



Fifth Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Member	Constituency	Political Affiliation
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James	Arthur-Virden	P.C.
DRIEDGER, Albert	Steinbach	P.C.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FAURSCHOU, David	Portage la Prairie	P.C.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSON, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McALPINE, Gerry	Sturgeon Creek	P.C.
McCRAE, James, Hon.	Brandon West	P.C.
McGIFFORD, Diane	Osborne	N.D.P.
McINTOSH, Linda, Hon.	Assiniboia	P.C.
MIHYCHUK, MaryAnn	St. James	N.D.P.
MITCHELSON, Bonnie, Hon.	River East	P.C.
NEWMAN, David, Hon.	Riel	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank, Hon.	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
RADCLIFFE, Mike, Hon.	River Heights	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack, Hon.	Niakwa	P.C.
RENDER, Shirley, Hon.	St. Vital	P.C.
ROBINSON, Eric	Rupertsland	N.D.P.
ROCAN, Denis	Gladstone	P.C.
SALE, Tim	Crescentwood	N.D.P.
SANTOS, Conrad	Broadway	N.D.P.
STEFANSON, Eric, Hon.	Kirkfield Park	P.C.
STRUTHERS, Stan	Dauphin	N.D.P.
SVEINSON, Ben	La Verendrye	P.C.
TOEWS, Vic, Hon.	Rossmere	P.C.
TWEED, Mervin, Hon.	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.
<i>Vacant</i>	St. Boniface	

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, June 22, 1999

The House met at 1:30 p.m.

[English]

PRAYERS

On behalf of all honourable members, I welcome you this afternoon.

ROUTINE PROCEEDINGS

ORAL QUESTION PERIOD

PRESENTING REPORTS BY
STANDING AND SPECIAL COMMITTEESFlooding
Compensation for Farmers

Committee of Supply

Mr. Marcel Laurendeau (Chairperson): Madam Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

Mr. Gary Doer (Leader of the Opposition): A number of farm organizations and farmers have had the opportunity now to be underwhelmed, to be charitable, with the announcement made by the federal government, an announcement to be, quote, more flexible with an existing program. But, Madam Speaker, an existing program that we have agreed is not farmer friendly, and it is in real pale contrast to the announcement made on May 1, 1997, dealing with the flooding in the Red River Valley. On May 1 we saw a cheque being handed over from the federal government to the provincial government to deal with the real disaster and crisis in the Red River Valley. Yesterday, I did not see or hear about any specific amount of money to deal with the contingency plan on a per-acreage basis.

I move, seconded by the honourable member for La Verendrye (Mr. Sveinson), that the report of the committee be received.

Motion agreed to.

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have this afternoon eleven Grade 1 to Grade 8 students from Prairie Blossom School under the direction of Ms. Sasch Wohlers. This school is located in the constituency of the honourable member for Gimli (Mr. Helwer).

I would like to ask the Premier: was there any comparable treatment to the producers in southwestern Manitoba and the central region of the province that has been hit with this flooding to the kind of disaster assistance programs and money that flowed in 1997?

And, dix-neuf étudiants de la cinquième année de l'École Salisbury Morse Place sous la direction de Monsieur Jean-Pierre Noël. Cet établissement est situé dans la circonscription du député de Concordia (Mr. Doer).

Hon. Gary Filmon (Premier): I thank my honourable friend for the question. No, there has been no comparable treatment, and, no, there have been no ongoing consultations or discussions in response to letters from various ministers, the Minister of Agriculture (Mr. Enns), the Minister responsible for disaster financial assistance or myself.

[Translation]

Nineteen Grade 5 students from Salisbury Morse Place School under the direction of Mr. Jean-Pierre Noël. This school is located in the constituency of the honourable member for Concordia.

In fact, with all of the various recommendations that we have made along the way, the joint news release that Premier Romanow and I

put out, none of those things has received even the personal attention of Mr. Vanclief in terms of a request for a meeting. I believe that he had a very short meeting a couple of weeks ago on a Friday with the Minister of Agriculture. We have not been included in their deliberations or their discussions leading up to the announcements that he made yesterday, and certainly there is a marked contrast between that and the very rapid response that we received in 1997.

* (1335)

Mr. Doer: Madam Speaker, in 1997 one could be cynical and say that there was a federal election, but there was a crisis in 1997 that had to be responded to, and there is a crisis today. All parties agree to that. Can the Premier again write the Prime Minister and demand a meeting with the Premier of Manitoba and the Premier of Saskatchewan with the Prime Minister to deal with these federal ministers who are arguing about whether Manitoba has applied or not when they clearly have applied for disaster assistance and to ask this federal government to treat people that are facing this crisis in a comparable way to 1997?

Disaster assistance should not depend on the electoral situation in the country. It should depend on the will of both the provincial government and the federal government to be specific on a contingency plan for unseeded acreage here in Manitoba.

Mr. Filmon: Madam Speaker, I have twice written the Prime Minister and then jointly sent him a news release with Premier Romanow, and Mr. Romanow has done likewise. I would be happy to pursue this matter further. Obviously, we need to gather additional information on the seeding that has not yet taken place. Weather has continued such that I am informed there is still some seeding taking place, but clearly there will be a very significant area of the province that will be without a crop planted. Clearly this is an area in which we are very, very concerned, and we are very concerned that the program that was developed unilaterally by Ottawa, the AIDA program, will not meet the needs of a great many people. We will take whatever action is necessary to bring to the attention of the federal government what we believe to be an inadequate

response to a very significant economic hardship, if not disaster, in southern Manitoba.

Justice System Public Confidence

Mr. Gary Doer (Leader of the Opposition): I thank the Premier for those answers. A new question to the Premier. Madam Speaker, the Premier is quoted as saying that it was inappropriate for the Minister of Justice (Mr. Toews) to release the name in the House last week. We are very concerned about the broken promise of this government to deal with the confidentiality of a gang hotline and its impact on public safety here in Manitoba. The confidentiality of that gang hotline has been totally destroyed by the Minister of Justice. If the confidentiality has gone, the gang hotline is dead, and your Minister of Justice regrettably killed it.

I would like to ask the Premier: what action is he going to take to restore the integrity of confidence and confidential lines here in Manitoba to deal with crime and people that may commit crime in our communities?

Hon. Vic Toews (Minister of Justice and Attorney General): As indicated last date, the disclosure of the calls made from the office of the member for St. Johns (Mr. Mackintosh), whether others made them, as the member first of all stated, or whether he in fact directly made them, as he later admitted on June 17, 1999, should not have been referenced by me in this House. I have indicated that already. As far as I am aware, all calls for assistance or information since the province took over this function on or about May 10, 1999, have been handled on an appropriately confidential basis.

Mr. Doer: This government has not responded to the fact that they sent out a hundred thousand mailouts promising people that the line would be confidential. The Premier (Mr. Filmon) has not responded to that issue. Madam Speaker, the detection of crime, the participation of citizens in the detection of crime in their neighbourhood, the identification in an anonymous way is crucial to this gang hotline, to the Crime Stoppers line, to any other source of information that allows the people of this province to participate as

citizens to keep our streets safe. In fact, in the last election the Premier promised that law-abiding people would be safe and free, free from fear of being victimized.

Given that this minister has now put it into effect, has totally undermined the safety of citizens and their confidential status, what action is this Premier going to take to restore the confidence in the justice system and restore confidence in the people of Manitoba on confidential matters?

Mr. Toews: Madam Speaker, as indicated earlier, I have stated that the disclosure of the calls from the member for St. Johns, who, for political reasons, was simply calling up and hanging up, was inappropriate. We have taken the steps to correct this matter. I am advised that this technical problem with the phone system did not compromise the confidentiality of anyone seeking information or assistance.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

An Honourable Member: Chairman Mao.

Madam Speaker: The honourable Minister of Justice, to complete his response.

* (1340)

Mr. Toews: Thank you, Madam Speaker. I understand the Leader of the Opposition was just quoting from one of his favourite political philosophers. The real reason the NDP is raising this matter again is to divert the public's attention from the issue of public safety. The NDP is out of gas; it has no ideas. Every single program that we bring forward they simply agree on and snipe on the edges in order to keep the far left of their party satisfied.

Gang Hotline Anonymity—Investigation

Mr. Gord Mackintosh (St. Johns): To the Minister of Justice, who is so concerned about gangs that he checked messages on the gang hotline every five months. We received a call today from a teacher whose student was living

with a gang member who was involved in break and enters and so on, and having read about the confidentiality of the hotline, the teacher urged the student to call, reassuring her of her anonymity. She is now distraught, and he is worried.

My question to the minister is: to assure Winnipeggers like this student and like this teacher who believes now, and I quote, people's lives are in danger, would the government appoint an independent person to tell us as soon as possible the role of this minister, as he did nothing until he was caught, how long calls have been traced over the last five years, what calls were traced in fact, what disclosure and use was made of names, are lives in danger, and would he step aside in the meantime?

Hon. Vic Toews (Minister of Justice and Attorney General): Since the province took over the maintenance of this particular line on or about May 10, 1999, there have been a number of conversations between staff and the Winnipeg Police Service regarding the continued operation of this line. I am advised that staff will indeed come to a conclusion and make certain recommendations on this matter in due course.

The police in fact have advised that this line has been of limited use, and any emergency calls were rerouted for assistance. I understand, as far as any calls that came to the attention of the province on or about May 10 and afterwards, they have been handled on an appropriately confidential basis, and I can assure the citizens of Winnipeg, indeed the citizens of the province of Manitoba, of that fact.

Mr. Mackintosh: Does this minister not understand that his assurances are totally meaningless, the assurances by this government are totally meaningless, particularly after the seven whoppers of the last few days from this minister? Who can trust this government? Would he get out of the way of justice so we can get the real facts on this?

Mr. Toews: Madam Speaker, as I indicated earlier, the NDP is simply out of ideas. They simply agree with our programs and snipe on the edges. They have no policies. They have no programs. Indeed this is not an issue that is

motivated by public safety. Public safety in fact is why we have announced the most effective Victims' Rights Act in Canada. We have passed very controversial but effective legislation regarding the seizure of motor vehicles in prostitution-related activities. We have a complete gang management strategy in our jails, including no-contact visits.

As mentioned the other day, Madam Speaker, we have a very aggressive transfer of violent youth to adult court where they pay for their actions in terms of adult consequences for adult criminal acts. So I reject the accusations of the member for St. Johns.

* (1345)

Mr. Mackintosh: Does the minister not also understand that it looks like he himself has broken the law, The Privacy Act, The Freedom of Information and Protection of Privacy Act? Would he get out of the way of Justice so that this serious matter can also be looked at?

Mr. Toews: Indeed, as I have indicated earlier, the calls for assistance have in fact been appropriately answered on a confidential basis, and the province did not identify any anonymous calls made where there was simply a hang-up without any leaving of information. I, of course, note the exception of the situation where the member for St. Johns or a member of his office made in fact the calls from a specific number. As I have indicated, MTS has addressed that particular situation. In fact, I understand that the calls are being handled on an appropriately confidential basis.

Minister of Justice Premier's Comments

Mr. Steve Ashton (Thompson): For the past 11 years we have grown used to seeing arrogance from this government, but nothing matches the arrogant behaviour of this Premier (Mr. Filmon), who yesterday and today refused to answer a single question about the behaviour and activities of the Minister of Justice, including our calls for his resignation, and instead went outside of the House and there in front of the media said that the minister's behaviour was inappropriate.

Now we have a fraudulent gang line, we have a broken promise of confidentiality, we have possible violation of privacy laws. I want to ask the Premier to explain what he meant when he said that. What did he mean when he said it was inappropriate, and what action is he going to take with his Minister of Justice who broke all those elements?

Hon. Vic Toews (Minister of Justice and Attorney General): I too am aware of those comments, and I agree with the Premier in respect of the statements that he made. Indeed, it has been something that I have stated publicly in this House and outside of this House.

Mr. Ashton: Madam Speaker. I want to ask the Premier, if we still have one in this province, what he meant by "inappropriate" and what action he is going to take with the Minister of Justice. It is totally inappropriate for the Minister of Justice to get up and say, well, I got accused of being inappropriate. When is the Premier going to take action with the Minister of Justice?

Mr. Toews: Madam Speaker, as I indicated earlier, the disclosure of the calls that were made from the office of the member for St. Johns (Mr. Mackintosh), whether others made them, as he first of all stated, or whether he made them himself, should not have been referenced by me in this House. Indeed, as a result of that, I know that certain changes have been made to this particular system that would not allow for the passive identification of any particular call. As far as I am aware, this was indeed the only call that has come to my attention where that in fact this occurred. We took up the necessary action, and what we do is to assure the public that in fact they can utilize these lines and that their calls will be treated on an appropriately confidential basis.

Mr. Ashton: Madam Speaker, my final supplementary is to the Premier, who presumably is the one responsible for appointing this minister. I would like to ask the Premier: we know this Premier is afraid of calling an election; is he now afraid of answering very serious questions about the conduct of his minister? Why will he not respond to questions in this House about

behaviour by his minister which we believe should lead to that minister's removal?

Mr. Toews: Again, Madam Speaker, I wish to stress that this was a particular program that was administered by the Winnipeg Police Service, and the province as a result of certain information—

* (1350)

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Toews: Thank you, Madam Speaker. The province took over the maintenance of this line on May 10, 1999, and there have been a number of conversations amongst staff and with the Winnipeg Police Service regarding the continued operation of this line. As I have indicated earlier, staff will be coming to a conclusion and will be making recommendations on this matter in due course. I believe that answers the question raised.

Citizen Hotlines Anonymity

Mr. Kevin Lamoureux (Inkster): Madam Speaker, yesterday during the Estimates process we had found out that the Department of Justice is not necessarily alone. There are other confidential lines, for example, through Family Services, the welfare fraud hotline; through the Department of Natural Resources, we have the poacher hotline. We found out that in fact 9-4-5 numbers in those—well, at least in the Family Services, was in fact being breached.

My question to the Premier is: what is being done to ensure that confidentiality and the integrity of these lines and others are in fact being honoured?

Hon. Bonnie Mitchelson (Minister of Family Services): I thank my honourable friend for that question. Yes, when the issue of the 9-4-5 exchange showing up in the Justice system on the hotline rose in this House, I immediately asked my staff for a briefing and some information on what happened with the welfare fraud line. Indeed, the 9-4-5 exchange did show

up on the welfare fraud line. I had not been aware; none of the senior staff within the department were aware. They had to ask those that were dealing specifically with the line, and it has been rectified as of yesterday.

