important for people in rural parts of Manitoba to be able to identify and recognize an office and their ability to access that office. Sometimes it is just staff that is needed to give some direction or assistance. If and when Ministers are required, people know where they can meet them. For that reason, to all Members opposite, the two Cabinet offices outside of the City of Winnipeg were established. I believe that the use of specifically the Brandon office has demonstrated very clearly that need was there and that we are fulfilling that need.

The Cabinet room, the board room as it may, is booked virtually every day and used by committees of Government, boards of Government for meetings and Ministers on an ongoing basis to meet the people and to provide them with the services that they have longed for, for a long, long time. I believe that it is this Government's intention to keep up that kind of close liaison with the people of Manitoba, and if need be, in the future I think we are even open to looking at expanding those kinds of contacts and services on an ongoing basis.

**Mr. Kozak:** Mr. Acting Chairman, following the lead of the Member for Springfield (Mr. Roch), my colleague, who has argued for the transfer of the entire department to rural Manitoba, I can only indicate to the Minister that I share his words about the need to serve rural Manitoba properly.

However, I wonder if the fact that the two positions in Brandon were appointed by Order-in-Council, and I wonder if the fact that the Minister does not care to identify any gaps in the service that were previously provided to the citizens of Brandon and surrounding area, I wonder if these facts do not suggest that the essential thrust of these appointments is political.

**Mr. Penner:** I suppose that when the appointments to offices such as Cabinet offices are made, you look at the ability of the people who are able to provide the

services that you require. That is the first and the most important criteria, and that is the criteria that was used to identify the people who work there now and I believe that we chose very, very wisely. The services that are provided to people in the absence of the Ministers seem to be adequately covered and the office is functioning very, very well. So I would suspect that the choice we made in hiring those people was a very wise one and is very adequately filled.

I want to, however, expand just briefly on another comment that was made about rural Manitobans and our ability to probably even provide a greater service through our department to rural Manitobans. I want to say to the Members opposite that we are probably more decentralized, this department, more decentralized than virtually any other department in Manitoba or in Government. I want to say to you that even the Minister resides in rural Manitoba and is very proud to do so. So many of the services that are required by a Minister to rural Manitoba are adequately made in that manner right from the Minister's office on down.

**Mr. Kozak:** Mr. Acting Chairman, I believe the Minister has been very forthcoming in answering my questions and has addressed my concerns. I believe the Member for Ellice has a couple of follow-up questions on the same matter.

**Ms. Avis Gray (Ellice):** Mr. Acting Chairperson, I think it is important that the Government realize that we on this side of the House certainly make a distinction between offices in rural Manitoba which are there to promote the political—a particular Government, the political nature as opposed to offices in rural Manitoba which actually deliver a service, and I think there is a big difference. We certainly support decentralization of service delivery into rural Manitoba.

I ask the question to the Minister responsible for Rural Development (Mr. Penner): could he indicate to us in regard to this Cabinet office that he has referred to in his earlier comments, what would be the difference between what that particular office would do in regard to being accessible or providing assistance and information to the public, versus what an MLA constituency office would do, given that the MLA is a Cabinet Minister?

**Mr. Penner:** Mr. Acting Chairman, again I would be quite prepared to respond to that question because I think it is so obvious to most Manitobans in that part of the province that the difference between a constituency office, the services provided between a constituency office and the services provided out of that Cabinet office, the differences, they are substantial.

\* (1650)

It is that office that provides the liaison between the people and the Ministers and Executive Council on an ongoing daily basis, and those kind of services simply cannot be provided out of a constituency office, and therefore the contact with Government or with the various Ministers is fairly direct and fairly constant and

provides, I believe, a much, much more adequate, substantial service than is provided out of a constituency office.

**Ms. Gray:** Mr. Acting Chairperson, perhaps I could use an example then because to say liaison between the people and direct access to Executive Council, to me, is not that explanatory. If, for instance, a person, an individual has concerns in regard to home care, health care, or child and family services—two examples in two departments—is that Cabinet office then there to screen and take that information and then refer it on to the appropriate departments, or what happens if a person goes to a Cabinet office and, let us say, has a concern with Child and Family Services, which is under the purview of the Department of Family Services?

**Mr. Penner:** Let me give you an example as to what has happened in my portfolio, or out of our office. When there are inquiries made, or appointments made by the office to consider an issue to do with rural development, they would call and ask whether I would spend some time in the office to deal directly with any issue. Therefore, as I said before, I think the difference between that office and a constituency office is substantially different because it gives the people in that area direct access to Executive Council in a very meaningful way. So that office basically has an open door to virtually all the Executive Council Members.

**Ms. Gray:** Mr. Acting Chairperson, but in reference to my specific example, and the Minister indicates that office has direct access to Executive Council, that I would assume does not necessarily mean that if an individual has a specific concern about a different department, surely to goodness, Executive Council is not going to make a decision on that issue. Surely that problem has to be sorted out within a particular department first. I am asking what the process is. The person comes to that office, has a big problem with Child and Family Services, as an example, what is the process?

**Mr. Penner:** Again, Mr. Acting Chairman, the process is fairly simple. Somebody walks into the office and says, I have a problem with my fence on the back 40, or with family services, or whatever. Those people are able to direct the inquiries to the specific departments that are necessary and most of the time issues that are of importance that either the Minister or the Premier would want to deal with are accessible through that method. The staff over there have the ability to screen as to whether it should be directed directly to the Minister, or whether it could be dealt with by the department or by the staff.

**Ms. Gray:** Mr. Acting Chairperson, it sounds then that in fact it is an information intake system is what that office is doing in Brandon, that in fact it is a screening, an intake system. It is interesting to note the cost attached to the staff. Perhaps the Minister could indicate to me, again, and I am sorry if I missed earlier questions, what exactly are the total salaries being paid of these individuals who we consider intake workers?

**Mr. Penner:** I believe you can look at page 27 in your book and the indications are there as to what the salary levels are in that office.

