



Third Session - Thirty-Fifth Legislature  
of the  
**Legislative Assembly of Manitoba**

---

**DEBATES  
and  
PROCEEDINGS  
(HANSARD)**

---

42 Elizabeth II

---

*Published under the  
authority of  
The Honourable Denis C. Rocan  
Speaker*



**VOL. XLII No. 64A - 1:30 p.m., MONDAY, MAY 17, 1993**

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fifth Legislature**

**Members, Constituencies and Political Affiliation**

---

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHEEMA, Gulzar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
GRAY, Avis	Crescentwood	Liberal
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
ORCHARD, Donald, Hon.	Pembina	PC
PALLISTER, Brian	Portage la Prairie	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP
<i>Vacant</i>	Rossmere	
<i>Vacant</i>	Rupertsland	

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, May 17, 1993

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### PRESENTING PETITIONS

**Mr. Oscar Lathlin (The Pas):** Mr. Speaker, I beg to present the petition of Christine Maniel, Don Russick, Greg Maniel and others requesting the Minister of Health (Mr. Orchard) consider restoring the Children's Dental Program to the level it was prior to the 1993-94 budget.

**Mr. Cliff Evans (Interlake):** Mr. Speaker, I beg to present the petition of Diane Hofer, Isaac Hofer, Debbie Hofer and others requesting the Minister of Health (Mr. Orchard) consider restoring the Children's Dental Program to the level it was prior to the 1993-94 budget.

**Mr. Jim Maloway (Elmwood):** Mr. Speaker, I beg to present the petition of Lillian Kleinsasser, Dave Waldner, Joseph Waldner and others requesting the Minister of Health (Mr. Orchard) consider restoring the Children's Dental Program to the level it was prior to the 1993-94 budget.

\*\*\*

**Ms. Rosann Wowchuk (Swan River):** Mr. Speaker, I beg to present the petition of Albert Sigurdson, Barbara Tapp, Ken Sigurdson and others requesting the Manitoba Minister of Agriculture (Mr. Findlay) to consider conducting a plebiscite of Manitoba farmers as soon as possible on the issue of removing barley from the jurisdiction of the Canadian Wheat Board.

### READING AND RECEIVING PETITIONS

**Mr. Speaker:** I have reviewed the petition of the honourable member (Mr. Storie). It complies with the privileges and the practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

**Mr. Clerk (William Remnant):** The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS Manitoba has the highest rate of child poverty in the country; and

WHEREAS over 55,000 children depend upon the Children's Dental Program; and

WHEREAS several studies have pointed out the cost savings of preventative and treatment health care programs such as the Children's Dental Program; and

WHEREAS the Children's Dental Program has been in effect for 17 years and has been recognized as extremely cost-effective and critical for many families in isolated communities; and

WHEREAS the provincial government did not consult the users of the program or the providers before announcing plans to eliminate 44 of the 49 dentists, nurses and assistants providing this service; and

WHEREAS preventative health care is an essential component of health care reform.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Health (Mr. Orchard) consider restoring the Children's Dental Program to the level it was prior to the 1993-94 budget.

\*\*\*

**Mr. Speaker:** I have reviewed the petition of the honourable member (Ms. Wowchuk). It complies with the privileges and the practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

**Mr. Clerk:** The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS the Canadian Wheat Board has played a vital role in the orderly marketing of Canadian wheat, barley and other grain products since its inception in 1935; and

WHEREAS the federal Minister of Agriculture is considering removing barley from the jurisdiction of the Wheat Board; and

WHEREAS this is another step towards dismantling the board; and

WHEREAS, as in the case with the removal of oats from the Wheat Board in 1989, there has been no consultation with the board of directors of the Wheat Board, with the 11-member advisory committee to the board or the producers themselves; and

WHEREAS the federal minister has said that there will be no plebiscite of farmers before the announcement is made.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Manitoba Minister of Agriculture (Mr. Findlay) to consider conducting a plebiscite of Manitoba farmers on this issue as soon as possible.

\* \* \*

**Mr. Speaker:** I have reviewed the petition of the honourable member (Mr. Hickes). It complies with the privileges and the practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

**Mr. Clerk:** The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS the United Nations has declared 1993 the International Year of the World's Indigenous People with the theme, "Indigenous People: a new partnership"; and

WHEREAS the provincial government has totally discontinued funding to all friendship centres; and

WHEREAS the provincial government has stated that these cuts mirror the federal cuts; and

WHEREAS the elimination of all funding to friendship centres will result in the loss of many jobs as well as the services and programs provided, such as: assistance to the elderly, the homeless, youth programming, the socially disadvantaged, families in crisis, education, recreation and cultural programming, housing relocation, fine options, counselling, court assistance, advocacy;

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Family Services minister to consider restoring funding for the friendship centres in Manitoba.

\*(1335)

\* \* \*

**Mr. Speaker:** I have reviewed the petition of the honourable member (Mr. Dewar). It complies with

the privileges and the practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

**Mr. Clerk:** The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS Manitoba has the highest rate of child poverty in the country; and

WHEREAS over 55,000 children depend upon the Children's Dental Program; and

WHEREAS several studies have pointed out the cost savings of preventative and treatment health care programs such as the Children's Dental Program; and

WHEREAS the Children's Dental Program has been in effect for 17 years and has been recognized as extremely cost-effective and critical for many families in isolated communities; and

WHEREAS the provincial government did not consult the users of the program or the providers before announcing plans to eliminate 44 of the 49 dentists, nurses and assistants providing this service; and

WHEREAS preventative health care is an essential component of health care reform.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Health (Mr. Orchard) consider restoring the Children's Dental Program to the level it was prior to the 1993-94 budget.

## INTRODUCTION OF BILLS

### Bill 33—The Provincial Railways and Consequential Amendments Act

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Speaker, I move, seconded by the Minister of Energy and Mines (Mr. Downey), that Bill 33, The Provincial Railways and Consequential Amendments Act (Loi concernant les chemins de fer provinciaux et apportant des modifications corrélatives à d'autres lois), be introduced and that the same be now received and read a first time.

His Honour the Lieutenant-Governor, having been advised of the contents of this bill, recommends it to the House, and I would like to table the message as well.

**Motion agreed to.**

### Bill 35—The Fisheries Amendment Act

**Hon. Harry Enns (Minister of Natural Resources):** Mr. Speaker, I move, seconded by the Minister of Health (Mr. Orchard), that Bill 35, The Fisheries Amendment Act (Loi modifiant la Loi sur la pêche), be introduced and that the same be now received and read a first time.

His Honour the Lieutenant-Governor, having been advised of the contents of this bill, recommends it to the House, and I will be tabling the message as well.

**Motion agreed to.**

### Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions, may I direct the attention of all members to the gallery, where we have with us this afternoon from the R.H.G. Bonnycastle School, thirty Grade 5 students under the direction of Ms. Regan Rasmussen. This school is located in the constituency of the honourable Minister of Education and Training (Mrs. Vodrey).

Also this afternoon, from the Willow Grove School, we have fourteen Grades 5-9 students under the direction of Mr. Dayton Penner. This school is located in the constituency of the honourable Minister of Labour (Mr. Praznik).

On behalf of all honourable members, I would like to welcome you here this afternoon.

### ORAL QUESTION PERIOD

#### Manitoba Hydro Arni Thorsteinson Appointment

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker, my question is to the Premier (Mr. Filmon).

On May 5, cabinet replaced a former Tory fundraiser on the Board of Directors of Manitoba Hydro, one Mr. Terry Stratton, who had received the ultimate, I guess, in terms of Tory fundraising rewards and been appointed to the Senate.

They replaced one Tory fundraiser on that Manitoba Hydro Board with another Conservative fundraiser, one Arni Thorsteinson, who of course was appointed to the Board of Manitoba Hydro on May 5 to replace Terry Stratton. By correspondence that we have received, we know he is the chairman of the PC Manitoba fund, the fund that was sending out letters on April 28 to numerous businesses and organizations across Manitoba.

Mr. Speaker, it appears to us that this board spot is reserved for a Conservative fundraising person, and I would like to ask the Premier what the qualifications of Mr. Thorsteinson were to appoint him to that board of directors.

**Hon. Gary Filmon (Premier):** Mr. Speaker, Mr. Thorsteinson is probably on more boards of directors of more national corporations than all but a handful of Manitobans. I know that he is on the board of, for instance, one of the banks in Canada, Purolator Corporation—there are several of them. I will get the list, but Mr. Thorsteinson, because of his vast business experience—he is president of one of the largest development companies in Manitoba, does business throughout North America, United States, and so on. Because of those qualifications, he is eminently qualified, better qualified than most of the people who are ever appointed to boards and commissions by New Democrats, I can tell you that.

\* (1340)

**Mr. Doer:** Mr. Speaker, Mr. Thorsteinson has also been appointed by Brian Mulroney to the Petro-Canada Board of Directors. Here we see fundraisers sending out letters to businesses all across Manitoba. They are sending out letters in the morning to many of these businesses and in the afternoon of course they are making decisions on boards of directors dealing with procurement by Manitoba Hydro of millions and millions of dollars.

Does the Premier not think, given the fact that Jules Benson had to quit under The Civil Service Act his position as a fundraiser for the Conservative Party when the Premier appointed him to Treasury Board, there is a problem here with a person who is involved in raising money for the Conservative Party in the morning, making decisions on procurement policies worth tens of millions of dollars in the afternoon?

**Mr. Filmon:** Mr. Speaker, I cannot believe the hypocrisy of this member opposite. The member who is sitting behind him, one David Chomiak, when he was a member of the equivalent of the Crown Corporations Council, was sending out fundraising letters to the corporate community in this province on behalf of New Democrats. One Marty Dolin, who was at that time the husband of a minister of government in the New Democratic government, later became himself a member of the New Democratic government, was a bagman—

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

### Point of Order

**Mr. Steve Ashton (Opposition House Leader):** On a point of order, Mr. Speaker, I realize that our rules in terms of what is parliamentary and what is not usually covers sitting members, but I would perhaps like to remind the First Minister this is the 1990s and people are no longer referred to as being spouses or appendages. People are referred to as being their own individuals with their own views. Perhaps the First Minister might wish to consider that.

**Mr. Speaker:** The honourable member does not have a point of order. It is clearly a dispute over the facts.

\* \* \*

**Mr. Doer:** Mr. Speaker, a final question to the Premier on the qualifications of the individual whom he has so vigorously defended.

On April 27, a judgment was made on behalf of the Province of Manitoba dealing with the Manitoba Housing and Renewal Corporation for three companies owned by Mr. Thorsteinson adding up to funds of some \$6 million that were owed to corporations that are in the ownership of the Province of Manitoba. This judgment was made a week before the Premier and cabinet appointed this individual to the Board of Directors of the Manitoba Hydro corporation.

Mr. Speaker, has the member whom the Premier has defended, did he pay back the money to the Province of Manitoba in the seven days between the time the judgment was arrived at by the Court of Queen's Bench and the time the government appointed him to that board?

**Mr. Filmon:** Mr. Speaker, speaking of paying back the government, the member could tell us whether or not he and his member for Selkirk (Mr. Dewar) repaid student loans.

Mr. Speaker, we deal with every single person, regardless of their political stripe, on a businesslike basis, and that is why we do not give special favours to any individual regardless of their political persuasion.

\* (1345)

### Radon Gas Report Release

**Ms. Marianne Cerilli (Radisson):** Mr. Speaker, the problem of radon gas in Manitoba has been raised

again in a study showing that not only are our levels the worst in the country, but that they have increased more than three times the level in the '80s. It is also clear that this government is not doing everything they could to take seriously this problem.

I would ask the Minister of Environment: Why was the report on the levels of radon outside the city of Winnipeg not released independently?

**Hon. Glen Cummings (Minister of Environment):** I am not sure what the member means by being released independently. The fact is that meetings were held in the communities outside of Winnipeg. The media was invited and members of the local councils. The meetings were open in order to try and present the information that went beyond what was known before.

That is what concerns me about the attention that this particular item is receiving today. Some three years ago, three and a half years ago, this province released all the information that we had available at that point regarding radon. We put together what is considered one of the most comprehensive and useful radon guides for homeowners. I am looking at this one; this was the second printing already in October of 1989.

So, Mr. Speaker, this government has taken a lot of time and effort to make sure that Manitobans are aware of the issue.

### Building Code Regulations

**Ms. Marianne Cerilli (Radisson):** Mr. Speaker, what we are talking about is a more proactive approach that is going to let people know that our homes in Manitoba have a higher level than radioactive contaminated sites in Ontario.

I would ask the Minister of Environment: Why have the building codes of Manitoba not been changed so that regulations are strengthened in this area, regulations that have been developed but are not implemented by this government?

**Hon. Glen Cummings (Minister of Environment):** Those regulatory changes, which have been worked on and put together in conjunction with the industry—that is one of the things that disturbs me, however, is that we should perhaps be very careful on how we deal with this issue, because at the same time as we want to make sure that Manitobans have all of the information available to them, I would like to point out that an information bulletin went out of our department earlier this year, as well.

In that bulletin, it has been indicated that we have some preliminary results from a decade-long study that has been done by Canada Health and Welfare, a study which they will be releasing later this year. They presented us with information of their preliminary results, and the indications are that they have been unable to establish any relationship between the health effects and high radon levels or household levels of radon as we have in this province.

**Ms. Cerilli:** Mr. Speaker, it concerns me that this minister would get into a battle over research studies when there is something as serious as this that has been shown to be related to cancer and is in the government's own—

**Mr. Speaker:** Order, please. The honourable member for Radisson, with your question.

### Home Repair Assistance Program

**Ms. Marianne Cerilli (Radisson):** My question for the Minister of Environment is: What consideration has this government given to a loan and cost assistance program to help homeowners cover the cost of \$1,500 to radon-proof their homes?

**Hon. Glen Cummings (Minister of Environment):** Mr. Speaker, as I indicated, we have taken the position we took back in 1989 and it has been reconfirmed, as a matter of fact, by the information that has been recently released, in fact, reconfirms the information we had in 1989 that the concerns are such that a person, if they wish, can acquire the expertise to have the test done of any particular levels of radon or find if there are particular levels in their dwelling, and we provide as much information as we can as to how it can be mitigated.

Frankly, the implication that this could cost up to \$1,500—it can be considerably less as well.

### Radon Gas

#### Home Repair Assistance Program

**Mr. Paul Edwards (St. James):** My question also is for the Minister of Environment.

I have listened to his answers to my colleague's questions, Mr. Speaker, and I am reminded of the October 5, 1989, press release in which this minister said that he would be forthwith putting in radon protection provisions into the Manitoba Building Code.

He also produced a facts sheet at that time which said that radon-related safeguards would be

included in amendments to the Manitoba Building Code.

It has been three and a half years, Mr. Speaker. When is this minister intending on actually following through on commitments made three and a half years ago about a problem that he said at the time, correctly, was extremely serious?

**Hon. Glen Cummings (Minister of Environment):** Mr. Speaker, this is not just a result of an action by this department, but the co-ordination of the other departments and the National Building Code, that we will then be able to make sure that houses that are built in the province, the newer ones, are built to standards that would provide the protection against any intake of gas.

\* (1350)

**Mr. Edwards:** I asked about these press releases that are about the Manitoba Building Code, Mr. Speaker. It has been three and a half years and nothing has been done.

My further question, Mr. Speaker, is for the minister: Given that this minister has agreed this is an extremely serious problem and it is relatively inexpensive in most cases to deal with, is this minister prepared to speak to his colleague the minister responsible for Manitoba Hydro (Mr. Downey) to canvass the possibility of giving loans to be paid back over time through Hydro payments, as has been done in the past, for this type of home improvement activity which can only help the health of Manitobans throughout this province?

**Mr. Cummings:** Mr. Speaker, the member implies that this is a matter that should be dealt with on an emergency basis or dealt with through a government program that would fund the correction of the problem.

Mr. Speaker, as I said earlier, while we are concerned about what any of these elevated readings may mean, they are naturally occurring, and the studies that we have from the Department of Health and Welfare do not indicate that there is a demonstrable relationship in terms of cause and effect.

Mr. Speaker, I think the best approach is that we keep ourselves informed, that we make sure that the public has an opportunity to be informed, and if they believe the concern is of a level that they wish to do something about it, that the information be available.

### Building Code Regulations

**Mr. Paul Edwards (St. James):** Mr. Speaker, the minister's booklet says: Radon is a significant contributor towards lung cancer deaths.

My question for the minister: He talks about me wanting to deal with this on an emergency basis. When is he going to put the provisions into the Manitoba Building Code dealing with radon gas? Three and a half years—

**Mr. Speaker:** Order, please. The honourable member has put his question.

**Hon. Glen Cummings (Minister of Environment):** Mr. Speaker, it seems to me that the member is unwilling to recognize a considerable amount of work that has been done.

This province had a demonstration project in 1988-89 in the northern part of the city of Winnipeg where we did extensive studies and spent a considerable amount of the industry's money and provincial taxpayers' money making sure that the guidelines for construction were put in place.

Mr. Speaker, the information gathered there, combined with the information gathered by Canada Department of Health and Welfare, indicates this is the best way of dealing with the issue.

### Organic Farming Minister's Position

**Ms. Rosann Wowchuk (Swan River):** Mr. Speaker, last week I asked the Minister of Agriculture about organic farming practices in Manitoba, and the minister indicated he felt there had been adequate research done into the effects of chemicals used in the farm process and in the way in which chemicals are used in Manitoba.

Will the minister tell the House today if his idea about the value of organic farming has changed in any way, given the results of the recent study published by the American Journal of Epidemiology which links the use of herbicides with prostate cancer?

**Hon. Glen Findlay (Minister of Agriculture):** Mr. Speaker, over the course of the last number of years, there has been a lot of concern about the use of chemicals in the operation of a farm.

We have a registration process in Canada that is the best in the world in terms of determining precautions to be used in the handling of chemicals. My department and myself have been advocating

that farmers follow the precautions, particularly in the use of clothing, rubber gloves and masks, because they are handling the chemical in a concentrated fashion when they are transferring it from a container into a sprayer, and certainly farmers are at risk.

I think what this sort of information does highlight to farmers is that they should follow the safety precautions because, to tell you the truth, when surveys are done to determine if farmers are following the precautions, many are not following them to the letter of the requirement to guarantee safe handling of the chemicals.

So it is important that these studies are done. It does highlight the need to use safety practices, and those practices do exist. They are part of the precautions on the labels of all chemicals used in agriculture.

### Agricultural Industry Chemical Health Risks

**Ms. Rosann Wowchuk (Swan River):** Mr. Speaker, the minister tells us that farmers are at risk here.

Will the minister tell this House what steps his government will be taking to monitor the health impacts on farmers in Manitoba to assure the safety of the producers and the consumers and to be sure that the regulations are being followed and that we prevent this health risk that is out there right now?

**Hon. Glen Findlay (Minister of Agriculture):** Mr. Speaker, the department has put together an Agriculture Chemicals in the 1990s video that was presented to the farm community in the past years. It helps to highlight safe use of chemicals.

We have a process of licensing all pesticide retailers so they can then pass on the level of education to all farmers. We, certainly, through the course of the normal extension activities of the department and any time that I speak to people involved with chemicals, always accentuate all the precautions that should be used.

We cannot guarantee that farmers will follow them. We continue to accentuate that they should and all the reasons why they should. We also have done a survey to look at the degree to which farmers are using these, and it does show that rubber gloves, which is one of the really important ways to protect yourself, are used by 77 percent of the



participants, which is much higher than it was ten years ago—much, much higher.

\* (1355)

**Ms. Wowchuk:** Can the minister tell the House then whether he has read this study and whether he will direct his department staff to undertake further research that is recommended by the author of the studies, and undertake measures to educate farmers and protect farmers against these potentially deadly chemicals?

**Mr. Findlay:** Mr. Speaker, I have already indicated to the member that we do a number of things in terms of trying to be sure that farmers follow the appropriate precautions to look after themselves, their families and anybody around them.

It is an ongoing process, and we have stepped up that process in the last few years, particularly by putting together the video, Agriculture Chemicals in the 1990s. Major, major progress has been made in the last 10 years to get farmers to understand that they are at risk in the use of these chemicals. The labelling precautions are there. It is an ongoing process. We have stepped it up in the last few years. We are well ahead of the member.

### Sunday Shopping Consultations

**Mr. Jerry Storle (Flin Flon):** My question is to the Minister of Industry, Trade and Tourism.

Earlier today, the minister was quoted on a local radio station as suggesting that the opposition were holding up public consultation on the Sunday shopping legislation. Talk about revisionist history, Mr. Speaker.

My question to the minister is: Can he explain to Manitobans why, when second reading of Sunday shopping legislation was passed last December, in the intervening months there has been no attempt by the government to consult with rural Manitobans, to consult with the chambers of commerce in communities throughout this province on why this government is wrongheaded and why they are proceeding with Sunday shopping legislation?

**Hon. Eric Stefanson (Minister of Industry, Trade and Tourism):** Mr. Speaker, I guess this points out very clearly that the member for Flin Flon and members of his party do not understand what a trial period is. The whole idea of the original bill was to have a four-month trial period, to get an opportunity for Manitobans to determine how Sunday shopping

affected their communities or individual lives, to give the government an opportunity to assess it.

We did introduce another piece of legislation modelled after Alberta and British Columbia and similar to Saskatchewan. We welcome getting to public hearings as soon as the opposition parties are prepared to approve second reading and move it on to committee, Mr. Speaker.

### Public Hearings—Rural Manitoba

**Mr. Jerry Storle (Flin Flon):** Mr. Speaker, once again, the chamber of commerce pointed thumbs down on this legislation. The chamber of commerce has said this is not in the interest of rural Manitoba.

My question to the minister is: Will he now announce in the House today—and he will receive the co-operation of the opposition in proceeding with this legislation—which rural communities will have hearings on this Sunday shopping legislation? Will he announce that today so that we can co-operate?

**Hon. Eric Stefanson (Minister of Industry, Trade and Tourism):** Mr. Speaker, the member for Flin Flon refers to a resolution passed this weekend at a Manitoba Chamber of Commerce annual meeting. I had an opportunity to have lunch today with the president of the Manitoba Chamber and the Winnipeg Chamber. They indicated that it was an interesting discussion and a close vote. Only 15 chambers voted, the vote was eight to seven. So it shows, once again, the nature of the issue in terms of Manitobans having different views.

We have said all along on this particular piece of legislation, Mr. Speaker, that it will follow the same legislative process as every other piece of legislation. Once it receives second reading in this House, it will go to the traditional committee hearings that are held right here in this building and which each and every Manitoban can come in person or send in a written submission. That opportunity is there for all Manitobans to do so.

**Mr. Storle:** Mr. Speaker, talk about the arrogance of government.

The question to the minister is: Will he identify for rural Manitobans, for the Manitoba Chamber of Commerce, for the Union of Manitoba Municipalities, for MAUM, for the Canadian Federation of Independent Grocers, which rural communities are going to be the site for hearings on this legislation which is going to undermine the economy in rural Manitoba? Which communities?

**Mr. Stefanson:** Mr. Speaker, the arrogance is clearly across the way. Here is a member who has been in this House for many years, and he knows legislative process and he knows what happens with legislation in this House. This piece of legislation will follow the same process as every other piece of legislation.

As well, on the issue for municipalities that do decide to go to wide-open Sunday shopping, they have a municipal process here in Winnipeg and other parts of Manitoba which, again, the public of Manitoba will have an opportunity for input. As our House leader has indicated, if they give second reading along with the Liberal Party, we will go to committee Wednesday of this week.

\* (1400)

### **Interdepartmental Crisis Committee Target Groups**

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** Mr. Speaker, my question is to the Minister of Family Services.

I asked the minister last Tuesday with regard to some protocols that the departments are now using in co-ordinating information from one department to the other. On Friday, the minister of Child and Family Services distributed four documents, three of which, quite frankly, pre-date the Reid inquest. The final document that was released refers to children between the ages of five and 11, which does not mean that the Reid family would have qualified.

Would the minister now today like to give us protocols that would have applied to a similar incident like the Reid family tragedy?

**Hon. Harold Gillehammer (Minister of Family Services):** Mr. Speaker, last day, I pointed out to the member that the Reid inquest report by Judge Norton dealt with addressing difficulties of co-ordination between the Child and Family Services agencies and other social agencies and police authorities in dealing with a specific case.

As a result of that, we have brought in a number of reforms which I indicated on the record last Friday.

**Mrs. Carstairs:** Mr. Speaker, the document which the minister tabled in fact is new. It is one which is called a Referral Process to the Interdepartmental Crisis Resource Committee for Children Between Ages 5-11.

Are the members of this House to assume that if there are adolescents, who are outside the ages of between five and 11, they would not be referred to this Interdepartmental Crisis Resource Committee?

**Mr. Gillehammer:** Mr. Speaker, that was one of four reports that I tabled for the member who was looking for information on interdepartmental co-ordination. That specific one deals with a target group of children between the ages of five and 11.

However, the other documents that I tabled, Guidelines on Identifying and Reporting a Child in Need of Protection, another document, Transition Planning Process—and the third one I would mention is the Provincial Advisory Committee on Child Abuse, which, as a matter of fact, today is meeting in regular session with staff from the Department of Justice, the Department of Health, the Department of Education and the Department of Family Services.

**Mrs. Carstairs:** Mr. Speaker, the document the minister tabled on Friday which is a referral process says: "Personnel from local school divisions, Child and Family Service agencies and regional mental health services presently collaborate to develop community-based education/treatment programming for children with severe behavior adjustment disorders. However, there are some cases where, because of the severity of the behavior, the complexities of the case and/or local factors, such collaborative planning at the local level reaches an impasse . . . ." and that is when this crisis group goes into play.

Can the minister tell the House if that Crisis Resource Committee would in fact be put into place for those over the age of 11?

**Mr. Gillehammer:** This particular document deals with children from ages five to 11, as the information indicates. There are other procedures which are used to deal with older children, where we have interdepartmental committees which do a case conference on specific cases.

### **Health Care System Reform Centralization**

**Mr. Dave Chomiak (Kildonan):** Mr. Speaker, like so much else in health care reform, we are waiting for the message on high from the minister as to when services will be consolidated or centralized at various health locations throughout the city of

Winnipeg. We have heard, via the rumour mill and from others, that orthopedics will be—

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

**Mr. Chomlak:** Mr. Speaker, meetings have been held in the health services field about the consolidation and the placing of orthopedics at Victoria Hospital and ophthalmology at the Seven Oaks centre.

What plans has the minister made for input from the public, health care professionals and caregivers in the field, prior to the implementation of those plans?

**Hon. Donald Orchard (Minister of Health):** Well, Mr. Speaker, at least my honourable friend, through Freudian slip, has confirmed the source of his research—rumour mills.

Mr. Speaker, I want to indicate to my honourable friend, that in part or in whole, possibly some of the discussions that he is referring to in terms of orthopedics, ophthalmology, urology and a number of other areas, were subject of presentations by the physicians, in most cases, who are heading the study committees around those programs in surgery. They presented their interim findings to a retreat at which we had members of all of the urban hospitals, major urban hospital facilities, the Urban Hospital Council, as well as a number of professional groups that were there.

The purpose, Sir, of sharing those pieces of investigation to date with that wide a group of Manitobans, was to do exactly as my honourable friend wants, to seek input and feedback.

**Mr. Chomlak:** Mr. Speaker, what plans has the minister made for seeking input from the public prior to the implementation of those particular decisions?

**Mr. Orchard:** Mr. Speaker, when one attempts to make planning changes throughout the system and when one engages the advice of experts who are part of the Manitoba health care community, one would assume that they are going to make recommendations to government which will have integrity in terms of the continued ability to deliver high quality programs to maintain the health status of Manitobans.

Mr. Speaker, any decision that is made by myself and announced by government as a result of that kind of across a wide spectrum of input, I believe, will find significant favour for the health care system

of Manitoba providing services to one million Manitobans.

### The Province of Manitoba Dominion Bond Rating

**Mr. Bob Rose (Turtle Mountain):** Mr. Speaker, I am surprised that this question has not been asked before today, but I noticed over the weekend an article in the paper indicating that the Dominion Bond Rating Service has maintained Manitoba's credit rating at its previous level. [interjection]

I know the question must have slipped your mind. I appreciate the opportunity to get it in.