Mr. Lamoureux: Madam Speaker, I look to the Premier to get the assurances from the Premier: is the Premier prepared to take the actions necessary in order to protect the integrity of those confidential lines, as opposed to us having to stand up, go department by department or Crown corporation by Crown corporation that happens to provide this sort of a service? Will this Premier take action and ensure that due process is given to all of those confidential lines throughout the government and its Crown corporations?

Hon. Gary Filmon (Premier): Madam Speaker, my information is that it has already been done.

Education System Standards Testing Breach

Mr. Kevin Lamoureux (Inkster): Madam Speaker, on a new question I ask to the Minister of Education: is the minister willing to table today the report of the Seven Oaks School Division, a report that everyone has been waiting for? I believe that it is something in which the Minister of Education is obligated, if not to table, at the very least to call for that independent investigation. Will he do one of those two today?

Hon. James McCrae (Minister of Education and Training): Madam Speaker, in reviewing the report prepared by the Seven Oaks School Division, it is clear that there has been a breach of standards test exam security by one Brian O'Leary. The report does, however, go on to name other individuals and to deal with other issues, some of which are the subject of a grievance arbitration being underway right now for Mr. Treller, the teacher involved in this matter that made this allegation of breach. For that reason, there are a number of aspects of this report we are having reviewed by legal counsel to ensure that we would be on appropriate ground to do what the honourable member is asking.

That being said, it is very clear. It has been confirmed what Mr. O'Leary had previously acknowledged, that he broke the rules. I remind the Leader of the Opposition (Mr. Doer) what he said about that. He said that if I appoint somebody to be the campaign manager of our party and appoint him as the secretary to the chief of staff position and the secretary of cabinet-Treasury Board is responsible in these kinds of allegations—I would take responsibility under responsible government and resign. We await word from the Leader of the Opposition on this matter.

* (1355)

Gang Hotline Anonymity

Mr. Dave Chomiak (Kildonan): Madam Speaker, one of the tragedies of the Monnin vote-fixing scandal that we have had in this Legislature is that there is a political overlap between political staff and government staff, and this government does not know the difference between the two.

With respect to the Justice minister, I would like to ask the minister and the Premier, perhaps, who said the minister did something inappropriate: was it inappropriate for the staff to, in fact, take the name off the line, then prepare a briefing note and then provide a briefing note to the minister for, I think, political purposes? Was that appropriate action on the part of the staff of the Department of Justice, and does that not indicate this whole political climate and culture of this government who cares nothing about the public and about getting re-elected more than anything?

Hon. Gary Filmon (Premier): Madam Speaker, since the member for Kildonan has referenced the Monnin report, I want to quote for him from page 58 in which Mr. Monnin said that Sale, referring to the member for Crescentwood, by his own admission told Sorokowski: "It is my understanding that if you do not want to meet with the investigators, you don't have to." Then Mr. Monnin says: "I would have expected Mr. Sale, a member of the Legislature, to urge in the strongest possible terms cooperation with the Commission's investigators. His advice is

directly contrary to what he was expounding in the Legislature—a full inquiry to get to the bottom of the matter." And Mr. Monnin goes on to say: "I note that the 1998 amendments to the two statutes in question now provide that all persons called upon either at the investigative stage or at the hearing stage must co-operate and testify fully."

In other words, the member for Crescentwood (Mr. Sale) was counselling these individuals, Sorokowski and perhaps Sigurdson, to breach the law. That is the problem here, Madam Speaker, and neither that member of the Legislature nor his Leader has the courage to say anything to their member because of that.

Point of Order

Mr. Steve Ashton (Opposition House Leader): Madam Speaker, Beauchesne Citation 417 is very clear that answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate.

After having asked questions now for a day and a half, we actually thought the Premier was going to get up and answer some of the serious questions being raised about the Minister of Justice (Mr. Toews). Madam Speaker, if you will peruse the minister's comments, he was talking about the Monnin report. We are prepared to debate the Monnin report. We are especially waiting for the prosecutor's report, but we asked about the conduct of the Minister of Justice. It is about time the Premier of this province had the guts to stand up in this House and answer our questions on the conduct of his minister.

Madam Speaker: The honourable government House leader, on the same point of order.

Hon. Darren Praznik (Government House Leader): Madam Speaker, time and time again in this Assembly we have seen the opposition ask questions to provoke debate; we have seen the opposition House leader misuse points of order continually to be able to continue the debate, to provoke further debate.

Madam Speaker, I would ask that you call members opposite to order. If they want to live

by the rules of this House, they should have to live by them in all circumstances.

Madam Speaker: On the point of order raised by the honourable member for Thompson, indeed I will take the point of order under advisement to research Hansard and report back to the Chamber.

* * *

* (1400)

Mr. Chomiak: Madam Speaker, I would like to ask the Premier: last year in this Legislature we passed amendments to The Freedom of Information Act and The Personal Health Information Act where fines are rendered for breaking of those acts of \$50,000 or six months in jail. If the Premier finds the conduct of a Minister of Justice inappropriate, why will he not take appropriate steps to deal with the misconduct of his Minister of Justice? Why will he not do that?

Hon. Vic Toews (Minister of Justice and Attorney General): As indicated elsewhere, I know that the province took over these calls and this particular call line as a result of certain concerns expressed on May 10 of 1999. At that time, in fact, the staff ensured that the messages were cleared from the line and indeed made any appropriate follow-up calls. As far as I am aware, any calls for assistance or information since the province took over this function on or about May 10, 1999, have, in fact, been handled on an appropriately confidential basis.

Minister of Justice Premier's Comments

Mr. Dave Chomiak (Kildonan): Madam Speaker, I will again try to ask the Premier a question.

Will the Premier, who figures prominently in TV ads about how he is going to get tough on crime, explain how it is that violations of The Freedom of Information Act and The Personal Health Information Act, which have fines of \$50,000 and six months incarceration, are considered serious enough, and yet the violation admitted by the Premier of his Minister of

Justice of confidentiality on something that affects hundreds of thousands of Manitobans has not even a comment and the Premier does not even mention it in the Chamber?

How does the Premier defend that, Madam Speaker?

Hon. Gary Filmon (Premier): Madam Speaker, the member opposite, of course, as usual misrepresents and exaggerates and says things that simply are not true, when the only person who is feeling violated, as I understand it, is the member for St. Johns (Mr. Mackintosh), who was playing games with—

Some Honourable Members: Oh, oh.

Mr. Filmon: No. The minister has confirmed that others have not been identified, that there has not been a breach of confidentiality of any other point except the member for St. Johns, who, for political purposes, was continuously phoning the gang line.

Point of Order

Mr. Gord Mackintosh (St. Johns): The First Minister surely knows, because he has been caught more than enough times on it, that it is improper to impute motives of that type. I just draw attention of the House to this statement by the Minister of Justice, but that was of course last Tuesday where he said: "I know that he"—that is the member for St. Johns—"is checking up on the gang hotline, and that is good to see that the member of the opposition does that."

Madam Speaker: The honourable Minister of Justice, on the same point of order.

Hon. Vic Toews (Minister of Justice and Attorney General): Indeed, is that not part of our political system? He is in fact doing it for political purposes. I see that he is not denying it. It is not necessarily a wrong thing to do; I am saying that this is not an issue that he is raising for public safety matters. This is an issue that he is raising for political purposes.

Madam Speaker: Order, please. The honourable member for St. Johns did not have a point of order.

Video Games Rating System

Ms. Diane McGifford (Osborne): Madam Speaker, members of my caucus, disturbed by the increasingly violent, graphic, realistic, pornographic and interactive nature of video games, were cheered when the throne speech promised a rating system for video games, but we were dismayed when this rating system turned out to be industry-based, entirely voluntary and an American-based rating system.

So I would like to ask the minister if she could confirm that any 12-year-old boy, for example, could buy Forsaken, which features animated blood, gore, violence and the ultimate death match and allows absolute control to players.

Hon. Rosemary Vodrey (Minister of Culture, Heritage and Citizenship): This government is very pleased to have brought forward an initiative which is educative to parents about the kinds of videos that their children are using. We are using an industry-based rating system, which is in fact seen to be very sensitive and very helpful to parents, which includes a rating system on the front of the video and on the back a descriptor which gives information, because the problem is often parents do not know what it is that their children are renting. We believe that it will be helpful. It is an international system so that people who want to rent videos in Ontario or Saskatchewan or in the States or wherever they may be travelling will in fact have a uniform system that will be helpful to them.

Ms. McGifford: Could the minister confirm that this same child could rent or buy Kingpin, which allows players to target body parts so that you can see the actual damage, including exit wounds, and as well talk to people the way you want from smack to cool?

Mrs. Vodrey: I am not familiar with either of those video games, so I will take that question as notice. I think it would be very unlikely many of us would be familiar with those games, but I would like to remind the member—[interjection] Well, the member seems to know about them. Lots of time on her hands.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The Minister of Culture, Heritage and Citizenship, to complete her response.

Mrs. Vodrey: Thank you very much, Madam Speaker. This is a tool for parents so that parents can know. It is a voluntary submission, and if parents see that there is not a rating system, then they can know that that is perhaps one that they do not want their child to watch. However, I can tell you that the voluntary submission is very high. I stand to be corrected; I believe it is at least 90 percent. It is extremely high by the industry. The rating is done by a voluntary advisory council and has been in fact quite successful.

Ms. McGifford: Madam Speaker, I would like the minister to explain to the House why films and videos are classified by the Film Classification Board, but the rating system for video games is entirely voluntary. It is also voluntary for the dealer, whether the dealer chooses to use the system or not. It is entirely voluntary; that is the problem with the system.

Mrs. Vodrey: What the member has forgotten or totally misunderstood about video games is that video games can be pulled down on the Internet on computers, an entirely unregulated system. Video games can be acquired in many other areas other than simply going to the video store. Parents have watched their children play video games occasionally in which there are so many levels to the game, certain levels can be put on while an adult is there and then the level changes when the adult is gone. So, Madam Speaker, in recognition of the fact that video games are available through a number of systems, some of them entirely unregulated such as the Internet, this government has come forward, this government has put a tool in the hands of parents to assist parents.

But, as usual, the member across the way would like to completely, as always is the case for the NDP, play Big Brother and to completely deal with this situation. In fact, the voluntary submission has been extremely helpful and useful. As I have said, the compliance rate has been extremely high. The international nature of

the rating system is helpful to people because they can rent video games in any part of North America.

* (1410)

Flooding Compensation for Farmers

Ms. Rosann Wowchuk (Swan River): Madam Speaker, on June 15 the government announced the \$10-an-acre assistance for farmers for custom seeding. However, farmers are not clear as to exactly what this government is covering. Will the minister explain to farmers what is covered? Is it just seeding. Are you prepared to help them with preparation of soil? What is covered under this program, and is the program retroactive prior to June 15?

Hon. Harry Enns (Minister of Agriculture): I will make sure that the honourable member has a copy of the description of the Custom Seeding Program in a few moments when we get into the Estimates of the Department of Agriculture. But I want to assure the honourable member that it is for the preparation of putting a crop in. It involves seed bed preparation as well during this period of time from June 15 to June 25. I might report that farmers are making every effort to get as much of the crop in as I speak. There are still a few more remaining days and, the Lord willing, the weather will hold, and I am hoping that the overall scale, dimension of the problem will shrink.

Ms. Wowchuk: Well, as well as providing me with the information, the minister should get this information out to farmers, because farmers are confused as to what is covered.

Madam Speaker: Question, please.

Ms. Wowchuk: Will the minister also indicate whether his government is giving any consideration to offering farmers coverage for a Greenfeed Program as farmers in Saskatchewan are offered if they are not able to put a crop in but they are wanting to clean up their weeds by putting in greenfeed coverage after the late seeding date?

Mr. Enns: Madam Speaker, I am aware of what is being offered to farmers in similar circum-

stances in Saskatchewan. I have had discussions with my crop insurance chairman, Mr. Charlie Mayer, and the general manager, Mr. Neil Hamilton, and we are examining all possibilities of the kind that the honourable member mentions.

Allow me again, while I am on my feet, to in fact congratulate a private organization, Ducks Unlimited, who have put up a million dollars to plant a hundred thousand acres and offered a \$10 compensation package to farmers who will plant fall varieties, winter wheat, fall rye. They are doing it from a habitat reason, but it so happens to be—not going to solve all the problems there, but it certainly is a help to those farmers who will take advantage of it.

Ms. Wowchuk: Madam Speaker, given that Minister Vanclief yesterday said that this government has not taken the necessary steps to trigger the disaster assistance, even though we have the copies of the letter that the government has written, will the government take the steps, make the phone calls to the federal government to ensure that the people who are affected by flooding this year are treated the same way as the people in the Red River Valley and that the federal government does not play games saying that the government has not contacted them? Will you take those steps?

Mr. Enns: Madam Speaker, I will repeat again and again that all those measures are in place and taking place. My department officials, department officials from other departments involved are at this time putting together the scale of some of the problems in terms of infrastructure costs, estimates of potential agricultural loss which are extremely high if the current level of unseeded acreage should remain unseeded. All of that is being packaged together.

But, in the meantime, direct contact has been made through the different federal ministries, and I am at loss. I know that the honourable member was with me in Brandon yesterday when the federal minister indicated yet again as if there was some further action that the province had to take to trigger these events. The disaster financial assistance act is in full force, and the Minister of Government Services (Mr. Pitura), who toured with myself and the Premier

(Mr. Filmon) just a week ago in a number of communities throughout the southwest, made that very plain.

Madam Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Winnipeg General Strike

Ms. Jean Friesen (Wolseley): Madam Speaker, I would like to ask honourable members to join with us in commemorating the 80th anniversary of a pivotal time in Manitoba's and Winnipeg's history, the General Strike of 1919. Eighty years ago today, Winnipeggers awoke to find our streets silent after the shocking events of Bloody Saturday when two men were killed on Main Street as force was used to end a general strike in the city. It was the end of a tumultuous week which had begun with the 4 a.m. knock on the door of several families.

Bob Russell, one of the leaders, was sleeping on his back porch on Ross Avenue, and his daughter describes the tragic scene as his three-year-old son tried to prevent the Royal North-West Mounted Police taking his father away to Stony Mountain.

The facts of the General Strike, the goal of the metal trades and other unions to expand collective bargaining, and the resistance of the owners who saw a loss of power are relatively straightforward. But the meaning of history is much deeper than the facts. In Brandon, Seattle, Vancouver and elsewhere in the world, the end of the war had brought renewed expectations of hope for the ordinary men and women who had fought that terrible war.