**Ms. Gray:** Is the Department of Rural Development actually co-ordinating the review of the various departments within Government to make some determinations as to which departments could and should be decentralized or moved into rural Manitoba?

**Mr. Penner:** No, Mr. Acting Chairman.

**Ms. Gray:** Could the Minister indicate, given that the emphasis on—I know that for instance, in the Department of Agriculture there has already been various meetings initiated with departmental staff in regard to looking at what divisions and branches could potentially be decentralized into rural Manitoba. Does the Minister not see that within his Department of Rural Development this might be a role that his department should be assuming?

**Mr. Penner:** Well, Mr. Acting Chairman, yes, it certainly could. However, I believe the Honourable Member opposite knows that there has been a committee established to deal with the whole matter of decentralization. My Deputy Minister happens to be one of the co-chairman of that committee. Brian Ransom, of course, former Minister of Finance in the Lyon administration, is the other co-chairperson. They are taking a look at all communities to find out what services are available in those communities to house Government staffpeople. They are also meeting with the various departments in Government to discuss the potential shifts that would be available through the various departments. So it is that committee that has been established to look at the whole decentralization issue and make recommendations to the Community Development Committee of Cabinet, and then of course Cabinet will consider those recommendations after that.

**Ms. Gray:** Mr. Acting Chairperson, with that committee of which the Deputy Minister sits on, and I am making an assumption here that one of the first tasks might be to first of all compile an inventory of which departments in fact do provide decentralized services and do that adequately, has that inventory been completed in regard to which departments are doing a better job of having decentralized services than other departments?

**Mr. Penner:** Well, Mr. Acting Chairman, I believe that all those kinds of initiatives are being examined, and I believe all the departments are making that internal examination right now, but the committee is certainly looking at it.

**Mr. Kozak:** Mr. Acting Chairman, with regard to the committee that the Minister has referenced and, which certainly we do not dispute centers on an idea that we find worthy, with regard to this committee, does the Minister anticipate that the committee's work will be ongoing, and that the committee will issue periodic reports? Alternatively, when can we expect the final report of the committee?

**Mr. Penner:** Well, it is certainly not up to me to say what the process will be. However, I suppose one can make some assumptions by the direction that has been



given. It will be an ongoing process for I believe a substantial number of years. Anybody that is looking at the whole aspect of decentralization would recognize the immensity of the task before the committee and in first of all assessing the potential that is there, then giving some direction to the task really in establishing some sort of process that you can make some movement that will not be disruptive or that the impact will be as small as could be to those that would be involved.

It is a monumental task that will not be taken care of or accomplished within a few months. I believe, Mr. Acting Chairman, that this will be a long and ongoing process, and decentralization of Government services will be something that we will hopefully experience for a long, long time. The impact however that can be afforded by this whole process I believe can be rather immediate and felt immediately by those communities that can initially be impacted by the whole decentralization initiative.

**Mr. Kozak:** One final question, a direct follow-up to the answer the Minister has just provided us. As the Minister of Finance (Mr. Manness) frequently likes to remind us, we have in Manitoba an executive form of Government whereby Cabinet is expected to exert considerable control and to take total responsibility. Is the Minister today prepared to commit that he will instruct the committee that he has referenced to present periodic reports according to deadlines that he will establish?

**Mr. Penner:** Well, again, Mr. Acting Chairman, as I said before, the committee that has been established by Order-in-Council, by direction of Cabinet, will report to the Community Development Committee of Cabinet. They are not reporting to me and therefore I believe it would be somewhat remiss for me to even try and direct their activities whether it is current or some future activities. I believe that relationship between the committee and the departments again also will be an ongoing committee, and some of the initiative that has been directed by the committee must come internally from the various departments.

**Mr. Kozak:** I note that we are approaching five o'clock, but just with regard to the Minister's last answer, I would like to suggest that I strongly hope that some nameless individual within Cabinet or Treasury Board will expect this particular committee to report periodically in a concrete fashion to the appropriate reporting authority. Otherwise if we have an ongoing process that does not require hard and fast reporting deadlines and projected content for reports that the Minister could find that he has embarked on a process that is totally devoid of any use at all to the taxpayers of Manitoba.

**Mr. Penner:** Mr. Acting Chairman, I rather suspect that the Community Development Committee of Cabinet will be that quiet individual that you refer to, who might ask for a periodic and ongoing report of progress in the decentralization process. I might dare to suggest to the Honourable Member that it might not only be that committee, but it might be Cabinet itself that will

require an ongoing progress report on the decentralization process. I think your suggestion is very reasonable and a good one. Your concerns are very valid that there be that ongoing responsibility from somewhere and I certainly respect that.

**The Acting Chairman (Mr. Burrell):** The hour being 5 p.m., time for Private Members' Hour. Committee rise.

Call in the Speaker.

\* (1700)

## IN SESSION COMMITTEE REPORT

**Mr. Parker Burrell (Acting 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.

Mr. Speaker, I move, seconded by the Honourable Member for Minnedosa (Mr. Gilleshammer), 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 of 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?

Is there leave that this matter remain standing in the name of the Honourable Minister of Natural Resources? Agreed. The Honourable Member for Seven Oaks.

**Mr. Mark Minenko (Seven Oaks):** Mr. Speaker, I rise today to debate this very important Bill before the House. Quite frankly, I was appalled last week or the week before when I heard comments put on the record by Members opposite, Members of this Government. Appalled is a polite word. I was indeed concerned with some of their attitudes with respect to landlord and tenant affairs.

Looking to the Member for La Verendrye's (Mr. Pankratz) comments, he says, I cannot agree with him on that Bill, referring to this Bill No. 2, about bringing this Bill forward and putting it through this House and in fact making it law. He goes on to ask that perhaps we wait till his Minister puts together his Bill and submits it, and then we speedily pass that Bill.