Can the Minister of Finance explain to the House, the reasons for the Dominion Bond Rating Service maintaining Manitoba at its present credit level rating?

**Hon. Clayton Manness (Minister of Finance):** I am delighted that this question has come forward, and I am terribly disappointed that my good friend the member for Brandon East (Mr. Leonard Evans) was not the author of the question.

The Dominion Bond Rating Service stated in a ringing endorsement of the actions of this government that Manitoba stands out as only one of two provinces in Canada that is fiscally responsible in its actions. It has indicated that our province has emphasized expenditure control, what the opposition of course in strong chorus has been against, that has not initiated major tax increases for the last five years. Again, the members opposite have voted against that.

It has changed. Our province has changed from being one of the highest taxed provinces down to mid-range. Indeed, the midterm plan which we have laid before Manitobans and they so strongly support, is what has led of course to this reaffirmation of our rating.

So, Mr. Speaker, we are delighted to be able to present this information. Indeed, it is an outside report on the fiscal standing of the province and the way we conduct our fiscal matters. I know the Leader of the Opposition (Mr. Doer) wants us to abandon the path, and he wants us, of course, to put at risk our real security, to spend more, to borrow more, and ultimately to tax more than is found wanting. That is the wrong solution.

We are on the proper course.

**Mr. Rose:** My supplementary question to the Minister of Finance, I am sure if we waited till Friday morning, we might get—

**Mr. Speaker:** Order, please. I would remind the honourable member this is not a time for debate.

**Mr. Rose:** My question to the honourable Minister of Finance: What exactly is the difference between an A rating and an A-minus rating in terms of actual dollars on our provincial debt?

**Mr. Manness:** Mr. Speaker, when you are downgraded to the next rank, usually you are talking as much one-eighth of 1 percent, or roughly 15 basis points. That tends to be—and of course when you are talking about a borrowing program, and in our place in the province of Manitoba, between \$1 billion and \$2 billion, and you borrow that amount of money over a period of 10 years, you are talking about tens of millions of dollars.

By the way, Mr. Speaker, that is exactly what my colleague the Minister of Finance in Ontario, Mr. Laughren, is having to deal with right now as he is putting the final touches to his budget as he brings it down Wednesday, because the whole markets are tuned in to that Ontario budget, and there is no doubt that if their deficit comes in beyond \$10 billion, there is going to be a significant downgrade in the ability of all of us to borrow.

\* (1410)

### **Manitoba Builder Bonds Public Confidence**

**Mr. Bob Rose (Turtle Mountain):** My final supplementary question to the minister: Given the fact that the government bonds are going on sale, will this report give added confidence to Manitoba to buy our new government bond issue?

**Hon. Clayton Manness (Government House Leader):** Well, Mr. Speaker, over the weekend I had an opportunity to talk to many Manitobans with respect to Builder Bonds, and certainly there is a growing interest.

Naturally, every investor wants to know ultimately what the coupon value is. I will be making that announcement next week some time, and I will price them I think very favourably. I am sure Manitobans, who have such a strong loyalty to this province, will respond, and it will be a successful issue.

### **Garrison Diversion Project Government Position**

**Mr. Oscar Lathlin (The Pas):** Mr. Speaker, the Garrison project has long been opposed by environmentalists, farmers, scientists, municipalities, along with many others. Due to the threat that it poses to our water system here in Manitoba, despite the defeat of the project in the early 1980s, the proponents of this project continue to try to find new ways to bring it back.

My question is for the Minister of Natural Resources. Can the Minister of Natural Resources tell the House whether his government holds the same position today as Manitoba has had for over a decade on this project, and that this project is simply not in the interests of Manitoba?

**Hon. Harry Enns (Minister of Natural Resources):** Mr. Speaker, I can certainly give the honourable member, and indeed all Manitobans, the assurance that the position of Manitoba is firm and unchanged.

Quite frankly, Mr. Speaker, we ought to remind ourselves that it was largely our representation that brought about significant reformulation of the project, which was then and only then agreeable to us, which prevented any inner-basin transfer.

I am aware that the State of North Dakota keeps trying to deviate from that course of action, but we are maintaining a watching brief in Washington. We are advised that it is highly unlikely for the State of North Dakota to receive any serious consideration by the federal government for some of their expansion plans, Mr. Speaker.

**Mr. Lathlin:** Mr. Speaker, I would like to ask the same minister, has he been in contact and how is he maintaining contact with the officials in North Dakota to maintain Manitoba's position?

**Mr. Enns:** Mr. Speaker, one of the senior people in my department, Mr. Clarkson, who served in the same capacity with the previous New Democratic Party administration has that on his desk at all times.

We are informed, indeed we are invited, we are participants whenever there are further discussions that are very often sponsored by the Garrison Conservancy District. We are observers at these meetings, and we have a continual flow of information coming across our desk with respect to the Garrison.

### **Agricultural Chemical Transfers**

**Mr. Oscar Lathlin (The Pas):** Mr. Speaker, my final question is to the same minister: Does the minister have any concerns over the likelihood of farm pesticides from the States ending up in our waters? Has he stated those concerns to the authorities in the States? Perhaps I could also ask him to table any correspondence that he may have had with the authorities in the States.

**Hon. Harry Enns (Minister of Natural Resources):** Mr. Speaker, I have no difficulty in bringing the honourable member up to date with some particular correspondence having to do with the overall project and the kind of information that comes to us from time to time.

On the question of agricultural herbicide pollution, that is an issue that, of course, is facing all of us, not just in the States. It is an issue that, for instance, prevents us from recharging underground aquifers here in Manitoba.

Because of that potential danger, we certainly made that as one of the principal reasons for our concern about inner-basin transfers, that significantly large irrigated acreage that could be irrigated from this project and the Hudson Bay basin ought not to impact on our waters and streams.

That, Mr. Speaker, remains constant, and our concern remains constantly voiced in Washington.

### **Labour Force Development Agreement Expiry Date**

**Ms. Jean Friesen (Wolseley):** Mr. Speaker, my question is for the Minister of Education.

In March of this year the government signed the Canada-Manitoba Labour Force Development Agreement after more than three years of unaccountable delay. From now until September, a committee will decide on management procedures and eventually, in September '93, the federal-provincial co-ordination of our education and training system may begin.

Will the minister now confirm that this agreement will expire in March '94 and that three and a half years of government delays have given us a planning horizon of six months for one of the most crucial issues facing Manitobans?

**Hon. Rosemary Vodrey (Minister of Education and Training):** As with agreements with governments across Canada, there is an expiry date

in 1994. However, we expect to be well underway in terms of our planning process and our work with Manitobans to make sure Manitoba has a very successful program.

### **Employment Retraining Programs Government Role**

**Ms. Jean Friesen (Wolseley):** Mr. Speaker, will the minister explain why her government has cut New Careers, Human Resources Opportunity Centres in Dauphin and Selkirk, Student Social Allowances Program, when under Section 501 of that Labour Force Development Agreement, Manitoba has agreed that government emphasis, the government role should be concentrated on training the unemployed?

**Hon. Rosemary Vodrey (Minister of Education and Training):** Mr. Speaker, again, we do still provide certainly funding in the areas of New Careers and also funding in the ACCESS area. I have also written to the federal government regarding their commitment in the area of ACCESS programming, which we would like to see that they would be able to reinstate rather than simple funding directly to bands and providing no funding for ACCESS programs.

### **Labour Force Development Strategy Tabling Request**

**Ms. Jean Friesen (Wolseley):** Could the minister tell us when she intends to table the government's Labour Force Development Strategy, or has it fallen into the same bottomless pit that the urban aboriginal strategy has?

**Hon. Rosemary Vodrey (Minister of Education and Training):** Mr. Speaker, as I have said in this House before, we are working very carefully on our labour force strategy. We recognize that it is a strategy which not only involves the Department of Education and Training, but also it is important to involve other areas of government. I will be happy to talk further about that with the member during the Estimates process.

**Mr. Speaker:** Time for Oral Questions has expired.

### **ORDERS OF THE DAY**

**Hon. Clayton Manness (Government House Leader):** Mr. Speaker, I wonder if there is a willingness to waive private members' hour.

**Mr. Speaker:** Is it the will of the House to waive private members' hour? Is it agreed?

**Some Honourable Members:** No.

**Mr. Speaker:** No? Okay, leave is denied.

\* (1420)

**Mr. Manness:** Mr. Speaker, I move, seconded by the Minister of Environment (Mr. Cummings), that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

**Motion agreed to,** and the House resolved itself into a committee to consider of the Supply to be granted to Her Majesty with the honourable member for St. Norbert (Mr. Laurendeau) in the Chair for the Department of Education and Training; and the honourable member for Seine River (Mrs. Dacquay) in the Chair for the Department of Agriculture.

\* (1450)

### COMMITTEE OF SUPPLY (Concurrent Sections)

#### EDUCATION AND TRAINING

**Mr. Deputy Chairperson (Marcel Laurendeau):** Good afternoon. Will the Committee of Supply please come to order.

This afternoon, this section of the Committee of Supply, meeting in Room 255, will resume consideration of the Estimates of the Department of Education and Training.

When the committee last sat it had been considering item 1. Administration and Finance (c) Planning and Policy Development (1) Salaries on page 34 of the Estimates book.

**Hon. Rosemary Vodrey (Minister of Education and Training):** When we were last together I said that I would table for the members a document, Parents and Schools: Partners in Education, which was produced by the Student Support branch of our department. I would like to table those documents now.

**Mr. John Plohma (Dauphin):** Mr. Deputy Chairperson, I appreciate the minister's provision of that information. We would like to have an opportunity to review that before raising concerns about it.

I want to ask the minister today about the issue of students demonstrations at this particular time, and

the role that the minister sees for herself in dealing with this issue.

As the minister knows, the 2 percent cutback in funding that she announced in February was a decision of her government, along with the capping of the ability of school divisions to raise money locally to offset the reduction or to increase programming, whatever the school division felt was necessary. Having those decision-making abilities curtailed by Bill 16, and then combining that with certainly the great deal of frustration that is being felt in the education community, particularly by the educators themselves, Bill 22—which, in some cases, as I understand it in a letter that I received from a teacher at Mountain School Division, is going to result in the loss of eight days of in-service, professional development, administration, whatever, and eight days of pay amounting to a considerable salary cut for those teachers; other divisions will have varying degrees of implementation—has created essentially a crisis in many schools and certainly one that is seen by students as being unacceptable.

I know the Speaker is particularly concerned about the Mountain School Division because it happens to be in his area, and he would want to have the teachers who wrote the letters about those concerns to have those concerns raised with the minister here.

So I want to ask the minister about the issues associated with the student protest that is going on at the present time, to ask what position she is taking on them, and what role that she sees herself and her government playing in that issue.

**Mrs. Vodrey:** As I have said from the beginning, we do not condone students being out of school, and we also, however, I would remind the member, had very difficult decisions to make this year. The decisions that we made were made for the benefit of Manitobans. They were made across departments of government. They were not targeted specifically at Education. If the member does look across government, he will see that there is, in each area, a place where Manitobans will be doing some part in terms of reducing our debt and also helping to control our spending and thereby reducing the deficit.

In order to do that, again, we had to make very difficult decisions, but they were decisions which, I will remind him, needed to be made. They needed

to be made to make sure that people who are students now will have the opportunity to have jobs and will have a future to look forward to in Manitoba. If we did not, then I could tell him that if we did not control our spending we could then look forward to an ever-spiralling debt which would be to the detriment of Manitobans now, and future Manitobans.

So, difficult decisions, but we have asked Education to do their part as we have asked many, many other Manitobans to also do their share.

**Mr. Plohma:** The minister has gone back into the difficult decisions. We know that the government has made many wrong decisions, however difficult they might have been.

When the minister talks about spiralling debt she has to remember that it is her government, led by this Premier (Mr. Filmon), who made the decision to leave hundreds of millions of dollars on the table in taxation cuts to high-income earners and in corporate taxes, reductions there, thereby removing revenue from the Minister of Finance (Mr. Manness), which would have allowed for greater flexibility in provision of services such as education and health care and others. That was a conscious decision that this minister's government made that this minister was a part of, at least in caucus, in making at that particular time. Those cuts have contributed to the difficulty in meeting the costs and responsibilities of the provincial government.

From that point of view, I think the minister should not play up the argument about the difficult decisions and having to make these cuts in order to protect services, because in fact it is a contradiction in terms. The services are being cut and the quality of education is being affected.

The minister said that the quality of education would not be affected by her decisions. She indicated, when she announced the education spending cut of 2 percent across the board—as I said earlier, which manifested itself in cuts much higher than 2 percent in many school divisions. With no sensitivity for particular concerns or problems that certain school divisions might have, she said at that particular time that the quality of education would not be impacted in a negative way. This is going to be done through administrative cuts and through shortening the workweek, as it was called I believe at that time, various measures that would not impact on the quality of education.

We found that is not the case. As a result of the squeeze that was put on school divisions in a conscious way, in a deliberate way by this government, first to cut the funding by 2 percent or more in school divisions across the province and then to put in Bill 16, which caps the ability of school divisions to raise funds from alternative sources, the quality of education is suffering and is being impacted upon.

\* (1500)

Added to that, of course, is Bill 22, which has created a great deal of frustration and a feeling of lack of confidence by the government in the education system and in the people that are involved directly in providing the services. That, of course, is the educators themselves.

When you add all of those measures together, there is no doubt that the minister has to feel directly responsible for what is happening at the present time, the unrest and concern manifested in terms of demonstrations by students and also decisions being made by teachers. I think the minister cannot hide from those results in the streets, those kinds of things that are being manifested daily as a result of this minister's decisions. She has to take responsibility for them, and that is why I raise it in that context at this particular time.

If the minister says it was to keep property taxes down, I remind her that over the last number of years, she and her government and her Premier (Mr. Filmon) have increased property taxes as a result of the offloading, in many different areas, on local municipalities.

Perhaps the frustration at hearing municipal governments, school boards and other local officials chastising the government for offloading finally led to this political decision to cap the ability of school divisions to raise money locally. That is what happened this particular year, but it was not a concern about property taxes, Mr. Premier. It was clear that this government is not concerned about property taxes, or why would they add \$75 to every householder in the province at the same time?

**Mr. Deputy Chairperson:** Order, please. Could I ask the honourable member to put his question through the Chair and not directly to any member in the committee.

**Mr. Plohma:** Certainly.

So I want to point that out to the minister, that the \$75 increase and the \$250 minimum for many other

property taxpayers in this province makes a sham of anything the government has stated about being concerned about increasing property taxes at the local level.

When you combine that with the last number of years of offloading, where we had a 14 percent increase in the public education system during the same time that inflation was 18 percent, then you see there was an offloading taking place over that period of time, a pressure on the local school divisions to raise money locally to offset the decrease in funding, the inadequate funding by the provincial government over that time.

I do not blame teachers, school divisions and parents for being cynical about this government's approach when they consider that over that same period of time, private schools were receiving increases at about 10 times the rate in percentage terms than the public school system was receiving over that five-year period.

Many people look at that as a lack of commitment for the public school system, even though the Premier (Mr. Filmon), Mr. Deputy Chairperson, said during election campaigns and after that, that he would be funding education at inflation at least. Even though he said education is the key to our future, even though the minister had said that education was a top priority, we have seen this kind of lack of commitment over those years.

Now, this year, comes the crunch, when we see a major decrease in funding for public education with no consideration about the impact on certain school divisions which have no other alternative but to cut programming in order to meet the demands being placed on them by the province, because they do not have reserves or because they do not have the wealth that allowed them to offer the kind of quality of education that was present in other school divisions, so there was a great disparity from division to division. That has not been considered in this across-the-board, broad-brush approach by this government.

So I think the minister cannot just brush aside and say, well, difficult decisions had to be made. She has to look at the demonstrations that are taking place at the present time in this province, the concerns being expressed, and then decide on a course of action to deal with that. I do not think she is making any attempt to deal with those concerns at the present time.

I would like to know if the minister has been asked to meet with student leaders on the concerns they have about cutbacks in services to them, a possible loss of sports programs, band programs or whatever extracurricular programs teachers may have been offering. Has she been asked to meet, and has she agreed to meet with the students to discuss these concerns and her role, her Premier's role, her government's role, in precipitating the potential loss in these services?

I just want to preface the answering of that question by the minister with the statement that we hope it does not come to that. We do not like to see this chaos in education. We do not like to see demonstrations. We would rather things were going smoothly, but this minister has created to a large degree, her and her government, the kind of crisis and the lack of confidence in this government in terms of their education policy. She has to feel responsible. I want to ask the minister then to answer the question about whether she is meeting with these students.

**Hon. Gary Filmon (Premier):** Mr. Deputy Chairperson, I am interested to hear the comments of the member for Dauphin. I am interested because, of course, I have been in this Legislature for all of his time in government, and I am familiar with what his priorities and his actions were when he was in government.

When he talks about why we are in the circumstances we are in this province, he was centrally involved as a member of government, in fact, the minister who made decisions that have put this province into the difficult financial circumstances that it is by virtue of, for instance, building a bridge from nowhere to nowhere at a cost of \$28 million, a bridge that had no roads leading up to it on either side but was sent out there in glorious suspension as though it were from a skyhook because it was in the midst of his Premier's constituency, and it was a glorious project for the building up of the re-election of that government.

Mr. Deputy Chairperson, that \$27 million could well have been used to provide for all sorts of funding in education—[interjection] Twenty-seven or 28—

**An Honourable Member:** It was 19.

**Mr. Filmon:** Well, it was closer to 27 or 28, Mr. Deputy Chairperson, with all of their costs put in.



In addition to that, of course, this member may want to correct me as to whether or not it was \$28 million that was spilled on the sands of Saudi Arabia on the Manitoba Telephone System's fiasco, the MTX affair, which was a great joy to the New Democrats in the 1980s. This province could well have used that \$27 million or \$28 million to spend for education and many other vital services, but we do not have the luxury of that.

We could have used a lot of the funds that the member opposite used to build roads in his constituency in Dauphin to his cottage and other things, Mr. Deputy Chairperson, that might have come in handy, so that we could have had it for the children in the schools of his area. Unfortunately, we do not have that luxury because the member opposite squandered the money in those kinds of very, very inappropriate choices that he made.

Those were his priorities. They are not our priorities. They are not the priorities of any Manitobans, and all Manitobans rightfully rejected New Democrats because they made those priority decisions, which is why he is sitting in opposition. [interjection] No, the circle has not come at all. In fact, we are a long ways away from that. Mr. Deputy Chairperson, we will see soon enough just exactly what people think of New Democratic priorities versus Conservative priorities.

The fact of the matter is, of course, I also have difficulty with his assertion that the quality of education is somehow totally intertwined with the amount of money that we pay to the teachers in the education system. Now, he being a teacher, of course, he has that warped opinion. [interjection] Well, we see the results where the money that we pay, obviously, does not give us any assurance of quality. He is the best example of that, Mr. Deputy Chairperson.

We know that he comes here with a warped viewpoint that suggests all you need to do to improve education is pay the teachers more. We have teachers in our province who, on average, are the third or fourth highest paid in the country, and that is not doing anything to ensure quality of education in our schools.

\*(1510)

So the fact of the matter is that the responsibility for quality of education rests with those people who are given that responsibility within our school divisions and in our schools. If they would choose to

withdraw services in a variety of different ways as their means of improving the quality of education, then I do not think that they see the point, but, of course, they are being encouraged, they are being fomented by New Democrats who want to have this kind of unrest, who go out there with their organizers in the field—

**Mr. Plohman:** The Conservative teachers are not very happy either. I do not know if they are Conservative anymore.

**Mr. Filmon:** Mr. Deputy Chairperson, the member opposite is not making any sense as he usually does not, but he will have his chance to speak later. I know this is hurting him to hear the truth, but I will carry on.

He goes out there and foments, along with his New Democratic colleagues, the unrest in schools and among students and all of those things, instead of trying to work co-operatively, as people in every province are across this country, to try to deal with difficult circumstances that are facing this nation and every province.

You have the situation in Saskatchewan next door where for two straight years they have reduced the funding to their public schools, and the fact is, as difficult as that is to deal with, the people there will attempt as best as they can to deal with it because they do not have irresponsible people in opposition, like the member for Dauphin (Mr. Plohman), who are out there trying to do the negative thing, trying to build up more deficits, trying to build up higher taxes so that the young people who are in the school system today will have to go out and pay higher taxes and pay for the deficit that is being built up today.

We cannot continue to live beyond our means. That is a fact of life. It is not a Conservative fact of life; it is a fact of life that has been accepted by New Democrats in Saskatchewan, in Ontario; by Liberals in Newfoundland, in New Brunswick—in all of those areas. The fact is—

**Mr. Plohman:** Newfoundland's deficit is \$100 million higher than yours is.

**Mr. Filmon:** We can talk about the deficit, but we have had the Dominion Bond Rating Service say that we have been one of the two most fiscally responsible provinces in all of Canada for the last five years, and they can read the numbers better than the member for Dauphin (Mr. Plohman). In fact, when they read them, they understand them, Mr.

Deputy Chairperson, and they arrived at conclusions that suggest that we are doing very, very well, thank you. [interjection]

Indeed, all he has to do is read the front page of Saturday's paper to know that we are considered to be the most fiscally responsible province in the entire country. That is why, when we do that, we are not doing it because we do not want to pay more money into our school system. We are doing it because we cannot afford to. No province in this country can, and if you look across the country, it does not matter who is in government—Liberal, New Democrat, or Conservative—they look at the same information and arrive at the same conclusions.

It is only the member for Dauphin, who has a warped sense of what is happening in the world or perhaps who cannot see beyond the boundaries of his own little office in this Legislature, that does not understand that there is a reality being faced by people whether they are in the private sector, whether they are in the public sector, whether they are New Democrats or Liberals or Conservatives, that there is a reality out there that must be faced. The reality is that you cannot keep giving a bigger and bigger portion of the provincial pie to any one group in society without getting to the point where society can no longer pay for it and the rest of society suffers. They cannot pay their bills; they do not have enough money to pay their taxes and do the other things.

So, Mr. Deputy Chairperson, throughout this exercise, we have taken a responsible approach, a responsible approach that has been confirmed by the Dominion Bond Rating Service, a responsible approach I think that has been recognized by most Manitobans by keeping all of our major tax rates in this province down, that is the personal income tax, the corporate income tax, the payroll tax which has been removed off 70 percent of the businesses who had been paying it when we took office, and, of course, the sales tax that has been maintained at 7 percent, now the second lowest level of any province in Canada.

The reason we are able to do that is because we are making difficult choices. We are not doing what the member for Dauphin (Mr. Plohman) would do, and that is, to just spend more money, tax more money, run up the deficit, and run our young people into a burden where they cannot afford to live in this province and then will have to move out of this

province. That—[interjection] Absolutely not, absolutely not.

**An Honourable Member:** They are leaving.

**Mr. Filmon:** As a matter of fact, Mr. Deputy Chairperson, they are not.

Of course, net interprovincial out-migration has reduced by a third since it reached its peak in 1989. People now know that this province is doing the right things and that they can retain their citizenship here and their residency here because we have (a) a good school system which will get better as we have people recognize the reality that we have to live within our means.

So I think it is absolutely foolish and, of course, it is the narrow-mindedness of the member for Dauphin who would be so bold as to suggest that only if you pay teachers more will you improve the quality of education in this province. That does not make sense to any objective observer, and it certainly does not make sense to those people who view us from an objective distance.

The member for Dauphin (Mr. Plohman) can hold to that viewpoint and as he does hold to that viewpoint, he will ensure that New Democrats will not be re-elected for a long, long time in this province.

**Mr. Plohman:** It is interesting to hear the Premier (Mr. Filmon) talk about keeping the deficit down. I think when he looks at his deficit and what has happened this past year and takes the true figures which were provided by the member for Rossmore before he resigned—that \$862 million—he will clearly know that his policies have failed over the last five years because we have the highest deficit.

It is a shame, it is an embarrassment to any government, certainly any finance minister and all of the Legislature, to have a government that has presided over that kind of massive deficit at the same time as cutting services. It has not worked.

Clearly, the minister and the Premier have to feel responsibility for what is happening with the unrest that is out there in education, the lack of confidence. He likes to throw allegations of wanting to pay more without thinking about some of the other options that are there.

It is not a question of paying more. It is a question of what he is doing and this Minister of Education (Mrs. Vodrey)—this Premier (Mr. Filmon) when I say "he"—in cutting back salaries by 4 percent or more,

not talking about paying more, and doing it in an autocratic fashion without negotiation.

If he looks at what he has done in this province, negotiate a 3 percent and then claw it back from the civil service and the public sector, you find out how inconsistent and what kind of inability this government has to manage. On the one hand, within a few months of making decisions, coming to agreement, they do not honour that agreement. They claw it back.

There is no way that anyone can have any confidence in this Premier or this minister to stick by their word or even stick by their signed agreements. There is absolutely no confidence in this minister or this Premier in that regard. I mean, let us look at this thing. They go with a 3 percent increase and then they claw it back for one year. It is temporary. The base has been increased by 3 percent.

In Saskatchewan, they negotiate a zero, zero, three. The base stays smaller over that time and the Premier may not understand that, but that means savings over a longer period of time forever as a result of the smaller salary base. It is done through negotiation, not through confrontation. That is where the failure of this minister, this Premier (Mr. Filmon) and this Minister of Education (Mrs. Vodrey) lies. They cannot understand how to do it.

\* (1520)

They do not have the confidence of the people in that regard, and that is why it has happened that way. It might be nice to throw out some red herrings about some particular examples and previous governments, but that is not going to deal with the concerns now—red herrings when he mentions misinformation in front of this House, by listening to his Minister of Health (Mr. Orchard) and the inappropriate, inaccurate figures. If your Minister of Health, Mr. Premier and Mr. Deputy Chairperson, persists in being out by 50 percent on his Estimates in spending in Health then I think you have got a real problem here. He deals with billions of dollars. That is a tremendous amount to be in error, and to have this Premier (Mr. Filmon) sit here and believe and make out to have any credibility in his words when he gives statements that are so much in error I think just throws anything he says into disrepute.

I hope that the public, and I know they are, are seeing this minister, this Premier, for what he is in terms of what is being said, because you cannot

have confidence in what is spoken. They will say anything and hope that people will believe it.

Mr. Deputy Chairperson, I want to just get back to the issue here. The Premier has clearly implied in his statements that teachers were being paid too much, and they are targeted by this government along with civil servants and others. That is the implication that I read. Now the Premier will have an opportunity to—

**Mr. Deputy Chairperson:** Order, please. The honourable first minister, on a point of order.

### Point of Order

**Mr. Filmon:** I made no such statement or implication, and I want the member for Dauphin to be disabused of that thought so that he can be absolutely certain not to repeat a falsehood anywhere else in this province.

**Mr. Deputy Chairperson:** Order, please. The honourable First Minister did not have a point of order. It is a dispute over the facts.

\* \* \*

**Mr. Plohman:** I have to agree, Mr. Deputy Chairperson, that it is, in your ruling, a dispute over the facts. However, I said it was implied, and I think it is clear. I say it again, that I read into what he said that teachers were being paid too much, and I believe others would, too, in listening to this. That is why they were targeted, and the minister has said she was not targeting teachers. The Premier has said that the only way that he can get costs down, one of the major ways, is if teachers are paid less. That is really what he is saying to this House, to this committee. So I have to wonder whether the minister has any credibility in her statements that teachers were not targeted as part of the education cutbacks, and a direct target by this minister.

But let us get back to the issue of what is happening in the public school system today. We see a lot of decisions being made or votes being taken by educators that in fact they will withdraw voluntary services, which are a very important part of the quality of education. I think the minister would agree with that. As a result, students are taking the position that they are going to protest because they do not want to see a loss in their sports programs and in their many other programs that are carried on and supported by teachers after hours, and so they are afraid about the quality of education that they are going to receive. They are desperately

concerned that they are not going to have their educational experiences enriched by these many activities, and I am concerned about that, too. I hope the minister is, and I simply ask her whether in fact she is going to take any action to resolve this issue, and if so what action is she prepared to take?