In Manitoba, part of that post-war struggle was played out in the General Strike. The trial for sedition of the strike leaders, their imprisonment, and the use of force by the government to suppress the strike meant that in the short run the strike did fail. In the longer term, the issues of collective bargaining, the right to dissent, the respective role and power of each group in society are still part of our collective debate in this Legislature and in this province.

Flooding—Compensation for Farmers

Mr. Jack Penner (Emerson): Madam Speaker, much has been said in this Legislature and in the media and other places about the difficult situation that many farmers find themselves in since the spring of this year. Many farmers across this province will not be able to put most of their crop in. Many farmers will probably not put any crop in, and many will find themselves in a position where much of their land will not be seeded.

The difficulty that this creates not only to the farmers but in the general sense—and those communities that are most affected, the business community, the schools, the people, the agencies that provide services for people that are under stress are all going to be affected.

I believe that the funding that has so far been announced—one of the most effective announcements that has been made has been the Custom Seeding Program, because we all know that farmers, at heart, will do everything in their power, everything they can, to get seed into the ground to make a crop grow because that is the essence of their existence. That is the very culture that they were born and raised in.

I believe that the federal government should have announced a program that would have mirrored what was announced by the federal government and the provincial government in the Red River Valley in 1997. I believe that the early start program should have been implemented immediately. I believe that the JERI program should have been initiated immediately because the JERI program helps mediate some of the losses that the business community will find themselves in, as well as the farm community. I believe that the AIDA program and the NISA program, as being expounded now by the federal government, will only come part way in recognizing the real loss because many of the younger farmers, Madam Speaker—and I wish you would allow me another minute or so—many of the younger farmers—could I have leave just to continue?

Madam Speaker: Does the honourable member for Emerson have leave? No? Leave has been denied.

Mr. Murray Smith

Ms. Diane McGifford (Osborne): Madam Speaker, recently I was pleased to congratulate Murray Smith, retired teacher and community activist, who in April of this year was named the 1999 Joseph Zuken Citizen Activist. Today I am equally pleased to inform the House that Murray Smith recently was elected the president of the Canadian Association of Retired Teachers. Murray Smith is, of course, eminently suited for such a role. As a Rhodes scholar, Murray Smith brings a wide range of knowledge and international experience to his work. As a public school teacher, he was highly regarded by students and colleagues, apparent in his nomination for Canada's national Outstanding Educator Award. As assistant superintendent for Winnipeg School Division No.1, he promoted the abolition of corporal punishment, education for pregnant students and the elimination of barriers to education for older students. As president of the Manitoba Teachers' Society, he promoted the status of women and the elimination of discrimination against women. As president of the Manitoba association of retired teachers, he advocated for pension reform and the value of early childhood education. Indeed, early childhood education is near and dear to his heart.

Murray Smith's willingness to accept the position as president of the Canadian Association of Retired Teachers is one more sign of his distinguished and dedicated pedagogical record. We in Manitoba are fortunate to have had the benefit of his incisive intelligence, commitment to action, enlightened vision and belief in public service.

Once again I ask all members to join with me in congratulating Murray Smith on his recent election as president of the Canadian Association of Retired Teachers.

* (1420)

Lions Prairie Manor

Mr. David Faurschou (Portage la Prairie): Madam Speaker, yesterday afternoon I had the pleasure of representing my colleague the Honourable Eric Stefanson, the Minister of

Health, at the opening of the Lions Prairie Manor renovation project. This project, although involving upgrades to the emergency services, sprinkler alarms and sprinklers, focused primarily on improving the quality of life of those residents afflicted with Alzheimer-type dementia.

I want to take this opportunity to highlight the spirit of co-operation that allowed for this opportunity. It started with the residents and families identifying a concern, then working with Bev Boyd, facility director, and her staff, coming together with architectural designs. They worked in co-operation with Murray Graham, current chairperson, and former chairperson, Mr. Walt Bohonos, of the Lions Prairie Manor Foundation, and brought forward their ideas to the regional health authority. Having partnered with the regional health authority, the regional health authority in turn partnered with Manitoba Health to bring this project to fruition.

These renovations included one on-unit space for dining, activity room and lounge, enclosed sunroom with access to a safe, enclosed outside area, which is going to provide the residents of the Lions Prairie Manor with an enhanced quality of life.

These projects are key and vital to our community. By forming a successful partnership, these initiatives can become a reality and can contribute to the quality of life of all Manitobans. I would like to take this opportunity and ask all honourable members of this House to congratulate all those who have worked so hard to make this plan and this project a success. Thank you, Madam Speaker.

Flooding—Compensation for Farmers

Mr. Kevin Lamoureux (Inkster): You know, in listening to the member for Emerson's (Mr. Penner) appeal in terms of agriculture, I, too, would like to appeal to the member for Emerson in terms of the custom seeding benefit program. This is a program in which there is a need to see a little bit more flexibility. I think, given the background knowledge that the member for Emerson has in terms of the farming industry, this is something which he might want to take on

as one of his personal causes because of the time frame and ensuring that there is a little bit more flexibility to take into consideration farmers who do have some machinery, that it is not quite late to take that machinery out and do their own planting of seeds as opposed to having to bring people from the outside in. Those are the only ones who get subsidized, from what I understand today. There is a need for some flexibility, and we are not too late to ensure that there is going to be some additional seeding, to recognize the fact that there is an additional cost, an additional burden over and above, unique, as opposed to what happened in the flood of the century. Thank you, Madam Speaker.

ORDERS OF THE DAY

Hon. Darren Praznik (Government House Leader): Madam Speaker, if I could ask if you would canvass the House to see if there is leave to waive private members' hour, given that we are scheduling that for Thursday morning.

Madam Speaker: Is there unanimous consent of the House to waive private members' hour today, with the understanding that we will have private members' hour Thursday morning? [agreed]

Mr. Praznik: Madam Speaker, for today I would ask if you could canvass the House for leave for the Estimates of the Executive Council to continue in the Chamber, and should that be completed, to be followed by Highways and Transportation. In Room 255, the Estimates of the Department of Agriculture to be called for that particular room. Should that wind up, Consumer and Corporate Affairs are normally in that room, but I do not think that will be necessitated today. For members' information, the Estimates of the Department of Family Services will continue in Room 254. So I believe we need leave for two of those.

Madam Speaker: Order, please. Is there leave firstly for the Estimates of the Department of Highways and Transportation to be considered in the Chamber following the completion of the Estimates of Executive Council? [agreed]

Therefore, is there leave for the Estimates of the Department of Agriculture to be considered

in Room 255, and upon completion of those Estimates, the Estimates of the Department of Consumer and Corporate Affairs to follow? [agreed]

Mr. Praznik: Madam Speaker, I would move, seconded by the honourable Minister of Culture, Heritage and Citizenship (Mrs. Vodrey), that Madam Speaker do now leave the Chair and that this House resolve itself into a committee to consider of the Supply to be granted to Her Most Gracious Majesty.

Motion agreed to.

COMMITTEE OF SUPPLY (Concurrent Sections)

FAMILY SERVICES

Mr. Chairperson (Gerry McAlpine): Order, please. Will the Committee of Supply please come to order. This afternoon the Committee of Supply meeting in Room 254 will resume the Estimates of the Department of Family Services. When the committee last sat, it had been considering item 9.3. Community Living (a) Regional Operations (1) Salaries and Employee Benefits, on page 67 of the Estimates book. Shall that item pass?

The honourable minister, to complete your response to the question that was raised yesterday by the honourable member for Burrows (Mr. Martindale).

Hon. Bonnie Mitchelson (Minister of Family Services): Thank you, Mr. Chairman, on two counts. I think we were just discussing—and if I can remember my honourable friend's comments, it was around staffing, retaining and recruiting staff and salaries of staff who work in the community in the area of service to those with mental disabilities.

Certainly, he has raised an issue that I know he has heard about and we have, as government, too, an ongoing issue and one that is not, I do not think, easily resolvable. I will explain why, that being that we are seeing a significant increase in the number of disabled who are living within our community. That issue is not going to go away or the numbers are not going to decrease. We

are going to see increases on a year-by-year basis in the areas of support and service for the mentally disabled.

We all know that some of the reasons for that are that today newborns are living, when in years gone by they may not have survived for any lengthy period of time. We know that with new technology and monitoring and intensive care supports, children who would have died in the past at birth are living now. So we see the increasing demand at the front end, plus we know that with improved health technology, we are seeing people live longer who would have died years earlier in the past.

So we have an issue that is certainly significant, certainly is increasing, and we are going to see increasing numbers I think year after year to come. So it does present some unique challenges, I guess, for us because we have provided support and service and we have moved toward community living, away from institutionalization over the last number of years, and then that has created the need to provide additional supports in the community.

There always was the theory or the feeling that services provided in the community would be less costly than institutional services. I think we have found that that is not the case because if you are looking at the quality of life of individuals in the community, there are several different components. It is not only the facilities and the creation of the facilities that they are living in, but also the support services, the day programming, the transportation, all of the other activities where, you know, some things may be less costly, but in the overall it is probably more expensive to house people in the community than it is in institutions, although you will see in institutions that salaries are probably higher than salaries that support people in the community.

So there are issues to deal with and we know that they are not going to go away. We have to try to figure out how we can best provide those services and supports in the most cost-effective way. I think it is incumbent upon all of us to try to find those answers and those solutions. So I recognize and realize and have been working with those who support people in the mentally disabled community out in the community, the

organizations and the agencies, understanding their issues and knowing that we need to be making some changes.

In the past, years ago, we used to provide grants or per diems based on certain things. We have tried to give block funding or block grants so that organizations can move dollars around in the best and most appropriate manner possible to provide the supports and services, and in some instances that allows them to pay staff more. If you have grants tied specifically to certain kinds of supports, it makes it more difficult for organizations to be able to be creative and innovative in the way they deliver service. So we have tried that measure, and I think there has been a very minimal amount of success achieved in allocating the resources where they most appropriately need to be allocated.

We also have given increases in grants, 5 percent last year and 5 percent this year, to residential services, and it does allow them to change slightly the salary that they are able to pay to their employees. We have also done the same thing on the day programming side, giving 5 percent this year, only 2 percent last year, but 5 percent this year, to day programming.

So we are trying again to recognize the difficulty. I understand completely the issues. How do you find the right balance between—I mean, we are putting \$8.7 million into services and supports for the mentally disabled in this year's budget. Every year, even in times of recession, when departments were getting less funding, I was able to make a case with my colleagues for additional support in services to the mentally disabled. We have had increases, I would say, of \$22 million in this area over the last four years, which is a significant increase, but again the demands are increasing and the number of people that need to be served is increasing. There is not just a limitless amount of money that can go into programming, but we are trying to be as sensitive as we can.

Also, I have started to talk with the community about, you know, are we doing things in the most appropriate way or are there better ways to do things? We have tried, in some instances, to look at self-managed care. If the family or the support network had the

resources allocated to them directly, could they provide a better service to their family member or to the individual that they are supporting? I have asked those questions and, in some instances, yes, we have done that across the board, even with services for children with disabilities. We have said if we are spending the dollars anyway, can you think of better ways that that money could be spent? Do you have to fit into certain criteria in order to get grant funding or grant support?

* (1440)

You know, we have to work at this together. I have to indicate that it is not going to be easy for any government into the future to find the answers in this area. So what is the most appropriate service? Is there a more cost-effective way of doing it so we can provide more services to more people, so we can increase the salaries of those that are working in the community? No easy answers.

I suppose it is a time for debate and dialogue. We are coming up to an election. We have put significantly more dollars, \$22 million over the last four years, \$8.7 million this year, into this area of programming for the mentally disabled. What number is the right number? Would it be \$16 million or \$24 million or \$100 million? Would we then be meeting the needs of everyone and paying adequate salaries? I do not know what the answer to that is. I do not know what more of a commitment I could make as someone who has had experience in this area and knows that the needs are increasing, more people are needing to be served. We have got to strike the right balance.

We know that Manitobans want us to support people with mental disabilities. That is one area where taxpayers certainly do not seem to object to finding dollars and really believe that we support those who cannot support themselves. I have tried to the best of my ability to find as many resources in this area as we can possibly find, balancing between the needs of all the people that we serve in my department, because many are very needy.

So it might be interesting to hear whether my honourable friend might have any

suggestions or ideas or sense of where his party might come from when we move into an election campaign and what, you know, their recommendations or suggestions might be. It is not easy. I mean, you cannot put a number on what might need to be there or, I mean, what is an appropriate salary. We do not set the salaries in government. The agencies set the salaries based on the grant funding that they get. Their dollars can only be stretched so far too.

I just want to let my honourable friend know that this is an area that needs some significant work with the community that supports and serves people with mental disabilities and government departments. I know we do not have all of the answers as yet. All I know is that the issue is not going to go away. It is going to get more severe. Governments down the road and through the next generation are going to have to think about how we can best deliver the services in the most cost-effective way so that most people are being served and people that are working within the system receive decent remuneration for the service they provide. I have had these discussions with organizations when I meet with them when the requests come forward. I guess we are seeking some solutions. I am not sure that government can find those solutions alone.

But I do know that organizations such as the Association of Community Living, for instance, the Steinbach branch has written and has indicated that the 5 percent increase that they received in the budget this way will give us the opportunity to begin sort of recovering salaries within the front line staffing component that they have. We are going to have to continue to look at that in successive budgets.

Again, I have to say that there is no easy answer, and there is not going to be a quick fix, but I think we need some public dialogue around what is appropriate and what can be achieved because, as I said, we will have more and more people in these circumstances. We will have more and more people with complications or more significant disabilities as a result of the new technology, our medical technology, our ability to keep newborns alive and to keep people alive longer at the retirement end.

Mr. Doug Martindale (Burrows): I thank the minister for her answer. Since the minister made reference to increasing numbers, I am wondering if she could tell me what the increase in numbers is year over year? I do have the numbers in the Estimates book at page 50, but I do not have the annual report from last year. I know that her staff have all these numbers at their finger tips. I see it is broken down by different categories, so I just wondered if the minister can give me the increases.

Mrs. Mitchelson: It is not an easy number to pull together, and I think we do have some analysis that tells us how many. We are talking about adults with a mental disability, but we do know for instance, because we have supports through Children's Special Services for children with mental disabilities, we have some sense or understanding of how many people will be coming up. So there is a difference between the number we serve now and the number that might be turning 18, sometimes 21, because we know that many can stay in the school system until they are 21 and receive support. So it is not an easy number to get. I do not know if the question is coming from the angle of saying: what is the issue going to be over the next number of years as a result of children that might be added to, or are we just looking for a specific number on how many people we are serving today?