Well, Mr. Speaker, I am looking, and perhaps not just looking but weighing the Bill presented by the Minister responsible for Housing (Mr. Ducharme), the one that he has put before this House and comparing it to the difficulties that the Bill presented by the Minister of Highways (Mr. Albert Driedger) with respect to drunk-driving legislation in this province and the number of amendments and the time it has taken to go through that Bill, I am indeed concerned about the possibilities of the Bill that the Minister of Housing (Mr. Ducharme) has put forward on progressing in any speedy fashion through this House.

As undoubtedly the Minister of Housing is following on the heels of previous legislation, and undoubtedly there will be reams of amendments to go through that. Maybe we will still be here until early in the New Year before we can even look at submitting before the people of Manitoba and correcting some inadequacies in previous legislation that the previous NDP Government simply sat on and did not do anything to improve relations between landlords and tenants in this province.

Looking to some of the other comments put forward by some of the other Members of the Government, specifically the Minister responsible for Energy and Mines (Mr. Neufeld), he says that the more legislation Government passes, the more areas there are for controversy, the more areas there are for adversarial approach.

Mr. Speaker, the Bill presented by the Honourable Member for Inkster (Mr. Lamoureux) deals exactly with this problem. He identifies and attributes this Bill to the report that was presented or prepared some time ago. Members of the other two Parties certainly have been aware of it for a number of years and failed to take any action on it. Indeed, this Bill is intended to reduce the adversarial process, to reduce the costs to the individual tenant, reduce costs to the landlord. From indications, 25 percent of the matters raised before the Office of the Rentalsman exactly deal with this particular problem, and yet here we are having a Minister of the Crown speaking about Governments meddling in the affairs and causing more problems.

I certainly think that listening to some of the speeches of Members opposite about trying to bring the law closer to the people, trying to encourage people to deal with issues themselves, either through amendments to the Small Claims Court legislation, and yet here we have this Government and these Members, and Members of the Government, speaking against the Bill that deals exactly with what they were speaking about just earlier this year. That is incredible.

They do not want to talk about that he has known a great number of landlords and tenants in his life and has seen a number of them. Mr. Speaker, I certainly would like to take some of those Members from that side of the House and lead them through some of the buildings presently available to the people in the north end of Winnipeg. I am sure, from the comments coming from those Members, they have not even been close to one of those apartment buildings other than perhaps driving by on their way to the Legislature, or on their way to the beach, or someplace else.

Mr. Speaker, a number of years ago, as a geography student, I spent some time over a summer working

with a professor dealing with housing studies and surveys, and how people move and how often they move. Indeed, I had an opportunity to meet people who have lived in some of this appalling housing, and yet the Minister says that we have to be careful about how we deal with landlords in this province.

\* (1710)

Tying into the comments from the Member for Gimli (Mr. Helwer), when he talks about this Bill stifling investment in this province, well, Mr. Speaker, I think if something that is stifling investment is certainly some of his comments. I think what we have to look to is what this Bill is doing, is indeed providing a bit of certainty, and a good possibility of reducing the number of matters raised at the Rentalsman Office by 25 percent. If this Bill has that, that is certainly, not cutting back investment because it adds something extra.

In fact, Mr. Speaker, earlier today, I was speaking to some former renters who were saying that as they were moving out the landlord raised this matter of the security deposit, and said, listen, you have caused all kinds of damage in the place. These people said, just hold on, we have signed a precondition report and we have gone through it with you, which the landlord somehow forgot that they had gone through and pointed out the problems that were identified before they moved in. As a result, because of that voluntary report, those people did not spend time, did not spend money hiring legal assistance to deal with the landlord through the Rentalsman Office. How does that stifle investment in this province?

I would submit to this Legislature and to the Government Members who are speaking, incredible comments, passing on incredible comments into Hansard just a week ago, or two weeks ago, that this Bill would increase the certainty, would increase the investment, and certainly not cut it down as suggested by the Honourable Member for Gimli (Mr. Helwer). Perhaps he would like to revisit some of those comments that he has put on the record. I just do not quite understand that logic of how he could do that.

I would certainly take the opportunity of inviting the Members opposite, if they are so inclined, to come along and I could show them some of the housing the people lived in, and certainly some of the conditions. Yes, the Minister responsible for Energy and Mines (Mr. Neufeld) has said that in many situations landlords have been caught, because through the goodness of their own heart they brought somebody in. They felt that the individuals could not afford to pay the going rate for the rent, as a result reduced the rent payable, and are now caught in this Catch-22 situation that the rent regulations require them to follow. Yes, there are situations of landlords like that, but I think just recently last week on television we saw the results of another type of a landlord, and that is of concern to us in this Legislature.

This Bill introduced by the Member for Inkster (Mr. Lamoureux) is indeed a very progressive and enlightened piece of legislation. It deals with a matter that Members of this Legislature have known about for

a number of years and yet failed to act. Indeed, I am concerned and question how many other reports are there drifting around our Provincial Archives that are exactly in those places, the archives, and certainly not on the desks of the Ministers of the Government opposite who are prepared to take some progressive action to correct some of the problems, some of the inadequacies. I think this is an important element of our work here, Mr. Speaker. I feel it is an obligation of each of our Members to be able to review some of the issues that have been raised by various reports and look to improving the situation.

Certainly, as a lawyer here in the province, I recognize and often come across Bills that need amendment. The Member for Inkster (Mr. Lamoureux) has studied this matter, has spoken to both sides. In fact the committee that drafted this report was made of members from both sides, both the tenants and the landlords, and this was one of their recommendations.

I think, as the Member for Inkster (Mr. Lamoureux) has pointed out, this Bill indeed would introduce harmony in at least 25 percent of the situations. I believe, Mr. Speaker, this Government also talks about reducing Government costs. Well, I think this is an excellent opportunity for the Government to support a piece of legislation, an initiative that would reduce costs and allow the staff in the Rentalsman Office to concentrate their activities in other areas of interest and importance.

As the Member for Inkster has pointed out earlier in debate on this bill, the comments of the First Minister (Mr. Filmon) of this Government are incredible when he said these issues are going to be placed on the backburner. I believe it is only through the prompting by the introduction of this Bill in this Legislature that the Member for Inkster prompted the Minister responsible for Housing (Mr. Ducharme) to introduce this omnibus Bill, which I am sure is going to spend many months in committee, simply reviewing it, to ensure that there are no screw-ups like we see in the other Bills this Government has been introducing.