**Mr. Filmon:** Mr. Deputy Chairperson, we see the lack of understanding of the member for Dauphin when he says that we do not have to deal with the salary costs of teachers or—[interjection]

Mr. Deputy Chairperson, I listened to the member opposite without interrupting him. If he wants to use his bully-boy tactics to try and shout somebody down, we can find him a union beer hall in order to do that. Here, I think he should abide by the rules. I know he has been here over 10 years. He still does not understand the rules, but I think he should abide by the rules, and I would give him the courtesy of listening to him.

**Mr. Deputy Chairperson:** Order, please. Could I ask the honourable members to try and keep the decorum down to at least a happy medium. I have allowed a little bit of leeway here, but if I have to, I will have to start bringing in the rules a little bit more. The honourable First Minister, to continue.

**Mr. Filmon:** Mr. Deputy Chairperson, here we have a person who has been in government for over a decade and does not understand what he is talking about when he says that we can control the costs of education without dealing with salary costs. Salary costs are more than 70 percent of the costs of education. How are we going to control the costs if we do not deal with salary costs? It does not make sense. Mind you, the member for Dauphin rarely does make sense.

I would like to know from the member for Dauphin then, if he is so concerned about the services to the students and the children of this province, whether he agrees with the withdrawal of services by the teachers? Is this the way to help the students out, by withdrawing your services and not providing them with these extracurricular activities that he says are so vital and enriching to the student experience in Manitoba? Does he agree with the decision that teachers are making? Is he one of the ones who is encouraging it? Is he one of the ones who is fully supportive and, in fact, fomenting this kind of decision?

**Mr. Plohman:** Mr. Deputy Chairperson, it is interesting to hear the Premier talk about fomenting

when he has to look at what actions he has taken as Premier and what actions his minister and previous Ministers of Education have taken that have resulted in this total lack of confidence in this government. There is no confidence that there is a real partnership. [interjection]

Now, the Premier, if he wants to resign and put me into the position of minister, naturally I will have to answer the questions. Now we have a Premier who will not answer the questions either. As a matter of fact, he is trying to answer the questions for his Minister of Education (Mrs. Vodrey). Has he no confidence in the Minister of Education? [interjection] Both of those.

**Mr. Deputy Chairperson:** Order, please. Could I remind the honourable members that we are dealing with (c) Planning and Policy Development (1) Salaries \$386,800. The honourable member for Dauphin, to continue.

**Mr. Plohman:** I think it is highly inappropriate for the Premier to attempt to answer questions for his Minister of Education. We have a Minister of Education whom he seems to have no confidence in.

Let me just continue on this issue of what chaos and lack of confidence has developed as a result of this government's decisions, as a result of five years of underfunding of the public education system while the private school system received 10 times as much percentage-wise over that same period of time. The public of Manitoba and the education profession, the education community, is losing confidence over that period of time, progressively, in this government's actions.

While they say they are not going to raise taxation, they have increased property taxes by a significant amount, varying percentages, certainly a standard amount of \$75 across this province and in many cases, a \$250 increase of minimum tax to many property owners in this province. They see what seems to them an obvious hypocrisy in approach, and they can only come to one conclusion, that there is no commitment to the public education system. There is no commitment to principle with regard to property taxes. They cannot believe that this government is really attempting to keep property taxes down, as they are saying that they have been attempting to do, because they have offloaded onto the local taxpayers over the last number of months.

At the same time, they have seen Bill 70 where there has been an imposition of zero percent for civil servants in this province. They see a negotiation then later that gives them 3 percent, and then see it clawed back in the civil service. They have observed the government waffle on funding this year for education by not providing any respect for the negotiation process for collective bargaining.

The Premier (Mr. Filmon) seems to have no understanding of any of those principles. He does not know how to negotiate. That is why I say that there is a tremendous lack of confidence in the education community. It is a direct result of this Premier and his directing of his Minister of Education (Mrs. Vodrey) and his government. That is why we are seeing the situation that exists.

I have no doubt, as regrettable as it is, it is going to get worse before it gets better, unless this Premier starts acting responsibly, and his minister, and start giving some credibility to their statements that they consult, that they respect a partnership. The Minister of Education uses the term all the time.

\* (1530)

I would really like to hear from the Minister of Education as to whether she is going to take any specific action to start restoring the confidence that has now been undermined and effectively has been lost by this government. How is she going to restore confidence so that the students in this province, the teachers in this province, the school boards, the parents, the public will have confidence that this minister is committed to the public education system and this Premier is committed to the public education system in the province?

Right now we can look at the decision making and come to only one conclusion. There is no respect for negotiation. There is no respect for agreements. There is no respect for what is happening in the public school system and the quality of education that is being delivered. That is the message that is going out there daily from this government. I ask the minister what action she will take to restore confidence.

**Mr. Filmon:** Mr. Deputy Chairperson, I just want to make the record abundantly clear that I have every respect for the Minister of Education and the tremendous ability that she is showing. In fact, every day she runs circles around the member for Dauphin (Mr. Plohman) as she responds to his juvenile and rhetorically flagrant comments in a calm, reasoned

and knowledgeable manner and makes a fool of him, which he deserves to be of course.

The fact of the matter is, he does not understand anything that is going on. He does not understand that it is absolutely essential that somebody has the courage in this province to make the decisions that are required to be made. You cannot just, from the luxury of being in opposition, be irresponsible day after day and just say, spend more, spend more, spend more, spend more and do not cut here, do not cut there, do not cut anywhere, because we would not do it if we were in government.

The reality is that we have plenty of examples of New Democrats in office. We know exactly what they do. They can begin as they do on a temporary basis, and my colleague in Ontario, the New Democratic Premier found that in being in office in a space of just three years increased the deficit from \$35 billion to \$68 billion and then found that the reality of the situation came down heavily upon Ontario in terms of their credit rating, in terms of their ability to borrow, in terms of their ability to manage, and they have to come forward with a plan to get that deficit down.

They are looking to cut \$9 billion worth of government services in this budget exercise that they are currently engaged in. That is reality. That is not some fairyland that is in the mind of the member for Dauphin (Mr. Plohman). That is reality.

My colleague Mr. Rae, I think, has the courage and the commitment to be able to do the responsible thing, even though it means that he is in a pitched battle with the unions. Whether they be health care unions, whether they be teaching unions, whether they be any other union, civil service unions, he is taking a responsible approach because he knows and understands the reality of what he is facing. But, of course, reality never ever enters the mind of the member for Dauphin, and that is why I say he looks foolish. And the Minister of Education makes him look foolish every day because he does not speak from any base of knowledge, reason or understanding. He simply speaks with all of this rhetorical flourish and all of this mindless kind of drivel about: Just give them more money.

Of course, in addition to lacking any intellect on the subject, he lacks the courage to be able to say publicly whether or not he agrees with the teachers withdrawing services. He gives us these nonanswers here. He does not say whether he

agrees with them withdrawing services. Is that the way the children and the students of this province should be helped? No. We do not have any courage whatsoever in the member for Dauphin. He just walks away from here, you know, with his hands in his pockets and never gives us any straight answers.

Well, if that is what we are getting—

**Mr. Plohman:** . . . giving the answers here. What are we getting from you?

**Mr. Filmon:** Well, let us have some guts. If you really think that you have a job to do here and that you are committed to it, let us have some guts. That is what I would like to see, Mr. Deputy Chairperson.

**Mrs. Vodrey:** I would just like to add some comments as well to what our Premier (Mr. Filmon) has said, and I would like to tell the member again that teachers have not been targeted in this process and in this budget.

I would ask him simply to look at the position of other Manitobans, and as I have said before in terms of the teachers, they may also want to look at the parents of the students that they are now working with, because many of those parents of students are people who have also now been trying to share and been asked to share in the economic recovery of Manitoba. But many of those parents have also been in a position where they have taken reductions in their salaries, and others have experienced other kinds of reductions.

So I do not think any one of us has very far to look when we look at what is happening around us, and then to suggest that only one group has been required to make these changes is absolutely wrong. It is ridiculous. That there are many Manitobans who have been asked to take either—in some cases, it has been a reduction. In the case of Bill 22 we are asking for a workweek reduction so that we can get the spending under control.

I wonder when the member is going to get his story straight with the rest of his caucus because I point to Hansard and the Budget Debate 1989 where his Leader said: ". . . if there is any document the Government wants us to sign to indicate our support for getting the tax relief for families, if that would . . . in any way, we believe that the bigger issue is the break to families, . . ."

There was a concern expressed by his Leader in terms of protecting Manitobans from higher taxes, and we have, in the case of Bill 16, said that it is

important for us to not look first at a taxation, but for us to look at controlling our spending and to spend very wisely.

The member also speaks about funding to independent schools. I would also like to point out what a former Minister of Education from his party said: I have said publicly that I am a supporter of the public school system, but I recognize that we have an historical and a traditional obligation and a responsibility to independent schools.

So it seems, Mr. Deputy Chairperson, that the member very often does not seem to really understand what has also been spoken about and taken as a position by his party. Then, I, too, would like to ask the member for Dauphin, does he agree with the decision of the teachers?

**Mr. Plohman:** It is interesting how we have the Minister of Education and the Premier (Mr. Filmon) asking me questions, Mr. Deputy Chairperson. I find that rather ironic. They want to be in opposition so badly, and I hope we will be able to oblige in the very near future.

Let us look at some of the approaches by this government. They like to characterize criticism of their decisions as spend more, spend more, spend more. What we have to do is look at how this government approaches it. I can respond to spend more, spend more, spend more, by saying negotiate, negotiate, negotiate. What they have done is failed miserably to take into consideration the partnership I talked about.

There are many ways to increase efficiencies in the system. This government has failed over the last number of years to deal with the maximum use of technology that could be possible, the boundary review that they have shelved, the regional delivery of services that could be done. There are many ways to achieve efficiencies.

What we have seen instead is a failure to deal with those and, as a result, and as a result of the failed economic policies, this government has gone from a plus \$55 million to a record minus \$862 million over the last five years, a \$55-million surplus in 1988 when they took over government to a minus \$862 million at the present time. That is \$920-million turnaround, almost a billion dollars. They should not be lecturing anyone about deficits, surely. Look at that.

Now, we are not saying that it is just a matter of giving more money. What has to be done is an

approach taken that ensures that the confidence of all of those in the education system is respected and maintained. I almost find it laughable—if it was not so serious, I would—when the Minister of Education talks about a break for families and she quotes my Leader as saying that we need a break for families and then characterizes the budget decisions by this government as a break for families. They have just foisted a \$400 increase in taxes on each family in this province.

### Point of Order

**Mrs. Vodrey:** Mr. Deputy Chairperson, just to remind the member that I was referring to the effect of Bill 16.

**Mr. Deputy Chairperson:** Order, please. The honourable minister did not have a point of order. It is a dispute over the facts.

\* \* \*

**Mr. Plohman:** I will let the minister try to characterize it any way she would like. The fact that she said it—

**Mr. Deputy Chairperson:** Order, please. Could I remind the honourable members that we are dealing with (c) Planning and Policy Development, Salaries. I would like to try and move along with the department according to line by line. So if we could move back to this line, I would appreciate it.

\*(1540)

**Mr. Plohman:** This is a wide-ranging line, and we certainly want to deal with the concerns I have placed. I have placed a number of questions. You, Mr. Deputy Chairperson, have given great latitude for the Premier (Mr. Filmon) to intervene on behalf of the Minister of Education (Mrs. Vodrey).

I think it is important that he sees the other side. I do not know that he will actually give it any consideration because he has not up to this point in time as Premier, but I think it is important to point out that there is a message coming through to the public loud and clear that there is no consistency and no meaning behind statements being made by the government that they want to protect families, when in fact they are throwing more of them into unemployment.

They are discontinuing support for families in terms of bursary assistance, even for university. Many programs that were in place to assist families have been eliminated by this government. We look

at the \$400 tax increase this year, the huge increase in property taxes, the huge increase that has taken place by way of partial harmonization of the PST with the GST. They talk about maintaining it at 7 percent but there is a significant increase of \$40 million into the provincial coffers as a result of provincial sales tax increases.

When you put that alongside the cuts to corporations and their taxes which have not resulted in the creation of jobs or stimulation of the economy—because we have been in last place in investment for years in this province, and we have languished behind other provinces in many of the key economic indicators—we can only assume that the government's policies have failed, and the Minister of Education (Mrs. Vodrey) has to take heed of those when she so loosely uses the terms that in order to have an economic recovery, everyone now has to take salary cuts and a decrease in services in order to bail out this government's failed policies.

It just does not add up, and it does not have any credibility with the public out there. That is what we are saying as often as we can and whenever we can. Let us deal with the chaotic situation that we find education in, contrary to what the minister has talked about in the first few days of the Estimates here as we have discussed this partnership the minister says she respects so deeply and which is included in decision making.

We do not see any evidence of partnership when we see all of the different publics involved in education protesting government decisions, whether it be school trustees with regard to Bill 16, whether it be superintendents, teachers, business officials and trustees with regard to—perhaps to a lesser extent the trustees—Bill 22. When we see the underfunding in education by this government, we can only assume that there is widespread discontent, and now the students have joined in. They said, we do not want to sit back and just allow the government to destroy the public education system and what we have come to expect, and so they are taking action.

They, I think rightfully so, should be directing their concern and their anger—at least to a degree and I would say to a large degree—at the minister and this government, not just at the school boards, because the school boards are placed in this untenable situation as a result of the decisions the minister and Premier (Mr. Filmon) have made. As I said earlier,

when you cap school funding at a minus 2 percent and you cap the ability of school divisions to raise money locally, you have put the squeeze on them where they have no alternative but to cut deeply into the quality of education.

This is not fine-tuned. The Premier knows there are many school divisions which cannot continue to function. The Minister of Education (Mrs. Vodrey) knows this, that they cannot continue to fund education because they have a very low tax base in comparison. They are in a very difficult economic situation. In Antler River, the Deputy Premier's (Mr. Downey) riding in that area of the province, the Antler River School Division is in a desperate situation with regard to funding and maintaining the quality of education. There is no consideration for these kinds of situations.

It is an across-the-board, heavy-handed approach. The unrest is not only in one or two school divisions. It is being felt, by the letters that we have and the correspondence, the phone calls, we are getting, in all corners of the province.

It may well become much wider, this unrest that we see now, if the minister does not have the backing of her Premier (Mr. Filmon) to support some fundamental change in direction, so that she can give some assurances to the public, that in fact there is going to be a change, there is going to be a realization of the impact these decisions have had up to this point, and a desire to undertake the necessary negotiations and discussions to alleviate the pressure and the frustration that has been building up.

So I ask the minister again what action she intends to take to deal with the growing signs of unrest in the education community at the present time?

**Mrs. Vodrey:** Let me attempt to bring the member for Dauphin back to reality now. He has really flown off, and I think it would be important now to remind him of some of the facts in Manitoba, and some of the realities in Manitoba.

First of all, just let me give you some statistics. They are '89-90 statistics, but Manitoba has the second-lowest ratio of educator to pupil, which means that our students—and by the way, the only one that is lower is the Yukon—which then says that we have paid a very high degree of attention to our students and to the professional assistance that students receive within the schools, that is, from

teachers, that is, from teacher-librarians. So in fact we know that right there, there is one statement and one area that we can point to that says Manitoba is certainly making a very strong effort to deal with the educational needs of its students.

I can also say, Mr. Deputy Chairperson, that we have in terms of our property taxation, in the 10-year period, 1982-83, and then the 10 years to 1992-93, property taxation has remained constant at 46 percent. Similarly, the government share has remained constant at 54 percent. But in real dollars that government share has continued to go up. There has been a continued increase. So I think it is important, and the member seems to have trouble understanding this concept, to understand that the government share of the dollar in looking at education, has been a very strong commitment, and that commitment does continue.

Then the member has spoken about the issues of reform and of confidence, and I think it is important to point out the reality of the partnership that actually is ongoing with the government of Manitoba and with the educational groups across this province, and that we do work very closely with them. We have representation on our curriculum committees, we have had representation on our task force committees, and I point very specifically to the task force on distance education, which I think has produced some very helpful work to look at moving this province ahead. That task force had a wide representation, where Manitobans were able to work together on some of the real issues of education in Manitoba.

There are also regular meetings between those educational partners and their representatives on a regular basis to discuss the issues of concern, and to point out direction, and to look at areas where reform might also be looked at, because we know that we cannot stay with things as they are now completely. The member does dig himself into a hole. He thinks the way he has thought forever, and he does not seem to have any way to move himself into thinking about educational reform and into looking at new ways in our educational system. As I have sat through the Estimates process, I have heard him continually defending a status quo approach.

\* (1550)

The status quo approach is not the one that is going to move us into the 21st Century in education.



Educators themselves say that there are a number of areas in which we have to examine where we are going in education and that we cannot continue to do things as they have always been done.

Our government has made a very strong effort to collaborate with partners in education and to listen to Manitobans as well, not just Manitobans who are representative of educational organizations, but Manitobans who are interested in education.

The report on legislative reform, which I have pointed out to the member, represents the opinions of over 6,000 Manitobans. That is a very strong effort that we have made to make sure that the ideas of Manitobans are paid attention to and are included in reports for the consideration and decision making of government. In the case of the legislative reform document, we have released it and we have asked also for the opinions back of our partners in education.

I think that we have an extremely good record of working with Manitobans in education and identifying the issues that face us as we move into the 21st Century with Manitobans. We have been moving ahead in areas of reform and moving ahead with new thinking. There are certain realities which the member has continued to ignore and continues to not see and not see clearly. I think he does need constant reminders.

I just point to another area which has been raised several times when I have been in the field, and that is the issue of violence in schools. When I was speaking to a group on Saturday evening, the group identified again that the issue of violence in schools is an important one and one that we have to look at coming to grips with even more strongly.

We currently do have work ongoing in that area through our Student Support branch and through the training that we provide to the field, but because we recognize that it is such an important issue, we do have a consultation process that will be initiated to look at the issue of violence in schools. It will be started in Winnipeg toward the end of May and in Brandon in the early part of June. With those participants we will look to come to some very concrete ideas in terms of dealing with the issue of violence in schools.

We do the same thing in areas of piloting new areas of curriculum. We make sure that we have the opportunity to speak to the teachers piloting the curriculum, to look at the kinds of suggestions and

recommendations that they would make. We also have paid attention to the kinds of consultation that has flowed from the high school review and that, Mr. Deputy Chairperson, I have spoken about on the K to 12 side. We also have a similar record on our post-secondary side as well, of working with Manitobans.

The member seems to need to be reminded about those areas. Again, I would also remind him that our goals with the very difficult decisions that we had to make, and they were difficult decisions, but the underlying goal was to protect service. That is why we pointed to the areas of administrative reduction and we also pointed to the area of workweek reduction so that we could protect what was happening in the classroom.

The member has continually spoken about more dollars as leading to quality and that seems to be the one linear train of thinking that that member is able to come up with. It seems to me now, as we move into the 21st Century, that we are really being required to think now in much more creative ways, and we are having to look at creative ways to deliver education. We are having to look at creative ways to examine quality. We have to look at partnership. We need to involve parents, and we need to look at the numbers of services that education is now providing.

Mr. Deputy Chairperson, I also want to take a moment to speak about Antler River School Division, and I know that we will be speaking about Antler River when we get into detail on the schools funding model. The member seems to have overlooked continually, when I have reminded him, that through our Education Finance Advisory Committee, and again another example of a partnership representative group, they did make recommendations to government about the funding formula and what they had asked us to look at was issues of sparsity and transportation, among others, and those two in particular. We accepted, by the way, those recommendations. We accepted them, and, in accepting them, modified the funding formula, and that did benefit Antler River School Division. So the member when he speaks about Antler River and seems to feel that no relief has been offered is wrong.

**Mr. Plohman:** Does the minister feel the students are partners in education?

**Mrs. Vodrey:** Mr. Deputy Chair, yes, students are important and partners in education, as are their parents. As he knows, and as I have said many times in terms of the post-secondary side where there are organized student groups, I do meet with those organized student groups on a regular basis. That includes student representatives from the University of Manitoba and Brandon University and the University of Winnipeg and also our community colleges and also Collège de Saint-Boniface.

**Mr. Plohman:** As a result of that understanding that students are partners in education, I want to ask the minister whether she feels any responsibility for the student unrest that is in place at the present time.

**Mrs. Vodrey:** I think it is very important for Manitobans to have the most information and the most correct information that they can have as they understand the current budgetary situation, and I think it is important for students to have the complete information. As we look at the kinds of information students have, we can see that perhaps they do not have all the information that they would need, and they have information that is perhaps coming from some single sources to the students. So I would say that it is important for all Manitobans to have the information about the current budgetary situation.

**Mr. Plohman:** The minister says that it is important to have all of the information, and I could not agree more. That is why it is important that they know the role of the provincial government and this premier and this minister in what has happened to education in this province. Of course, it is important to communicate directly on a face-to-face basis. Does the minister intend to meet with the students that are concerned about the reduction and possible reduction in services? Is the minister intending to meet directly with those students to discuss the concerns?

**Mr. Filmon:** Mr. Deputy Chairperson, the minister, of course, meets with students all the time, which is more than the member for Dauphin (Mr. Plohman) does. I would say that what the member opposite continues to put forward, of course, is an effort to try and stir up—

**Mr. Deputy Chairperson:** Order, please. Could I ask the First Minister (Mr. Filmon) to come up to the mike a little bit because we are not picking up—

**Mr. Filmon:** The member continues to try and stir up discontent within the public school system rather than being a positive player, and he has an

opportunity to do that. As Education critic, he could take a positive role, and he could try and, for instance, offer to mediate and influence his fellow teachers in this regard, but he does not.

He instead chooses to play a negative role which is very sad because members of the Legislature, whether they are in opposition or in government, have a—[interjection] The member opposite continues to interrupt. I know that that may be his style; it may be something and that—[interjection]

I have been recognized by the Chair. The member for Dauphin (Mr. Plohman), of course, is rude and disruptive in all of his actions, but I am attempting to participate in this debate and discussion. The member for Dauphin is exercised and upset because he would like to have it just one way. He would not like to have anybody else speak on these issues because he sees himself as an expert.

Having said that, we know that he does not take a very positive role. He does not attempt to work in a positive way with students. He does not attempt to have them understand all of the issues that are going on in society. Rather, he sees himself as an agent of discontent, attempting to foment all sorts of actions that may be negative.

In doing that, of course, what he is doing is encouraging the teachers to withdraw services that are very much needed by students. The students are a helpless pawn in this game, and if you have people like the member for Dauphin, a former teacher, who likes the kind of aggressive union tactics as the only way in which he can operate in circumstances, then you end up damaging the needs of the students. They are helpless pawns in this.

The fact of the matter is that if he wanted to be positive, he would go out there, talk to his fellow teachers and say, look, this is not the way to settle this matter. Go out there and make sure that you do the best job you can for the students and do not use them as pawns in what is obviously a disagreement between you and school boards and administrators and so on, and perhaps even the provincial government; but, rather than do that, because it would be positive, he chooses always to take a negative action as he always has done, Mr. Deputy Chairperson, and I think that is most unfortunate.

\* (1600)

**Mrs. Vodrey:** In terms of meeting with students, I would just like to give the member just a brief sampling of some of the areas where I have made an effort to meet with students and where I have made sure that I have visited across this province.

I have spoken with students obviously in the Fort Garry School Division, in Sprague School District, and the Brandon School Division, and the Winnipeg School Division, and the Evergreen School Division, the Rolling River School Division, and the Pine Creek School Division, and the Souris Valley School Division, the Swan Valley School Division, and the list goes on.

I spend a great deal of time, as minister, making sure that I am in the field, that I am able to speak with people who are teaching in the field, who are parents, and also students. I have been in the classroom. I have had the chance to speak with graduating students from many of these areas, to talk with those students about what they hope that their futures will be like and what they look forward to, and they certainly look forward to having an economic future in Manitoba.

So there has been a number of ways in which I meet with students as frequently as I can to make sure that I understand what their interests are and what their concerns are and to provide them with information and to make sure that they feel that they do have a connection with this office and government.

**Mr. Plohman:** I am sure the Premier (Mr. Filmon) will give the teachers that message that he would like me to give; he will give that message directly to the teachers as to what they should or should not be doing.

(Mr. Jack Reimer, Acting Deputy Chairperson, in the Chair)

I think that, inadvertently—I do not know whether he realizes it or not; I am sure he does—through his actions and the actions of his minister, he has, in fact, given a very different message that has created this unrest and uncertainty. He has to realize that his actions and the decisions of his government, if anything, are encouraging the teachers to do what they are doing, not any actions as I, the opposition critic in Education, have undertaken. I think that has to be on the record clear.

The responsibility lies with the Premier (Mr. Filmon) and this Minister of Education (Mrs. Vodrey) for any disunity that exists in the public education

system at the present time, and let them not attempt to blame anyone but themselves for what is happening out there at the present time.

I ask the minister, in light of the fact that she said she has been meeting with students—I assume these meetings have taken the place over the last year on occasions when she may or may not have been in schools and so on; maybe there have been formal meetings—but what I want to know is: Have these meetings taken place since the decisions of her budget? Will she now agree to meet with the students to discuss the concerns and hear the concerns that they have with regard to what is taking place now at the present time in the public education system as a result of her and her government's action in education?

**Mrs. Vodrey:** Yes, I have been in the schools since the time of the budget, and I have made sure that, in the time that I have been in the schools, I have spoken with teachers and I have also been in the classroom. Certainly, since the time of this budget, I have made every effort to be as accessible as possible and to continue to show my interest and my commitment to the field.

That commitment continues. I continue to make sure that, as often as possible—it is somewhat more difficult during the Estimates process because of the time, the long period of time in which we will be discussing the Estimates of the Department of Education. The communication, the very direct and face-to-face communication with those in the field has been extremely important while I have been minister.

**Mr. Plohman:** That is why I am pursuing this. The minister says this on numerous occasions, every possible occasion, that the consultation and discussion, which, she now says, are with the partners in education—and she has confirmed that she believes that students are partners in the education system as of her answers today.

In light of that, that is why I am asking the minister: Will she meet—well, let us put it this way first—has she been requested to meet with students involved in any of the demonstrations regarding the concern about quality of education?

**Mrs. Vodrey:** I have not been requested to meet with those students. School divisions are meeting with students and the school divisions will be explaining to students the local prioritization that each of the local school divisions has made. The

local school divisions will be explaining, as employers, what their decisions have been based upon. So these students have had access, as far as I am aware, to those people who are directly making decisions in their areas.

**Mr. Plohman:** Does the minister, in her desire to communicate with the partners in education, have any desire to meet with the students on this issue as well?

**Mrs. Vodrey:** Again, I have said to the member that the school divisions are meeting. The school divisions are the employing authorities in each of the divisions and the superintendents do work with the trustees in terms of setting out the plans for that school division. Principals are also in charge of their own schools, and I know that they too will provide information. I continue to make every effort to be in the schools and to be able to speak with as many students as I can, but, as I said, at the moment, time is somewhat shorter because of the Estimates process and the obligation of the minister over this time.

**Mr. Plohman:** Well, the minister says that the school divisions are the employing authorities, but the students are not employees of the school divisions. They are students, and the minister has a responsibility as the Minister of Education for the education of those students. Does the minister feel any responsibility for the concern that is being expressed by students with regard to the loss in quality of education at the present time?

**Mrs. Vodrey:** Mr. Acting Deputy Chairperson, it seems to me that the students have been speaking about decisions taken by teachers, and the decisions taken by teachers which have the potential of affecting students and what students have seen as some of their educational experiences. Some of those experiences occur at various times of the day. So these students are meeting with the teachers' employers, the employing authority within that school division, to discuss the priorities that that school division has set on behalf of its employees.

**Mr. Plohman:** The minister prefaces her answer with, "it seems to me" that the students are expressing concerns with regard to decisions of teachers. How can the minister say that is what their concerns are and that is the limit of their concerns if she has not met with them?

**Mrs. Vodrey:** Again, the students have asked for meetings with their local school divisions and that would be whomever they choose. It may be the superintendent. It may also be trustees. But I have seen the reports, as the member has seen, where students are concerned about the extracurricular activities, and those are directly related to what decisions teachers will be making, and so the students have then moved to the employing authority of teachers, and that is the school divisions. So, when I say what the students' concerns are, that is what I have seen them to be as they have been expressed through the media, and they are addressing their concerns in the area of the local employing authority.