* (1450)

Mr. Martindale: Since the minister said that there are increasing numbers, and she gave reasons for why that is true, which I certainly accept, I am wondering if you could tell me how many people were served in each of these categories a year ago as compared to today's Estimates book. If there is an increased number, that should be illustrative.

Mrs. Mitchelson: I think we can do this one at a time then. I have the numbers for residential accommodation. For 1997-98 it was 3,134; 1998-99, 3,262. For 1999-2000, it is estimated at 3,350.

This is for day services: 1997-98, 1,951; 1998-99, 2,127; and estimated for 1999-2000, 2,220.

For respite services, 1997-98, 641; 1998-99, 672; estimated for 1999-2000, 723.

For vocational rehab, I guess 1997-98 it was 1,220; 1998-99, the same number, and we are estimating the same, so it is 1,220.

Mr. Martindale: In the letters that were addressed to the Premier and to the minister and mostly copied to myself, people assumed that institutional care is more expensive than living in the community. The minister has just indicated in previous remarks that it is more expensive to support an individual in the community rather than in an institution. I am wondering if the minister has data on per diem costs or daily costs or costs on a daily basis which would illustrate her contention that it is more expensive to have people living in the community.

Mrs. Mitchelson: I guess to make a blanket statement that it costs more in every instance for someone to live in the community is not right, but the more medically complex an individual is, the cost there, it is. It does cost more to support them in the community than it does in an institution. And, as a result of places like MDC and St. Amant not admitting more people, that means that more costly clients with more severe medical needs are being placed in the community. If you are relatively high functioning in the community, the cost would be less than in an institutional setting. But the reality is that we are not placing people in institutions today, so the costs and the needs are higher, and it is more costly to support someone with high medical needs in the community than it is in an institution.

Mr. Martindale: I would like to ask the minister: who is providing services to the individuals who have the high medical needs? Would it be St. Amant Centre's community living arrangements or are we talking about the groups that are writing letters to the Premier, the minister, such as Eastside Thames and other organizations, for example, the ones in Gimli?

Mrs. Mitchelson: Eastside Thames is not a residence; it is a day program facility. But the three, I guess, organizations that would provide

support to very high medical needs individuals would be St. Amant through their community. There is the odd person who is admitted to the St. Amant Centre now, but most of the services are delivered in the community. St. Amant, New Directions and Hydra House would be the three that deal predominantly with the very high medical needs individuals who are living in the community.

Mr. Martindale: Mr. Chairperson, the minister said that block funding and block grants allow organizations—and I think we are talking about nonprofits who provide services in the community—to pay their staff more, and I am wondering if the minister can expand on that for me, please.

Mrs. Mitchelson: I guess rather than as I explained it as block grants, it is block per diems.

In the past we had about six different program lines with six different per diem rates that each organization had to account for and apply for on a yearly basis. By going to one per diem across the board, that gave the agencies and organizations the flexibility to use the dollars with less administration. I mean, when you have got to do the administrative work around accounting for six different per diem rates for individuals, it makes it administratively top heavy, and it allowed them the ability to cut down on administrative costs and ensure that the dollars were going toward the programming for individuals whom they were caring for and into staff salaries.

They were quite pleased, actually, when we made that change. I do not recall having any organization say that it was not the right direction to move. It freed up some of their time to do the kind of work that they wanted to do for the residents whom they were serving.

* (1500)

Mr. Martindale: I would like to ask the minister how she feels that reducing the number of categories from six to one, other than maybe freeing up some bookkeeping time, allowed these organizations to pay their staff more. If they are getting the same amount of money but

have fewer categories, what difference does it make?

Mrs. Mitchelson: Well, Mr. Chairperson, in addition to streamlining the administrative function, we have given a 5 percent increase last year and a 5 percent increase this year to the per diems. So there is less administrative work that needs to be done and more ability with the additional funding on the one per diem rate. I mean, my honourable friend may want to argue, but it certainly was a direction that was supported by all of the agencies and organizations that we fund to deliver the service.

Mr. Martindale: The minister said that they do not set salaries, which is true, because you give the money to the organization and they do their budgeting, at least that is my understanding, but their ability to pay their staff decent wages is totally dependent on the grant that they receive from government. So it seems to me that it is irrelevant that you do not set the salaries. The real issue is how much money they are getting from government.

Mrs. Mitchelson: Absolutely. They have to use the grant dollars that they get or do some other sort of fundraising in order to run their operations, and some do, to varying degrees. Some do fundraising and use that to augment the grants and supports that they get from government, and others maybe do not have as great an ability to do that or choose not to for whatever reason.

So, yes, he is right, but I want to indicate to my honourable friend that our priority has always been on trying to provide support and service for as many individuals as we possibly can, and when times were tough and budgets were tight and there was not more money within government, our priority was to ensure that we delivered service to as many individuals as we possibly could.

I will admit and have admitted to organizations that I know that there is not an ability to pay the staff high wages. That is the reality. I know where my honourable friend is coming from. He should say our grants should be higher in this area so we can pay more. We have increased by 5 percent the grant last year;

we have done another 5 percent this year in good faith, and we will continue to look, as our resources permit, at increases in grant funding to these organizations. Will it be significantly more than 5 percent? I certainly cannot say, yes, it will.

I know that my honourable friend when it comes to the daycare line is going to say increase grants so that higher salaries can be paid, and I guess my question is, you know, if that is a commitment my honourable friend feels he could make, what is the appropriate amount? How many millions of dollars would he put into this area and where would he take it from?

So those are all questions. It is fine to say we should be putting more money in, and we agree that we have to continue as resources permit to move in the direction of ensuring that those who are working in the community with some of the most vulnerable within our society are adequately remunerated and agencies that are providing the service have the ability to recruit and retain staff. We have got to move towards that.

Are we going to fix that overnight? No, we are not. Are we going to continue as resources permit and as the economy continues to do well with all of the economic activity and the increased tax revenue and increased revenues that are being generated and balanced budgets, because balanced budgets and paying down the debt give us money that we would pay on interest to provide support to the social side of government, which is very much in line with all of the issues that we deal with in the Department of Family Services. We will continue to look at that.

I think that we have indicated, with our five percent increases over the last two years, a commitment and a seriousness to trying to address the issues. But they will not be addressed overnight. I can indicate again that we are going to see increasing demand for support and service in this area. So you have got to balance the grant money and per diems for an individual on an individual basis with the number of people that need to be served and how can we get some services to those that need them.

So no easy answer in this area, but I think that we have shown our commitment over the last number of years in increased financial support in this area and in the last two years an increase in grant support so that we can start to address the issue of salaries.

Mr. Martindale: The minister earlier said that they want to deliver services in the most cost-effective way. I am wondering if the minister would like to expand on that since it is certainly possible to interpret that as meaning that if you keep wages down you are being more cost-effective. Can the minister assure me that that is not what she meant?

Mrs. Mitchelson: It makes no sense at all to keep wages down and not be able to retain trained staff. Ultimately then you are not providing the best service to individuals that need that support. That is not what I meant. I am saying we have to review the way we deliver service today, see whether the programs that we have in place are the right programs for the right reasons. If we, for instance, were able to give a cash payment of what we support one individual for today to the family or to the support network or to the agency in some way and have self-managed care, is there an ability for them to get better service at the same cost? I mean, those are all things that have to be looked at. That is the common-sense approach.

My ultimate goal would be that we would be able to pay staff more because we are able to deliver services in a better way. I do not know whether that can be done, but I have challenged the community to work with us to see whether we can find some answers.

Mr. Martindale: In correspondence from an employee of Hope Centre Residential, the question was asked about salaries in Manitoba compared to other provinces. At the risk of the minister telling me that some other provinces pay less than Manitoba, I wonder if the minister could indicate maybe what our rank is in Canada? Are we near the top of wages or at the middle or near the bottom?

Mrs. Mitchelson: We do not have any comparison to salaries in other provinces at all because the programs are so diverse, the

programs are so different province to province. I do know that other provinces do look to Manitoba. I mean, in many areas we have shown leadership, and we are further ahead and provide more services than many other provinces do provide.

* (1510)

As a matter of fact, I know that my colleagues when I meet with them talk about programs like the wheelchair program in Manitoba that is not available or accessible in many, many other provinces. When we talk about barriers to mobility, one of the ministers said: Well, you know, is Manitoba's wheelchair program a barrier to mobility because if they move to Nova Scotia they would not get that service?

Manitoba does have a lot of good programs. We are innovative. We are ahead of many other provinces, and we are looked to as a province that does support our disabled community as one of the best provinces that provide that support.

We do not have any information on specifics around what other provinces do. Every province delivers its programs and services in such varied and different ways that there is not really the ability to make those kinds of comparisons.

Mr. Martindale: Mr. Chairperson, I would like to quote from this same letter where the author says: We appreciated your response, but it was clearly not enough for any of us to plan our careers around. We value the work we do on behalf of the people with disabilities, and most of us would like to establish a career path in this field. Many of us are university or community college graduates. Please give our agencies sufficient funding to keep us working for them and developing with them as we provide services to vulnerable people.

I would like to ask the minister if she thinks that wages are sufficient that it actually attracts people so that they want to have a career working with vulnerable persons in the community.

Mrs. Mitchelson: Mr. Chairperson, I have not received any of those letters since the budget

was announced and the increased funding was announced. But if he is asking whether 5 percent goes all the way to ensuring there is an appropriate salary, I would have to say no, it does not. I will admit that.

But I guess, again, I will go back to my honourable friend and say to him what in his mind is appropriate and what would he do if he were the Minister of Family Services to change what we have done? I know he voted for the budget this year, which included a 5 percent increase for these organizations and these agencies, and I have indicated that in the last two years it has been a step of good faith in recognizing that there are issues that need to be addressed around remuneration. But I guess I would ask the question: would it be his party's policy to set wage levels for all salaries for all external agencies and organizations that are funded by government, and what would he think would be appropriate levels?

I am saying that we are a government that has said we will continue to fund per diems or grants, but that agencies that are delivering services will have to manage those dollars. We will continue, as the economy permits and as the tax base permits, to try to ensure that we are providing additional resources to address the salary issue, but agencies that deliver those services are going to have to determine what the appropriate salary level is. Maybe my honourable friend's party would have a different way of doing things and would commit to setting salary levels at a certain amount for every agency or organization that is funded by government to deliver service. I would be interested in hearing my honourable friend's comments around these issues.

Mr. Martindale: Mr. Chairperson, it has been suggested to me by several people in different agencies that the staff in Family Services—I presume acting on behalf of the minister—are suggesting to these agencies that they have to look at the most cost-efficient way of delivering services. There is the feeling that there is pressure on them to get out of high-cost services, for example, support of employment programs, which could be described as high cost, because usually they have one-on-one staff ratios at least at the beginning of supportive employment, and

that if individuals were in sheltered workshops the staff ratios are much different, and therefore those programs are much cheaper to run and deliver.

So I would like to ask the minister if she feels that this is either the direction that people are being pushed in the community and if so, if this is her policy.

Mrs. Mitchelson: Mr. Chairperson, quite frankly, I have to tell my honourable friend that I have heard a lot of good comments about the staff in the department on the Community Living side and how they are certainly accessible and working very well with community, indicating that staff in our department have a very good track record and a very good reputation around supporting agencies and organizations and individuals. So I want to say that on the record, because I do believe that we do work with people, with organizations and with individuals to try to find the answers.

I want to indicate that my honourable friend is wrong, dead wrong in the comments and the—I am not sure what the word is I am looking for, sort of the—I would not really call them allegations, I guess, that he has made. They might be that we are not being sensitive towards individual needs, individual-supported employment and individualized planning. We are very much supportive of that, and we are not looking to take away anything.

We do want to ensure, though, if a person does progress in a supported employment process and no longer needs a one on one, is there the ability to bring someone else in? I mean, that only makes common sense to be looking at that. We work on an individual basis, individually client-focused. Each individual is different; their needs are different. We want to make sure that the dollars are going to the most appropriate places. And you know my honourable friend talks about being cost-effective and efficient. I think the taxpayers of Manitoba want us to be cost-effective in our program delivery, and I think they want us to be working with families and be accountable.

I think families want to be accountable, and I think families want to make suggestions from

time to time to government on how we might better be able to be more cost-effective. They do that, as a matter of fact. So we have to listen to that. So very often, I know back in my honourable friend's day and even when I first came into government, we have tried to change that. But government develops a program, a new initiative, and you have to fit into a certain mold in order to access some programming. I do not think that is most appropriate. I think that there are always exceptions to the rule, and so we are trying to look at very much community-focused support and service. We are trying to look at individual planning.

* (1520)

All of the families that I have worked with over the last number of years, we have tried to say: How can we do things better; what suggestions can you make to the government? For instance, I had some families with children with disabilities living in the community that were on my doorstep saying: You know, we need more; we need more appropriate service. So I started to ask some questions, and they were receiving respite. There are certain rules and regulations around respite. Families would be allocated a certain number of respite hours, and they needed those hours at the time.

But then they said to me, well, you know, we do not really need those respite hours right now because things are working fairly well, and we might need a little more money somewhere else to do something else, but we are afraid to give up our respite hours because we may never get them back again if we need them again. So therefore there were not respite hours for some other family that might need it. So I said let us sit down and work together around how we can best manage the support and services. If you had the dollars available that might be provided for respite, could you use them for something else? And we have been able to find some solutions and some answers that would be more cost-effective and serve clients better. That is my belief and my philosophy.

So, again, I would ask my honourable friend to maybe indicate whether he agrees with that direction or whether he feels, in order to get programming or support, you have got to fit into

a certain program. Very often we build programs, but we do not build programs that are appropriate to the supports and the needs of clients and individuals who need that support and service. We have tried to change that in the six years that I have been in the Department of Family Services. And we are working towards it. Have we fixed everything? No. But I guess that is the challenge, and that is why I remain so committed to this department and the programs and the people that we serve. Things will change and will continue to evolve, and some of the supports and services that were put in place years ago are maybe not appropriate to today's families and today's needs. So we have to continue to try to do better. I think, generally speaking, that we have tried to make changes where changes are needed and brought to our attention as needed.

So, I guess, with that, I certainly would like to hear my honourable friend's comments on what his approach might be on what he believes might be the right way to go. It is always very easy to be critical of supports and services, but it is sometimes a little more difficult to provide constructive solutions to the issues. These are not easy issues that we deal with, and I know that, but you know it sometimes would be nice to see some acknowledgement for some of the things that have changed that have made a positive difference in people's lives and families' lives.