Well, Mr. Speaker, I believe it is well documented that both landlords and tenants will benefit from this Bill, benefit from the certainty, and we totally reject some of the suggestions of the Members opposite where they suggest it is going to reduce investment. I would certainly invite the Member for Gimli (Mr. Helwer) to perhaps add a few more comments in committee on this particular point.

This is both reasonable and responsible legislation and makes a good deal of sense when sometimes people outside this House feel that very little is coming forth. Indeed it is an important aspect, as I mentioned a little earlier in my comments, when someone said today, well, Mark, that is an incredibly good piece of legislation, because this is exactly the kind of problem that we were going to have but for this voluntary piece of paper that both parties signed.

I think, Mr. Speaker, that I would ask Members of both the Government and the NDP Opposition to review this Bill with some care and some concern and not simply read some prepared text that Members of the

Government seemed to have read if you read and listen to their comments that are printed in Hansard. This is indeed a serious problem that can be quickly and easily addressed by the speedy passage of this legislation. The Member for Inkster (Mr. Lamoureux) has included some provisions so that this piece of legislation is fair to both parties.

We realize that landlords have invested a lot of their own money in making available rental properties; but on the other hand, Mr. Speaker, we have to realize that there are many landlords who are not as responsible as the Minister of Energy and Mines (Mr. Neufeld) would like us to believe. It is unfortunate and indeed, if we were living in a perfect world, much of this legislation is, perhaps there would be no need for any legislation because everyone would be able to deal with one another equally and fairly and responsibly.

Yet, Mr. Speaker, after images that we saw just last week on the television show that this type of legislation is indeed a requirement, I would ask, again, for the third time today, saying that Honourable Members opposite are indeed listening to my comments, to review this legislation. I am sure that they would agree, if they were to go out and speak to some of their constituents about this matter.

The Honourable Member for Fort Rouge (Mr. Carr) pointed out that indeed many of his constituents do reside in apartment buildings. My constituency is perhaps a little the opposite way, but there are still quite a number of apartment blocks in my area. I am sure that not only my constituents but constituents in each and every constituency in this province, including the 24 constituencies of the Government, would be very much interested and would be very much supportive of this Bill. So I would ask Members of the Government to again review their comments, review this Bill, speak to their constituents, and pass this matter into legislation as soon as possible.

\* (1720)

**Mr. Neil Gaudry (St. Boniface):** Mr. Speaker, M. le Président, c'est-ca, it gives me pleasure to put my comments on record about Bill No. 2, The Landlord and Tenant Amendment Act brought forward by the Member for Inkster (Mr. Lamoureux).

A Bill of this nature is long overdue. It provides a better understanding between the landlord and the tenants. In my own constituency in St. Boniface, I have very few apartment blocks but of the apartment blocks that are there now, there are some that are slum landlords. Just last winter I got a call at 6 o'clock in the morning and this tenant requested that I phone the Rentalsman for him because he had to put his oven on so that he could have heat in the apartment. Well, I think it is sad when someone has to do that.

**An Honourable Member:** Thousands of people have to do that every year.

**Mr. Gaudry:** You are right, thousands of people have to do that. The other part is they are afraid to phone the Rentalsman because they are afraid to give their

names. I said, well, I will write the letter for you. They say, no, I cannot do that I will be kicked out. There is no reason for any tenants to be thrown out of their apartment because of slum landlords.

When you look back this could have been done a long time ago, these amendments to the Act. In 1985, a task force was put forth, 139 recommendations were put forth.- (interjection)- Who sat on it? The previous Government. Oh, it is fine to say now—it is nice to say that it was -(interjection)- It will not be long now. We will not be long now, the endangered species are going out, so no problem. Mr. Speaker, -(interjection)- I think Thompson is another one that we can get.

Going back to the presentation of the Bill by our Member for Inkster (Mr. Lamoureux), I think it is a Bill that makes a lot of sense and should be supported by the Government at this stage. I was disappointed when I looked back into the Bill No. 42 that was brought forward. A lot of these recommendations were not put in place.- (interjection)- Shame is right, because many of these disputes that we have between tenant and landlord could be avoided, and it is not like the Government are saying now we are losing investment. It is not the case. We are thinking of the interests of the tenants and the landlords also.

(Mr. Minenko, Acting Speaker, in the Chair)

**Mr. Gaudry:** Mr. Acting Speaker, they are having hard time to listen. That is okay, no problem. But they will read the comments and then they will see that they should be supporting this Bill that has been brought forward by our Honourable Member because something like this is very important not only to the tenants, not only to the landlord, it is things like this, for everyone where you see damages that are done in the apartments. A lot of the time who is to blame? It is the tenants because nothing was signed or they have not gone over it previously, but with a Bill legislated like this, this will force our landlords to look after their tenants.

I think in our discussions we have known that it is for the benefit of all the people. I would like to reiterate a comment that was said last week by the Government of today. Like the Member for Sevens Oaks (Mr. Minenko) was saying, they are not interested in the tenants.- (interjection)- Well, it is true, read the comments of last week. Like I mentioned, in St. Boniface, it is the same thing with our senior citizens who live in apartment blocks. A lot of times they are the ones who suffer the consequences.- (interjection)- No, I do not think our Government is prepared to support our senior citizens today. It has been shown they do not care, not only—

**An Honourable Member:** They promised during the elections and then they pulled the rug from underneath them.

**Mr. Gaudry:** Oh, they have done that and they will keep doing it.

**The Acting Speaker (Mr. Minenko):** Order, please. Order. The Member for St. Boniface.

**Mr. Gaudry:** Mr. Acting Speaker, our leader of the third Party asks about someone, what is he doing today. He is doing very well.