\* (1610)

**Mr. Plohman:** As the chief educator, or the responsibility for education in this province, the minister surely does not want to get her impressions from the media on this. Does she not feel the need to hear directly from the students as to what their concerns are?

**Mrs. Vodrey:** Mr. Acting Deputy Chairperson, I suppose we could speak forever on this topic. The students have made known their concerns, which are in the area of potentially the loss of extracurricular activities and support. That is directly related to the action that teachers may take. Therefore, the students have now approached the school boards in their areas, and they have had meetings arranged in their areas. It is from the local areas where these priorities are determined.

**Mr. Plohman:** Have these students attempted to talk to the minister?

**Mrs. Vodrey:** Mr. Acting Deputy Chairperson, I have had no indication that the students have tried to speak with me or to have a meeting with me in my office.

**Mr. Plohman:** Mr. Acting Deputy Chairperson, have the students called the minister's office and talked to her staff then?

**Mrs. Vodrey:** I understand that some students have spoken with my office, but it was not in relation to a meeting with me.

**Mr. Plohman:** Mr. Acting Deputy Chairperson, was it with regard to the provincial role in what is happening in Education?

**Mrs. Vodrey:** Again, I will find out the details of the request for the member and make sure that he is

acquainted with the request that has come from the students.

**Mr. Plohman:** I think it is important to determine whether, in fact, the students do see a responsibility or the need for an explanation from the minister about what is happening with the extracurricular activities and the general quality of education in the divisions throughout this province. I think it is important for this committee to determine whether the minister has been asked to comment and to assist with the concerns that are being raised.

**Mrs. Vodrey:** Mr. Acting Deputy Chairperson, I am advised that some students did contact my office. The students wanted some direction in terms of making their concerns known. They have not asked for a meeting. The students were advised to put their concerns down, to send them by letter to the minister. I would certainly have an opportunity to then look at them and reply. We will see in what is received what the other official requests might be from students.

Again, I would say that students have directed their concerns to the employing authority. My understanding is that in many cases, and I am not able to say in all cases at the moment, a meeting has been arranged between the employing authority, which is the school division—and that is the employing authority who employs the teachers—with an opportunity for an explanation and discussion with students.

I am not sure what the whole range of that discussion will be, but there has been an offer, I understand, from—and again I hesitate to say all, I am not sure if it is all, but certainly many school divisions for students to have an opportunity to have a discussion. Again, I come back to saying their concerns are related to a potential withdrawal of service by the teachers, and the employing authority of teachers is the school division.

**Mr. Plohman:** Mr. Acting Deputy Chairperson, the minister keeps referring to the employing authority of the school division. I know we are talking of at least three school divisions, if not more, that have been involved in student protests about the potential loss of extracurricular support services. So I would ask the minister whether she is only talking about one school division or Interlake, River East, Seven Oaks, which are at least three that there is public knowledge of protests by students.

**Mrs. Vodrey:** Mr. Acting Deputy Chairperson, I speak of the employing authority of a teacher, and the employing authority of a teacher is a school division. Therefore, I have spoken about a division who employs a teacher where students have been concerned. I understand that concerns have been expressed in several school divisions, and I understand that the division that is the employing authority of a teacher will make arrangements for students to meet.

**Mr. Plohman:** Mr. Acting Deputy Chairperson, is it a fact that the minister's office, in discussing concerns with students, has directed the students back to the school divisions and told them they are talking to the wrong place?

**Mrs. Vodrey:** Mr. Acting Deputy Chairperson, I am advised that, in the contact with my office, students were advised to put their concerns in writing for us to have a chance to look at the collective concerns. Then, if there is any request for a meeting, we will know when the letter arrives.

**Mr. Plohman:** Did her office also tell the students that they should be directing their queries to the superintendent's office, not the Minister of Education's (Mrs. Vodrey) office?

**Mrs. Vodrey:** Mr. Acting Deputy Chairperson, students have made a connection between their schools and their school divisions. That is where they have begun their demonstrations and where the first meeting has occurred. Our office would have given the information that school divisions are employing authorities of teachers.

**Mr. Plohman:** Mr. Acting Deputy Chairperson, the member is confirming then that her office has redirected students back to the superintendent's office and discouraged students from talking with her office about these concerns.

**Mrs. Vodrey:** Mr. Acting Deputy Chair, that is completely wrong. What I have said is that students have, first of all, directed their questions to the employing authority, and my office would point out to students that school divisions are the employing authority.

\* (1620)

Where students have continuing concerns, we have asked students to put their concerns together, bring their collective concerns, put them on paper and send them to the minister. When I receive those concerns, I will know more about what the students are asking for.

**An Honourable Member:** What she is saying is that the students are smarter than you.

**Mr. Plohman:** Mr. Acting Deputy Chairperson, I do not think we need cheap shots from the Premier (Mr. Filmon) here. I know he is very concerned about this whole issue and how the Minister of Education is handling it; that is why he is sitting in at this committee. But I think it is important that we listen to what the minister is saying and how her office is handling this very sensitive issue. This is what I am trying to determine at the present time.

Can the minister indicate whether her office has also provided the students with the whole story, as she said earlier, which is important, and that is, the whole story being that the province has cut funding this year by 2 percent and many school divisions by more than that, and that she has capped the ability of school divisions to raise money locally and as a result the squeeze has been put on school divisions, and they therefore have very little option but to make cuts that will impact on the quality of education?

Has the minister's office also told and explained that to the students when they call?

**Mrs. Vodrey:** Mr. Acting Deputy Chairperson, the students have not called with their specific questions, and we expect that the questions, which will be a collective of questions we believe from students within certain schools and divisions, will be addressed, will be sent to me and with that I will be able to answer what the concerns are and provide information for students.

**Mr. Plohman:** In a slightly different vein, Mr. Acting Deputy Chairperson, I want to ask the minister whether she has any concerns about the impact of Bill 22 on school divisions and the employees insofar as the differentiation of impact? Has she thought this through before bringing in her portion of Bill 22 which gives the employing authorities, the school boards, the option of—as she calls it, and which I said is a, largely, misnomer because school boards do not have a lot of options. Nevertheless, since that bill does give school divisions the option unilaterally to withdraw salaries for days that would normally be used for professional development, the 10 days that have been allocated, has she thought through the way this will impact on different school divisions and the fairness of that kind of a proposal?

**Mrs. Vodrey:** Mr. Acting Deputy Chairperson, we are only now receiving information on what school divisions intend to do. But I can tell the member, and

he should know this, that agreements vary division to division, that teachers of the same classification may receive a different salary division to division, that benefits such as dental benefits, for instance, vary from division to division depending upon what that division is able to afford, what priorities that division has put on certain areas. So there have always been differences among school divisions in terms of certain benefits that teachers will receive. School divisions now have the option of using up to the eight days of in-service, and we will be able to see what number different divisions use.

As the member knows, some of those days are in-service days. So we are looking to see what divisions have decided to do, but I can tell you that by using the in-service days, the number of days that actually occur with teacher-student contact will remain the same, and that for the benefit of students that number of days will continue to remain the same. It is the days in which there is not student contact which divisions may decide that they would like to bring in as part of the workweek reduction.

We did speak earlier on in the Estimates process about times that teachers have for professional development and that they may still wish to use some of those days as professional development. Many people do use days in which they are not specifically paid to attend a professional or an in-service day, but which they do anyway. People sometimes do that on Saturdays. Sometimes people do it in the evening. Sometimes people do it in the summertime.

(Mr. Deputy Chairperson in the Chair)

So we will look to see what the divisions have decided to do in terms of the workweek reduction, but I will remind the member again, it does not affect the teaching days. It does not affect the days in which teachers and students would have contact, and the benefits do vary among divisions across this province.

**Mr. Plohman:** I am quite aware that the benefits, the salary levels vary across the province from division to division. So, from the minister's answer, can I assume that she does not think it is unfair the way the withdrawal of these days is impacting on teachers from division to division? Is that an accurate way to sum up the minister's feeling about whether this is fair or not?

**Mrs. Vodrey:** Mr. Deputy Chairperson, what we have done is give divisions a flexibility in

determining how they would like to apply the workweek reduction. We have also protected programs by offering this as an option. We have also minimized layoffs by offering this as an option, and we have done this to protect teaching positions. Surely, this is one way and one action that the member would want us to see to protect teaching positions and to protect the number of days of teacher-student contact. So there is an element in that area, I think, of great consideration on behalf of teachers within the province of Manitoba.

**Mr. Plohman:** Mr. Deputy Chairperson, I received a letter from a teacher, an Anne Marie Philippot in the Mountain School Division. She writes: I would like to bring to your attention a serious problem that is developing in education in rural Manitoba. By using the recently presented Bill 22, my employer, Mountain School Division, has chosen to impose a lockout of eight days on its teachers. We will lose all of our five administration days and three of our professional development days. This lockout will also result in a direct tax on the 100 teachers of Mountain School Division of approximately \$200,000 in '93-94 alone. This is very unfair. It is doubly unfair in that Mountain is the only division in the region that plans an eight-day lockout. This will result in inequities in education between the divisions, as well as inequities in compensation. The imposition of this bill is unfair to teachers in general and to teachers in Mountain School Division in particular. I hope you will see fit to raise this matter with the government on our behalf. Yours sincerely, Anne Marie Philippot.

I ask the minister, considering the points that were raised in that letter, whether she thinks that the way this is being applied is fair.

**Mrs. Vodrey:** Mr. Deputy Chairperson, as I said in the answer which I have just given, there is difference in benefits and difference in salaries among divisions at the moment, and that benefits that teachers receive will vary from division to division.

I certainly worked in two separate school divisions, and I am aware that even between those two school divisions, which are both city school divisions, there were differences, and the differences were not a secret. People knew that there were differences. So we have to understand that we are starting from a place in which teachers are aware that from one division to another there is some difference in terms of their agreement.

The member is saying that he would like a specifically uniform scheme that he thinks would perhaps be more beneficial, and then to remove some of the local autonomy and some of the decision-making which boards are able to do right now.

I have to say it seems that the letter-writer has suggested that a reduction of salaries is a tax. Well, we have certainly looked at the workweek reduction as a way to assist school divisions to minimize layoffs. I think that is an important consideration, that we make every attempt to keep Manitobans working, and we make every attempt to protect the quality of education in Manitoba.

**Mr. Plohman:** I noted, with a great deal of interest, the minister's implied concern about local autonomy and her seeming concern about minimizing layoffs, and I have to just ask her the question: Was Bill 16 also an attempt to preserve local autonomy and minimize layoffs?

**Mrs. Vodrey:** The intent of Bill 16, as the member well knows, was to offer a protection to the taxpayers of Manitoba, to limit for a short period the increase in the special requirement. In that time period, I know that school divisions will be looking very carefully at their spending. I am sure that they will be working with the people of their area in looking for ways to be the most creative with the money that we all, as Manitobans, have available.

\* (1630)

**Mr. Plohman:** The minister talks about concern about local autonomy and minimizing layoffs. How can she reconcile those statements with her introduction, and support therefore, of Bill 16, which limits the ability of school divisions to make decisions locally, and to thereby minimize layoffs?

**Mrs. Vodrey:** What Bill 16 does is to limit the amount that the special requirement can be increased and, therefore, how much additional money might be raised by the local taxpayer, by the special levy.

I think it is very important for the member to know—and we will get into this when we speak more fully about Bill 16—Bill 16 does offer latitude. It allows for considerations of differences among divisions, an increase in student population, the phase-in funding, which is now in its second year. So we have made an attempt to protect the taxpayers of Manitoba, and we have also, through that bill, provided though some latitude in terms of

where the increases may come, the special requirement, and where other increases may also occur. That may be as a result of increased population.

**Mr. Plohman:** Mr. Deputy Chairperson, does the minister then agree that, by definition, it limits the local autonomy of school divisions? I mean, on the one hand, the minister said that she wanted to preserve local autonomy by not specifying a minimum number of days that had to be included in professional development. So that was very noble; she wanted to protect local autonomy. On the other hand, we see Bill 16, which does, frankly, quite the opposite. It limits local autonomy, limits local decision making.

I want to say to the minister and ask the minister whether she would agree that by definition, limiting the special requirement, that, in fact, it limits the local autonomy of school boards and impacts and undermines that local autonomy—yes or no.

**Mrs. Vodrey:** Mr. Deputy Chairperson, setting a limit on how much school divisions can raise through property taxation over the last year was not an easy decision. However, it is important that the province provide some leadership at a time when it is imperative that all organizations that are dependent upon government funding practice expenditure restraint.

It would also be important for the member to understand the two additional points that need to be made. First of all, it is important to note that within the limit set, the divisions are free. They budget as they wish and they determine how those funds will be used.

Secondly, those divisions receiving phase-in funding can increase their property tax up to the limit, plus the amount of phase-in funding that they receive for '93-94.

So there is some latitude which is available to school divisions, but the province also acted on behalf of taxpayers and also did provide some leadership at a time when this is very important.

**Mr. Plohman:** So then the minister agrees that her decision has in fact limited local autonomy, when she introduced Bill 16 and proposes to put a cap on the special requirement?

**Mrs. Vodrey:** Mr. Deputy Chairperson, the member really attempts to put words in my mouth which I would not have said. We had to make a decision, as

I said, which would protect the local taxpayer, which also we believe would protect students and staff.

We have put forward Bill 16 which limits the amount that can be raised with the special requirement, but we also attempted to provide Bill 22, the workweek reduction, which we believed would assist in minimizing layoffs which might need to occur in terms of salary obligations. In addition to that, we also have looked to protect students. We have looked to protect their programs. We have looked to protect students by protecting the number of teaching days and to make sure that those teaching days remain constant.

**Mr. Plohman:** Mr. Deputy Chairperson, that is very noble, once again, of the minister to take all those measures to provide so much protection, but how does the minister reconcile the concern that she has expressed about property taxes, when she is a part of a government that has increased property taxes by \$75 for every homeowner by reducing the property tax credit by \$75? How can the minister reconcile her public statements that she is concerned about increasing property taxes, when she supports the decision to increase property taxes by \$75 for every homeowner in the province and by much more for many with a minimum \$250 tax on all property?

**Mrs. Vodrey:** Mr. Deputy Chairperson, again, in the area of education, specifically, I did let the member know that the amount of funds raised for education by property tax has remained constant over the past 10 years. The amount of funds which have been provided by government from the general revenue has also remained constant in terms of its ratio and in terms of its percentage.

I will remind the member again that the government share has, in terms of its ratio and percentage, been 54 percent with the property tax portion being 46 percent.

### Point of Order

**Mr. Filmon:** On a point of order, I do not want to, in any way, inhibit the member opposite from getting all the information that he wants. I do point out that the property tax credits are a matter for the Department of Finance. They come under the Estimates of the Minister of Finance (Mr. Manness). I believe that the member opposite should address any questions with respect to property tax credit to the Minister of Finance.



**Mr. Plohman:** On that point of order, I am not asking the minister about information about the property taxes, except to acknowledge the fact that she is saying that she wants to keep property taxes down as a result of actions that she is taking and bills she is introducing in the Legislature, when, in fact, her government has made decisions contrary to that—simply to reconcile those two actions. It is as simple as that. I am not asking her to explain various aspects of the property tax credit system.

**Mr. Deputy Chairperson:** After considering the point of order brought up by the First Minister, the First Minister did not have a point of order, but I would advise the committee that we are dealing at this time with Planning and Policy Development. If we could keep the discussion and the debate relevant to that line, I think it will keep the decorum and aid the decorum of this committee.

\* \* \*

**Mrs. Vodrey:** Mr. Deputy Chairperson, I would also like to remind the member of a fact that seems to slip his mind. Last year this government reduced the ESL or the Education Support Levy by one mill. This year we held it at that same rate. We did not move in and increase that. We reduced it by one mill when we introduced the new funding formula. That was again an effort to protect the taxpayers of Manitoba.  
\* (1640)

**Mr. Plohman:** Mr. Deputy Chairperson, the minister knows full well that over the last five years this government has, by not funding public education at inflation or above, offloaded education onto the property taxpayers in this province, the local taxpayers. As a result of that, the minister has, in fact, increased indirectly the property taxation.

I know the Premier is aware that this is commonly called in Manitoba the GFT, the "Gary Filmon tax." It was a way to disguise—

**Mr. Deputy Chairperson:** Order, please. I would like to remind the honourable member for Dauphin that all members here are to be looked upon as honourable members.

**Mr. Plohman:** Mr. Deputy Chairperson, I do not think that should be taken out of context. I was referring to the jargon used for a name of a tax, not to a member. When referring to the Premier, I certainly would not just refer to his name. I have many other ways of describing the Premier. In this particular case, I was talking about the tax that has been, I guess, named in a rather friendly way, the

GFT. It seems very appropriate and very realistic, I guess, particularly hurtful for the Premier because in fact this has bothered him in the last year so much that he has actually moved in and put a cap on through his Minister of Education's Bill 16 on the ability of school divisions to offset provincial cuts to Education in real terms.

I think the minister has to put this in context from the point of view when she says that she has dropped by one mill the ESL. In fact, what she has done is increased the property taxation over the last number of years.

**Mrs. Vodrey:** The member is wrong. He is wrong again, as usual. I think it is important that we get the correct information on the record.

Yes, we did reduce the ESL by one mill last year. That is important for the member to recognize. It seems to slip his mind. I have also explained to him that the government share and the support to Education compared to the property taxation of ESL and special levy has remained constant from 1982-83 to 1992-93.

Also, I can tell you that the government's share in percentage of real dollars to Education has increased in the past five years by 36.6 percent. The rate of inflation in that time has been 23.5. Therefore, the variance or the increase of the government's share, the greater part of the government's share, is 13.1 percent.

So government, this government, continues with a strong record in terms of its support to Education and also in maintaining its share from the general revenues into Education and to maintain that share of the general revenues at a higher rate than any of the property taxation.

**Mr. Plohman:** Mr. Deputy Chairperson, the minister knows full well that the total support to the public education system announced by the government over the last five years has been 4 percent, 3.8 percent less than inflation during that particular period in time. If the minister wants to dispute those figures, she should provide, table that, in fact show that inflation was not what we said it was during those five years and the increases to public education were not what was announced by the minister, her colleague who was previously the minister, the member for Roblin-Russell (Mr. Derkach), as Minister of Education.

In fact, those announcements, if taken in their cumulative total, will add up to 14.2 percent.

Inflation, as of Statistics Canada's information during that same period of time, was 18 percent. There is a shortfall of 3.8 percent in the total dollars supplied by this government to the public education system.

**Mrs. Vodrey:** Mr. Deputy Chairperson, the member is really having trouble understanding this. Let me try again.

We as a government have provided, from our general revenue, an increase of 36.6 percent. That is from the general revenue. Now the disbursements from the PSFB have approximated inflation during the same period, but his includes that property taxation portion of the Education Support Levy. What I have been speaking to the member about is the government commitment from the general revenue support to education.

**Mr. Plohman:** The minister can choose to quote selectively. I think what is relevant here is not from general revenue as much as the Premier (Mr. Filmon) would like to say so and joins in the chorus here in cheering for the minister on that statement.

The fact is that overall the total dollars provided by the province of Manitoba to the public education system has increased by less than inflation over that period of time by the figures that I have provided.

If the minister can show where that is wrong then she will have to do a better job of explaining rather than talking about general revenues. That is not the question here. We are talking about the total amount of dollars that the government has provided over that period of time by way of the announcements. It has not kept pace with inflation.

That is precisely why the government was so vulnerable when attacked by members of the public and the opposition with regard to offloading property taxes for education purposes. The Premier (Mr. Filmon) knows that and the Minister of Education (Mrs. Vodrey) knows that and that is why they have never attempted to use those figures that the minister is giving here at gatherings of the Manitoba Association of School Trustees or UMM or MAUM or whatever because in fact when those concerns were raised the government was vulnerable and guilty as charged.

**Mrs. Vodrey:** Mr. Deputy Chairperson, again, the member seems to have some confusion about general revenue and where the funding from education is coming from—from the general revenue. I am surprised. I thought he had

understood those things. So I repeat that we as a government have provided from the general revenue an increase of 36.6 percent. That is real money.

The member has now been carrying on about property tax. Well, I have been explaining to him the funds that have been allocated by this government in real dollars to education and how that has increased beyond the level of inflation. Now, when we do add in the property taxation funds, the ESL, then we are at approximately the rate of inflation, but what I have been speaking about is the support that this government has provided from general revenue.

When I put it to him another way to help him understand, I have explained to him again that the real dollar support has increased by 36.6 percent and that the percentage of money which has been available to education from the government share from the general revenue side has remained constant at 54 percent and that the property taxation portion has also remained constant at 46 percent.

So the government share continues to be greater. The real dollars have increased greater than inflation. The property taxation portion has also remained constant at 46 percent less, which is less than the government share.

**Mr. Plohman:** In fact, Mr. Deputy Chairperson, when I have the announcements of each of the last five years by the Minister of Education as to the increases in the public education system with the decrease of this year, the increases have been cumulatively 14.2 percent and the inflation over that period of time was 18 percent.

I will have the table again to provide to the minister. I do not have it with me right at this time but, clearly, the minister is—

**An Honourable Member:** You do not know your facts.

**Mr. Plohman:** Well, I know the facts, for the Premier's (Mr. Filmon) edification. The fact is, it is 14.2 percent versus 18.

It reminds me, when I was looking through my book, of the Premier trying to find in vain his briefing notes on the environment or some other portfolio of the minister in attempting to make some points in the Legislature and tries in vain to find it and comes up with another hollow answer that provides no facts.

The fact is, here we do have the information. I will ensure that this information is made available to the minister. I provided it in the House. I have tabled it in the House. The sheet clearly shows the inflationary rates and the total funding for the public education system. There is no way that the minister will be able to misconstrue this information, to leave the impression with the public that she has spent more than inflation over the last five years. I will say to the minister now that that is one of the reasons why we have this unrest and the kind of crisis we have in education at the present time.

When you consider the 2 percent that took place this year, the reduction, it was on top of a long chain of funding announcements that were, in some instances, less than inflation, and, cumulatively, most certainly totalled less than inflation. I would like to ask the minister whether her statement of this year regarding the \$75-tax increase is a fair and believable statement that the government wanted to keep property taxes down.

\* (1650)

**Mr. Deputy Chairperson:** Order, please. At this time, I would like the honourable members to choose their words very carefully. Some of the words that are coming across could almost carry us into—"falsehood," "misconstrue," those types of words do tend to bring us into a little bit further debate, and the decorum of the meeting tends to leave us.

**Mrs. Vodrey:** Again, I would say to the member and just remind him of the concrete actions of this government in terms of education. I will remind him again that we did reduce the ESL by one mill last year and this year we did not raise it. We left it at that one-mill reduction, and we have continued to support education from our general revenue.

The past government, the one that the member was a cabinet minister in, I do not think that they might have wanted to increase what came from general revenue. We have been able to increase the real dollars. We have a good record in that area. I continue to point out to the member our commitment. It speaks for itself. The portion of government funding, the percentage in relation to the total funding for education that has over the past 10 years—we have held that at 54 percent, and that with the ESL mill rate, which was reduced last year, does speak to our commitment to protect the taxpayers of Manitoba.

**Mr. Plohman:** Mr. Deputy Chairperson, the minister may not answer the questions in the Legislature, in the House, but in the committee, hopefully, she would. I asked her to reconcile this statement that she is concerned about an increase in property taxes when she, in fact, has supported a minimum \$75-increase for every property taxpayer in the province. How can she reconcile the two?

**Mrs. Vodrey:** Again, in looking at the education funding for Manitoba—and I have been speaking about our commitment to the funding of education in Manitoba and also our effort in terms of our commitment as a government to fund education from the general revenue and to assist property taxes in terms of reducing the one mill—I would say that if he would like to have further explanation about rationale of the government in terms of the \$75-property tax, he might like to speak to my colleague the Minister of Finance (Mr. Manness).

**Mr. Plohman:** Yes, I would not want to ask the questions that I would ask the Minister of Finance, but the minister cannot hide behind the Minister of Finance on this one. It is clear that the government has taken the position to reduce the property tax credit by \$75 and to create a minimum property tax of \$250. So in many cases the increase is much more than \$75.

I would just ask the minister to comment on whether in fact it is believable to say that she is concerned about property tax increases and, therefore, caps them through Bill 16 when, in fact, she is part of the government and supports an increase in the property taxes of \$75 for every homeowner in Manitoba? Is that believable?

**Mrs. Vodrey:** Mr. Deputy Chair, I can answer again and very much in the same way as I have been answering all afternoon. Our government does have a commitment to the taxpayers of Manitoba. We have in terms of our educational funding continued our educational funding from the general revenue source. That funding from the general revenue source has been fairly constant in terms of a percentage, but even a stronger point than that, it has increased in terms of real dollars over the past years. We have increased in real dollars the amount of funds available for education from the general revenue at a rate greater than inflation.

We have made an attempt to assist the property taxpayer in Education by the reduction of the one mill rate, and also this year by providing some

leadership through Bill 16 in an effort to say that we have to look at protecting the taxpayer and asking in Education for us to look at how we are spending the money and how we can do the very best job in looking at the money that we have available to us right now.

**Mr. Plohman:** I would just in closing on this issue today, Mr. Deputy Chairperson, I want to indicate to the minister that in 1988 when the former Minister of Education, at that time the honourable Roland Penner, January 15, announced the provincial funding for Manitoba schools, it was at \$663.4 million. The figure that we have now as a result of the cut this year is \$777 million. The minister can do her own arithmetic and she will realize that is not a 36 percent increase to the public education system. If you take the accumulative total, it should add up close to the 14 percent that I have given the minister over the last while, and I would urge the minister to provide that figure at the next opportunity.

#### Point of Order

**Mrs. Vodrey:** Excuse me, Mr. Deputy Chair, a point of order. I just have to point out to the member that the figures that he speaks about are general revenue and ESL, and that is combined. What we have been speaking about was a commitment from the general revenue.

**Mr. Deputy Chairperson:** The honourable minister did not have a point of order. It is a dispute over the facts.

\* \* \*

**Mr. Plohman:** So the minister is admitting that it was selective quoting, not the whole amount. It is interesting, Mr. Deputy Chairperson. We have given the Minister of Education the totals and she knows that the increase is only 14 percent.

**Mr. Deputy Chairperson:** Order, please.

#### Point of Order

**Mrs. Vodrey:** Mr. Deputy Chairperson, again, I just have to point out that it is the member who does not understand when we are looking at the commitment of government funding to education. Outside of the property tax, we are looking at the commitment from the general revenue, and that is what we have been discussing. The numbers that he is discussing now also include the ESL, not just the general revenue portion.

**Mr. Deputy Chairperson:** Order, please, the honourable minister does not have a point of order. It is a dispute over the facts.

\* \* \*

**Mr. Plohman:** No, her point was that she is just talking about ESL and general revenue, and we are talking about the total funding for the public education system, which has not increased by more than inflation, has increased by less than inflation over the last number of years, no matter how she wants to break this down, and that is a significant point.

Over the course of this afternoon, the Premier (Mr. Filmon) has joined in the debate with the Minister of Education (Mrs. Vodrey) to attempt to provide some additional support for actions by this Minister of Education which she has to be responsible for, which are not supportable and explainable insofar as this Legislature is concerned. She has tried over the last number of days, as well as this Premier who felt it necessary to come in and bail her out today, but, in fact, this government has not been fiscally responsible. Over the last five years, they have failed in their economic policies that have resulted in increases in taxation that have taken place, as well as the tax decreases to the corporate sector.

#### Point of Order

**Mrs. Vodrey:** I just would like to say the member is wrong. The member is wrong. He has not understood the discussion this afternoon, and he has been quite wrong in the conclusions that he has been trying to draw. I look forward to being able to clarify.

**Mr. Deputy Chairperson:** Order, please. The honourable minister did not have a point of order. It is a dispute over the facts.

\* \* \*

**Mr. Deputy Chairperson:** The hour being five o'clock, and time for private members' hour, I am interrupting the proceedings of the committee. The Committee of Supply will resume at 8 p.m. Thank you.

#### AGRICULTURE

**Madam Chairperson (Louise Dacquay):** Order, please. Will the Committee of Supply please come to order.

This section of the Committee of Supply is dealing with the Estimates for the Department of Agriculture. When we concluded with the Estimates last Thursday, we had been dealing with item 7, but that item has not yet been passed. Is it the will of the committee to proceed and deal with item 7 before reverting back to deal with item 6? Agreed.