Mr. Martindale: The minister is trying very hard to get me to answer questions, and I would do that on one condition, that is, if we switched places at the table, but we have no power to do that right now.

The minister wants to define this issue in terms of being cost-effective and efficient, but what we are really talking about here is a philosophical difference between some programs which are higher cost, such as supported employment, versus other programs, such as sheltered workshops, which I think can probably be delivered more cheaply.

So I would like to push the minister a little bit harder and ask her again if she would categorically deny that there is pressure on organizations to change from programs which

are high cost to programs which are of lower cost.

Mrs. Mitchelson: I am trying to keep this dialogue and discussion on a pretty even keel and even tone, but I would not say it is any sort of a philosophical difference. We have not changed our approach. Whether it is supported employment, it does not matter how costly the program is, I want to get the best bang for my buck within that program. I think that is what I believe in. I would hope my honourable friend would not want to waste tax dollars in saying the program is costly, but it does not matter how much it costs, you know, we do not care. There does not have to be any accountability around the programming.

I am saying if it is an expensive program, I want it to be managed with accountability and efficiency and be cost-effective even if it is a high-cost program. I want the same for a low-cost program. I want our programs to be efficient and effective and serve the most clients that we can possibly serve. So I do not want to get into this being a philosophical discussion around whether we support supported employment or we support vocational rehab or shelter workshops or whatever. We support a broad range of services.

I want to make sure that every dollar that is spent is spent in the most appropriate fashion and that there is accountability around those dollars, but we support all that broad range of support and services. So there may be a philosophical difference in accountability between my honourable friend and myself. I want our tax dollars and the tax dollars of Manitobans to be accounted for in a manner that makes sure that the programs are the most efficient and effective, but providing the supports and services based on an individual client-centred plan.

Mr. Martindale: I am still not hearing the answer that I would like to hear or that I think organizations in the community would like to hear. That is that there is no pressure from the minister or her department or the staff to pressure people or persuade people that some of their programs are too costly and that if they would move in a different direction that they

could provide different programs at a lower cost. I have not heard the minister say that there is no such plan in her department.

Mrs. Mitchelson: Well, again, Mr. Chairperson, I am not sure what angle my honourable friend is coming from. I think that we look at a client-centred plan and process, whether it is working with an organization or working with families. Families seem to be wanting to move to community residences and vocational rehabilitation programs, and we have been supporting that. We are supporting what is best for individuals. We have not denied anyone programming that sort of meets their individual plan. I am not sure, again, where my honourable friend is coming from.

I am saying unequivocally that we are not changing the focus and we are not saying we are not paying for high-cost programs. I want efficiency, though, for the dollars that are being spent. If he feels differently, that is his prerogative, but I sense that the taxpayers of Manitoba want us to make sure that our programs are efficient and effective whether they are high-cost programs or low-cost programs.

Mr. Martindale: Mr. Chairperson, no one has a problem. Certainly I support and taxpayers support getting the biggest bang for their buck, but the minister does not seem to want to answer my question. That is fine, there is no point beating a dead horse, so I will just move on.

In a newsletter from I believe it is ACL Beausejour, I think this is actually a reprint of a letter to the Free Press. I would like to quote one paragraph and then ask some questions. The author says: Nine years ago, after the death of a client in a group home, the government initiated a review of issues concerning Manitoba's services to people with mental disabilities living in the community. The government's consultant looked at issues such as minimum wage level salaries and the rapid staff turnover and nonexistent staff training programs that result from this. These conditions have not changed, despite the consultant's strong recommendations for change.

Now, if it was nine years ago, it was before I became the critic. I am wondering if the minister

can tell me which consultant's report, is that an accurate summary, and were indeed those the recommendations? If the minister wants to take it as notice, that is fine, but if she could do some research and get back to me in a day or two, that would be good.

* (1530)

Mrs. Mitchelson: We do not have a copy of that report with recommendations here, but we could certainly get it.

It was several years ago, I think, as the result of a drowning of an individual in a group home, there were recommendations that were made. They have been acted upon in a fairly significant way, where we now have certainly a program that has been developed at Red River Community College called the developmental services worker training program. We have other ongoing in-servicing and training of staff that are working within the system right now. We contract with Red River and ACL to do training on nonviolence, crisis intervention, first aid. We have new licensing procedures that are in place.

So there have been a lot of things that have been addressed that were recommended in that report. The wage issue is an ongoing issue.

Mr. Martindale: I thank the minister for that answer and for getting me a copy of the consultant's report.

I have received quite a few letters, as has the minister, from Eastside Thames day program, both from staff and parents. I am wondering if the minister could bring me up to date on their funding problems, which they describe as a funding crisis. It might save some questions if the minister could give me a general update on how they are doing since they began writing letters to the minister.

Mrs. Mitchelson: Mr. Chairperson, this is one of the organizations that, among other things, supported employment programming, day programming with those with severe disabilities, and in many instances, it is sort of a one-on-one support program for work experience. I would believe that that letter probably came before the

budget was introduced. So the 5 percent would have helped somewhat, but it certainly would not go all the way to addressing the issues that have been raised by Eastside Thames.

We are working with them and will continue to work with them. My understanding is we are fairly close to a service and purchase agreement with them, but there are some issues that still continue to need to be addressed. I am not sure that our funding model will provide all of the resources that they would like in order to deliver the programs that they are contemplating for all of the individuals that they serve.

We from time to time do adjust per diems. I think one of the specific issues with Eastside Thames was some transportation costs, and I think we have tried to address that issue with them. As I indicated earlier, we are trying to provide support and service to as many individuals as we possibly can. We do know that these are very costly programs. We support those programs, but we cannot always provide the complete amount that the agency would like to see for each individual circumstance.

* (1540)

Mr. Martindale: Mr. Chairperson, in the letters that I received, which are dated in January, I believe, most of them, and the letters that the minister received as well, there is reference to their transportation problems, which the minister briefly touched on. In the letters, someone mentioned that they were in a deficit position in their transportation budget.

I wonder if the minister can tell me how their transportation budgeting problems were solved, if indeed they were.

Mrs. Mitchelson: Mr. Chairperson, it is my understanding that Eastside Thames was over their transportation budget primarily because of the nature of the programs that they are running and the excessively large amount of transportation that was required to move people from place to place during the day. We have been working with them, and I think we have agreed to give them some additional support for exceptional circumstances around their transportation requirements.

Mr. Martindale: Mr. Chairperson, I guess since these letters are from employees and from parents and most of them mention wages and ability to keep staff, we might as well get into that issue now. If I could summarize all of the letters here—and certainly I will refer to more of them—the one common theme is that 5 percent this year is not going to solve their funding problems, although most of the letters were written before this year's budget, but I think they anticipated another 5 percent increase.

So the letters refer to all kinds of problems that their lack of funding contributes to. For example, employees that have two and three jobs in addition to being employed by organizations like Eastside Thames, but other organizations as well, the inability to attract and keep good staff, parents concerned about continuity of staff because it is their children that are being cared for, and they are not happy with the high turnover of staff.

I am sure the minister is familiar with all of these issues, and so I am wondering what she has to say to the parents and to the staff about the underfunding. In fact, one of the newer issues that came up—and I am sure the minister would like to wax eloquent about this—is that the so-called booming economy and the increase in the minimum wage is causing a new problem in attracting and keeping qualified staff. That is that the difference between the minimum wage and what the starting wage is for many of these organizations is very small, in fact, about 50 cents an hour or a little bit higher, and the fact that people can leave and get better-paying jobs, which I suppose is different now than it was during the recession of the early 1990s.

If jobs are hard to get, then people are going to stay longer because they do not have alternatives in the marketplace or the workplace. They are going to stay at poor-paying jobs because there are not alternatives out there, but once there are alternatives and those alternatives pay higher wages, the staff are gone. For example, I had an individual who wrote to me, who said: In the two years I have been working at my current place of employment—and this is a residential home for women with developmental disabilities—we have experienced almost a complete staff turnover in two years. Later on, I

guess I will get into a very good and detailed brief that was submitted to the Premier (Mr. Filmon) and to the minister and copied to us, comparing starting wages in a number of different, very similar occupations. But I wonder if the minister would like to respond to me and to these individuals and their boards, as well as the employees, about the difficulties that the current wages are posing for the employees, the boards and for the clients that they are trying to serve.

Mrs. Mitchelson: Mr. Chairperson, I think I have tried to respond to part of this before in my earlier comments today, but I will continue by trying to indicate to my honourable friend and helping him understand that I realize the significance of the issue. These letters were written before the budget, and I think they were written to try to ensure that the 5 percent increase that they had asked for last year was indeed—they actually asked for three 5 percent increases, one last year, one this year and one next year, and I think the letters were written again in an effort to try to ensure that that money would be there and available and approved in this year's budget. I have responded to absolutely every letter that I have received as a result of the budget and the announcement of the 5 percent increase and have indicated very clearly that we will continue as resources permit to look at the issues of the funding of these agencies. A very big issue.

I am pleased to see that my honourable friend supported our budget and voted for the increases that were provided. If he had had a significant concern as a result of the correspondence that he received, I am sure that he would not have supported the budget, but he did. He did vote for it, and he probably did recognize and realize that we were going and doing what we could this year to try to address the circumstances and the situations that were alluded to in the letters that again I repeat I have responded to.

Now, again, the question becomes, we are not going to set salaries for external agencies. We are going to listen certainly to what they have to say around our grant support and funding, but we are a government that will not set salaries for every agency that provides service and support. Again, I have to ask my

honourable friend if that is their party's policy that they would set salaries. If they should set salaries, my question would be to him: what would be the appropriate salary that they would set for this area of government support and funding? Because we do provide support to external agencies.

I could probably go back and count this afternoon how many times I have said that we have started to address the issue by giving additional grant support in the amount that we felt we could accomplish and do this year. We will continue year after year, as resources permit, to try to address the issue.

But my question would be what does he feel is an adequate salary or support? I know that his party did support the budget, which gave a 5 percent increase, and I am thankful for that, but, again, I have to say if he felt that was inadequate then it would have been his recommendation that another number or another amount be provided. I guess that probably should have been raised in an amendment or a vote of nonconfidence in our government's budget, but that was not the case.

* (1550)

I know my honourable friend thinks I am fishing, but reality is you cannot have it both ways in opposition. You can sit and be critical and say that government should provide more, but then you can vote for a budget that provides a certain amount, and you do not have to indicate what you might do because there is no accountability in opposition. I mean, I guess in this instance, in this year, the opposition has it three ways. They can be critical but they can support our budget, but they also do not have to tell us what they might do differently.

So, you know, I am sitting here struggling right now and indicate that, again, this is the one area within my department and in many instances across government through very difficult times and difficult circumstances and recessions that has received additional support year after year because there are more people who need support and service. I have been able to make that case in the six years that I have been Minister of Family Services, and I will continue to make that case. I will continue to try

to address the issues of salaries and workload and recruitment and retainment of staff.

I am not going to be able to fix that in one budget, but I think that our government has made a significant step forward in increasing the grant support by 5 percent both last year and this year on the residential side.

Mr. Martindale: The minister mentioned she had written a reply to everyone who corresponded with her, and I am wondering if she would be willing to table a copy of that correspondence. I presume that the letters were all quite similar, and if she would like to white out the addressee, that would be fine, but I would be interested in getting a copy of the minister's correspondence.

Also, the discussions that I have had with people since the budget suggests to me that they are saying that 5 percent just does not do it, and I am wondering if the minister has had any correspondence or if people in her department have had any correspondence or contact with people providing services since the budget which would offer a similar analysis.

Mrs. Mitchelson: No, I have not received any correspondence that would indicate that.

I have never said that 5 percent has fixed the circumstance. I do not think my honourable friend can say that I have said that 5 percent fixes things. I have said that 5 percent goes some way to try to address the issues, and I have indicated that as resources permit in years to come, we will continue to try to address the issue. So I do not want my honourable friend to put anything on the record or suggest even that I have said we fixed the problems with a 5 percent increase.

I do want to indicate that the only correspondence I have received is a letter from ACL Steinbach that has acknowledged our funding increases and that the additional funding will give them the opportunity to begin recovery of wage levels for front-line staff to address long-term operational deficits and to consider additional supports for the people we serve. So it is a thank you letter. It says thank you. My concern and my commitment, what they are

saying is much appreciated. So that is the only letter I have received.

I have indicated very clearly that there is an ongoing issue in this area. We are going to continue to try to address it in successive budgets as resources permit and as we have the ability to do it. But, again, I want to say if my honourable friend has some suggestions or ideas on what might fix the problem, I would certainly like to hear those, because I ask that question of every group and organization I meet with.

I cannot find the solutions or develop the answers unless I know what the issues are and unless I get suggestions on how we can better serve individuals through our programming. Estimates usually is a time for some debate and dialogue, and I recall from time to time suggestions and ideas being put on the record on how we might better deliver service or do things differently.

So I would encourage my honourable friend to comment and make some suggestions. You know, quite frankly, it does not matter where the suggestion comes from if it is a good one. Very often I try to follow up.

Mr. Martindale: One of the parents who wrote to me who has a child in Eastside Thames said that a proposed solution is to cut the hours of programming for participants living at home to three hours per day. I am wondering if that actually happened or not and if the increased funding meant that solutions like that did not have to be considered or implemented.

Mrs. Mitchelson: I know that, when an organization that receives a certain amount of grant funding comes to a point within their budget year where they are having difficulty meeting that budget or they are running into deficits, we sit down and work with those agencies and organizations to see what we might be able to do to help them get through the year without running a deficit. There might be suggestions or ideas that are tossed around or looked at. In the instance of where we are providing one-on-one support for someone on a full-day basis, would an option be to look at one-on-one support for an hour less or two hours less

a day to see if they could stay within their budget?

These are suggestions and ideas. They are all talked through and they are all looked at, but ultimately it is up to the agency to determine what they are going to do to try to meet or live within their budget. There is responsibility, an onus on organizations too to live within their means and provide the supports and services to the clients that they serve within their budget allocation. So it is important that we work with them and all kinds of suggestions and ideas are tossed around, and ultimately they make the decision on what they can do or what they choose to do in order to try to live within the allocation that they have been given. I do know that they were given an extra 5 percent this year.