**An Honourable Member:** Supporting Brian Mulroney and his VIA cutbacks, I heard him on the radio two days ago.

**Mr. Gaudry:** We are not talking about VIA cutbacks right now, we are talking of work that the third Party should have done four years ago and failed to do so.- (interjection)- They were just going to do it. Well, it is just like everything else, they were going to do it and they disappeared and will disappear more.

Mr. Acting Speaker, on a serious note, I think it is very important that all Members of the Legislature look over this amendment proposed by our Member for Inkster (Mr. Lamoureux) and support it and implement these amendments very shortly. I hope that we will all support it in favour of our tenants and our people of Manitoba, not only the tenants, like I reiterated more than once, our landlords also, because I think a lot of these problems will be avoided by the fact that we have good legislation in Manitoba. I would encourage all our Members to support this Bill.

**The Acting Speaker (Mr. Minenko):** Order, please. By leave, this Bill will remain standing in the name of the Honourable Minister responsible for Natural Resources (Mr. Enns)—two minutes remaining.

## BILL NO. 4—THE HIGHWAY TRAFFIC AMENDMENT ACT (2)

**The Acting Speaker (Mr. Minenko):** On the proposed motion of the Honourable Member for Assiniboia (Mr. Mandrake), Bill No. 4, The Highway Traffic Amendment Act (2) (Loi no 2 modifiant le Code de la route), standing in the name of the Honourable Minister of Justice (Mr. McCrae), the Honourable Minister of Justice.

**Hon. James McCrae (Minister of Justice and Attorney General):** Mr. Acting Speaker, it is a pleasure for me to rise today to discuss at second reading stage, Bill 4, The Highway Traffic Amendment Act (2), standing in the name of the Honourable Member for Assiniboia.

I read briefly, I was here for the Honourable Member's initial comments and I have had the opportunity to read them over again, and I am struck by the pride that the Honourable Member feels in his Province of Manitoba, and that is commendable from my way of thinking. I share the pride of the Honourable Member in this wonderful Province of Manitoba, whether you happen to live in Melita or in Churchill or in Flin Flon or in Sprague, it is indeed a wonderful province—or if you happen to live anywhere in between.

\* (1730)

The Honourable Member is concerned that we are covering up the words "Friendly Manitoba" on the licence plate. The interesting thing about this concern of the Honourable Member's is that he refers to his pride and the words "Friendly Manitoba" on the licence

plate, but brings in a Bill that makes no reference to the words "Friendly Manitoba" in the Bill. Now this is the part that I find a little interesting. I want it to be clearly understood, I like to think -(interjection)- the Honourable Member, this is the second time today my lack of formal legal training has been called into question by Members of the Opposition.

I must say that in my 17 months in this position as Minister of Justice and Attorney General for Manitoba, there have been only a couple of people who have had negative comments respecting my particular training or lack thereof. The first one was the present Dean of the Law School of the Province of Manitoba, and he was chastised severely for his clearly elitist point of view. Another critic was a fellow who wrote a letter to the editor shortly before my being named Attorney General and I can show Honourable Members opposite a picture of that particular gentleman standing in the company of the Leader of the Opposition at around election day. One need not look any further than to understand the motives of those honourable gentlemen.

But today the Honourable Member for Flin Flon (Mr. Storie) made reference to that and I am sure that the Honourable Member for Flin Flon was speaking in a friendly jibing way and was certainly not making any serious accusations or suggestions about my training. Now the Honourable Member for Assiniboia (Mr. Mandrake) wants to come around to that way of thinking as well. I am pleased that he is doing that and withdrawing what he said a few minutes ago about my ability to occupy the position I do.

**An Honourable Member:** You do a great job.

**Mr. McCrae:** You see, Mr. Acting Speaker, what I am trying to say to the Honourable Member is that he and his colleagues make considerable noise about certain other Bills before the House and the drafting and so on. We see that the chief point in the Honourable Member's motivation for bringing forward Bill No. 4 is his pride in Manitoba and that the words "Friendly Manitoba" should not be obscured on licence plates and yet nowhere in the Bill do I see any reference to those words on our licence plates. So it becomes a matter of drafting. I leave these brief thoughts with the Honourable Member for him to contemplate as he considers the future of this particular Bill. Thank you, Mr. Acting Speaker.

**Mr. Steve Ashton (Thompson):** Mr. Acting Speaker, by that last speech I really felt this urge that I had to speak on this particular Bill, something I did not expect to happen prior to coming in. But I think we should recognize for the record that the Minister of Justice (Mr. McCrae) is really an expert on this particular matter because he has had a history politically of having a great interest in names.

Some of us remember a few years ago when the Member, when he was in Opposition, you may remember it. The scenario was this: there was a federal Conservative Government, Progressive Conservative Government, that moved the CF-18 contract not to Manitoba where it should have gone, but to Montreal.

There was the Member for Brandon West (Mr. McCrae) who stated publicly that he felt that the Progressive Conservative Party of Manitoba should change its name.

**An Honourable Member:** Right, to Neanderthal.

**Mr. Ashton:** That would have been a good name, Neanderthal—there were some suggestions. I suggested at the time that they call themselves the no-name Party, they could have a blue and yellow logo, instead of blue and red. But we remember at the time the great contribution of the Minister of Justice (Mr. McCrae) by suggesting that the name be changed. Here history is repeating itself. Here we have the Minister of Justice getting up and speaking on this Bill.—(interjection)- Well, I do not think you have a heart, to the Minister of Health (Mr. Orchard), so I would not worry about it. But I would say that here we have history repeating itself. The Minister of Justice has now spoken at great length about the fact that the Member has not mentioned the name Friendly Manitoba, and I think that is very interesting coming from that Member. I do think, however, that the Member ought to be commended for this Bill. I am not sure it is exactly something he might want to run on in the next election, but it is certainly an interesting proposal that well deserves going to committee.

**The Acting Speaker (Mr. Minenko):** Question? Is there a call for question?

**Hon. Donald Orchard (Minister of Health):** I would beg to adjourn debate, seconded by my honourable colleague, the Minister of Industry (Mr. Ernst), well-being of Manitoba, job creation, fantastic statistics and employment.