Would the minister's staff please enter the Chamber.

Resolution 3.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,040,000 for Agriculture, Canada-Manitoba Soil Conservation Agreement, for the fiscal year ending the 31st day of March, 1994—pass.

My understanding, there was an agreement now that we revert to item 6 on page 17 of the Estimates manual, Policy and Economics.

Item 6.(a) Administration.

**Ms. Rosann Wowchuk (Swan River):** Madam Chairperson, as I understand it, when we raised several issues earlier on dealing with the transportation assistance and the third line of defence and the whole issue of barley, we were told by the minister's staff that this was the section in which we would be dealing with those issues. So I will begin with a few of those items.

I want to begin with farm safety. As I had indicated to the minister earlier, in the Province of British Columbia, for example, they are taking steps to deal with farm safety and bringing in legislation that is quite progressive in bringing standards up on dealing with farm safety. I wonder whether this government, this minister is doing any work to bring in standards or anything that will enhance the safety on the farms dealing with equipment and children working on equipment and things like that.

**Hon. Glen Findlay (Minister of Agriculture):** Madam Chairperson, the overall issue of farm safety is quite wide, quite sweeping. We can talk in terms of safety, in terms of use of equipment, and I think it is fair to say that all modern equipment that is used in agriculture has an extensive degree of labelling on it. By standard or by regulation, all the safety precautions should be well addressed on equipment.

Certainly, as I mentioned in a response to a similar question a few days ago, Manitoba Hydro does a good job of going to various fairs and explaining to producers the fear or the problems of augers and overhead hydro lines. The overall

process of pesticide registration certainly highlights safety for any user of the chemicals as well as the environment and public at large.

We certainly upgraded the process in terms of standards for equipment, pesticide registration over the course of the last few years. We have in the department along with ACC, Assiniboine Community College, put together a joint course on agricultural chemicals, and it is being delivered through Distance Ed. In 1992, approximately 700 farmers enrolled for the course, and 220 were expected to enroll in 1993.

To say safety on the farm is a very significant priority for the department would be an understatement. It is there all the time. I think that, over the course of time, we continually improve people's awareness of how to do various operations safely. But I think a lot of the accidents that happen come down to stress, come down to being tired, and just not thinking. Those momentary lapses sometimes can lead to the inevitable situation that we all want to avoid, no matter how much work you do ahead of time.

\* (1430)

But there is no end of effort trying to be made, to make the operation of farming as safe as possible. I think farming is recognized as being one of the more hazardous occupations. I think it is more hazardous than mining, if I remember right. So we just have to continue to work. Certainly, through various 4-H programs, safety is accentuated. It is a never-ending task that everybody in the department must continue to do, to use whatever opportunity exists, whether it is in personal contact, whether it is in meetings or whether it is via media, to give farmers constant reminders of what they do can be hazardous if they do not apply the appropriate safety procedures and use common sense and caution. An old motto that should be used is safety first at all times.

**Ms. Wowchuk:** Madam Chair, the minister raised two points that I want to address. The first one, he talked about the amount of stress on the farms and that as long as financial pressures stay there, farmers will continue to be under a lot of stress, and when weather gets bad, that even gets worse.

There have been requests and suggestions made that there should be stress lines set up where farmers can phone in to get support, to get counselling and that sort of thing. Has the minister

given any consideration to establishing those lines to deal with putting supports in for farmers when they get into these difficult situations?

**Mr. Findlay:** Madam Chairperson, certainly there is stress in the farm community. Today's life styles and today's economics probably mean the stress is greater than it used to be. Things are happening faster and there is less room for error in what you do on the farm. This all adds to stress. There are demands in the family. There are demands by the children to have a life style equal to people in the urban environment, and on it goes.

The business of having a stress line is not magical in itself in my mind. The person answering the phone on the other end has got to be able to handle the situation. It probably makes the situation worse if somebody in dire need makes a call and the person on the other end says, well, call so-and-so or I will put you on hold until I find somebody. So it puts a lot of pressure on the person on the receiving end to be able to handle the complexity of situations that obviously will come on a stress line.

Certainly, my department has been in consultation with the Department of Health about putting in such a line. There is the National Farm Management Business Program, which a proposal is in front of them to look at a stress line. In Agriculture, we would be prepared to do some training of people that would be answering such calls.

If you are going to have a stress line, I am sure you have to have it there 24 hours a day, or at least 16 hours a day at the very minimum, because calls are more often to come in the early morning or late evening than they are during the course of the day.

Although I hope the member does not think it is a magical solution in itself to have that in place, I think the critical thing is that if you do put it in place that you have people at the answering end that are adequately trained to be able to handle the situation, to keep it at least on hold until other professional help can be brought to the situation.

**Ms. Wowchuk:** Madam Chairperson, of course, by no means will it be a magical solution, but I think that with the technology that we have today and the resources that we have in other departments, there is the ability to set up various types of services by telephone. I think that it would be something well warranted to look at and see whether there is a way that support can be in there.

As the minister well knows, farmers many times are in isolation. It is not that you can always just go next door and talk to your neighbour about something. Farmers are also very private people who sometimes do not want to talk to their neighbours about the difficulties that they are facing. I think we seriously have to look at how we can implement this type of service. It might not be easy, but there are other services that are there and, perhaps, there is some way that we can tie into those.

I want to just move onto another area briefly on the whole issue of chemicals. I raised the issue today that came out of a newspaper article, an issue of the risks that farmers are facing with the use of chemicals. We talked about organic farming and moving in the direction where we will not be using as many chemicals, and I wonder whether the minister will consider looking into the fact that there are too many chemicals used and ways that we can reduce that, but also ways that we can ensure that farmers are using chemicals properly.

I know you cannot legislate somebody back to saying you have to do things in a certain way, but there are regulations. There must be something that we can do, get more information, particularly, the information about the risk, the health risk, the risk of cancer. These are very potent products that are being used. If they are not being used properly, I think that we have to work along with the companies to get that information out to the farmers, but I believe that government does have a responsibility to let farmers know the health risk that is involved with using these chemicals, and they must be used more safely. Perhaps the amounts that are used have to be cut down.

**Mr. Findlay:** Madam Chairperson, I neglected earlier to introduce the two staff that have now joined us at the table: Heather Gregory, the Director of Economics; and Gord MacKenzie, the Director of Boards and Commissions.

To the member opposite, there is never going to be a totally safe environment as long as we have to farm. I think I said the other day that, over the course of developing the industry of agriculture, we have certainly gone to a monoculture situation. We have improved the environment for insects. We have improved the environment for weeds. All insects, diseases, and the weeds, Mother Nature has endowed them with an incredible ability to survive.

To think that we can get away from chemicals is probably a wish that cannot happen. I think all farmers are economically aware of the cost of chemicals. I mean they are very expensive, so that in itself is certainly self-limiting the amount that is used.

\* (1440)

In terms of making people aware, back when I was a professor at the university, I gave a lot of lectures around rural Manitoba about chemicals and what farmers should be aware of. My assessment is that over the last 20 years farmers have come a long, long way in terms of understanding the chemicals that they are handling.

I am sure that 20 and 30 years ago farmers were totally unaware that these chemicals are volatile. Sometimes you cannot even smell the volatile chemical. It can be absorbed through the lining of the lungs very, very effectively. It can be absorbed through the skin; although it may look impervious, it does absorb these chemicals. Certainly, there are certain levels of toxicity with chemicals, and LD50 values are certainly out there.

We spent a lot of time explaining to producers the fact that organic phosphate insecticides were really the same chemical make-up as nerve gases in the Second World War—that certainly got their attention. They operated the same way by interfering with the central nervous system, and they were pretty quick at acting. That is why they killed insects.

You get to the herbicides; they are not quite as lethal in terms of LD50. But, certainly, the long-term impact on the body of continuous exposure, people are becoming more and more aware of it. The best way to prevent impact is to protect your body in the course of handling and using chemicals.

Certainly, in all courses that involve pesticides and the department, the issue of safety and protecting yourself is highlighted. Wearing rubber gloves is one of the first and foremost, and certainly wearing a respirator. If the chemical is volatile, or you are worried about a spill, that is the way to do it. Many times when you are pouring chemicals, sometimes a little bit of wind, and a splash can cause considerable trouble. Wearing protective clothing like coveralls and properly washing them, rather than putting on the dirty coveralls every day, those are some common-sense things that have to be continued to be stressed.

Certainly, from an economic point of view, I see less and less chemicals likely being used. I do not see us getting away from them. I mentioned last day in the department that biological control work has been done on leafy spurge and nodding thistle. There is certainly a potential in the future that we will have a few more biological control agents that will work on weeds. Biological agents control a weed, but they do not kill it.

We now have a particularly dangerous situation in barley of a new strain of rust. We have, in the past, dealt with rust by breeding resistance into the various plant species.

To go back to what I said earlier, in terms of the various organisms of Mother Nature being very resilient, here is an example. We have bred rust-resistant strains, wheat and barley, for years and years, and now there is a new strain called QCC, which seems to be able to attack even the most resistant barley varieties. There is one of two ways to go: breed in the resistance, which we have done in the past, but that will be long term; or else use a fungicide in the short term to control it.

Now, the fungicide is very expensive and probably that will be self-limiting. But now that the rust strain has appeared fairly recently, it may take 10 years to breed in the resistance, and what do you do in the intervening time? Some chemical will undoubtedly be used. So it is a balancing act between trying to breed in resistance or develop biological control, and use chemicals that continue to produce the high-quality products we produce, and allow the farmer to survive economically. It is a balancing act.

In the course of all the various courses we have put on and whatnot, we will continue to accentuate the safe handling of chemicals. The registration process lays out all the precautions and guidelines. One of the best things we can always tell the producer, be sure to read the label so that you understand the degree of toxicity and how you should protect yourself in the course of handling or applying that particular chemical.

**Ms. Wowchuk:** It is the chemical companies that produce the product; it is the chemical companies that make the majority of money off of these products. The chemical companies put out nice, glossy ads advertising their products, but nowhere in those ads do we see the risk of these products, the danger of them.

Does the minister feel that the companies have any responsibility in making farmers more aware of the toxicity, the risks that come along with the product, because I believe the company does have some responsibility, but I would be interested in hearing the minister tell us whether he believes companies are doing enough to make the producers aware of how dangerous those products are that they are selling.

**Mr. Findlay:** Madam Chairperson, I have attended a few chemical meetings over the years, and I will give the chemical reps reasonable marks because they do talk about safety and the handling of chemicals. Some of them have a field day once in a while, and they use videos to explain to producers the safety and handling of chemicals.

You will see, certainly with some herbicides and insecticides, a pair of rubber gloves is in the package with each container. I think the vast majority of people in the business of selling agricultural chemicals are aware of the consequences of not being publicly responsible. I think that they have upped their level of involvement in trying to maintain safe practices for handling chemicals.

The Crop Protection Institute, which represents all chemical dealers in Canada, has a very aggressive campaign going on right now called warehouse standards. It is an example of their responsibility for their industry. The ministers of Environment across the country have not imposed warehouse standards; the industry has imposed them on themselves. They are going through stage one, stage two and stage three and our saying that any dealer who does not abide by the guidelines of the various stages will not be a retail outlet for chemicals in the future.

So they are taking control of their own destiny. They are being responsible. The chemical company, the member says, they get the profits out of these chemicals. Well, they have also got all of the costs of developing them. Whether it is one in 100 or one in 500 chemicals that they research that actually ends up entering the retail market, I know it is a very small percentage, but they do all the research.

The guidelines for the research information needed in the labelling process is laid down by Ottawa, and Agriculture, Health and Welfare and Environment are all involved in the registration

process. These companies incur all the research costs, not only the efficacy work to determine the effectiveness of the chemical, under what conditions it will work, but they have to do all the appropriate safety work, too.

They have to do all the toxicological studies both in terms of LD50, in terms of long-term, indirect effects of the chemical. So that is all done at the expense of the chemical company. I think our process in Canada, I dare say, is second to none in the world in terms of level of responsibility that we have put back on the shoulders of the company that promotes the chemicals.

The member talks about the glossy ads, but if you look at the labels, all that information is on the labels of the containers. Often there is a little book included with the herbicide or the pesticide and that booklet may contain 50 or 100 pages of all relevant information. Our effort is to be sure that the producer reads that information so he gets it first-hand.

\* (1450)

**Ms. Wowchuk:** Madam Chairperson, I want to leave that topic for now.

I want to talk about an issue that is of concern to all farmers in western Canada in particular and that is the transportation of grain. There have been lots of studies done on it and we hear about making the grain handling service more efficient. We hear about branchline abandonment and many of those things that are changing the service for the farmers and increasing costs for farmers but yet there are other issues that are being left in limbo. We do not have an answer on them.

All of this started back in 1990 or somewhere around there. I am looking at a particular meeting of the Agriculture ministers meeting in Moncton in 1990, where the ministers agreed on the importance of having more efficient railway handling and transportation system. I guess the minister was probably at that meeting.

I want to know, when the ministers were talking about more efficient services and better handling and improvements to the system, was the discussion more in improving the bottom line of the railways or were the ministers more concerned about improving the services for farmers and reducing costs for transportation? What was the most important purpose of changing when we look at the transportation efficiencies? Was the goal of it to improve the efficiency so that the railways would



benefit or was it to improve the service so that farmers would have a better service and get their grain to their destination at a more reasonable cost?

**Mr. Findlay:** Madam Chairperson, I have been minister now for a little over five years and transportation discussions have been on the table for at least four out of those five years. I can unequivocally tell the member that my sole purpose for entering these discussions or participating in them is to be sure that the farmer has a chance to survive in the marketplace on the value of the grain he is producing.

I said many times, and I have also told the member in this House, if you go back and use the figures from 1980 to 1993, you will see that the costs of elevation, cleaning, transportation, shippers cost for transportation, costs of terminal elevator, costs of Lakehead shipping, those costs have basically doubled in the last 12, 13 years. Those costs are all pushed back to the farm gate. If you take wheat or you take barley as examples and look what the farmer is getting for those commodities since then, the price has basically dropped in half.

The bottom line in my agenda is, that cannot go on forever, that the farmer has to accept less and less of the commodity and everybody from the farm gate to the consumer wherever in the world gets more and more. It is just unacceptable. That is the basis of all the discussion in transportation. It is the basis of all the discussion of changing in our system, whatever it is. The farmer cannot live with a system that always passes all the cost back to his gate and gives him less and less for the commodity while everybody else can take more and more and more. That just cannot be tolerated.

Yes, we have to have increased efficiencies. That means decreased costs in some of those components, because they have gone up so much. They have gone up so much over the last few years. Just take, for example, the freight rates from different points in Manitoba; let us say Brandon. From August 1, 1985, to August 1, 1993—that is only seven years—it has gone from \$4.61 to \$10.06. That is more than doubling the farmers' cost.

Every sector of the system has done the same thing—higher cost, higher cost, higher cost. They all have the reasons, and they justify it: Yes, they are regulated rates. They have to go to this authority or that authority to get it approved. But at the end of the day, the farmer has got less at his farm gate for

wheat and barley and many commodities over the last 10 or 12 years. We cannot tolerate that forever.

The whole system says, well, we cannot survive, so we have to go to the government for ad hoc programs and safety net programs. Yes, the major reason was a grain trade war, but the other reason is, our system was increasing costs and the value of the commodity that is eventually sold is not increasing in value.

It is the farmers in the future who are going to be forced, by economic reality in western Canada, to have to live more and more with the marketplace. This is a serious issue, very serious issue. All kinds of people try to cloud the issue and say, well, that is not the issue here; you are changing this; you are changing that. Change is not the issue. The change is the farmer's ability to survive in terms of what he is getting at the farm gate.

The worst example in the past, as far as I am concerned as being a farmer, and I am going back a few years, was, whenever the system came to a stop because of a strike at the Lakehead or at the west coast, farmers were forced to pay demurrage, the cost of the ship sitting there. The farmer was totally powerless in that circumstance, yet he was forced to absorb the cost.

I will say 10, 15, 20 years ago, the value of grain versus the cost of producing it, there was room for farmers to absorb some cost. That does not exist anymore. Farmers cannot absorb any more cost. If we continue in the next 10 years on the same path we have been in the last 10 years, the kind of cost increases, all the way through the system, I do not know how we are going to be able to continue to export.

Yes, the prime reason for my being at the discussion, I know what the costs have done at the farm gate. They have all been pushed back to me as a farmer, and I have to accept less and less. I cannot do it any longer. That is why I am at the table and why we look for solutions that create a system that will allow the farmer to get more return at his farm gate. That is the bottom line. The farmer must get more return for what he is producing at the farm gate on a wide variety of commodities. He cannot accept less and less.

**Ms. Wowchuk:** I want to ask the minister then—he says he wants to help farmers reduce their costs. One of the concerns is branchline abandonments. Branchline abandonments, if these lines are

abandoned, are going to in fact increase costs for many farmers. They are going to be left with no way of shipping their grain other than moving it onto the road system, which is in effect going to cost more because the maintenance of the road is then shifted onto a smaller tax base.

In reality, if we have some of these branchlines closed down, it is going to mean a change. Farmers in many areas will not be able to grow the product that they are growing because they will not have the ability to sell that product. The railway lines are going to be gone. Sure, you move over to trucking, but there is added cost there. In fact, this is not going to be cheaper for farmers, there are going to be more costs for them. So how can the minister then say that he wants to see the farmer's costs reduced but yet one of the goals—all of this efficiency study and improvement to the transportation system—one of the goals is to abandon rail lines in many of those areas. How is that going to help farmers?

**Mr. Findlay:** Madam Chairperson, the member tries to simplify a very complex situation. I did not just say we must reduce farmers' costs; I am saying everybody in the system, from the farm gate on, must reduce their costs that they pass back to the farm gate. I want farmers to increase their income at the farm gate. If you look back in history over the last 20-30 years, over 50 percent of the elevators in western Canada have been closed by our co-operatives, by all grain companies.

As large and more efficient elevators have been built, a large number of branchlines certainly have been closed. In Manitoba, 1,153.6 miles have been abandoned since 1975, and certainly there was a lot of concern back when that was happening about the impacts, exactly the way the member talks—farmers who will not be able to get their grain to market, it will cost more, and on it goes, and the impact on roads. Yet we have gone through a process, and over 50 percent of the elevators are closed, 1,153 miles of branchline have been abandoned, and, you know, that is the essence of change. Farmers have larger trucks. Roads are better. I agree with the member, there does come a point where the distance to haul will start to become prohibitive. If you are located in a situation where you are a long way away from the railroad, you have to evaluate whether you can afford to haul it or whether you should feed the grain on the farm. I will come back to that in a moment.

\* (1500)

Let me just talk a little bit about impact on roads. As I look back over the last 20 years—I often use that term because that is a term of a lot of change in agriculture. Twenty years ago all machinery came into a town on the rail. All fertilizer came into town on a rail. All the grain produced left on the rail. Nowadays, if you watch what is going on in your community, all the machinery comes on trucks. An awful lot of the fertilizer comes in by trucks. Fertilizer plants are no longer located beside railroads. They do not even tend to use the railroad. It is all going to be trucked in. Fuel, large volumes—trucked. Special crops—trucked, contracted and trucked.

The railroads are not handling large volumes. Even CSP Foods at Harrowby who take in a lot of that canola at their elevators send it from the elevators to CSP by truck rather than by train. So that evolution has occurred. Whether half of the commodity weight that was hauled into towns and out of towns 20 years ago came by—sorry, half of what used to come in is now going in trucks, I cannot answer, whether it is 60-40, whether 70-30, but an awful lot of commodities are handled on a road now as opposed to on a rail. One would argue that rail should be more efficient. The bottom line is why is it not? You can put a whole string of cars together and one engine and away they go, but yet trucks are taking away more and more of the business.

Even if you go into livestock—I mean, 30-40 years ago it was all in and out by train. Now it is all by truck. You do not even see any cattle cars on the rail anymore. Why did they lose the business? Obviously, it is cost and service related. If there are opportunities for farmers to be more efficient and have a better return at the farm gate because of increased efficiencies and allowing other people to compete, I think it is important we allow them to do it.

In terms of looking at rail lines and trying to be sure that the right decisions are made, some of the principles that we look at are that the line should not be removed until an alternative service agreement is in place. When evaluating alternatives, all costs including road upgrading, maintenance, municipal tax base, elevator costs and producer costs must be considered and the least-cost option must be selected. Specific guidelines must be applied consistently across the Prairies and a periodic review of the guidelines and their application is appropriate to ensure that they remain relevant.

Line closure compensation payments should be made for a fixed time frame, maybe five years or some period of that nature, regardless of when a line is closed and it should be made to all adversely affected parties, in other words, a compensation component for those that are negatively impacted by having to haul longer distances.

I agree fully with that. To tell you the bottom line, I think, because I look at the future, and whether we will be exporting the volumes in the future we are in the past probably is not even the issue at hand. I look at where the markets of the present and the future are. They are basically off the west coast, they are basically Pacific Rim.

I want producers in Manitoba to have access to the market of prominence, the highest-value market, which is off the west coast, the 12-month loading port of Vancouver. I think producers all should be equally treated f.o.b. Vancouver—all producers, f.o.b. Vancouver—with the compensation package to back off to producers relative to distance from a main line so that they all have equal access and for all to be able to compete. Then the changes will occur as they see fit in the future.

So it is no question, there will be areas that will be more negatively impacted than others if more lines go out, but I like the idea of being able to give them some degree of compensation because of the extra costs that they will encounter in terms of getting their product to the main line, but do not lose sight of the fact that an awful lot of the commodities moving off farms nowadays are going by truck as opposed to—by truck from the farm to the point of processing or destination.

**Ms. Wowchuk:** Madam Chairperson, just going back to when all of these discussions started, there was a paper. It was called the Western Grain Transportations efficiency discussion paper that was released and outlined the improved efficiencies under the Western Grain Transportation Act.

I wonder whether the minister's staff has reviewed that paper and the recommendations in that paper and reviewed what the impacts would be on grain producers if those changes that were recommended in that discussion paper were implemented. The author is—it is a paper put out by Agriculture Canada, Transportation Canada.

**Mr. Findlay:** The paper the member refers to was a discussion paper in February 1991. After that discussion paper came out, 108 submissions went

back in to Agriculture Canada, and Agriculture Canada has never issued any final draft. The reply, or response from Manitoba came from the advisory council, the minister's advisory council which is dealing with the transportation issue for me. They made a response outlining many of the issues that I just touched on in terms of how we should handle any future decisions on line abandonment.

**Ms. Wowchuk:** Is the minister then saying no analysis was done on the impact on farmers, whether it would be beneficial financially or whether there would be a negative impact on them from the recommendations in this report?

**Mr. Findlay:** What we were dealing with there was the discussion paper which certainly caused some thinking processes to emerge in terms of whether what was outlined there was reasonable or unreasonable. Certainly, the analysis we did was part of the response paper that we put in. But I have just gone through a process that we believe is appropriate for delineating what the impact will be on each line, and the member says, well, they are negative impacts to farmers.

You are not able to make that sweeping statement. The analysis can be done on each line that is proposed for abandonment, along the lines that I just mentioned, the criteria that has to be taken into effect. Only then, when you go through those criteria, do you determine if there is negative impact, and if there is, we have set a compensation for at least a period of time for those producers that are negatively impacted.

\* (1510)

We have said that all net savings in that process must accrue back to the farmer, not to the rail company, not to the federal government, not to the Wheat Board but back to the farmer. So you cannot determine if there is negative impact until you have an actual application for abandonment. You go through the appropriate process. You address it from the point of view of the principles I just gave you, and then a decision is made if there is a lesser cost alternative to handling grain. Those who are negatively impacted, there is a compensation in place.

**Ms. Wowchuk:** The minister said that his department made a response to that discussion paper. Is it possible to get a copy of that response as it was submitted to the committee?

**Mr. Findlay:** As I said earlier, the response we put forward came under the penmanship of the advisory council, certainly with staff input in terms of doing some research. Whether the advisory council is prepared to release it, I will ask them. I do not imagine there is any trouble, but I think it is only reasonable, since we asked them to take a high level of responsibility here, that if anything gets released that they have done, they be given the courtesy of a request.

**Ms. Wowchuk:** I would appreciate it if that is available. I am sure that if this advisory council is working in the best interest of farmers and the community, then there should not be any problem getting it. Following those discussions, we had the transportation meetings which were held last winter, and there was lots of controversy about those meetings.

I want to just ask them, what role did this discussion paper play? Was it the groundwork then for the package that went to the transportation meetings, the work that we started out with, with the first report that I just spoke about, the Western Grain Transportation efficiency discussion paper and then there were reports made on that and then we had the transportation meetings held last year? Were the submissions that were made in response to this discussion paper the basis for the documents and the information that went to those transportation hearings?

**Mr. Findlay:** Madam Chair, there has been a lot of activity on transportation over the course of the last few years. I will take the member back to one other event prior to the efficiency study, the federal paper that she talked about.

In 1990, there was a transportation committee that went across the country chaired by George Leith. It was a federal-provincial industry committee. They put together their information, along with the efficiency paper which you referred to earlier from 1991, together with information from, what we call a federal-provincial transportation committee. Those three sources of information were used to put together the document on transportation talks that were around western Canada last winter. It was a compilation of information from a variety of sources that have generated information over the last three or four years.

**Ms. Wowchuk:** Madam Chair, getting back to these meetings, the advice, the recommendation from the

majority of the people that attended those meetings, as we deal with the method of payment, was that they did not want the method of payment changed. That feeling is still there. The farm organizations, the majority of farmers are saying they do not want the method of payment changed. They want it retained with the railway because they feel that if the method of payment changes, we will see an acceleration of branchline abandonment and a deterioration of the transportation system.

Yet, as we raise this issue with the minister, he will not take a position on it. I ask the minister, in light of the fact that farmers across the country are saying that they do not want the method of payment changed, will he make his position known? Will he ensure that he will do whatever he can to have the method of payment retained to the railway as it is to ensure that farmers have the best service?

I think we have to take into consideration that farmers are speaking out quite strongly on this. The majority, as I say, have said that they do not want to change. So I ask the minister, is he prepared now to stand with farmers on this issue and have the method of payment stay as is?

**Mr. Findlay:** I guess when you sit in opposition, it is very easy to see everything as black and white, but when you are in the process of having to work with an industry that is in a process of change, whether you like it or not, it is not that easy to be black and white.

\* (1520)

In the course of those meetings that were held across western Canada a little over a year ago, the facilitator was Jan Bolan of Peat Marwick. Her conclusion, her assessment of the meetings—and before I give that, I just remind the member that no votes were taken at the meetings, no formal votes. The meetings were not set up for taking votes. They were set up for discussion purposes to broaden producers' understanding of the complex transportation issues, talk about the paper, to answer questions. Certainly there are two strong opinions out there: one that says yes; the other says no. Her assessment at the end of the meetings was that in Alberta it was pro change; in Saskatchewan it was status quo, and in Manitoba it was split. That is her general assessment of the meetings, although no vote was taken, and that is just her assessment of being at various meetings and hearing producers talk.

She said: Why do you not take a position? The position I have taken started back in '89 when we formed the advisory council with the Minister of Agriculture and asked him to take responsibility for trying to address the complexity of the transportation issue. That advisory council has broad membership with producers from KAP, Union of Manitoba Municipalities, Manitoba Pool, University of Manitoba and United Grain Growers. The membership has changed a little bit over the course of time as various officers changed with KAP, or with the co-operatives, or with UMM, or the dean changed at the University of Manitoba, but the process has been to try to evolve a common-sense position for Manitobans over the course of time. I have constantly said that whatever happens in the industry, I want whatever change occurs we can have some impact on to be for the betterment of Manitoba producers and the economy of Manitoba.

The member must recognize that in the game of exporting grain, we are furthest from salt water of any exporting part of the world. Therefore, it is obvious that we will have transportation costs higher than anybody else, which maybe limits our access to those markets economically, but we should not be disadvantaged. In Alberta, certainly Alberta Pool, even the Canadian Wheat Board along the way has been advocating changes in the pooling system. Alberta has been advocating: Just send us the money, and to heck with the other two provinces. That is not good enough.