Mr. Martindale: I have received quite a bit of correspondence from Gimli, and I will have to give a copy of this to Hansard because this could be Icelandic. I am not sure, but I will try to pronounce it anyway. It is from Heima Er Best Inc. in Gimli. This organization has provided a very good brief, which was submitted to the Premier (Mr. Filmon) and the minister dated December 1998. The topic is the chronic underfunding crisis to agencies serving the mentally disabled in Manitoba. Maybe the first issue that I will raise is one that the minister has already mentioned in passing, and that is service contract agreements.

I wonder if the minister could basically give me some background information on what service contract agreements are or maybe they were referring to purchase service agreements. I am not sure of the exact terminology here.

* (1600)

Mrs. Mitchelson: Right throughout the Department of Family Services we have many service purchase agreements. Basically, that is a contract, if you will, between an organization and government on what services we will purchase from them at what amount. It is a template that we have, and then it is adjusted with an appendix for each organization. We negotiate specifics with each organization that are put into that appendix. It works fairly well.

Ultimately, it is another accountability mechanism. It is holding government accountable for funding organizations and holding organizations accountable to provide the service that we are funding them to provide. It goes right throughout our department. We do that with most of the organizations or agencies that we fund.

Mr. Martindale: One of the concerns raised by this organization is, and I guess I will quote from their brief where they say: "Boards are being asked to sign Service Contract Agreements with the province without the funding crisis being addressed. Most agencies probably cannot afford to hire a lawyer to even review this legal document. Those that do have the financial resources to do so are advised by their legal counsel that the contract is very one sided in favour of government and that there is no appeal process written in as there is in most contracts."

I am wondering if the minister agrees with this analysis that they are so badly underfunded they cannot afford to hire a lawyer to reveal it, and, secondly, if there is an appeal process.

Mrs. Mitchelson: Mr. Chairperson, when we originally started doing service and funding agreements with our agencies, yes, the agencies as an association did hire a lawyer and worked with us to develop a template and that was the template for the agreement. There is no need or necessity to have a lawyer to do the appendix, so we do not require anyone to have a lawyer to do the appendix to see what we are purchasing what kinds of service. We are purchasing from individual organizations, so there is not that requirement. Many organizations do have legal services and legal advice, and they might from time to time use that lawyer, but there is no requirement. We do not force an appendix or a service and funding agreement on agencies; we work with them. This is a two-way street. I mean, we are not dictating from high what they will deliver. We work with them to see what they want to deliver and how we can fund them to deliver those services, so it is a two-way street.

Many agencies really appreciate having a service and funding agreement, because it gives them a long-term stability to the kinds of service

that we will probably purchase from them into the future, so it gives them some stability around the funding arrangements. I am told that many of the smaller agencies we do not have service and funding agreements with. It is not necessary, but probably a third of the organizations in this area would have service and purchase agreements. Many of them are the larger organizations which, of course, would receive the lion's share of funding for programming, so it is accountability.

It is an accountability mechanism, and it does from time to time certainly hold government accountable for the amount of support. It is written in stone that we are going to support certain activities undertaken by an agency, but it does spell out too what we are funding that agency for. So from time to time, agencies will expand their mandate or move into areas of other support, but that does not necessarily mean then we are obligated to fund something that they choose to support in a different area.

We are basically saying that these are the kinds of services we are purchasing from you, and we are funding those services accordingly. So it does give a level of comfort to both sides, to government and to the agency, that this is the kind of service government is prepared to fund. This is the kind of service an agency is prepared to provide to clients. So, as I said, it is a two-way street. It is not something that we force upon agencies, but we work with them. This is a co-operative approach trying to work together to ensure that the taxpayers are buying from agencies that support taxpayers that are in need.

Mr. Martindale: Since this brief suggested that there should be an appeal mechanism, I am wondering if it is possible to appeal decisions under the Social Services Advisory Committee.

Mrs. Mitchelson: There is not an appeal process for the amount of funding we might give an organization or an agency. I mean, budgets are set. We work with agencies and organizations to develop a service and funding agreement, but once we come to that agreement there is no appeal mechanism. There is a dispute resolution procedure that can be undertaken, and that is through discussion. There is not any

appeal ultimately on, you know—we have X number of dollars to provide the service. We work with agencies and there is give and take in the service purchase agreements, but ultimately we have to come to a decision on what is the appropriate amount of funding.

Mr. Martindale: I would like to go into some more issues in this brief, but I hardly know where to start, because there are so many issues and it is so detailed. But maybe I will just read some of the headings before I get into some of the issues. Some of the headings are salary comparisons; inadequate and obsolete universal rate structure; recruitment is very limited and turnover is high; no financial incentives after training to stay in the field; effects on our clientele; effects on families; effects on our personnel; effects on volunteer board members; and effects to the community.

* (1610)

Perhaps I will start with the salary comparisons, because they submitted a very interesting chart. In the text of the brief, it says starting wage is \$6.40 or \$6.50 per hour, while starting wage as a teacher aide is \$11.01 per hour or a personal care aide at \$10.83 per hour. Our staff working in group homes have a lot of responsibility on a daily basis. In the chart, it compares this group home in Gimli with Evergreen School Division special needs teaching assistant; personal care aides in Betel Home Foundation, Gimli; Manitoba Health home care worker in Gimli; Selkirk Mental Health Centre support service worker and psychiatric nursing assistant; Manitoba Developmental Centre worker, Portage la Prairie; and Marymount residential youth worker in Winnipeg, two categories actually, youth care worker without certificate and certified youth care worker. Of course, all of them are higher and all of them are quite a bit higher.

I am wondering what advice the minister has for these group homes in Gimli in terms of keeping workers when with very similar qualifications, maybe in some cases even lesser qualifications, they can go to other places of employment for higher wages and, in some cases, substantially higher wages.

Mrs. Mitchelson: Again I think these are somewhat redundant comments and questions from my honourable friend. But I will take the time to answer again, because I think it is really important that my honourable friend understand that we know there is an issue around salaries for people who work in the community with those with mental disabilities. I said that at the start of my comments today, and I will say it again.

We know that there are issues. That is exactly why, when we were not giving significant increases in other areas of support, we gave a 5 percent increase last year and another 5 percent increase this year to residential services for those with mental disabilities and their operating grants. It still is not going to pay the employees a fortune. I admit that. It is going to make a small increase in the ability to support wages for those working within the field.

We do have an issue of recruitment and retainment of staff. I have said probably on at least three occasions today that as resources permit year after year, we are going to have to continue to try to address this issue. We did what we could in last year's budget with a 5 percent increase in operating grants, and we did what we could in this year's budget with a 5 percent increase in operating grants plus a significant, millions of dollars to try to support more people living in the community and community residences in day programming and respite, in crisis stabilization. So really we have had to balance and look at trying to ensure that we serve as many people as possible, recognizing that we are going to have to address the salary issues.

So my honourable friend again is reading from a proposal. I do not know what the date of that proposal is. Is it before the budget or—

Mr. Martindale: December '98.

Mrs. Mitchelson: December '98. So this is a proposal or a brief that was sent in prior to the budget. We are continuing to try to address the issues. Now, again, I have to say to my honourable friend he supported our budget with the 5 percent increase in support. Now, if he really felt that he had a better solution or other ideas or suggestions, I am sure that he would

have brought in an amendment that would have tried to defeat the budget and do something differently.

But, again, I am saying that it is fine sometimes in opposition, and this year the NDP in opposition has it three ways, not only two ways: (1) because they can be critical, (2) but they can vote for the budget, and, (3) because it is an election year. I have asked several times today for my honourable friend to give me some suggestions or ideas on what he might do differently. Well, he is indicating that there are many, many concerns, and I have told him many times today that I understand and know and recognize there are concerns in this area. These are concerns and issues that are not going to go away, because we have more mentally disabled population, and that number is going to continue to grow. It is not going to get less.

Well, I know, it is going to grow because we are now today keeping babies alive at birth that would never live before, and they have multiple handicaps and disabilities in some instances. Also, with new technology at the far end, we are keeping people alive longer that have mental disabilities. So we have an issue that society, Manitoba, Canadians, around the world, are going to have to deal with year after year. There is going to be increasing pressure for additional support and services not only for more people that need to be served but to ensure that we pay adequate salaries, so that people will stay in that field.

I have to say that I recognize, too, that there is a real significant issue here, because many of the people that provided support in this field or this area in the past have been women. Women who maybe were the second income earner in a family, who maybe worked on a part-time basis from time to time. We are seeing now that women, because they have more equal opportunity, are choosing other professions other than caregivers. They are choosing professions that will lead them to higher salaries and higher incomes.

We very often now have two people working or we have a single-parent family that has to earn a living to support her children, his or her children, I should not say hers necessarily,

but the issue has become extremely complex. So the question for me is: are people going to want to go into this field into the future, and what is it going to take to recruit and retain them? I do not have the answers to that today, but I think that we are facing some significant challenges.

I know I am not going to be in government forever. We may be elected forever as a Conservative Party, but I will not be here forever. I will not be in this portfolio forever, but I will also not be around. I want to say that long after I am gone, these issues and these pressures are going to continue to be there. There are no easy answers.

That is why I have said many times today that if my honourable friend has some suggestions or ideas, Estimates is certainly the time and gives us the opportunity to talk about these issues and to see whether there might be something that he would have to offer. Again, I say it is very easy to be critical, but it is easy to be critical—but then to support a budget, on the other hand not have any ideas on how to fix the issues that he has criticized.

I will leave it at that for now and see whether, again, I might convince my honourable friend that we might like to hear some of his enlightened solutions to some of these issues. I do not ever want to make light of these issues, because I want to tell you that year after year, even in times when government was reducing funding, I was able to convince my colleagues that we needed additional support for additional services in this area.

I am actually proud of that achievement because I think that in this area, certainly the taxpayers of Manitoba believe that we need to support those who cannot support themselves. I have been able to make that case, and I will continue to make that case although we have not addressed all of the issues around the support services that need to be provided. But it will be an ever-increasing demand on tax resources for generations to come, I would believe.

* (1620)

Mr. Martindale: I would like to ask the minister if, and this is a very big if, your

government is re-elected, are you on track for a 5 percent increase in this area next year?

Mrs. Mitchelson: I cannot make that absolute commitment here today. You know, if the economy continues to do the way it is doing, if we continue to have more tax resources, if we are able to continue, and which we will continue, to pay down our debt, we will be able to use the money that we pay on interest for social programming, and I have to indicate that we have lived up to—I mean, there was a request two years ago that we would provide 5 percent per year over three years in this area. We committed 5 percent last year; we committed another 5 percent this year. So I think our track record has been consistent, and we have dealt with the issues in good faith, but I cannot make a commitment today to next year's budget or next year's funding.

It would be wonderful if things were doing so well that we could commit more than 5 percent, but as I said, I cannot make that commitment, and no government and no minister does have the ability to make that commitment.

Mr. Martindale: I am glad that the minister mentioned women. I would like to read a paragraph from this excellent brief under the section Effects on Our Personnel. It says, and I quote: "All of our staff are women. A glance at poverty statistics quickly reveals that women and their families suffer emotional and physical consequences when their work is undervalued and underpaid, as it is in our field. Many of our staff at Heima Er Best are sole income earners. Some are single mothers trying to raise two or more children on this pathetic wage. Work hours in residential services are undesirable, after 4 p.m. on weekdays and overnight until 8 a.m. and all weekend hours. The staff have no life insurance, disability or other medical benefits and no pension plans. Many of our staff struggle to work two or three jobs to make a living wage. In addition, many of our staff are taking training to improve their skills on their own time. While the source of our staff's gratification is the people we work with and care for, a living wage is a necessity. Love and mutual respect, while a much-appreciated job bonus, does not help meet basic financial needs."

I would like to ask the minister if she thinks that, because of underfunding, this is becoming perhaps a low-wage ghetto and that it is exploiting women.

Mrs. Mitchelson: I would hope that we would be able to take just a five-minute break in a few minutes. But I take some offence to my honourable friend's comments. I mean, again he is making allegations. I have indicated time after time after time, and I would like to count the number of times I have said we have got to continue to address this issue. We put 5 percent in last year and 5 percent in this year to begin to address the issues. Now my honourable friend supported that 5 percent increase in the budget, and yet he is making the kinds of comments here today that he just made, and I find that unconscionable.

Mr. Chairperson, he has yet, besides reading into the record information that he received before the budget and before the increases and asked questions on them, to give me any suggestions or any ideas on what he might think is fair or adequate, and that is extremely irresponsible of someone who professes to be a minister of Family Services in waiting. He has no ideas, no suggestions, wants to be critical but does not have any of the solutions and yet voted for the very budget that provided the 5 percent increase. Now, I think that he needs to examine internally himself and his party for the kinds of activities that they have undertaken in voting for a budget that provided a 5 percent increase, in listening to my comments that have said we have to continue to address these issues, and then putting statements like that on the record.

Maybe I guess my question would be back to him: does he agree with those statements, because he obviously does not feel that he has to accept any accountability or be held accountable in any way? I would say that that is certainly not someone I would want to put my trust in as someone who could make decisions on behalf of the people or the programs in the Department of Family Services.

Mr. Chairperson: What is the will of the committee? Will the committee take a five-minute break? Agreed? [agreed] We will resume in five minutes.

The committee recessed at 4:26 p.m.

After Recess

The committee resumed at 4:42 p.m.

Mr. Chairperson: Order, please. We will resume the Estimates of the Department of Family Services, and the honourable minister had finished her response.

The honourable member for Burrows, with a question.

Mr. Martindale: I would like to ask a question about a letter from ACL Beausejour, and I will give the minister a copy of it so she knows what I am referring to. I will just use this as an example rather than the particular agency, but I guess the issue is agencies requesting to close their doors for in-service training and the department position apparently being that the government funding is per diem. Therefore it is not appropriate to shut down, but I will show the minister the letter in case that is helpful. I wonder if the minister could tell me what she thinks the issue is and maybe how it was resolved in the case of ACL Beausejour.

Mrs. Mitchelson: Mr. Chairperson, it is our department's policy around support and services for day services that a disruption in the service by closing down a facility for a whole day creates a significant problem for the clients that depend on that service. Now we do provide all kinds of in-service opportunities. From time to time we pay for sponsorships for staff to go to training options and opportunities. We provide specific training. We do from time to time hire replacement workers to work so individual staff can go and get training. I am just looking at this letter and it indicates that—well, this letter was dated in May 1998. In the year before, there were over 1,500 people that accessed training through the resources that our department provides or sponsorships and that kind of thing. So I guess for us the policy is based on sort of looking at the needs of the client. It is more a client-focused policy to ensure that the clients are served.