**The Acting Speaker (Mr. Minenko):** It has been moved by the Minister of Health (Mr. Orchard), seconded by the Honourable Minister for Industry, Trade and Tourism (Mr. Ernst), that debate on Bill No. 4 be adjourned. Agreed?

**An Honourable Member:** Agreed.

**The Acting Speaker (Mr. Minenko):** Agreed.

## BILL NO. 10—THE BEVERAGE CONTAINER ACT

**The Acting Speaker (Mr. Minenko):** On the proposed motion of the Honourable Member for Springfield (Mr. Roch), Bill No. 10, The Beverage Container Act; Loi sur les contenants de boisson, standing in the name of the Honourable Minister of Health (Mr. Orchard). Stand?

**An Honourable Member:** Stand.

**The Acting Speaker (Mr. Minenko):** Stand.

**BILL NO. 13—THE MANITOBA  
INTERCULTURAL COUNCIL  
AMENDMENT ACT**

**The Acting Speaker (Mr. Minenko):** On the proposed motion of the Honourable Member for Selkirk (Mrs. Charles), Bill No. 13, The Manitoba Intercultural Council Amendment Act; Loi modifiant la Loi sur le Conseil interculturel du Manitoba.

**An Honourable Member:** Stand.

**The Acting Speaker (Mr. Minenko):** And the motion of the Honourable Member for Thompson (Mr. Ashton) that the question be now put, standing in the name of the Honourable Minister of Health (Mr. Orchard).

**An Honourable Member:** Stand.

**The Acting Speaker (Mr. Minenko):** Is there leave for the matter to stand?

**An Honourable Member:** Leave.

**The Acting Speaker (Mr. Minenko):** Agreed.

**BILL NO. 21—THE UNFAIR  
BUSINESS PRACTICES ACT**

**The Acting Speaker (Mr. Minenko):** On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 21, The Unfair Business Practices Act (Loi sur les pratiques commerciales déloyales), standing in the name of the Honourable Minister of Justice (Mr. McCrae).

Is there leave to have the Bill remain standing in the name of the Honourable Minister of Justice?

**An Honourable Member:** Leave.

**The Acting Speaker (Mr. Minenko):** Leave. The Honourable Member for St. Vital.

**An Honourable Member:** Is this going to be a Conservative speech or a converted Liberal speech?

**Mr. Bob Rose (St. Vital):** Well, it just depends what view you have and I know what yours is, Mr. Minister. I thank you, Mr. Acting Speaker, to have an opportunity to put some views on this Bill. It is no doubt that—

**An Honourable Member:** What Bill do you have?

**Mr. Rose:** Bill No. 21. For those who did not get a copy, Mr. Acting Speaker, in braille it is called The Unfair Business Practices Act, Bill No. 21.

\* (1740)

(Mr. Speaker in the Chair)

I think all of the people in this House welcome an increased protection for consumers, especially being on the receiving end, I am sure we all have been of shady practices. I think it is especially welcome for

people with less than adequate sophistication in their ability to buy. Unfortunately, this Bill in some respects, in fact in many respects, goes to the normal socialist extremes and certainly some elements smack of, let big brother look after you from the cradle to the grave. This, although as I said previously, we welcome increased protection because we have always had experience with it, to go that far I think is to the extreme questioning the intelligence of all the people of Manitoba.

I think that some aspects of this Bill make it cumbersome and therefore not manageable by any department. I refer there specifically on page 4, No. 3(l)(c) where it says they must determine whether there was a reasonable probability of full payment of the price of the transaction by the consumer. There is no explanation and I have not heard anybody so far indicate how that could possibly be monitored or policed, but I guess it means that every person selling any goods, even if it would be a 50-cent article, would have to find out if the consumer really has the ability to pay before they would even start talking to them.

I imagine that we would maybe make criteria then of whether a person comes in in ties and tails or whether they have blue jeans or whether they have overalls or indeed maybe even how tall or how short they are or the colour of their skin or what other criteria. I do not know how you could possibly, having a customer at the counter, determine whether there is a reasonable probability that they would be able to pay for the item that they are dickering on at that particular point in time.

That outlines what I said earlier that it goes past - (interjection)- now, Mr. Speaker, it also says the Minister of Health (Mr. Orchard) is very natterly today, he is in good spirits. I do not know why, but maybe he anticipates something—anyway, I would like to know his dealer.

NDP regimes over the last 20 years have shown this to be most unrealistic, particularly when you look back on some of their expectations for Autopac, more than perhaps any institution that I know of and particularly when you take into account that it was a Government institution, practice poor attitudes and indeed perhaps illegal attitudes towards the consumers of Manitoba. Of course we all know what happened there and that this was the eventual major cause of the downfall of that Government.

It is also interesting, Mr. Speaker, to note that it is always a pleasure on the part of the socialists to cast a poor light or a demeaning light on free enterprise. They like to call things the lemon laws and The Unfair Business Practices Act. It is not in their character to call anything - (interjection)- it casts a light that all business is unfair and that is not true. We know there are unscrupulous characters out there and they are usually fly-by-night operators but by and large competition makes business fair, and particularly if you are dealing with major institutions.

I think we have all had some experience, not perhaps personally, but in the Legislature we get complaints of rip-off artists and we know that this is devastating to

some families, particularly when we are talking of the elderly where perhaps one of the couple has died and the other one, which is very often the woman, is not very sophisticated in dealing with people and businesses and that these sharks take advantage of them.

I might say I did preface that by saying that the majority was that, but certainly that is not to suggest women or men are more sophisticated in one thing or another. When one of the couple does pass on or leave, it often leaves one without that particular expertise in a field of dealing with people. I have seen it ruin families, ruin their financial situation and cause major financial crisis in the family. For that reason and taking into account the nature of these practices, I think indeed in this day and age that we would be certainly looking at fines that were in excess of what is suggested in this Bill. For the type of, and I do call them crimes that we are talking about here, I would think that a fine of \$5,000 would not be extreme and certainly \$50,000 in the place of corporations. Some might even suggest that it be higher than that, but whatever it is I think if we are going to put teeth in the law, we have to have a very strong deterrent to this type of sharking.