We have got to have all the information we can possibly muster to counter those arguments. The advisory council did four different studies over the course of time which identified very clearly that pooling on the Great Lakes is a serious issue if it is changed. Certainly, as I mentioned earlier, access to the highest paying 12-month port is important for Manitobans in the future.

The position I have taken is to analyze everything in an ongoing way. It is not a black-or-white issue. As I said, you look at the system. Costs have gone up and up and up beyond the farm gate, and the value of the commodity inside the farm gate has gone down. That cannot continue. In the process, the broader question—it is much broader than just transportation. It is, the whole grain-handling system needs to be challenged to keep us in the business of producing grain without the government and the taxpayer having to underwrite the whole industry.

So my position is to maximize the ability of Manitoba farmers to live on a level playing field in the grain exporting area of Canada, that is, western Canada. The advisory council has done a very admirable job of dealing with all the reports and studies that have come in from the federal government, from other provinces to try to work our way through and sift out the truth from the fiction, try to determine what is the best position for Manitoba to take, or for me to take as minister, and all these discussions that are ongoing, because at many of these meetings, some hard-line positions come in from other jurisdictions. We are trying to survive in a game where we are the minority in terms of only one-sixth of the producers of grain live in Manitoba. We are the furthest from port, and some people like to just forget about us. We are not going to allow them to do that.

The interests of the producer are constantly on my mind. The question is much broader than yes or no on MOP. The question is, how can we reduce the costs from the farm gate on or keep them under control where farmers can get enough return at the farm gate from these commodities to continue to produce them for export? I guess I would like to think of a future down the road where we export less and less raw commodities and more and more value-added highly processed commodities. That is a direction I think that is profitable for the economy of the province and, I would think, for producers, too.

**Ms. Wowchuk:** Madam Chairperson, going back to the transportation meetings, the minister said that votes were not taken. Well, in fact, those meetings that I attended, although it was not the intent of the meeting to take a vote, votes were taken. Farmers did pass resolutions, and there were votes, and farmers expressed quite strongly what their position was. If that was not reported, then that was, I believe, in error of those people who were reporting the meeting, because farmers said they wanted to vote and they did vote.

The minister says his goal is to improve the price at the farm gate. I want farmers getting a fairer return for what they produce, but I do not see how this is going to get a fairer price at the farm gate. Who is going to gain? If the rail lines are abandoned and elevators closed down, how does the minister propose that this is going to improve a better return for the farmers? Farmers are going to have additional costs, and nowhere in any of these studies is there any indication that by abandoning

these lines and reducing the services to the farmers that farmers are going to be better off. The railway is going to be better off; the elevator companies are going to be better off, but not the farmer. The farmer, in the end, is going to end up paying more money to get his product to market.

The minister talks about feeding more of the grain. We are not going to start putting all of our grain through cattle. That is not realistic. It just cannot happen. So I do not see where the farmers are going to gain in this.

I ask the minister, will it not be the railways and the elevator companies that are going to gain and the farmers who are going to pay more costs?

**Mr. Findlay:** Madam Chairperson, the member is worried about abandonment in the future and higher costs for the producer. That is what she is worried about. Will she not just reflect on the past? We have had massive abandonment in the last 20 years. We have had massive elevator closures. Do you want that to continue? I do not want it to continue.

The process that has been going on for a number of years is abandonment, closure of elevators and, obviously, higher cost to the producer. I just gave you the various categories of where costs have gone up in the system that she wants to hang onto: cleaning costs, elevation costs, produce shipper's share of transportation costs, Lakehead costs, Lakehead shipping costs. Those costs have all basically doubled, and she wants to protect a system that allows that to happen, while the producer's value of the grain at the farm gate has gone to about half.

I do not want that to continue. It cannot go on in the next 12 years like it has in the last 12 years or we are going to go broke as farmers. We have to bring some greater efficiencies to the system. The member is condoning abandonment, closure of elevators and higher cost to the farmers because she says she wants to leave the status quo as it exists. The status quo has led to all those things happening.

I say, the producer is not getting a fair share of the commodity he is producing and everybody from the farm gate on is doing quite well, thank you very much. We cannot allow those costs to double again in the next 10 or 12 years and the producers value of the commodity to go in half again. We will not survive as producers exporting grain. You are

saying, hang on to something that has not been as efficient as need be for producers to survive.

I cannot understand why it is so difficult for the member to look at what has really happened. The system we have in Canada is a pretty good system but, being so far from saltwater, it is a very costly system. I am not saying that we are going to feed all of it or process all of it, just do a little bit over the next 10 years so we can add more value and export more value.

We will end up shipping something. I would sooner ship canola oil than canola. I would sooner ship wheat flour than wheat. I would sooner ship malt or beer than barley. Do that processing here and sell to a market with a higher value of product.

\* (1530)

We have faced abandonment and the elevator companies would like to see more abandonment but, I assure you, they have elevators they are not upgrading, for obvious reasons. They do not want to continue those elevators. They are building great big elevators which obviously can take the place of many existing elevators so people in the system are pushing for a more concentrated system. I tell you, the farmer is going to end up paying the cost in this system as he has paid it in the past. It is difficult to see us surviving in the future doing the same thing we did in the last 20 years with the ongoing increases in cost from the farm gate on passed back to the producer. We have a problem.

The member wants to focus it right down to, pay the producer or pay the railways. It just is not that simple. It is not that small. That is maybe 5 percent of the whole pie that we are talking about, but I think it is important for the ability of farmers to survive. As long as the bigger interests in the grain industry can keep us focused and the farm community fighting over that issue, meanwhile they are beating the heck out of us on all these other issues that we are forced to pay. Then they say, well, the farmer is not getting enough so government has to step in. Governments are going broke.

I mean, where is Saskatchewan going to be 10 years from now?—tremendous dependence on grain, tremendous dependence on export, the federal government, who is as close to broke as you want to be, and a Saskatchewan government that is terribly indebted and not able to fund the safety nets of the future to offset this high cost beyond the farm gate.

I am not saying there is a magic answer but, if we are going to continue to fight over 5 percent of the pie—maybe it is 10 percent, maybe it is 15, I do not know, it is a small part—we are going to lose the war. I guarantee you. The advisory council has come considerably to focus on that, trying to identify what we need to have in the future if we are going to survive. I gave you the list of criteria with regard to abandonment. I think they are very reasonable and they respect the farmer. The bottom line is, all efficiencies, all money saved in the efficiency process go back to the farmer at the farm gate, not go to somebody else in the system.

**Ms. Wowchuk:** Madam Chairperson, the minister says that Saskatchewan is in trouble and the federal government is in trouble. I guess he should look back at who caused Saskatchewan's trouble. It was not the farmers, it was the government that was in place in Saskatchewan. Let us look at who has been governing in the federal government for all these years and who has caused the problems there.

It is not the farmers who have caused all this problem, but the people at the bottom, and the farmers are some of those people, are being asked to pick up the majority of the costs. We are trying to improve the system so that grain companies are happy and the railways are happy, but we are not thinking about the people in the community that are trying to make a living.

The minister says that lines will be abandoned, elevators will shut down. I do not expect every elevator to stay open. I do not. It is unrealistic. Just like all small towns, we have a changing pattern in small towns, but we have to do what we can to provide some of those services so that all of the railways are not abandoned in other areas and we just have one line along the main line where everybody has to transport their product to.

To say that I am saying that the system does not have to change, I think the changes have taken place, but what the minister is promoting here is catering to the railways and catering to the grain companies and not providing service for the producers. I think that is where he has to look.

If we believe in the farming community, we do not have to cave in to all of these ideas that we have to become more efficient because that is what the grain companies want. We have to look at also service and providing people to have the ability to make a living, and, yes, we have to look at getting

a better price for farmers at the farm gate. But decreasing their service and abandoning railways and encouraging these big elevators are not going to help all farmers.

I think that the minister is wrong in what he is saying, that what I am promoting is less return for the farmers. What is being proposed here by these efficiencies in railway lines is what is going to cause a poorer return for farmers.

**Mr. Findlay:** Madam Chairperson, it is getting rather frustrating because the member completely sees this whole process backwards. I can assure the member that the railways and the elevator companies do not like what I am saying because I am advocating constantly that the producers have to be the net benefactor.

Now, for the fourth time today, I will tell you that I constantly have been advocating that, in the process of finding efficiencies, the value of that does not go to anybody but the farmer. Nobody has ever said that. You think the elevator companies like me for saying that? Not a chance.

If the member thinks we can operate in the future without more efficiency, she is wrong. The efficiencies have to come from beyond the farm gate because efficiencies have not happened beyond the farm gate anywhere near to the extent they have inside the farm gate. The farmers have increased efficiency, produced more, taken less, worked harder, taken more risk. What does he get for it? Less value for the commodity at the end of the day.

That is not acceptable, not to me, and that has been why I have been on this agenda for four or five years. The farmers got the short end of the stick for far too long in this province and western Canada. Everybody else has lived quite nicely, thank you very much, in a regulated system when they just say, I want more, and they get it. Let the farmer pay. I do not accept that. It is totally wrong and cannot go on for the next 10 or 20 years, or we are going to be driven out of business.

The member says some things are going to change, some elevators are going to close, and I am promoting large elevators. I am saying exactly the opposite. We have the advisory council that has a system of principles that we are dealing with abandonment in the future.

One issue that the member has not raised which I thought she might ask about is, why do we not use the existing lines more efficiently? Why do we not

keep the elevators open on the lines? You want the answer? The grain companies say that they cannot keep them open. There are too many, it costs too much. The railways say it is too expensive to run down there. I say, okay, let us have road railers run. Let farmer cooperatives have the elevators, maybe show the system how they can operate.

Fisher Branch is an example of an off-track elevator where they truck it to a main line. Those kinds of systems, let us find out if they are more efficient. I almost guarantee you that they will be.

The elevator companies and the railways want to hang on to the system. They do not want to be challenged. They do not like talk of seeing these road railers come in. I think those road railers would show them a greater sense of efficiency. That way, if you had that, you could keep more of these so-called inefficient lines and inefficient elevators open.

We have a system that she is promoting that says, no, we do not want to do any of that study. The elevators and the railways do not want to see that analysis done. They do not want to see competition being created that way.

I think it will be good for farmers if we do, because I want farmers to be able to haul to the closest possible point. If we have already got the lines there, and there is a more efficient way to use those lines with off-track road railers and elevators operated in a different fashion, I think they should be promoted—short-line railroads. I think they should be promoted, but, boy, is there resistance in the system to seeing that happen. The system, if it was really wanting to promote an efficient system, would be bringing those things forward, say, we could do better if we contracted out the hauling of these cars off a certain line to a main line. But, no, they will not bring that forward. I wonder why.

**Ms. Wowchuk:** The minister said that we had too regulated a system. Is the minister proposing that everything be deregulated? Too regulated in what respect? Where have we got too much regulation, in the minister's opinion?

**Mr. Findlay:** What I am getting at in too regulated a system is we have a system that is regulated under WGTA on a cost-plus basis. In other words, you are in the system, you work up your costs, you take them forward, you get cost-plus. Cost-plus. Now would I not like to farm like that? But they can run a system like that.

We cannot go on like that. That cost-plus system has caused these rate increases that I am railing constantly that people do not like to hear me talking about. I wish the member would look more carefully at the overall issue. Can we allow an existing system to go on for another 10 or 15 years and still stay in the business of farming and producing grains for export in the raw form?

\* (1540)

I wish she would really look at the figures and see where we are headed. Now we have always said there will be drought somewhere in the world, and that will bail us out. That is not a good enough answer because it will not happen. It will not happen.

The price of grain will not double and triple because of that. It will not happen, but our system, our regulated system is cost-plus—cost plus a decent return, cost plus whatever. Farmers cannot operate with that, I do not think, in the future, because governments, et cetera, cannot come in and stabilize the system with safety nets in the future like they have in the past.

You know that in farming costs go up; costs come down. Incomes go up; incomes come down. But you look at the system in terms of whether it is elevation costs, freight costs, or Lakehead costs, constantly up, constantly up, constantly up. The farmer is forced to pay it, and he cannot do it. I almost guarantee you that he cannot do it in the next 10 years the way he has in the last 10. It is going to break us. But, no, the member wants to skirmish over here on 10 or 15 percent or 5 percent of the overall issue, whether we can survive in producing and exporting raw grains.

I am saying, I want to talk about the bigger issue. How do we get our costs under control? How do we make sure that all the increases in efficiency accrue to the farmer in the future? We have got to have efficiency. The rails should be the most efficient way to get grain off. If we can have a rail system with off-track short-line railroads and elevators as dispersed as they are today, I think that is a good system. But the system the member advocates is a cost reduction in branchlines, a cost reduction in elevators, more cost to the farmer and more distances to travel. That is the status quo she wants to advocate. I say, that is not good enough. We have got to have a more open mind, a broader thinking process to give farmers a decent opportunity to survive in the future.



**Ms. Wowchuk:** Madam Chairperson, the minister has not understood very much of what I am saying, that my goal—the goal is to offer farmers the ability to move their grain to the elevator at a very efficient cost and get a better return at the farm gate.

I want to ask the minister then, does he believe that changing the method of payment will improve the farm gate price for grain producers? What will be the benefit? What does the minister feel will be the benefit of changing the method of payment to the producer?

**Mr. Findlay:** I can guarantee the member that if that happens it is not a panacea. It does not solve all the problems I have talked about. It does not make a more efficient system automatically. It does not reduce the elevated costs in the system. It is not by itself a panacea.

You take a pot of money that now goes to railroads and you start paying it to the farmer. The farmer in the existing process will have the same costs. So in balance, if everything works right, the farmer has the money in his hand now to pay the railroad instead of the railroad getting it directly from the government. So it is not a panacea to the overall problems. If it brings in road railers, increases efficiency to the system, maybe it creates more competition, that would probably help to keep costs under control. But by itself it is not a solution toward survival of the next—it does not answer all these questions that I have been trying to get the member to understand.

**Ms. Wowchuk:** We know now that the federal government in their last budget said that the transportation assistance is going to be reduced and continue to be reduced unless the farmers accept the change in the method of payment to pay the producer. Has the minister done any studies, or has he had meetings with his counterparts in other provinces? What is his proposal, his suggestion, about how this money should be distributed? Is there a plan of action on what is going to happen? Does the minister propose that all provinces should have the same plan of action, or should each province make their own decisions about how the money should be distributed? If that is the case, how does he propose that the money should be distributed in Manitoba?

**Mr. Findlay:** As I mentioned to the member earlier, the advisory council was struck in 1989. A number of studies have been done to position ourselves

in case this day came. So I think we have done a lot of work; we kind of know what the parameters are that are of importance to us, to be sure that Manitoba farmers have a level playing field for competing in the future.

The member talks about dividing money by province. I am not in favour of that; in fact, I am opposed to dividing it by province, because then you create individual trade barriers, you create an unlevel playing field. If you are going to allocate—I say that, if you are going to allocate money to the producer, every producer in western Canada should be treated equally.

Now the advisory council is looking at: What is the definition of that? How do you be sure that every producer is treated equally? You should not be treated differently in Alberta than Manitoba. That is why, I think, that the allocation of the money should be f.o.b. Vancouver, so we have the same chance of access to the 12-month port, the high-price port and the best markets of the world, the same as the Alberta or Saskatchewan farmer.

If we do not, we will lose out, because we will be forced to take the higher-cost system to the east, and it is going to be higher costs in the future. The Great Lakes, in my mind, has got a limited lifetime. What was it? Three years ago it had two major catastrophes on it that closed it down. It is only open, what, eight or nine months of the year? It is not a market of preference in terms of buyers. Your big ships cannot get into—I think it is only about 15 percent of our "salties" can get into Thunder Bay nowadays, but they can all dock on the West Coast.

Farmers should have access to that, and the allocation of money, if that is going to be the way it is, should be done with giving Manitoba farmers equal opportunity to the best price markets.

Now you could well appreciate Alberta will fight that like crazy, but those are the things that the advisory council looks at, and if we are forced into this situation, let us go for the best possible thing that could be done for Manitoba farmers. I do not want to see us disadvantaged forever and a day beyond now. I think we are disadvantaged in terms of our distance; I think we are disadvantaged in terms of the costs that have been passed back to our farm gate. We have got to start fighting back and getting a fair return and a higher portion of the return of the value of that end product for the farmer and

give Manitoba farmers an opportunity to access the best markets in the world.

**Ms. Wowchuk:** Madam Chairperson, the minister said earlier that the method of payment was only part of the picture, that there is much more going on. But to Manitoba producers it is an important issue, and they have expressed their concerns on it. Manitoba producers are waiting for the minister to make up his mind. He says he is looking at all options, studying all of the issues and looking at the impact. When can Manitoba producers expect this Minister of Agriculture (Mr. Findlay) to make up his mind and take a position on the method of payment? We have heard a position taken by Saskatchewan; Alberta has taken a position on it. When can we expect this minister to take a position?

**Mr. Findlay:** Madam Chairperson, I took a position in 1989. I struck the advisory council as the Minister of Agriculture. I took the responsibility to deal with this issue on an ongoing basis. A lot has changed along the way, a lot has changed.

The most recent federal budget is one of the biggest changes of all. The minibudget last December started the process of reducing the amount of money available to us. The last federal budget of April started the process of taking away some more. We have got to stop that. Now, if they are saying the only way to stop it is to deal with changing, then we have done a lot of work through the advisory council over course the time as to how to address that issue, and the work is not done. The process of, if there was an allocation to be made, there is not a united position at this time.

\* (1550)

There are a number of different things being looked at by the council as they continue to meet. I dare say they have had over 20 meetings, and numerous studies have been done. They have met with various committees, commissions and interested parties that have visited the province on an ongoing basis, advising me how to position myself when the various issues come up, the various challenges, the various decision points as we move along.

The member may say she does not want to see anything happen. She has dire fear of something happening, but what if Alberta went ahead and did something anyway? Then you would be after me, well, why were you not ready to answer the questions? We have gone through a very extensive

process of being well equipped with facts and information, much better than any other jurisdiction, staff working with the advisory council, advising me on an ongoing basis.

It just is not as black and white as the member would like. What the actual end result is going to be, I cannot predict. You cannot predict what is going to change along the way. I mean, six months ago, who would have predicted what the federal budget did—the minibudget? Nobody would have predicted that. It did happen, and it looks like it is going to continue to happen.

We have advocated the \$726 million should be retained for the benefit of western Canada, most particularly, the grain exporters of western Canada.

**Ms. Wowchuk:** The minister said that he took a position a few years ago, but we never knew what that position was. He never said whether he was in favour of retaining the system, whether he was talking about paying the producer. He never did lobby the federal government, as I understand it, to keep the system the way it is. I do not recall hearing him say that he did not want the changes.

**Mr. Findlay:** I cannot believe that the member now says she wants to keep everything the way it was after we just talked about all these cost increases we have faced. I am not going to take a position, yes or no, on anything until we have seen all the elements of the argument.

My constant position is to work towards improving the ability of Manitoba grain producers to export grain profitably in the future. We have had our backs pushed to the wall by a system of cost increases. Backed off to the farm gate, I say, is unacceptable. We have to find a solution to that, and that is the position I took long time ago. If we can find that solution, then we are going to survive—because we are so far from salt water.

We do not want to have decisions made like Quebec or Ontario or Alberta, involving the federal government, that negatively impact us. I think we have done a good job of keeping that from happening. What the end result will be, I hope it is that a system evolves that is more cost efficient than the one today in many respects and that, I am adamant, all future efficiency increases in the system translate back to a higher return at the farm gate instead of somebody else in the system picking them up.

The farmer has done his share over the course of time and has been very responsible saying, yes, I will bite the bullet, and I will take less. It cannot go on like that. That is the position I took in '89. That is why I put together an advisory council, because I could see it was a complex series of issues unfolding. They have become much more complex in the last four years than they were in '89. It does not make the thing any easier. The GATT process does not look like it is going to resolve in a fast enough or positive enough process to give us that price increase in grain we thought would bail us out of this. We are going to have to find other methods in the system to improve our ability to survive.

I do not think there is a magic wand. We may not be able to do it well enough. That is the process I have been working on for a long time.

**Ms. Wowchuk:** Madam Chairperson, the minister said he has taken a position. Many times I have asked in Question Period for the minister to tell us whether or not he advocated changing the system to pay the producer or to pay the railways. That was what I was getting at.

I believe, yes, farmers and the provinces are backed into a corner now where they have no choice but to accept changing the payment to the farmer because of the actions that the federal government has taken. It has to come. The minister did not take a position prior to that. We are being forced into it.

The next question I was getting at is: When will farmers know what the proposal is on how the money should be distributed? Does the minister propose to hold meetings with farmers so they can have input? He says there are many different proposals that are being looked at. Will the farmers have the opportunity to have some input into that, or is it just going to be handed down? What is the plan, and when can we expect a decision? As the minister has said, the last two budgets by the federal government are putting a lot of pressure on changing the method of payment. When can farmers get some answers on how this is going to happen?

**Mr. Findlay:** Madam Chairperson, as I have been saying all afternoon, the advisory council is the process that we are using. It has broad representation on it. Manitoba Pool, UGG, Union of Manitoba Municipalities, KAP and the University of Manitoba—the leaders of those organizations are there, or their designates.

We are evolving. They have not come to a conclusion as to how it could be done, a distribution equally to all producers across western Canada. They have gone through a lot of principles, but that is the one they are still grappling with.

Another meeting is scheduled in the next few weeks. I will be getting recommendations from them, in other words, from the leaders of numerous farm organizations. I will be getting a recommendation in the course of June leading to the July ministers' meeting.

The process to be used to communicate with producers, I will be asking for input from the leaders of these various farm organizations, how to evolve producers. They all have lots of resolutions on their books over the course of time. As the members say, the earth has moved somewhat here in terms of dealing with a different scenario than we were a year ago, a much different scenario.

I am working through the advisory council with the leaders of all the major farm organizations and their umbrella groups. That discussion is ongoing. The minister will be working with the advisory council, which is made up of the leaders of a large number of farm organizations which I think represent all farmers across Manitoba. The process to be used will be determined in consultation with them and obviously taking on discussion with others ministers in other provinces.

**Ms. Wowchuk:** Does the minister expect that a decision will be made at that June meeting, and we will see some plans put forward as to how the funds will be distributed, or does he anticipate that the system will stay as is for some time until negotiations or plans are put in place on what is going to happen? What time frame are we looking at here?

**Mr. Findlay:** The kind of guideline that we are working under is the federal government's statement of August 1, '94. Decisions have got to be made, otherwise the fund reductions carry on.

I cannot predict what the result of the advisory councils current discussions will be and what they will recommend or what process they will recommend or the outcome of the July meeting with all ministers as to what process we would recommend for western Canada. I am a constant advocate of a level playing field and not further incentives or disincentives or trade barriers created from one province to the other in western Canada.

\* (1600)

**Ms. Wowchuk:** The other issue that is causing a lot of concern within the farming community is the Carter report and move towards a continental market on barley sales. The majority of farmers and farm organizations have said they are not in agreement with the Carter report. The majority of farmers feel that the Canadian Wheat Board is serving them very well, and they do not want to move towards a continental market.

Again when we raise this issue with the minister he continues to say that there are a lot of studies that have to be done on it or are being done, just on that. Has the minister or his staff done an analysis of the various reports, and do we know what the position of this government now is with respect to moving towards a continental market versus continuing with the system that we have now?

**Mr. Findlay:** Madam Chairperson, there are several studies that have been done. There is the Carter study, there is one that was done by the Wheat Board and one that was done by Schmitz for the prairie Pools.

Staff have looked at them, I have looked at them and certainly, you know, when any of these studies—the world of economics sometimes is not as precise as we would like it to be. Assumptions are made, predictions are made, conclusions are drawn. There is a lot of "if" in both the assumptions and the conclusions. As we look at all these various reports and studies, it is difficult to have total confidence in any one of them. That is really the bottom line that we come to.

I have said that it is important that we access all the markets we can and, certainly, the U.S. market is very close to us. It should have some obvious cost advantages for us, in other words lower costs in getting grain there.

There is a certain level of uncertainty in my mind as to whether we are maximizing our access, getting the best price, whether any other system would do a better job. So I certainly was proactive and wrote to the Wheat Board and really asked them a number of questions so it would jump out of the Carter report.

I will just read the questions to the member. The first: Is the barley producer receiving the best possible price for his product in the American market in terms of net value back at his farm gate? With the spread between malt barley and feed barley narrowing over the past few years, what confidence can Manitoba producers have that every available

market is being sourced at the highest available price? Is the Wheat Board maximizing its volume of sales to the U.S.? Are there savings to be had by moving into the U.S. system more aggressively in terms of transportation costs? Are there distortions in the system of pricing that benefit maltsters and line elevator companies?

The last comment I make to the Wheat Board is, I would like to be assured that the Wheat Board is and can continue to sell barley to the best possible advantage of Manitoba barley producers.

The Wheat Board responded with a letter to me. It is a fairly lengthy letter but to some degree gave me some confidence in terms of the answers to many of my questions. The bottom line that they use is that the Wheat Board does and will continue to sell barley to the best possible advantage of Manitoba barley producers.

Another comment they make is that a narrowing spread between malt and feed barley in Canada over the past few years has occurred primarily because the board has gradually reduced the price it charges for malting barley in the domestic market due largely to impending changes to restrictions on U.S. beer imports, the result from recent GATT rulings.

So what they do is they demonstrate, yes, there has been a shrinking premium for malt barley and they give the reasons why. It is because of GATT rulings on U.S. beer imports. So the situation is never as clear and as easy as one would like it. I think the Wheat Board is pretty close to the issue. They assure me that their pricing system is always keeping in mind the best return for the producer at the farm gate.

All the studies, I would say, if the assumption were black and the conclusions white, I would be able to believe them, but I do not have full confidence in any one of them. I have asked the Wheat Board for a response, and they have given me a response that gives me some sense of comfort that they are aware of some of the shortcomings and trying to address them.

Do not forget that of the barley produced in western Canada, about 50 percent of it is fed domestically and less than 10 percent of the export goes to the United States. It varies really from between 2 and 8 percent but, certainly, because of the Export Enhancement Program, in most grain commodities it is seen to be a premium market and

I am sure it is a premium market. It helps the Pool price rather significantly.

**Ms. Wowchuk:** Madam Chairperson, the minister is referring to a letter that he wrote to the Wheat Board, and a response. I wonder if the minister might share a copy of that letter with us, or table it.

**Mr. Findlay:** I have no problem in giving you a copy of my letter, but since the Wheat Board wrote it to me, I would have to ask them if they would concur with releasing their letter. As you know, the way the Wheat Board operates, they might have said some things here they would just as soon were not public, but I will ask them.

**Ms. Wowchuk:** I would appreciate it if the minister would get that from the Wheat Board. I am sure that in the best interest of farmers, they will not have any difficulty releasing it, but I would appreciate having a copy of that letter.

I guess, just continuing on with this issue, the minister has said he is doing studies. He says 10 percent of our grain goes to the U.S. market, and the rest of it you either use domestically or export it. So that is a small part of it. Since farmers have the ability to sell into the United States right now and some changes have been made to allow them to go into the United States right now, I see no value in changing to a continental market.

I believe very strongly in the Wheat Board. I believe that the Wheat Board has done a very good job and has always had the best interest of farmers and is the best possible way for farmers to get a fair return. Then why would we even consider moving to a continental market if there is the ability to sell right now into the U.S. market?

\*(1610)

**Mr. Findlay:** Madam Chairperson, the member asked why is somebody interested in accessing the U.S. market direct. I think it is fairly obvious why, because certain people have looked at certain markets and said I can reduce the cost of getting grain from my farm to that market and I want to profit from it. The process of that thinking started in Alberta two or three years ago when they could see spot markets in the U.S. Pacific northwest for feed barley, and they went and did some arithmetic and found that they could make more money if they did not have to go through the board and could go direct. Certainly there is a feed deficient area in the Pacific northwest that maybe Alberta producers can access.

Two-thirds of all the malt plants in the United States are in places like Wisconsin or Minnesota, pretty close access for Manitoba producers. People have looked at the cost of getting there. That is the reason one of the questions I asked in my letter, when Manitoba barley is shipped to the U.S., could there not be savings in transportation costs, especially if it is trucked? What I was referring to is, if it goes right from the farm to the malting plant, are there cost savings? Really challenging the board that maybe they should do more of that. They find markets down there, save the costs in the system by not sending it through the elevator and on track, send it directly by truck. Maybe you can return more value to the farm gate in the process of making those sales, so that is why people have looked and said there are ways to get our product to that market at less cost and return more to us.