A shutdown of the facility for a day, in the instance of the clients that we are serving through this program, is not the most viable option. We encourage facilities to do their training on a rotational basis rather than the shutting down of a facility for a full day and not having any access to service for clients.

* (1650)

Mr. Martindale: I have one more general question, but before I ask that question I would just like to put on the record that I received a very good brief, I guess I will call it, from SC LifeWorks and Network South Enterprises pointing out that special-rate funding from Family Services ranges from \$61.93 per day to \$76.40 per day, while the related costs are \$98.88 per day. The average person's cost exceed the funding by \$30.01 per day.

They also did some charting of the difference between their funding increases and the consumer price index in Manitoba. The reason I want to put this on the record is that, you know, the minister keeps talking about the 5 percent that they got last year and the 5 percent this year. But if you look at it over the long term, in the case of this brief from 1991 to 1998, they say that Family Services funding has increased by 2.7 percent over the past eight years, while the cost of living in Manitoba has increase 19.5 percent over the same time period.

My general question has to do with the minister's earlier comments about more and more individuals needing programs and services, which I do not doubt. Someone in the community said that they are under pressure—well, maybe pressure is not the right word—that they are being asked by the Department of Family Service to open more homes all the time, which certainly would be reasonable. If you have more people needing group homes, you know, why would the government not ask organizations to open more homes, but what they are telling me is that they cannot because they cannot find staff. They are in a big predicament. Presumably they would like to open more homes, but if they cannot hire staff, they are not able to.

I am wondering if the minister can confirm that organizations are being encouraged to open

more homes and what the solution is. If they cannot find staff, how are they supposed to accommodate more individuals who need to live in the community?

Mrs. Mitchelson: Obviously if we have more need for community support and community residences, we would be working with agencies to try to encourage the opening of more homes. Now, we have indicated, and I have indicated many times today, that the whole issue of recruitment and retainment is a big issue. Obviously, an agency will not open a home if they cannot find suitable staff.

I have not heard that issue raised with me specifically, so I guess my honourable friend does not have to provide any detail around who might have given him that information. Certainly I would ask him to encourage that organization, whoever it might be, to work with us or to identify that as an issue for us so that we could move forward from here, if he so chooses.

Mr. Martindale: I will try to move along a little bit now with some new topics. I am wondering if the minister can tell me if because of the increased funding in her department there is any money to fund new organizations.

I am thinking specifically of the Transcona-Springfield Employment Network, who wrote to the minister September 28, 1998, and has probably corresponded since then, because I also have a proposal for community-based employability projects dated January 1999. I understand they have met with senior staff of the minister's department and possibly even with the minister herself. I am wondering if they have been allocated funding from Community Living or not.

Mrs. Mitchelson: Senior staff within the department did meet with this group and organization. They have received the proposal. There are still some issues with the proposal that have to be worked out, and we need to continue the dialogue. So there has not been any decision made, but we are still meeting with the organization.

Mr. Martindale: My understanding is that staff said they liked the model but it is not affordable

and that one of the obstacles is the special rate funding which, my understanding is, allows one-to-one staff ratios.

I am wondering if that indeed is the problem here, that the model is considered too expensive.

Mrs. Mitchelson: My understanding is that the proposal that has come forward is a significantly costly proposal, and we have encouraged them to take a look at working with other agencies that are providing this kind of service. I mean, do we want our money to be going towards setting up another bureaucracy, or would it be more to their benefit to partner with someone like SC LifeWorks, Network South, or whatever, so that there could be an expansion of the programming for more individuals through that mechanism?

At this point in time I am not sure that they are keen on that, but it is not something that we can support within the budget allocation that we have presently. So we need to work with them to ask them to sort of explore other options and opportunities. To date I do not think we have come to any conclusion on that, but we will continue to work with them.

Mr. Martindale: I would like to ask a question about an organization called the Open Access Resource Centre Inc. They have written to me and copied the ministers of Education (Mr. McCrae), Finance (Mr. Gillehammer), Health (Mr. Stefanson), Justice (Mr. Toews), and Children and Youth Secretariat.

So I presume that this minister has a copy of this letter. I have been to their premises and met the staff. They seem to be providing a very good resource to people in the community, mainly technological devices such as electronic and computer equipment with voice synthesizers and adaptive access so that these individuals can voice their needs. Then I received correspondence saying that they were being forced to suspend operations March 17, 1999.

I am wondering if the minister either in her role as Minister of Family Services or lead minister for Children and Youth Secretariat has had a chance to look at their request for funding.

Mrs. Mitchelson: No, my department does not have the detail on that, but I do know that Child and Youth Secretariat got involved and worked with them. But you would have to ask when I have staff from Child and Youth here. I believe that we did find some resources of support through the Child and Youth Secretariat to support them. So they have not closed.

* (1700)

Mr. Martindale: Moving right along, I became aware of a new idea for parents who want to take care of their children after they are gone, their adult children, by setting up discretionary trusts. Actually, I would like to send over to the minister a very interesting article from The Globe and Mail. Maybe she can get staff to photocopy it.

It seems like a very good idea. Probably the part of the idea that the minister would appreciate the most is that they are not asking for government funding. It seems that one of the problems is that some governments are going after discretionary trusts, because they see the monies in the discretionary trusts as assets, so that poses a problem. I am not sure whether it is a taxation problem or exactly what it is, but I would be interested in knowing how this minister views, and her government views, discretionary trusts.

Are these a good idea? Should governments be encouraging individuals to set up discretionary trusts so that money is available for their adult children after they, as parents, are gone? I guess it raises a whole lot of questions, and I would be interested in knowing the minister's views on discretionary trusts.

Mrs. Mitchelson: I have met with Continuity Care in Manitoba that has this as one of their specific issues, and certainly they make a good case. The whole asset issue is a significant issue that needs to be addressed, and that is exactly why we are doing a consultation around our Income Assistance program for the disabled. This is one of the issues that has been raised by a certain segment of the community where families would like to provide additional support, but if their individual family member is on social allowance or income assistance, they

cannot always provide that. There is only a certain amount of asset that they can have, and then their employment and income assistance are clawed back if the family provides more. That is an issue I think we need to look at and we need to address, but it is only one small piece of the whole employment and income assistance support for clients with disabilities.

It is the broad spectrum of disabilities. We have physical disabilities, mental disabilities, mental illness, learning disabilities, all of those things that have to be taken into account, and there are different issues surrounding each different disability and the support networks that provide support.

We have announced that we are setting up a panel that will be responsible for broad consultation, including families that might have some recommendations on how we could better support people with disabilities. I think we need to take into account this whole issue around trusts and people wanting to provide a better life for their disabled adult family member, but sometimes the processes or the disincentives that might be there do not encourage families to participate. I do not think we should discourage families from financial contributions, if they so desire, to make the life of their loved one a little more pleasant.

It is not an area where I have an answer today, but I think it needs to be explored, it needs to be looked at, and I certainly am supportive of families helping their own family members if they can. It sounds like many of them want to. That is why they have an organization here through Continuity Care that is talking about these issues, raising them with the government, and I think we need to have that consultation process and then determine as a result of that where we go from here.

I just want to say, too, thank you for the article. I will read it.

Mr. Chairperson: Item 9.3. Community Living
(a) Regional Operations (1) Salary and Employee Benefits \$15,360,600—pass; (2) Other Expenditures \$2,095,300—pass.

9.3.(b) Adult Services.

Mr. Martindale: I would like to raise the issue of Pelican Lake Centre. I have the minister's news release of February 4, 1999, with the background information, which is very interesting to read. I have a couple of newspaper clippings, and I do not think I really need to ask any questions about the original intent of the government, because it is all here in a news release. The government did have a plan for closing Pelican Lake.

I guess my question is: what is the revised government plan or what is the current status, and how has that changed from the original news release?

Mrs. Mitchelson: I think I need to explain sort of the genesis of the whole move to shut Pelican Lake down, and that was as a result of the San Board that has always had the responsibility, since we moved disabled clients into Pelican Lake, for operating that facility.

There have been ongoing issues in the community. The community and the surrounding community, the people who live in the Ninette area and the residents who have lived at Pelican Lake for many, many years have become a part of that community. But the San Board wrote to us and indicated that they no longer wanted to manage the facility, that they felt that the property belonged to them and that they saw it as an asset, and they would like the individuals moved out. They had given us a period of three years, I think it was at the time.

So we tried to negotiate a longer-term arrangement, knowing that we are not admitting people to institutions on a regular basis anymore and that ultimately probably the population at Ninette would decrease, and when does it become viable to continue it and when does it become viable to close the facility and look for alternative options. Anyway, our feet were put to the fire, I guess, by the San Board who said we were going to have to make some decisions about closing the facility, or they were going to turn the keys over and basically no longer provide the service.

They initially were not prepared to entertain any proposal from the community to operate Pelican Lake, and so we felt we had no choice

but to move pretty quickly to close the facility. So we did make that announcement based on the San Board sort of threatening to turn the keys over or say we could no longer have that facility. So we made the announcement.

I guess there were a lot of issues raised by the staff who were working at Pelican Lake as well as families of some of the residents who were at Pelican Lake, indicating that that had been their home for many, many years. They were very pleased with the support and the service that their family members had received, and they did not want to see the facility closed.

* (1710)

So as a result of those issues and concerns being raised, we decided to review the decision that we had made and see whether there were other options and opportunities, and we had the opportunity then to meet with the San Board, I guess, and convince them that if there was a community organization that came forward and agreed to manage the facility, that they would entertain a proposal from the community.

So, at the present time, we have a community organization that has incorporated. They have presently put a proposal forward to the San Board, and the San Board I think is presently looking at that proposal. But the San Board has backed off on their position that the facility will close as of March 2000.

So we are continuing that dialogue and discussion. I guess our focus on the residents who are presently at Pelican Lake is that as we go through the individual planning process with families or substitute decision makers, the determination will be made on what the families or the substitute decision makers in conjunction with the staff believe is the best plan for that individual, and it may be remaining at Pelican Lake, it may be community placement.

So we are doing those individual plans, and we are in the process of—I guess the new community organization is in the process of negotiating some sort of an arrangement with the San Board. So that is where we are at presently. We are not under the threat of closure as of March 2000.

Mr. Martindale: One of the issues that someone raised with me, I guess it is kind of a tentacle issue, but they wondered who actually owns the land and who actually owns the building. There seems to have been some dispute about that.

Mrs. Mitchelson: Mr. Chairperson, this has been an ongoing source of aggravation to me for years when the San Board originally indicated their intent to get out of the business and requested that we move our residents out of Pelican Lake. We have done searches in land titles, and we have had legal opinions and whatever. There seems to be some sense that, if we challenged the San Board's legal title to the buildings and the property, we would not win. It would indicate that they own the buildings, so, in fact, they own the property, or does it work the other way around? [interjection] If they own the land, they own the buildings. We have nothing in our records that can indicate to us clearly that we own the land or the buildings.

Now, the issue has become that the San Board has not really ever put any resources into—I think it was turned over to the San Board for \$1 way back when, and they have never put any resources as a board into the facility or the management. It has been completely government funded. We have done the capital upgrades; we have put all of our resources in. So there has not really been a contribution by the San Board, so then the question does become: is the San Board prepared to turn it over to the community for what they received it for, or do they consider it an asset that is theirs? Do they want to get out of the business, do they want to find an alternative use, or do they want to sell the property? We do not believe we have a leg to stand on legally if they did want to sell the property, so we are in a bit of a situation where I guess we have asked, as a government, the San Board to come to the table in good faith and try to deal with the issue and ensure that we are not kicking vulnerable people out before there is an opportunity to figure out how we can best serve those individuals.

Mr. Martindale: Mr. Chairman, I am wondering if the minister can tell me if there are any differences or substantial differences between how the government is currently

running Pelican Lake Centre and how the community group in their proposal plans to run the centre.

Mrs. Mitchelson: We are not running Pelican Lake, as the government. It is the San Board that has been contracted to run the services at Pelican Lake, and it will turn over to a community board that will be responsible. So it is the San Board turning it over to another community board, and we will fund appropriately the service, but we have never run it.

Mr. Martindale: Can the minister tell me if there is any substantial difference between the way the San Board has been running the Pelican Lake Centre and the proposal from the community group?

Mrs. Mitchelson: Mr. Chairperson, we do not have specific detail around that. We are still in the process of negotiation. I would think that, if a community board had the interest in wanting to maintain service and support for the clients that are presently at Pelican Lake, they would have the sensitivity; I know on the community board are representatives of families of individuals who are in Pelican Lake.

Mr. Martindale: Can the minister tell me if people in recent years have been discharged from Pelican Lake and if new people are being admitted? My understanding is that there would be either very few or no new admissions.

Mrs. Mitchelson: I guess over the last four or five years there have been no new admissions, and there may have been two people discharged. It has been a fairly stable population.

Mr. Martindale: Can the minister tell me on page 51 what the increase is under Other Expenditures for Other Operating. Perhaps that is computers?

Mrs. Mitchelson: Yes, that is computers.

Mr. Chairperson: Item 9.3. Community Living (b) Adult Services (1) Salaries and Employee Benefits \$1,733,600—pass; (2) Other Expenditures \$1,286,100—pass; (3) Financial Assistance and External Agencies \$82,858,600—pass.

9.3.(c) Manitoba Developmental Centre.

Mr. Martindale: Mr. Chairperson, I wonder if the minister could explain on page 53, footnote (1): "the decrease in FTEs reflects workforce adjustments." What does that mean?

Mrs. Mitchelson: Mr. Chairperson, I am told that those were two vacant staff positions that were nondirect service provision positions that were reduced in this year's budget.

Mr. Martindale: Under Expected Results, it says approximately 482 residents. I wonder if the minister can tell me what is happening in terms of numbers in recent years. Are people being discharged to the community? Are there any new admissions, and, if so, how many?

Mrs. Mitchelson: Mr. Chairperson, back in 1989-90, there were 583 individuals, and in 1998-99, there were 482 individuals. So the population has declined slightly year by year. Some of it would be discharges—there are relatively no new admissions—and some deaths.

* (1720)

Mr. Chairperson: Item 9.3. Community Living (c) Manitoba Developmental Centre (1) Salaries and Employee Benefits \$23,856,200—pass; (2) Other Expenditures \$3,093,300—pass.

9.3.(d) Residential Care Licensing (1) Salaries and Employee Benefits \$247,200—pass; (2) Other Expenditures \$36,400—pass.

9.3.(e) Office of the Vulnerable Persons' Commissioner (1) Salaries and Employee Benefits \$240,500.