I might also mention that the Bill does not seem to include anything for the time and expense that people go to in recovering their losses, both legal and otherwise in time. I would think that there should be some restitution and compensation for the troubles and time spent rectifying wrongs when they are pointed out.

I also note that the Bill has a maximum here as far as the transaction, but it does not have a minimum. I would say that is a flaw, because we would be cluttered with all sorts of superfluous and almost meaningless complaints that could be handled in better ways through a system. I would think one of those avenues for redress is through the Better Business Bureau in checking up with it, or perhaps through the Small Debts Court.

**An Honourable Member:** Give us a minimum.

**An Honourable Member:** Why did you not give a minimum? How come you did not say a minimum, Jim?

**Mr. Rose:** I would say the Member for Elmwood (Mr. Maloway), who introduced the Bill, is asking for suggesting a minimum. I do not think that there is any figure that is magic around here. I guess if I had to put a figure on there, I would say that something in the nature of \$100 would be reasonable and worth the trouble to follow up on it. I think other means could be found for numbers that are smaller than that. Probably if we had 20 opinions we would have 20 figures. It seems to me in this day and age that something around a hundred dollars might be realistic.

I think, Mr. Speaker, one of the most important things that we should have in regard to getting consumers more sophisticated of all types is more education and perhaps more advertising of what we should be looking for and the pitfalls of not being alerted to shady practices. I think that most of us in our age, we learned not to say that we did not get burned on things, but we learned a long time ago, which is hard for the socialists to realize, that there are really no free lunches

out there. When someone comes bearing gifts, you should be very, very wary of it. I hope there are not door-to-door salesmen here, but I think that the practice of snapping at a decision, even though we have laws that sales can be cancelled after a certain period, but I think that it is bad practice to be taken in by these stories.

I think you should have second thoughts, and if you feel that the presentation has been worthwhile and the goods were the type that you could use, then get the person's name and address or phone number, and insist on that and get back to them. I think that it is these impulse decisions that are made at the door that are the most common causes of rip-offs.

I know that in my family we learned a long time ago that if you wanted something and you wanted a good deal and you wanted to be able to fall back on the guarantee that you could deal with any of the leading companies. I think that is following on the line that people do not give away nothing for nothing. If you go to a store, like Eaton's, Bay, Woolco, et cetera, and shop four or five or six different places, then you will probably get as good a deal as you will get with any door-to-door salesman or somebody who you meet by chance.

\* (1750)

I think this is the sort of education that you could even be doing in our schools. Certainly as students progress into the high school, what to be aware of and what practices to use, learn something about how business is transacted. That is a whole broad subject in itself, in that youngsters come out of Grade 12, or indeed even out of university, and are not very sophisticated when they get dealing with either selling or buying something, and the laws protecting them and the avenues that they can go for redress. So education is very, very important, Mr. Speaker, and I would suggest that be part of any Bill that wants to enlighten consumers.

I might also say that I think the \$100,000 limit is on the low side when you consider what \$100,000 can buy these days. I think by limiting it to a \$100,000, I think that you are eliminating a great number of the home purchases in the province. Certainly, again a guess would be that \$200,000 would not, in any way, be unreasonable and should be looked at.

I think that -(interjection)- it is in case the price of onions goes up, Eddie, that is the problem.

In getting back to education, I think that part of the education should be directed towards, and I do not think we need to confine our remarks here to the Department of Consumer and Corporate Affairs, but to other departments. I think it is a great need on the part of this Government to train civil servants as to how to deal with the public and learn a lot and be compassionate on it.

Many of our calls are from people who are on the right side, but the civil servants have not given them the right direction, or in fact they have shown indifference to it. So we certainly should send the people

who administer these Acts out to get a broad training so that the general public is treated well. The Government has said that they will be introducing amendments to the present Act, and certainly we look forward to see what the Minister does bring forward and hope that you will use this as an example and correct the flaws that are inherent in this NDP Bill. Thank you, Mr. Speaker.

**Mr. Speaker:** As previously agreed, this matter will remain standing in the name of the Honourable Minister of Justice (Mr. McCrae).

### **BILL NO. 22—THE CONSUMER PROTECTION AMENDMENT ACT**

**Mr. Speaker:** On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 22, The Consumer Protection Amendment Act; Loi modifiant la Loi sur la protection du consommateur, standing in the name of the Honourable Minister of Housing (Mr. Ducharme). (Stand)

### **BILL NO. 23—THE CONSUMER PROTECTION AMENDMENT ACT (2)**

**Mr. Speaker:** On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 23, The Consumer Protection Amendment Act (2); Loi no 2 modifiant la Loi sur la protection du consommateur, standing in the name of the Honourable Minister of Justice (Mr. McCrae). (Stand)

### **BILL NO. 26—THE REAL PROPERTY AMENDMENT ACT**

**Mr. Speaker:** On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 26, The Real Property Amendment Act; Loi modifiant la Loi sur les biens réels, standing in the name of the Honourable Minister of Justice (Mr. McCrae). (Stand)

## **SECOND READINGS—PUBLIC BILLS**

### **BILL NO. 17—THE EMPLOYMENT STANDARDS AMENDMENT ACT**

**Mr. Steve Ashton (Thompson)** presented Bill No. 17, The Employment Standards Amendment Act; Loi modifiant la Loi sur les normes d'emploi, for second reading, to be referred to a committee of this House.

#### **MOTION presented.**

**Mr. Ashton:** Mr. Speaker, I introduced this Bill originally in the last Session of the Legislature, and unfortunately it was not dealt with at that time.

At the time that I introduced it for first reading in this House, I warned that if we did not introduce legislation improving the protection for workers affected by major layoffs and plant closures that we would be making a serious mistake.