Now the Wheat Board has used the Pool system. It has worked well for the farmers and is broadly supported in western Canada. Some people say, I want a bigger chunk of the money. In certain cases it obviously looks attractive. I think the bigger question is, are we accessing enough of those markets and turning enough value back to the farmer in the Pool system now? That is why I asked these questions.

The Carter report and the other reports sort of open up the thinking. Maybe we need to change some of the ways we do business to access the market more, to return more value of the end product to the farmer at the farm gate—the same theme I have been on in previous discussions, the same theme I have been on for four or five years. I am here to look out for the good of the producer to be sure he is getting the maximum return possible, and in terms of exporting grains, the Wheat Board has been the system and they have accessed more and more markets in the U.S., whether it is durum, whether it is wheat in the last few years.

Presently the projection going into the States, last year total Canadian barley exports to the U.S. were 472,000 tonnes. Projected this year are likely around 300,000 tonnes. I wonder why we are shipping less when there appear to be price advantages to going in there. So I think it is always constructive to look at new ways to improve farmers' viability, new ways to improve the return at the farm gate. I think there may be ways in which the Wheat Board can help do that even more in the future than it has done in the past. It has done well in the past,

but there is no system that cannot be improved somewhat.

I would add, too, that the Wheat Board has changed a lot of the way it does business. It used to just operate on the quota system, and whatever grain showed up in the quota system they would sell. They are doing more contracting of certain varieties of grain in order to have an idea of what volume they can then go out and market to those markets, specialty markets, niche markets, in the world. Glenlea is a really good example, expanding opportunities to a crop that was once in the dustbin sort of thing, had no future, and they found a market for it, particularly in the U.S., and they are contracting for its production.

I think it is fair to say that it is possible maybe in the selected barley markets to contract the production and move it directly to those markets in the most cost-efficient way possible.

**Ms. Wowchuk:** The minister said that they had looked at all the studies. He has written to the Wheat Board and clarified some things with the Wheat Board, but the minister still has not said what his position is or what the policy of his government is with respect to moving towards a continental market.

Is it the position of this government that the system should be retained the way it is or is it the policy of this government to move towards a continental market on barley? What is your position?

**Mr. Findlay:** My position has been to look at the studies to try to have some comfort in the assumptions and the conclusions. I do not have comfort in any of the studies totally. I have written the federal minister and said, be careful in the process of analyzing to look at all the studies. I would like to see the Wheat Board get more aggressive in the U.S. market in terms of finding niche markets like they have from Glenlea, find them for barley, because in Manitoba we can grow barley quite well. We can grow the six rows; the drier areas can grow the two-row barleys. We are not getting enough value for barley right now and we need to get more value.

(Mr. Ben Sveinson, Acting Chairperson, in the Chair)

I intend to have further discussion with the Wheat Board based on their letter, which gives me some sense of comfort, because they show there is more

complexity to the issue than first appears on the surface, particularly with regard to the spread between malt and feed barley. We wanted to see that spread maintained, but they are saying for GATT reasons they have had to shrink the spread.

**Ms. Wowchuk:** Since the minister has indicated that he has not made up his mind on this issue and he has written to the federal government on it, I want to ask him whether he has encouraged a federal minister not to make any hasty decisions on this. It is a very important issue. It is one that farmers have very strong feelings on. We are well into the crop year now. People are busy seeding. They do not have time to participate. I think the move when the announcement was made when the Carter report came out was a very bad timing as far as farmers went. They just did not have time to get very involved because they were getting ready to put their crop in.

\* (1620)

Has the minister, and if he has not, will he encourage the federal Minister of Agriculture not to take any action on this until the farmers have had time to have input, until farmers have had time to review these reports as well, because it is a busy time? The system has worked for many years, and I do not think there is any reason whatsoever to make a hasty decision on this. Can the minister give us his assurance that that is the position he will take, that he will discourage the federal minister from taking any action on the whole issue of a continental market in this crop year?

**Mr. Findlay:** Mr. Acting Chairperson, I have communicated precisely that kind of message to him. The studies are not as conclusive as the writers would like them to be. We have some concerns about some of the assumptions and what might happen in the future and that caution be used in the process of analyzing them, but look at them all and not be too hasty in making moves.

I have asked in the past—you maybe noticed the headline in the paper. I asked for a strong response from the Wheat Board, and I hope that we do see a strong response, that they give producers in western Canada a greater sense of confidence that they are maximizing their penetration and their return from that market. I would be very pleased if I saw them do some changes to a more contracting process, as they do at Glenlea, to penetrate that market, especially when we see our closeness to so many of the malt markets.

I know many farmers in Manitoba would love to produce more malt barley because we can do it well and it has been a good-paying crop. There are a lot of plants there that I think we can serve quite well, more so than we have in the past. So I look for that strong response from the Wheat Board, and after their letter, I will follow up with further discussion with them.

**Ms. Wowchuk:** Mr. Acting Chairperson, I take some encouragement in that because that is a beginning of what the farmers want. One of the issues that farmers are very concerned about is the fact that they believe, as do most farm organizations, that the end result of opening up the border is going to be a lower price for barley. The minister talked about, his concern is to get the best return for farmers, the best farm gate price for them. That is what I want, and of course, that is what farmers want. They want a fairer return for what they produce.

Farmers are concerned that they are going to get a lower price. Also, there is the concern from an article that was in the Free Press last Thursday regarding the concern that American farmers are now raising, that if we open up this border, their prices are also going to be lowered as well.

Does the minister believe that by opening up the border, the price of barley is going to be driven down, there will be no benefit for the majority of farmers, and that as a result, if we start to flood the market into the U.S., there could be retaliation from farmers across the border and from the U.S. government?

**Mr. Findlay:** Mr. Acting Chairperson, I do not think the member needs to worry about us flooding the U.S. market. We are talking feed grain market, because that is what we are going into, feed grain market. Our exports to the U.S. make up one-sixth of 1 percent, so if we doubled our exports to there, it is two-sixths of 1 percent. It is not going to flood any market.

The member talks about an open border. Well, we are not talking about opening the border. The border is already open. We are already moving barley down there. The Wheat Board is selling it. Agents operating for the Wheat Board are selling to the United States. We have the advantage of a one-way system right now. We can move barley down there. They cannot move barley up here unless they can get import permits from the Canadian Wheat Board.

It is a one-way system working to our advantage for us to move in there and them not to come this way.

The member was quite—her former critic over there was quite exercised when the border was open to wheat, when the subsidies were relatively equal in Canada to the United States. We have not seen all the fear that was being raised happen. What has happened? It has been two years where American wheat could come in here as freely as Canadian wheat goes down there. What has happened?—calm, total calm.

Right now it is not likely that U.S. barley is going to move in here, because their subsidies, the last evaluation—it is a two-year evaluation period—has them at 47 percent subsidy and us at about 24-25 percent. Not until those subsidy percentages become equal will American barley be able to come up here as freely as Canadian barley goes down there.

The issue is not about border opening. The border is already open to the U.S. under the Free Trade Agreement. We are not going to flood any market. We are a very small player in the feed market in the United States.

**Ms. Wowchuk:** Mr. Acting Chairperson, I guess I used the wrong term when I said flood the market. The American farmers, barley growers, are concerned. In fact, the American farmers are wanting the Canadian Wheat Board to stay. That sounds really strange when they used to be against the Wheat Board. Now they are defending it. They say they would rather have the Wheat Board monopoly retained rather than go to a continental market to opening things up. They are saying that there could be a tremendous increase, and in the end all farmers will be losers, that the price of barley will be driven down. The American price will go down, and the Canadian price will go down. They suggest that they will be lobbying the U.S. Congress to impose trade restrictions. There is a concern.

The minister did not answer the question when I asked him about whether he believes that opening up this border—or changing to a continental market will drive the price of barley down.

**Mr. Findlay:** Truthfully, Mr. Acting Chairperson, I do not see how it can. I do not see how it can, because we are a very small player. The amount of barley we moved in there or ever could move in there is really a drop in the bucket to the total feed grains produced

in the United States. I do not see us being able to drive the price down.

The member must remember that we have heard a lot of anti-Canadian rhetoric from U.S. farmers, whether it is hogs which they successfully got a countervail in, which we won four dispute panels I believe it is, four in succession. No matter how many times they try to bring in a countervail or bring action against us, no matter how many steps it goes through, even the extraordinary challenge brought in by the Carter administration the day after they took office got turned down.

They have been working against us on durum. They presently have 3-3-2 investigations going on peas and lentils and beef, I believe it is. They do not want to see our product moving into their market. That is the bottom line. They will do whatever they can, whatever rhetoric they can produce to keep us out of the market and every commodity, because they know we have superior quality and we can guarantee that quality load after load. The more we ship down there to a willing buyer, the more the buyers understand, hey, there is some great quality product coming out of Canada. It does not matter what commodity it is. The Americans have not developed a system that can compete with ours. That is the process of research to produce quality varieties and the grading system that guarantees that quality load after load. They have not been able to compete with us there. I do not know why.

\* (1630)

The way they like to compete with us is to keep us out, whatever rhetoric to try to keep us out of there. It is a good paying market for us. The Americans believe in free trade, but that means they can sell wherever in the world, but nobody can sell in their backyard. They do not like competition that we create.

**The Acting Chairperson (Mr. Sveinson):** Item 6—

**Ms. Wowchuk:** Getting back to, the minister feels the price is not going to be driven down. The farmers believe that it will. Farmers believe that they have a good system right now with the Canadian Wheat Board because the Canadian Wheat Board does not work for making profit for themselves. They work for making profit for the farmers. They pay their expenses, but then the balance goes to the farmer.

If we go to another system and open things up, we are going to lose the pooling system where all farmers are treated equally, and there will be a fair

distribution. By moving to this system, I believe that we are weakening the Wheat Board, and we are moving away from equality for people where the profits are not pooled, where we do not have a fair system.

Does the minister believe that by moving to a continental market, we will weaken the Wheat Board to the extent that it will not be able to meet the needs of farmers and provide the service that it has to this point for farmers?

**Mr. Findlay:** If you look at any of the proposals about a domestic market, it does not say anything about getting rid of the Wheat Board. It does not say that the Wheat Board should not continue to sell in the U.S. It means that the Wheat Board will continue to sell to all other export markets. The answer would be no. If it did happen, I do not see it weakening the Wheat Board one little bit. In fact, it may even strengthen it. The Wheat Board will compete very well with individual producers. Individual producers might find that they cannot compete with the Wheat Board.

I would like to read some quotes that were made in western Canada about 20 years ago when the then federal Liberal government decided to put in a domestic feed grain policy, in other words, feed grain users did not have to buy from the Wheat Board. They could buy directly but in the non-Board market. That was seen as attacking the jurisdiction of the Wheat Board. Let me read the former Minister of Agriculture in the province of Manitoba: It is a sellout to producers in the east. It would seriously erode the authority of the Wheat Board. When I asked the member of the last 20 years, has that happened? The obvious answer is no.

The Acting Premier of Saskatchewan, Roy Romanow: The proposal would drastically weaken the principle of orderly marketing and, in the long run, will lead to a destruction of the Wheat Board. It will eliminate the domestic price stability of Canadian Wheat Board.

The answer is, obviously, those fears did not materialize over the last 20 years when the Domestic Feed Grains Policy was brought in. Pool directors from Alberta, Saskatchewan and Manitoba said any attempt to put domestic feed grains on the open market would be turning the clock back 30 years. So what the member has just said is exactly a parallel of these comments of 20 years ago when the Domestic Feed Grains Policy was brought in. So



you tell me if any of them have come true. Not a single one. So I say these answer her question.

**Ms. Wowchuk:** Mr. Acting Chairperson, the minister continues to talk about the tremendous marketing in the U.S. There are markets everywhere in the world. There are tremendous markets in the Pacific Rim countries for our products, and the direction seems to be trying to tie ourselves so closely to the U.S. market, always thinking about the U.S. market. Do you not feel, does the minister not feel that it is not necessary to only look at the U.S. market and try to cater to that market, that we should be looking at markets throughout the world? What I see here is, we are trying very hard to change our shipping patterns. It seems to be looking at movement towards north and south instead of east and west, and I think there are certain risks in that. I think we do not want to tie ourselves just into one market.

We have to look at other markets as well, and I do not believe we should be changing everything in this country to fit in just to the U.S. market. We have to keep our options open and certainly there are good markets in Japan. Those countries are willing to pay a good price for our barley. So why are we so prepared to move on to just tying ourselves much closer to the U.S. market?

**Mr. Findlay:** Mr. Acting Chairperson, I think what is driving the changing marketplace for our grains globally is pure economics. If the member looks back over say 30-40 years ago we were very dependent on Britain and Europe as a place to export to. When the Common Agricultural Policy came in in Europe we got pushed out of that market. We had to go shopping elsewhere in the world to some place to sell grain. Russia became the big market for us. Certainly Russia has got into some economic problems now. Instead of a cash paying customer, which they used to be, they are now on credit.

Well then, you know, shifts then took place in China. It became a very important market, and I think a year or two ago China was the No. 1 market for Canadian export grains, and over the course of the last few years, because the American market is there, and because the EEP program is creating competition all over the world and we are selling into a subsidized market it makes it difficult for us to get a fair return from the marketplace. The member may not realize it but in continental U.S.A. we do not have to compete with an EEP subsidy, because EEP

does not exist in continental U.S.A., and we are selling to a higher value market in the U.S. than we can in many of these countries around the world where we were competing with EEP. So, you know, if you look at it this way, EEP is taking grain out of the U.S. and creating opportunities for us to sell in behind it—higher price, they pay cash and the costs of getting there are less.

The U.S., about three or four years ago, was the sixth largest customer for us, they are now up to about second place, considering all grain commodities. The successes of canola and durum and wheat and oats and barley speaks for itself.

The member says we should not concentrate on it. Well, we sell to about 60 countries in the world, but because of the export subsidy program, EEP, it has changed the dynamics. Why go out and sell to country X in the world, where you can get \$2 a bushel return to the farm gate; because of an EEP subsidy, you can go into the United States and return to the farm gate \$3 or \$3.50? I think the Wheat Board is very smart to sell to the United States as much as possible.

The member says we should not tie ourselves there. I wonder why. If they can pay cash, pay the highest return for the farmer at the farm gate, I think it is important we work on that market. We have been very successful in the last few years, and the world is all about change. We have the highest cost of getting to saltwater of any exporting part of the world, so we should be looking. If there is economic advantage of north-south trade, let us work on it.

If you are afraid the United States is going to—some big powerful bear is going to roll over and bury us and say we are unfair traders, in balance we are at a trade deficit with the United States in food. Because we buy so much vegetables and processed-food products from the United States, the U.S. has a trade surplus with us of about a billion dollars. So we have not even caught up to them yet. I think we should catch up to them, sell as much to them as they sell to us, I think that is fair and I think we can.

But the important thing is they can pay cash, so the Canadian taxpayer does not have to guarantee or subsidize the sales, and we get the highest return to the farm gate—that has to be critical. Right now, if you look at the estimated Pool returns that the Wheat Board information has put out this year—it is the first time ever—shows that in wheat, there is

roughly a dollar a bushel to come in either interim payments or final payments.

The member says that you may say that is surprising, and it is. I think to a large extent that is due to the higher value they are getting in the U.S. market. I do not know what it is, that is the information that is never released. But if you look at that, it is obvious, and when you know what kind the world price looks like, that there is a lot of the grain being sold in the U.S. that keeps that Pool return up, and that it is nice to know that there is a dollar a bushel waiting in the wings for the producers of the grain of the 1992 crop.

\*(1640)

So we should be shopping around the world for all markets we can penetrate, absolutely. But do not sell to a market and return less at the farm gate; sell to a market that returns more to the farm gate, because farmers cannot live on ideology. They have to have cash at the farm gate.

**Ms. Wowchuk:** The minister keeps coming back to the "return to the farm gate," and that is what we want. But there is no guarantee that going to a continental market on barley that there is going to be a better return at the farm gate. The fear is by farmers—and the majority of farm groups—that farmers will be growing more grain, more barley, they will be selling more barley, but there will be no increase in price.

So he is going to be growing more, but there will be no advantage. So if that is what is going to happen, if the price is going to stay down, I see no advantage for growing more for the same low price, or a lower price, and that is the real concern in this.

If there was any assurance that we would be getting a better price, farmers would feel more comfortable about this—maybe. But at this point, there is no assurance and all they are getting out of it is the risk of the Wheat Board losing their monopoly on barley sales. The Wheat Board has served these people very well, and that is the risk and that is the concern that farmers have, because going into that market at a lower price is of no advantage to farmers.

The minister referred to Russia and the markets there. I guess, when we look at Russia for sales, we have to look at the Port of Churchill. I want to ask the minister whether he believes that grain to Russia should be shipped through the Port of Churchill and whether there is any—we heard an announcement

about our Arctic Bridge agreement, that there were going to be sales into Russia and that there does not seem to be any positive results out of that.

What is the minister's position or what has happened? Is the minister aware of any sales to Russia, and does he believe that those sales should go through the Port of Churchill?

**Mr. Findlay:** I will use my old cliché. The Wheat Board must make sales to maximize the return to farm gate. They operate on that principle. I have talked to them about using Churchill, and they say it is a tough battle to be able to move it through Churchill and maximize return at the farm gate.

Now the Arctic Bridge certainly holds some promise. I was in Russia with the Ministry of Industry, Trade and Tourism when the original agreement was signed with the people from Murmansk. They want to see two-way trade between Murmansk and Churchill, grain going to them and potash or phosphate or whatever coming in here. I think that is great as long as it works economically.

Now the people from Murmansk were over about approximately three months ago or two months ago, whatever, and we met briefly with them. They certainly came and they met with the Wheat Board. The Wheat Board conducts the business of grain. The Minister of Agriculture in Manitoba does not conduct that trade, but we certainly try to facilitate the buyer and the seller getting together, and certainly the Murmansk group coming here and meeting with the Wheat Board is getting the buyer and seller together.

There were statements that they were prepared to buy a certain volume of grain to go through Churchill, and that is very positive news. I have to believe until I am told otherwise that that discussion is ongoing and that they may be in the process of moving towards concluding an agreement that moves grain through there.

Now, when that information became public here in Manitoba, you heard a response from Russia saying, no, they are not negotiating for us, no way that they are talking for us. Well, I can tell the member, give her some sense of understanding of what is going on in Russia, when I was over there, we met with many different groups, minister of the economy, ministry of export trade, ministry of cereal grain production, minister of procurement. It went on and on and on.

With all kinds of government ministries, everyone ignored the fact that all of the others existed. Each thought they were independently in charge of everything. We even met with Export Kleib who still thought that they were in charge of all the buying and selling for Russia, which they used to be under the old U.S.S.R.

I also met with feed mills who said—I asked them, how are you buying grain, importing grain. Well, Export Kleib, we are not using; we are going to deal direct because we can offer a better price that way and actually save our buyers some money at the same time.

So you have internal problems over there. Each group thinks that they are in charge, and really, they are not in charge. So what Export Kleib said about the Murmansk group, I do not put any credence to it at all. It is internal conflict between jurisdictions, I would say.

The fact that the Murmansk people were here and they are dealing through this association—I think it is called Caribou Ventures or something of that order—I think it is legitimate. They are doing business in grain and other commodities. I hope that it is successful in terms of promoting two-way trade between that region of Russia and Churchill. But the future of Churchill has got to be in more than just grain, it has got to be two-way trade.

They told me when we were over there, they said, we have got icebreakers that will keep that thing open six months of the year, and that is interesting. I have to believe that they could well have that kind of technology because port of Murmansk is even further north than Churchill, so they must know what they are talking about.

**Ms. Wowchuk:** The minister mentioned Caribou Ventures, and I believe that is the Russians' consulting company.

The minister talked about the Arctic Bridge agreement and the value of trade back and forth, and agriculture, the grain products are going to be a very important part of it. We have to be shipping grain to them and bringing in another product.

Is there anybody representing the Department of Agriculture in this agreement? I, T and T is represented there and other departments, but is there anybody from the minister's staff or a consultant working for the minister who is working to promote the sale of grain and promoting the Arctic Bridge agreement?

**Mr. Findlay:** We work with other departments of government in terms of being sure that the appropriate information is there for whoever needs it on whatever issue related to Agriculture. To say, you know, the Minister of Agriculture and the Minister of Industry, Trade and Tourism (Mr. Stefanson) were there to initiate the Murmansk initiative, and we will do whatever we can, but it really comes down to Caribou Ventures will do us business with the Wheat Board and grain and with whatever other company in western Canada or Manitoba that they want to import to. But we will facilitate, as we have in the past, wherever and whatever we need to do, but generally the facilitation will be a joint venture of numerous departments.

**Ms. Wowchuk:** The minister said Caribou Ventures will negotiate with the Canadian Wheat Board but there are many other aspects involved. Surely, the government must have a consultant that is hired to work as well. If the Russian side has a consultant, there must be a consultant who is working here to negotiate.

Can the minister tell us who is working on behalf of the Manitoba government to ensure that we do get the best sales and the best deal that we can, and who is promoting Manitoba products to be sold there?

**Mr. Findlay:** Well, the member over the course of the afternoon is advocating the Wheat Board is the best sales agents we have got for western Canadian grain or Manitoba grain, and I believe that, and they will do business on our behalf as they always have. We do not need to hire a consultant to help them do that. They are quite capable of doing it. They deal in over 60 countries around the world, so it is business as usual in terms of whoever comes and shows an interest. We constantly advocate to the board that we feel it is important that wherever possible, that we improve and increase the amount of economic activity through Churchill. That is no secret to the Wheat Board. They know that very clearly.

\* (1650)

**Ms. Wowchuk:** Mr. Acting Chairperson, I guess the reason I was asking about a consultant is, surely we are looking at other products as well. The minister talked about the wide variety of products. We talked about selling wheat. We talk about processing products and surely there is a market there. The Wheat Board cannot handle all of those things.

If this agreement is going to work and the other side has a consultant promoting Russian products, then there must be somebody that—I would hope that we are looking at all agricultural products, not just wheat. That is what I am wanting to know is, who is representing Manitoba to be sure that we tap into all of those markets, not only for wheat but other products as well?

The minister has indicated this is a big market. It is a growing market. Who is representing us there?

**Mr. Findlay:** Mr. Acting Chairperson, certainly the Port of Churchill Development Committee has been in place for some period of time, obviously working for the development of Churchill. It used to be funded both in Manitoba and Saskatchewan and the Province of Saskatchewan pulled out.

The member thinks we should have a consultant involved and I think the expertise exists in the private sector to do business, and wherever there is an opportunity to do business, to turn a buck, the private sector is usually pretty aggressive. I know that the private sector is very definitely involved in Russia.

In the mission when we went over there, there were several people on the mission that were private sector people looking to do business over there. Many people are already doing business over there.

Certainly, existing staff of numerous government departments are working with the private sector to try to create opportunities, be sure that opportunities that do exist are acted upon. I, T and T is certainly a lead ministry in this process because the opportunities of economic activity there are much broader than just agriculture, broader than just export of grain.

**Ms. Wowchuk:** I just want to correct the record on something the minister said. The minister said that I said there should be a consultant. I did not say there should be a consultant. I said, is there a consultant working with government, whether with the Department of Agriculture or with Industry, Trade and Tourism, who is co-ordinating this effort? The minister talks about the Churchill advisory board and again, I say, if there is a consultant working on the Russian side of it, I would have assumed that there would be a consultant working on this side trying to co-ordinate, and again, trying to get the best possible markets for agriculture products.

**Mr. Findlay:** Mr. Acting Chairperson, I think there is one important difference between us and Russia, and that is, they have not developed the private sector. They have not developed an ability to do business. We clearly have in this country, and I think the member could probably understand why they might want to hire a consultant to work in the business world, because they are not familiar with it or comfortable with it. They do not understand the intricacies of how it works. Clearly, we have a well-developed private sector, a well-developed marketplace and I do not think we need to have consultants to tell us how the marketplace works. The marketplace knows how it works itself.

I can understand why the Russian people feel they want a consultant, but I do not think we need one. Their consultant will work with whomever they want to do business with in Manitoba or Canada in a joint venture or two-way trade, whatever. Through the Port of Churchill development committee and all the other activities, we will work with whomever the Russians send over here. As I say, that mission came over here two or three months ago and met a lot of people and we hope that it leads to economic activity. We are always attempting to maximize the ability to sell to markets. Best return to the farm gate is the primary consideration.

**Ms. Wowchuk:** Then I take it that I, T and T is taking the lead role on behalf of government on the Arctic Bridge agreement and the Department of Agriculture has no role in this agreement.

**Mr. Findlay:** As I said, when we were in Russia, the Ministry of Industry, Trade and Tourism signed the agreement on behalf of the government. I was there and when they came over here the Ministry of Highways and Transportation looked after the mission. Certainly I met with them and they met with the Wheat Board and other parties that they were interested in.

It is a broad process of working with whomever is interested. Agriculture I would not say has no role, it has a role. Our role is to be able to export grain commodities to there and if there is a bartering process or goods coming in, they will probably be going to nonagricultural activities.

**Ms. Wowchuk:** Mr. Acting Chairperson, I guess we will be following very closely what is happening with this agreement. I think that perhaps the Department of Agriculture and the minister are missing something in here when he continues to concentrate

on wheat. All through the Estimates when we talk about agriculture issues he talks about the value-added products. I think this is a tremendous market and we have to look at how we can access that market with more products. I hope the minister will make an effort to see whether there is room for other products to be going into that market besides wheat and cereal grains, but a processed product as well.

\* (1700)

**Mr. Findlay:** I can assure the member, once in a while you use wheat, but you just use it as an example because it is the commodity of largest volume and trade. There is a lot of opportunity over there, and it is in every agriculture commodity you can think of in terms of us doing business with them, in terms of technology transfer, in terms of selling them equipment and expertise to make equipment. Some of the people who were on the mission with us were associated with feed mills, were looking at setting up feed mills over there, looking at grain bins, grain—

**The Acting Chairperson (Mr. Sveinson):** Order, please. The hour is now 5 p.m. I am interrupting the proceedings for private members' hour. The committee will return at 8 p.m. this evening.

## IN SESSION

### PRIVATE MEMBERS' BUSINESS

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

### PROPOSED RESOLUTIONS

#### Res. 24—Ayerst Expansion

**Mr. Bob Rose (Turtle Mountain):** Mr. Speaker, I move, seconded by the honourable member for Niakwa (Mr. Reimer), that

WHEREAS Ayerst Organics Ltd. is a processing plant for a widely used estrogen replacement product located in Brandon; and

WHEREAS Ayerst currently employs about 50 people in Brandon; and

WHEREAS Ayerst Organics Ltd. has announced that it plans to invest a total of \$123 million into an expansion of its Brandon facilities; and

WHEREAS this expansion includes work to the existing plant, construction of a second facility at the same site, and an upgrade of the Brandon waste management system; and

WHEREAS this investment in Brandon will add the equivalent of 36 full-time permanent staff to Ayerst's current workforce, and an additional 1,000 jobs will be created through construction, farm operations and directly related industries; and

WHEREAS Manitoba is the leader in western Canada's growing PMU industry; and

WHEREAS the expansion of Ayerst will provide benefits to the local economy, it also has the potential for other benefits to the agriculture industry and for the environment; and

WHEREAS the partnership between private industry and government has fostered a positive economic climate for investors such as Ayerst.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba welcome the announcement of Ayerst Organics Ltd. to expand its plant in Brandon and fueling a strong Manitoba economy.

#### Motion presented.

**Mr. Rose:** Mr. Speaker, it is a pleasure for me to stand today and propose this resolution to the Assembly.

I am pleased to say that my connection with Ayerst in Brandon, indirectly at least, goes back for a number of years. I remember very well, I believe it was in the '70s, when the concept was first introduced to the area, and the Ayerst company was proposing that they would produce the drug Premarin from a locally available product.

Just as an aside on the way by, I would point out that Ayerst is the only company in the world that is producing a natural estrogen from PMU. I would think this would be of great interest and would draw a good deal of support from all members of this House that this is a natural product.