I put it to the Government, Mr. Speaker, that because of the impacts of the Free Trade Agreement, because of the situation of the Manitoba economy, that we would be faced with an increasing number of plants that would be closing and an increasing number of major layoffs.

Today with the benefit of hindsight, I can say that it is quite clear that has taken place in Manitoba and is taking place across Canada. We have seen statistics released just today that show that we have lost literally thousands of jobs across this country, including here in Manitoba. Fed by my calculations, Mr. Speaker, there have been more than 30 major layoffs and plant closures in Manitoba since the beginning of this year, 30 major plant closures, and what else? I think the indications are that will continue over the next period of time and despite the attempts of the Government to put a PR face on what is happening with the Manitoba economy, the indications are that we are going to be facing a worsening situation over the winter.

Perhaps the clearest indication of that, Mr. Speaker, is that one of the key leading indicators—by leading indicators, I mean statistics—that economists take as being a preview of what is going to happen. Let us look at what is happening in the area of consumer confidence, one of the key leading indicators. In Manitoba we have one of the worst levels of consumer confidence in the last number of years and the worst levels of consumer confidence in this country. I am afraid that history will repeat itself. We all remember when the Conservatives were last in power, they had the dubious distinction of leading this province into the recession that took place across Canada. They led it into recession a good 18 months to two years ahead of the rest of the country.

Now, Mr. Speaker—(interjection)—Yes, for the Minister of Health (Mr. Orchard), I was demonstrating as part of the university committee against the cutbacks that took place at the time. I must say that I am pleased to see that we have one saving grace with the current Conservative Government, and that is it is a minority Government. Because I am sure history would repeat itself across the board if we had a majority Government, and when we have the Minister of Health being able to introduce his real agenda of cutbacks in the health care system, the 3 percent cuts that he talked about when he was in Opposition. I will read those comments back to him, perhaps he has forgotten them. I would like to see what would happen with the Minister of Education (Mr. Derkach) if they had a majority once again. If they did not have a minority situation where the Opposition Parties, at least this Opposition Party, is trying to make the minority Government situation work, Mr. Speaker.

I really believe that history is going to repeat itself because those, as they say, who did not learn from history, are condemned to repeat it and that is what is happening in Manitoba. It is not that the warnings are not there. Economists are pointing to the fact that the leading indicators are looking negative for this province, that within six months to a year there could be increased numbers of layoffs. I hope the Government will do something to counteract that. They have a very good opportunity in the case of Conawapa; they have



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a very good opportunity. Ontario is virtually begging them to complete the major sale. It was something that was well under way in terms of negotiations. I understand negotiations have been continuing. I have talked to some of my former colleagues on the Manitoba Hydro Board and the Manitoba Hydro staff and I know that the discussions have been continuing.

Let us hope that the Government does take some action. In the case of Conawapa, and I hope this is one case they will turn their backs on their previous policy because this is the same Government that criticized the NDP for developing Limestone, Mr. Speaker. I hope the Conservative Government that condemned the start-up of Limestone will not go the route of the Liberals who have talked about putting Conawapa on the back burner for as many as two or three decades—"lemonstone," as they have called it, something that I think that northern Manitobans in particular would like to hear. But I hope the Tories will turn their backs on their own previous folly, in terms of Hydro policy and develop it.

But regardless of what happens, whether we have Conawapa or some other development, regardless of whether the Government learns its lesson in terms of job creation, the fact is, Mr. Speaker, that we are going to be faced with an increasing number of plant closures and layoffs because of the Free Trade Agreement. Because of the Free Trade Agreement, Mr. Speaker, we are bound to have adjustment, readjustment, and that is going to lead to layoffs.

That is the general consensus I think of economists. I think you just have to talk to Manitobans today and there is that same concern as well. Let us not forget that when we are talking about plant closures and layoffs, we are not talking just about statistics, we are talking about people who will be losing their livelihood. In many cases it leads to the loss of their home, the loss of their cars, all the savings they have built up over the years. In some cases it leads to the breakup of the marriage itself. I have seen that and I have talked directly to people who worked for their company for 20 and 30 and 40 years, who then find, even when the plant in many cases is still profitable, that they are out of a job, and that is the bottom line in this Bill.

This Bill is more than just a few technical changes to the Employment Standards Bill, this Bill aims at bringing in a series of substantive measures to improve the security protection for laid off workers who are affected by major layoffs and plant closures.

Let us look first at one of the most important parts of this. In many case, Mr. Speaker, plants are closed

not because they are unprofitable but because of corporate rationalization. I talked to workers for example at the Ogilvie Mills here in Winnipeg who indicated quite clearly they were told by the company, not that the plant was unprofitable but that it was not as profitable as other operations operated by the corporation. We have seen that happen with packing plants as has been our corporate rationalization here in Manitoba.

\* (1800)

We have suffered and I really believe that we have to, if at all possible, take the steps to see if we can keep those plants operating and see if we can save those jobs here in this province. That is why one of the important provisions of this Bill is to bring in, for the first time in Manitoba, the right of first refusal for the employees.

What I mean by that, Mr. Speaker, is that they would have the same right to buy the plant that the corporation which is rationalizing would be giving to an outside buyer. They would have the right to buy the plant and keep it operating and that is important. If however the jobs cannot be maintained, there are still some things that need to be done to ensure a proper adjustment of the workers affected into the workplace, and that is where some of the other important provisions of this Bill come into place.

First of all, for the first time in Manitoba history if this Bill is passed, we will have in legislation severance pay. Many people are not aware right now that you do not have severance pay in Manitoba if you are laid off by legislation. If you do not have it in your collective agreement or you do not have an agreement with your employer, you have no severance pay. It does not matter if you worked for 30 years, you receive absolutely nothing, Mr. Speaker. Absolutely nothing from the company and that is important.

When I continue in debate the next time we discuss this Bill, I will be discussing the other important provisions of this Bill, something that will be a substantial improvement for the lot of working people in Manitoba.

**Mr. Speaker:** When this matter is again before the House, the Honourable Member 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).