I think back to those days. Strangely enough, at the time when the proposal was first made, it came to the local ag rep or the principal of the ag school in Brandon for his comments. He asked the government of the day what interest there might be in this. Interestingly enough, the government in those days was not all that particularly interested in economic expansion. They told him that this was probably an opportunity that we should forego. Fortunately, Reg Forbes was not that kind of a person to give up easily, and he contacted a private individual at Russell, a gentlemen by the name of Harold Clement, who I believe at one time stood for

election to this Assembly as a Liberal candidate. Harold, being a very aggressive fellow, hopped on an airplane and flew to Montreal to further inquire into the possibilities of this proposal.

Upon his return, full of enthusiasm for the possibilities that existed, he reported to Reg Forbes and Reg then wrote to a number of individual farmers in the community that he knew might be interested. He had to start out by saying, now this is not a joke, gentlemen, but we do have an opportunity to take something that you have been stepping around or stepping over for the last number of years and turn it into a commodity that has some economic value.

So that was the beginning. He was able to interest a number of producers in the process of collecting a product, as I say, that had no value whatsoever, except perhaps for fertilizer up until that time, collecting pregnant mares' urine, which is what PMU stands for. The company, of course, had illustrated that this product was particularly high in estrogen and could be processed into a commodity that would have an economic value, not only in Manitoba but throughout the world.

So, from that modest beginning, the first plant was established with a number of producers across Manitoba and in Saskatchewan and into North Dakota, who were providing a product for Ayerst chemicals in Brandon. It was so successful that they moved to the point just a year ago of being able to consider expanding their operations, and with the co-operation of both the federal and the provincial government were able to move into a huge expansion, in fact, almost doubling their productivity.

This provincial government will be assisting the Ayerst Organics with this expansion. As we mentioned in the WHEREASes of the resolution, we expect to create up to a thousand direct and indirect jobs.

Now in the plant itself the increase in jobs is expected to be 35 to 40 positions in a plant that is currently employing about 55, so almost doubling the current employment in that plant. The other jobs, of course, will come from the spin-off from that kind of \$120-million investment into rural Manitoba and not only in the investment itself but, of course, in the investment that is required in livestock and in the corrals and collections in the barns and all those

things that go along with the production of the product itself.

This activity is expected to create an estimated \$80 million in increased economic activity for the province of Manitoba. It is caused by the ever-increasing demand for PMU and allows many, many farmers to enter into a new business of creating a number of jobs in the farming community as well and increasing income to farmers and to producers. It is certainly a large boost for industries which are supplying goods and services to the PMU producers.

It very much falls into the thrust of this Department of Agriculture and our provincial government encouraging diversification among the minor producers and also following the path of value-added product. As I said in my opening remarks, the product was originally something that just simply fell to the ground and was of no value whatsoever and is now being collected, and not only collected, but processed into a product that has considerable value.

\* (1710)

The diversification aspect is particularly fitting for rural Manitoba. As we all know, we are in a very seasonal operation. Anyone who is in grain farming is in a seasonal operation where they are very, very busy in the growing season, in the spring and summer and fall, and the collection of this production generally falls into the late fall and winter and early spring months when the producers are not busy out planting and spraying and cultivating and reaping and harvesting their crops. The honourable member for Niakwa (Mr. Reimer) is nodding in agreement. He understands the great value and how well this fits into the agricultural component of the constituency of Niakwa.

Not only does the Province of Manitoba, of course, support this initiative in many different ways, but one specific way, and I would certainly like to emphasize this inasmuch as there has been substantial comment in the last year or so about the REDI program and the revenues from the VLTs and much indication from the opposition members that none of this money is flowing back into rural Manitoba. I am sure they will want to make note of the fact that \$1 million over the next three years will flow to this expansion from the REDI program. It is an indication of exactly what the REDI program sets

out to do and that is to create economic development in rural Manitoba.

Now some might think that because the plant is simply located in Brandon that the full benefit of that \$1 million from the REDI program would go just to the city of Brandon, but that in fact is not the case of course, because we talked before about the wide influence in the spillover of the economic activity throughout all of Manitoba, not just the southwest portion.

Also, the Ayerst company will qualify for about \$7 million worth of income tax credits under the manufacturers investment tax credit program, again an indication of how government programs may be used to generate considerable extra investment into our province, because we are talking in terms of investments of \$120 million with a \$7-million incentive through income tax credits. As we mentioned before, the expansion will not only increase jobs in Brandon in the plant itself, but throughout all parts of Manitoba and parts of Saskatchewan and western Canada and the northern states as well.

Now, the product that is being produced in the Ayerst plant is Premarin, and it is an estrogen medication that is produced from pregnant mares' urine. The sales from this product have skyrocketed in the last few years, Mr. Speaker, to \$700 million worldwide and will continue to skyrocket as the world's population ages because, as you know, the product estrogen is used to help control osteoporosis. As our population ages and our bones become more and more brittle, the demand for this kind of product is certainly going to grow. Again, as I mentioned earlier, Ayerst is the only company in all of the world that is producing a natural estrogen from PMU and this plant is located right here in Manitoba.

At its full capacity after the expansion takes place, Mr. Speaker, the company expects to pay out approximately \$80 million a year to producers and more than half of this will go to Manitoba producers. Fifty-eight percent of the PMU operations are located in Manitoba, and the province is definitely a leader in the production, or the collection of PMU.

It is a pleasure to report. Very often governments make these announcements and sometimes nothing happens for a year or two down the road. The development does not actually take place for a year or two as different situations develop, but it is certainly a pleasure to report on this announcement

that was made just a year ago, that the renovation of the existing facility in Brandon has already been completed, and the construction of the new adjacent facility, which is intended to almost double the production, is well underway. It is anticipated that this expansion of the second facility will be completed this year.

It is a very timely opportunity, I think, for the members of the Legislature to congratulate Ayerst on their expansion and to recognize the contribution that both levels of government have made to this most positive approach to development in Manitoba and western Canada.

I want to talk just for a moment about the environment, because so often when we talk about any kind of economic development in our province immediately concerns are raised about what effect this will have on the environment. I need only point out the proposed diversion of the Assiniboine as an example of the kind of debate that emerges when we talk about things that may have economic development, or as the member for Swan River (Ms. Wowchuk) was asking, when are we going to develop some of the wood industry in her constituency and immediately, of course, the member for Radisson (Ms. Cerilli) indicates some concern at the fact that we might be cutting down trees.

It is interesting to remark on this particular economic development that it is extremely environmentally friendly. In fact, most of the land that will be required to support the herds of horses that will produce the products, that will produce the Premarin that will save the aging bones of the honourable member for Niakwa (Mr. Reimer), most of this feed will be raised on marginal lands throughout the province that are not necessarily that valuable for production of other commodities.

That certainly encourages local producers to leave that land in natural pasture or else to use some of the other land to produce the much needed forages that are required to feed the stock. We all know, of course, the production of forages is not only environmentally friendly and not only friendly to the environment, but it is also very friendly to our land, the very basis of the production of agricultural products in Manitoba.

It is extremely important, as this government has illustrated time and time again, that we be aware of the value and the need to maintain the value of our

land base in the province. So any kind of an industry that keeps or gives the opportunity to provide a valuable crop through a forage crop is most environmentally friendly and most welcomed.

Mr. Speaker, it is certainly a pleasure, as I said earlier, to propose this resolution. I have no doubt at all in my mind that it will pass very quickly, and I appreciate the opportunity to bring it before the Assembly. Thank you.

**Ms. Rosann Wowchuk (Swan River):** Mr. Speaker, as I read through this resolution I had to think about what the impact of Ayerst Organic Limited is on my constituency, and I have to tell you that it has been a benefit. We have seen several farm operations being able to expand their PMU operations, and it has certainly had an impact on the construction industry because there were several large barns built in the area and it was an asset to the area.

Certainly it is a way of diversifying the economy. When we look where we are in the grain industry, we do have to find alternate products, crops that can be grown, and certainly when we have a product that is a waste product that we can find a use for it is a benefit to the farm community. Certainly the city of Brandon will benefit from this operation with the increased employment.

But as the member for Turtle Mountain (Mr. Rose) has indicated, there will be benefits across the province. With the difficulties agriculture is facing right now, this has certainly been an asset. The member talks about marginal land being used and that is indeed the case. I refer to my own constituency. There is very little marginal land or pasture land that is being left idle right now, and, of course, if you can put animals on that land without breaking it up, it is a benefit. That land stays in its natural state but there is some value taken off of it.

\* (1720)

There are a few points I want to address. As I said, it certainly has helped the economy of rural Manitoba. There have been value-added jobs in Brandon, and it certainly has helped many farmers supplement their income as they go through this difficult time of low grain prices, and many of the uncertainties that they are facing in the grain industry. Many uncertainties that they are facing because of movements and positions taken by the federal government and lack of position by this government have hurt them, so certainly it is an

asset to have some additional income. Unfortunately it does not address the needs, the bottom line, of all farmers. There are some farmers who will benefit, but not all farmers will have their bottom line increased.

The member talked about the REDI program and the fact that \$1 million has gone into this company. Although I think the company is creating a lot of employment, I have difficulty with the fact that the government found it necessary to give REDI money to a company that sells, as the member said, \$700 million worth of product, and they chose to give a \$1 million loan to them. Why would this company need a loan? But I believe it was a lot of political posturing here. By giving this they could get on the platform with the representatives of Ayerst and make grand announcements.

It is unfortunate that it is not as easy for other people, small business in particular, who are applying for REDI funding. They cannot get it as easily as Ayerst has. In fact, they have to go through many hoops and loops to get funding. Ayerst got theirs very quickly, but I guess there is a two-tier. Depending on where you are and what kind of political gain you can make by making this announcement, then those things will be addressed.

Mr. Speaker, when we look at the product that is being produced here, the product is an estrogen-replacement product and the member for Turtle Mountain (Mr. Rose) talked about our aging population and the greater need for estrogen. I think we have to look very closely at the studies that are done and what the impacts are of this drug. It is mainly women that take the drug, so I would hope that along with promoting this product we would be looking at the consequences and we should be looking at whether or not we should be promoting the drug company in this product or whether there are other alternate medications that can be used.

The member for Turtle Mountain says it is a natural product, but what I am saying is, are there other alternates? If we pursue other alternates, certainly, it is not going to destroy the Ayerst company. I mean, it is a huge company. As the member said, they are investing a total of \$123 million in an expansion, so if we do some research into other products to offer women alternatives in how they choose to treat the needs that they have—[interjection] The member opposite says, I do not want natural products. I think that he is not listening to what I am saying. I am saying that it is



necessary to offer women alternatives as well and that the government, along with promoting a company that produces this product, should also be looking at other alternates. We should be looking at promoting healthier lifestyles and whether there are options that maybe women do not have to take that many drugs. That is a possibility. Is it absolutely necessary that we take as many drugs as we do?

The other member also talked about this being an environmental project. Indeed, there are, as he said, we have horses on pasture lands, that lands are not being broken up, then in that sense it is environmentally friendly. There are a lot of groups that have expressed concern about the amount of water that is used in this project. This facility is very close to the Assiniboine River, I believe, so we have to look at addressing the concerns of the people who have expressed the concern about the amount of water that is being used and the quality of water downstream from this plant. Is this plant having any impact downstream? That is a question that has to be addressed.

The member for the Interlake (Mr. Cliff Evans) says no, it is not having an impact. Well, I hope that it is not because there are people all the way down the stream that have to use the water. Government has the responsibility of assuring the public that the quality of the water is being maintained. Government has a responsibility to monitor that water, to see that the quality is not deteriorating to any degree.

I want to assure the member that I am not saying that the plant is. I am saying that government has a responsibility to ensure that the quality of water is being maintained and that there is not an over amount of pollutants going into the water. Those are the things that government has to be responsible for.

Now, the member across the way continues to insist that this is a natural product. There are many products that are natural products, but when they are of a high concentration, they can cause some problems. Although I have said that this project is good for rural Manitoba, it has created a number of jobs, a large number of jobs. It is good for the economy. The government has the responsibility of assuring the public that this project is environmentally sound. They should not be afraid to do the necessary studies to give the public that assurance. That is the responsibility of government, to give the public the assurance that when a

business, when a company comes into a province, they are not harming the environment.

We have a responsibility to keep that environment safe for future generations, whether it be the water, the soil, the air. Those are the responsibilities, and it is a government responsibility.

The other concern that some groups tend to raise is the safety of the animals and how animals are being treated. I want to tell the member for Turtle Mountain (Mr. Rose) that I recently had the opportunity to tour a couple of these PMU barns, and although I believe that may have been a concern when the business first started some 20 years ago, there were some real horror stories about how animals were being treated at that time.

I believe that farmers have come a long way since that time, and I believe that animals are respected. Farmers realize that if they are going to make a living, they have to have healthy animals, whether it be with cattle or with horses or hogs, whatever. If you are going to make a profit, you have to have healthy animals. So I feel that from what I have seen and from people I have talked to, I do not have the concern that animals are not being well treated.

\* (1730)

However, as I said, I do believe that the government does have a responsibility to provide the public with the information that they need with respect to the environment. I do believe that government has the responsibility of, where there is a concern with usage of drugs, that government show leadership and deal with preventative health and also offer alternatives.

Mr. Speaker, although I support this resolution—I think the plant has been an asset to the province—I am going to make an amendment, but the amendment I make is to enhance the resolution rather than to destroy it. I see the member across the way shaking his head or nodding on. I hope that he will take seriously the amendments that I am making because I believe that it will give the assurance to those Manitobans who have some concern about the industry.

Mr. Speaker, I want to make this amendment to the resolution, and I move, seconded by the member for Selkirk (Mr. Dewar), that Resolution 24 be amended as follows:

By adding after the last WHEREAS, the following:

WHEREAS there is a growing concern with the effects of estrogen on the health of women; and

WHEREAS many people are concerned with the environmental impacts of this processing plant on the Assiniboine River.

And by adding after the "THEREFORE BE IT RESOLVED", the following:

BE IT FURTHER RESOLVED that this government, through the Department of Health, encourage further research into the effects of estrogen on women, and that this government provide information on alternate treatment for women in menopause.

BE IT FURTHER RESOLVED that the government continue to monitor the waters of the Assiniboine River to ensure that there is not excessive pollution from this plant.

BE IT FURTHER RESOLVED that the Department of Environment table all reports they have dealing with the impacts this plant will have on the quality of water on the Assiniboine River.

**Motion presented.**

**Mr. Speaker:** The honourable member's resolution is in order.

**Ms. Marianne Cerilli (Radlsson):** I would like to speak to the amendment and talk about the importance of the amendment that the member for Swan River (Ms. Wowchuk) has made in light of this project and its effect particularly on the environment and on our health.

Similar to the Assiniboine diversion, this government and the federal government, even though they have put a considerable amount of money into this, have not put a considerable amount of thought into the importance of having the proper environmental assessment. Again, given that this project is spilling effluent, ammonia particularly, into the Assiniboine River and that the Assiniboine River is a navigable river and an interprovincial river, that is one of the criteria that would mean that this should have a federal environmental review.

The other reason that this should have a federal environment review is that there is federal money, and both of those are legal, federal-enacted reasons for closer consideration, environmental consideration from the federal government. The fact that—I do not know if we have heard about the proposed assessment for this project, but when we ask the government about it they have made it sound like,

again, we are going to have one of these old made-in-Manitoba assessments which we are supposed to put our faith into.

I do not think that it is going to closely look at the basin-wide implications of putting more ammonia into the Assiniboine River, and when we deal with the Assiniboine River diversion, this is the kind of project, an issue that we want to be examined.

One of the things that this government does not seem to understand is, while they are allowing permits to have more water diverted from the Assiniboine River they are also allowing more industrial development, particularly this kind of chemical industry on the river, which is increasing the toxicity of the water. So we are having a multiplied effect.

If on the one hand you are drawing off more water and on the other hand you are putting in more toxic effluent into the water, you are severely decreasing the water quality from both ends, and this is one of the big concerns with the diversion, that it is not going to look at all the effects on the river. We continue to have these piecemeal environmental assessments which look at one project and one part of a water body or water system irrespective of what is going on in another part of a river in terms of the demands being put on that water body.

There is another important aspect of this project, and it has to do with the end product and with the increase in use in that end product. When I first heard about this project my initial response was to be conscious of the health implications of that product on women and how there has been an increase and some would even say an overprescription of Premarin and estrogen hormone replacement therapy for women. My concern again stems from an environmental impact on the area, and it would lead one to look at the demand-side management of this industry. If on the one hand we are encouraging through marketing and prescription of this drug and we are creating an increase in demand which is then going to have an increase in effluent and pollution production at the industry, at the site on the river, that shows clearly the connection between advertising and marketing and our approach to health and how that is affecting our environment.

\* (1740)

It is a concern that on the one hand we have the government talk about health reform, but we see

that they are encouraging through—as the member for Swan River (Ms. Wowchuk)—corporate welfare to an industry that has cornered the market, has a monopoly on this product, pharmaceutical manufacturing as a growth industry by this kind of government subsidy and that they are talking about health reform.

So my concern is, health reform is, as again was mentioned, the alternative to this kind of medicated approach to a natural life cycle in a woman's life, which is menopause, which is what the drugs are prescribed for.

My concern is that we could show, through an environmental impact assessment, that if we looked at the health issues related to women taking this drug, that if there is an overprescription, if there is an increase in prescription that is not valid—because I know that these drugs, hormone replacement therapy, are being prescribed to women at an increased rate—then through an assessment, we could show that there could be a decrease in the production, which would have a decrease in the pollution effluent.

That is, I think, a concept that a lot of people do not yet understand, particularly when it is in an area like drug manufacturing, that we can show that there is a connection in our economic model between the kind of advertising that goes on which encourages people to consume products, which encourages people to, I would say, overconsume products which, in their mass production, have an adverse effect on the environment—as I said, in this case, if it can be shown that those products are not particularly needed for populations that are using them and that, as was said, the alternatives are more healthful and less costly.

So that is the concern that I have, that this product and this industry does not fall in with the definition of sustainable development that we would support, the definition that is being promoted through the International Institute for Sustainable Development, that we have to look at demand-side management of all our industries. That includes, certainly, the pharmaceutical industry which, through its effluent in production, has a negative effect on our environment.

It raises some of the questions of what kind of industry do we want to be encouraging in our province, especially through tax dollar subsidies, government subsidy. Do we want to be encouraging

industries that are encouraging the kind of health reform that we say we are promoting through our Department of Health, which is an emphasis on more preventative health, or do we want to continue down the road of the old illness and sickness model of health care?

I would say that this kind of industry is not in keeping with what the government is saying about health reform. It is not in keeping with the trend to value women, particularly elderly women and provide them with a variety of options and the kind of information that is going to be in their interest.

I could go into more detail in that, but I want to talk about another issue that was raised. That is the whole issue of the treatment of the animals in this industry. I have had calls to my office from a variety of people expressing concerns that some of the mares that are involved in having their urine extracted for this industry are forced to stay on their feet for long periods of time. They are kept pregnant on an ongoing basis. They are fed in a very unnatural way, and there is concern about the kinds of feed that they receive.

One of the largest concerns that all of this has is the effect on the foals, and that many of the foals that are born by the mares that are used to extract their urine are stillborn or are horribly deformed.

**An Honourable Member:** We eat them.

**Ms. Cerilli:** The Minister of Natural Resources (Mr. Enns) claims that these foals are eaten. I am not sure if the Minister of Natural Resources partakes in that practice.

I am just talking about some of the concerns that have been raised. This practice of basically milking the urine from pregnant mares has caused some concern in terms of the treatment of the animals. I do not know what ends up happening with foals that are born if they are deformed or still—especially if they are deformed. I would hope that they are treated, after that, in a humane way.

The other thing I think it is important to talk about is the economics of this industry and this particular plant in Brandon. There has been a variety of claims of the number of jobs that are going to be created. I heard today there were 1,000 jobs. I know that approximately only 31-36, it is somewhere around there, are being created actually in the plant itself. If there are others in the diversification of agriculture by having more jobs in that area that might be where

the jobs are being created. Again, this is rather expensive job creation.

One of the ways that this industry is going ahead with this expansion is, it has been said that there already are farmers in rural Manitoba that have spent hundreds of thousands of dollars on expanding their barns and expanding their stock of horses. Again, my concern would be related to the tactic of having that investment made before there are the proper environmental tests and research and assessment that take place.

We have seen this with a number of projects, most exemplified by Rafferty-Alameda dam, of how a government and their industries that are supported simply try to get enough momentum and support in the industry for a particular development so that those of us who are concerned about the environment are hard pressed to have any attempt to slow down the developments going ahead with having a proper environmental assessment, because there is always the charges, well, we have already put so much investment in it. We do not want to lose that.

I know that there is a need for development in rural areas, and I certainly support diversified agriculture. I think that is something that we have to be looking toward, but I know that with the changes that are happening and the way that environmental impact assessments are starting to also look at the social implications, the long-term economic implications of development, that this is especially the kind of project that would be a good example to have it tested in terms of that kind of sustainable analysis.

I think that about covers some of the concerns that I have with respect to this project. I hope that it has been clear when I talk about the connection between environment and health and looking at the demand-side management of our chemical industries, all of the chemical manufacturing industries in our province, not just this one, and how if we continue to have on the one hand a commercial side of our economy that promotes the overconsumption of products that are toxic in their production to our environment, then we are going to have a difficult time developing sustainability.

Thank you very much.

\* (1750)

**Mr. Jack Reimer (Nlakwa):** Mr. Speaker, it gives me a great deal of pleasure to stand up and talk a little bit and get on the record regarding this

resolution that was brought forth by my colleague from Turtle Mountain (Mr. Rose) which I was very pleased to second. In fact, the original motion put forth was a motion of great substance and meaning because of the fact that it was recognizing some of the efforts put forth by a company having the strength and the ability to invest in Manitoba.

I should relate really to an extent of a little article that was in the paper back on the weekend, because I think that it was an article that sort of would strengthen the position that this government has taken and the direction that the Minister of Finance (Mr. Manness) has implemented with this government over the last five years in regard to a bond rating that came out for this province in which it said—and I would like to just quote it, because I feel that it has a bit of a direct impact on this resolution of people investing in Manitoba—in which it said that Manitoba has over the past five years been one of the most fiscally responsible provinces in Canada. Here we see a company here that has the strength, it has the fortitude that it wants to come to Manitoba and invest in this country and in this province—a tremendous investment of monies put forth. In fact, it is about a \$123-million investment here in Manitoba.

It also emphasized in the article that Manitoba has emphasized expenditure control and has not initiated major tax increases over the period. It has changed from being one of the highest-taxed Canadian provinces to being the average. Companies look at that, they see these things.

This bond rating will now go into various publications and various investment portfolios all throughout the world. Various companies that are looking at possibly expanding and coming into various venues, like Ayerst, will come to Manitoba with the strength of knowing that this is a strong province, a province with a strong work ethic, a strong tax base that they are not afraid to invest in, and the fact that they will enjoy the ability to make money. They will enjoy the ability to pay taxes, as the people like to see the programs that this country and this province are committed to in the social problems and in some of the education and the health programs. It is all put forth by industries, trade and the taxes that are generated.

In looking at Ayerst Organics in their investment of almost \$123 million—\$123 million, Mr. Speaker—into the Brandon facilities, we have to look at all those building materials, the people who

are going to be working, all the people who are going to be employed in this expansion. It is a tremendous opportunity, not only for Manitoba, but for Brandon.

The great city of Brandon will have a tremendous impact of growth during this time because of the fact that the production of this product and the ponies with the PMU operation are going to have a spin-off effect as the rural farm activity will be able to diversify and get into the PMU operations, because the company will need a tremendous amount of supply of product. In fact, it said that almost 1,000 jobs will be created through the construction and the farm operations, just indirectly or directly related to this.

Mr. Speaker, this is something that is very important to the industry of Manitoba. I feel that just as the PMU as the by-product from the pregnant mares is very important for the manufacture of Premarin, there is also the fact that the horses that will be used, or the foals that will come forth, and the raising of these foals, in fact, starts a whole new market of exportation and the possible use as a food source.

As is noted in Europe and some countries, the sale of horse meat is a very attractive and a very profitable venue, a multimillion-dollar program; whereas, we look at the price of horses now at around 65 cents for a pound, it is very, very close to prime beef. So the raising and the breeding of horses is a very, very big business here in Manitoba, and this is going to be a tremendous spur to that type of industry. It gives the rural farmer and the rural resident a chance to invest or to divest and to take advantage of the supply to this facility in Brandon.

The fact that it is supplying a medication which is produced for the world; in fact, it has been said that 58 percent of the PMU operations are located here in Manitoba. So we are looking at a tremendous focal point for the whole world in the supply of this drug. It will put a whole new spotlight on Manitoba, not only because of Ayerst, but it will also possibly bring in the other industries and other companies that are looking at expansion because of the fact that they would look for the expansion and find that Manitoba indeed is a place to invest.

In bringing forth the amendment that the member for Swan River (Ms. Wowchuk) brought forth, I noticed it becomes convoluted by the fact it now is talking about the concerns of the Health department and the fact that the government should be providing information on alternative treatments for women in menopause. It seems to have taken on a totally whole different direction than the original resolution.

The original resolution is regarding jobs and the creation of the Premarin and estrogen for the production of PMU, and now we are talking about the monitoring the rivers, of the Assiniboine, and waters and the whole thing becomes disjointed. [interjection] There are people that are talking, and you cannot keep going onto all the various aspects of this resolution.

Mr. Speaker, I believe the people of Manitoba would be very involved with this type of expansion. It brings a lot of focus and attention here in Manitoba, and the fact that when the resolution and the amendment is brought forth by the member for Swan River (Ms. Wowchuk), we look at just too many different aspects of the resolution. [interjection]

Well, you see, I am glad that I receive tremendous support with my caucus and my colleagues. They are with me on this resolution and the fact that the member for Turtle Mountain (Mr. Rose) and the resolution that I was pleased to second, it will bring forth, in fact, here in the province through the economic development—REDI was even involved with this.

I am sure that Hansard is having a good time, is trying to hear this report, so it is of the due diligence that this House has. I would think, Mr. Speaker, a lot of this is very relevant in the fact that it will be—

**Mr. Speaker:** Order, please. When this matter is again before the House, the honourable member for Niakwa (Mr. Reimer) will have six minutes remaining.

The hour being 6 p.m., I am leaving the Chair with the understanding that the House will reconvene at 8 p.m. in Committee of Supply.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, May 17, 1993

## CONTENTS

<b>ROUTINE PROCEEDINGS</b>			
<b>Presenting Petitions</b>		Sunday Shopping Storie; Stefanson	3000
Children's Dental Program		Interdepartmental Crisis Committee Carstairs; Gilleshammer	3001
Lathlin	2994	Health Care System Reform	
C. Evans	2994	Chomiak; Orchard	3001
Maloway	2994	The Province of Manitoba	
Wheat Board Barley Marketing		Rose; Manness	3002
Wowchuk	2994	Manitoba Builder Bonds	
<b>Reading and Receiving Petitions</b>		Rose; Manness	3003
Children's Dental Program		Garrison Diversion Project	
Storie	2994	Lathlin; Enns	3003
Dewar	2995	Labour Force Development Agreement	
Wheat Board Barley Marketing		Friesen; Vodrey	3004
Wowchuk	2994	Employment Retraining Programs	
Restoration of Friendship Centre Funding		Friesen; Vodrey	3004
Hickes	2995	Labour Force Development Agreement	
<b>Introduction of Bills</b>		Friesen; Vodrey	3004
Bill 33, Provincial Railways and Consequential Amendments Act			
Driedger	2995	<b>ORDERS OF THE DAY</b>	
Bill 35, Fisheries Amendment Act		<b>Committee of Supply</b>	
Enns	2996	Education and Training	3005
<b>Oral Questions</b>		Agriculture	3027
Manitoba Hydro		<b>Private Members' Business</b>	
Doer; Filmon	2996	<b>Proposed Resolutions</b>	
Radon Gas		Res. 24, Ayerst Expansion	
Cerilli; Cummings; Edwards	2997	Rose	3052
Organic Farming		Amendment	
Wowchuk; Findlay	2999	Wowchuk	3055
Agricultural Industry		Cerilli	3057
Wowchuk; Findlay	2999	Reimer	3059