Mr. Martindale: I have in front of me a resolution from ACL Manitoba with a whole lot of concerns about The Vulnerable Persons Act and how it is operating, so I would like to go through these.

First of all, with regard to training, there is a claim that there is a lack of training and understanding of the basics of the legislation and each of the key groups—families, agencies, self-advocates, and in some cases FSW. Now, I do not know what that stands for. [interjection] It stands for Family Services workers, okay.

Now, it is my understanding that before the act was proclaimed, which, as the minister will recall was a long period of time, one of the delays was in order to train everyone in the new act. So I am wondering if the minister can tell me if she thinks that there is a lack of training and understanding of the basics of the legislation and what her department's experience is.

Mrs. Mitchelson: Mr. Chairperson, my senior staff, deputy and ADM, met with ACL around their brief and all of the issues, and what they have done is go through the brief issue by issue and develop a plan of action in co-operation with them.

What they have done is partnered with ACL, we have, as a department, to do training and develop a training plan which will kick in this September. We did do extensive training before the act was proclaimed, but one of the issues is there is turnover in staff, and because the training was several years ago, there are some staff who felt that they needed some retraining, some additional information.

So we have partnered with them, and we have been working closely with ACL to address the issues that were brought up in the brief that they presented.

Mr. Martindale: Mr. Chairperson, under the hearing panel process, there are concerns that there are blanket or sweeping administrative substitute decision makers and confusion about when to recommend a substitute decision maker.

I wonder if the minister agrees that this is a problem.

Mrs. Mitchelson: I guess this is the one area where ACL has expressed some concerns. We are not sure that we absolutely agree with all of the concerns or issues that have been raised around this. But I do want to indicate that we sort of followed through with the legislation according to the letter and the spirit of the act and that we will be finished the total review process of all of those that were under the former Mental Health Act by this September. So, once we are finished that review process and have reviewed all of the cases that were under the old Mental Health Act, we will sit down with ACL

again, probably this fall, and see if there are any outstanding issues of how we might work together.

* (1730)

Mr. Martindale: I appreciate the general answer, but these are very particular concerns. I would like to go through them one at a time. There is confusion about when to recommend a substitute decision maker. Does the department share that concern?

Mrs. Mitchelson: I guess sometimes there is a bit of a philosophical difference on whether a substitute decision maker is the most appropriate vehicle or whether a support network is the option. ACL would probably believe that there should be more support networks than there should be substitute decision makers, but I think under the law we have to be extremely careful. I think our legal advice is telling us that there are some people that will need substitute decision makers because they are so severely disabled that, you know, a support network is not probably the option that should be recommended.

I do want to indicate that there have been orders eliminated as a result of this process. I mean, we have limited the areas of a person's life in some instances where a substitute decision maker might need to be appointed. That might be in areas where that person might need financial help or something like that. So I believe that the process works, that the panels are set up and doing their job.

I have had many opportunities to meet with ACL over the last six years since I have been in this department. There is a bit of a different philosophical approach. ACL for the most part has said they want to see institutions closed down immediately, that there should be no institutionalization. They have asked me many times to sort of make a decision and set a date and say MDC will be closed. On every occasion when I have had the opportunity to meet, I have indicated that, philosophically, we are a government that believes there needs to be a broad range of services from community to institutional.

We are prepared to continue to try to support people in community rather than institution-

alizing them, but we are not prepared to make a decision to shut down our institutions tomorrow or next year or the year after. So that is our policy, that is our philosophy, and there might be a slightly different philosophical approach by ACL and the reality of what the legislation is and how we can implement it. So there are some minor differences, but I think there are many areas where we do work together really well and will continue to do that. This might be one area where we have a little bit of a philosophical disagreement.

Mr. Martindale: There is a concern that there is confusion about people who are not under orders of supervision who may require substitute decision makers. Where do they fit in the process?

Mr. Peter Dyck, Acting Chairperson, in the Chair

Mrs. Mitchelson: From our perspective, we do not believe that there is a lot of confusion around this issue. We do recognize and realize that maybe people need to be reacquainted with the act, but we are following the spirit and the letter of the act. That is one of the reasons we will be working to ensure that there is training and retraining done. We are working in co-operation with ACL around that issue.

Mr. Martindale: There is a concern that decisions are not being given back to hearing panellists. Does the minister share that concern?

Mrs. Mitchelson: The process under the legislation is that the hearing panels meet, review the situation and make recommendations to the Vulnerable Persons' Commissioner. But it is ultimately the Vulnerable Persons' Commissioner who makes the ultimate determination. I think, in many instances, he does follow the recommendations of the panel, but not in all. I guess he is very careful sort of not to, on an individual case-by-case basis, go back to a hearing panel and say this is a decision I have made for this reason or that reason, mainly because he does not want to try to start influencing the decisions of the panels. They are made up of different people and they have a right to hear the issues and make recommendations.

But I know that he does from time to time meet with members of the hearing panel to discuss general, broader issues, but he does not get into a case-by-case sort of rationale or reasoning for the reasons that he accepted or rejected the panel's recommendations.

* (1740)

Mr. Martindale: There is a concern that families, consistently designated as substitute decision makers, and where no families are involved the Public Trustee is identified. There is little or no planning or thought given to other options. Does the minister share this concern?

Mrs. Mitchelson: Again, this is probably one of those arguments that might be a little bit philosophical. I know ACL would like to see fewer substitute decision makers and more support networks. I mean, ultimately, where there is a family, sometimes the family wants to become more involved, and we want to encourage that. We certainly support that as them being the substitute decision maker or part of a support network.

But, ultimately, when you have someone that is very severely disabled the family may have lost connection, and the Public Trustee may have been the vehicle for that support for many, many years. The family may be very happy with that arrangement and they want that kind of accountability.

So all of those things are taken into consideration before the ultimate recommendation is made. Certainly if families are wanting to be involved, if they are wanting to be the support network or the substitute decision maker, we certainly encourage that kind of activity, too.

Mr. Martindale: I just sent out the resolutions so that I can give the minister a copy, so I am going to have to make up a question while I am waiting for the piece of paper. However, it is not hard.

I would like to ask the minister why the Public Trustee would be asked to be responsible for an individual. The Public Trustee's office, as the minister knows, has a lot of power, but

usually they are involved with seniors and people who are not able to manage their own financial affairs and usually where there is not somebody in the family who is either trusted or has power of attorney. I am wondering why the Public Trustee's office is used with vulnerable persons.

Mrs. Mitchelson: Virtually under the old legislation and the old process, the Public Trustee was the substitute decision maker for all individuals. What is happening now with the review is there will be fewer individuals under the Public Trustee, because some families are becoming involved.

In the past, it would just happen. I mean, virtually all of our clients would have been involved with the Public Trustee's office, and if a family wanted to be more involved and help make some of the decisions, they would have to go through a court process which would be costly and whatever. Now I think we have the ability, through the review process, to grant authority or more power to families, if they should so choose, than we have in the past, and they do not have to go through the cost of a court case to make that happen.

So, actually, we will see a reduction in the need for the Public Trustee's office, but there still are families that are saying they are quite satisfied with the way the Public Trustee has managed and that they do not really want to become involved. In that case, we cannot force families to be part of the process.

Mr. Martindale: Mr. Chairperson, I have given a copy of the ACL resolution 2, The Vulnerable Persons Act resolution, to the minister. I was hoping to get through No. 2. Hearing panel process; 3. Disclosure of abuse; and 4. Person centre planning, by six o'clock, but we are probably not going to make it.

So maybe we will skip from the micro issues to the macro issues and the BE IT RESOLVED at the bottom recommends one of two options: that the province initiate a full social audit facilitated by people agreeable to both the province and ACL Manitoba, ensuring that the spirit and integrity of the legislation is being respected, the processes, protocols and people

designated to implement are on track, and areas that require modification of thinking are identified and resolved; or that the Vulnerable Persons' office and the Commissioner be reframed within the provincial structure to be freestanding and not responsible to the Minister of Family Services.

I am wondering if the minister has had a chance to discuss this with ACL Manitoba and what she thinks of either of these two options under the BE IT RESOLVED section.

Mrs. Mitchelson: Mr. Chairperson, before I get to the BE IT RESOLVED, maybe I could just talk about do we want to talk in brief about this bulletin No. 3. Disclosure of abuse and person centre planning. As a result of the meeting with ACL, it was agreed that our department would work together with ACL to develop workshops around disclosure of abuse, how you report abuse and how you deal with the issue of abuse, and around person centre planning which would talk about who is responsible for what.

So we jointly developed and held workshops right across the province with ACL. Apparently, the feedback was excellent, that they were excellent training opportunities for staff throughout the regions of the province. So that has happened and there seems to have been an ability for us to work together to make that happen. I guess, as a result of this brief and this resolution, both the deputy and assistant deputy minister met with ACL. Certainly, we have agreed that we will do a review of the legislation some time in the future when we gain some experience with the legislation. In the interim, I think, when they met it was agreed that there was not really a need for a social audit if we could sit down and work together around trying to address these issues. You can see by my answers to three and four that there was certainly a co-operative working approach. I think that is what ACL wanted, and that is certainly what we want to do. If we can work together, sit down and present our points of view and ultimately come up with a process that seems to be satisfactory to both sides, then I think that is probably the best way to go.

* (1750)

My understanding is that we came to the conclusion at the meeting with ACL that a social audit would not be necessary, but that if we went through this process and worked together and agreed to work together, we could probably resolve a lot of the issues that had been raised in the resolution. That is what has happened, and that is what continues to happen in developing some of the training that will be rolled out in the fall.

Mr. Martindale: I am glad I gave the minister this page. It probably saved a lot of questions. She is probably glad I did too. So I take it, just to summarize what the minister is saying, ACL is satisfied since they agreed to workshops around the issue of disclosure abuse and person centre planning, is that correct?

Mrs. Mitchelson: I think in general terms we have come a long way in trying to address many of the issues that were raised in this phase. There would probably be areas where we might agree to disagree on certain things. I talked a little earlier about ACL philosophically believing that there should be some more support networks rather than substitute decision makers and that kind of thing. It will always be those kinds of issues. I think the process that has been undertaken has helped, has certainly gone a long way in trying to ensure that people are trained and up to speed on the act, and we will work together, as we can, to try to ensure that that the best possible information is out there and we are working together towards a common goal, and that is supporting those with disabilities that we both care about.

Mr. Martindale: Does the minister see any merit in having the Vulnerable Persons' office or Vulnerable Persons' Commissioner be free-standing? I guess this recommendation parallels the change that was made in the Children's Advocate reporting to the Legislature rather than to the minister.

Mrs. Mitchelson: This is not an office that you can compare to the Children's Advocate's office in any way. It is more like a function of a human rights office or the Public Trustee's office. So this person or the office is not an advocate. The Vulnerable Persons' Commissioner is performing an administrative function.

I do not think we can really compare the two. I guess our sense is that we need to continue to work with the law as it has been set up. We have just about finished the review of all of the orders, I think, within the time frame that we indicated we would. We will continue to work with this legislation. It appears to be working fairly well right now. I mean, there will be a timely review sometime down the road of the legislation and the office, and we will go from there. At this point in time, I do not think we would want to do that without having some experience and working with the laws that presently exist.

Mr. Martindale: Resolution 6 by ACL talks about institutional care. The minister has already commented on their position on closing down institutions. The minister does not have it in front of her, but I do. What I am wondering, if we could take a part of this resolution which says: create well-planned alternatives for people currently living at the three institutions. I am wondering if there are plans for individuals to move out and into the community as opposed to closing down the whole institution.

Mrs. Mitchelson: We are in the process and do individual case planning and reviews of circumstances. When it is deemed appropriate that some alternative support in the community might be a viable option, we look at that. So we are continuing the ongoing review on a case-by-case basis and doing individual case planning and will continue to do that. People have moved from our facilities into the community, but in some instances the option for support is deemed the most appropriate in the institutional setting.

The Acting Chairperson (Mr. Dyck): Item 9.3.(e) Office of the Vulnerable Persons' Commissioner (1) Salaries and Employee Benefits \$240,500—pass; (2) Other Expenditures \$252,500—pass.

Resolution 9.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$131,060,300 for Family Services, Community Living, for the fiscal year ending the 31st day of March, 2000.

The hour being six o'clock, committee rise.

AGRICULTURE

Mr. Chairperson (Ben Sveinson): Order, please. Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Agriculture.

Does the honourable Minister of Agriculture have an opening statement?

Hon. Harry Enns (Minister of Agriculture): Mr. Chairman, I do have a statement.

I would like to take perhaps somewhat longer to describe the agricultural scene for the record, for the journal, and also for the critic of the department, the member for Swan River (Ms. Wowchuk). It is always a pleasure to introduce the Estimates for the Department of Agriculture, the department of government which is, of course, the most important department of all government activity, agriculture. Without agriculture and the food that we produce, we would not be arguing about judges and justice systems or hospitals or schools. We would all be somewhere in the bush looking for our nuts and berries that we could gather enough of to feed our respective families.

Surprisingly few agricultural people, less than 3 percent of our population, do a marvellous job in providing a safe, dependable supply of food that all of us can enjoy. So it is extremely important, in my opinion, that all of us, whenever we speak in a public forum, remind those listening of the importance of agriculture, the contribution that agriculture makes to our overall society.

I would like to briefly comment on the farm income situation. During the past 12 months, certain commodity areas within our agriculture industry suffered the effects of a serious downturn in prices. In part, these price declines forced us to recognize our dependence on the global economic community. Agricultural export subsidies by trading nations negatively impacted the province's grain producers. Increased American hog production during 1998 and reduced slaughter capacity led to lower hog prices, adversely affecting our hog producers. These international trends had a major adverse

impact on the farm income situation within the province's grain and hog sectors. Although not by any means total, they are a very significant portion of the overall farm activity.

For several years, the grain producers have been faced with the demise of the Western Grain Transportation Act or the Crow. Many of these producers were motivated to adapt accordingly. High wheat prices in '95-96 concealed the magnitude of the cost increase brought on by the elimination of the transportation subsidy, diminishing the urgency of adjusting to a new economic reality. But, simply speaking, the economics of grain production have significantly changed. Producers can no longer continue to operate as they did prior to grain transportation reforms without being very negatively impacted. While the loss of the Crow benefit has made wheat, barley and other low-value, high-volume crops less economic to produce for export, alternative and new opportunities for value-added production have become more economic to undertake, and our farmers are busy doing just that.

In our pork industry, we have experienced, of course, an extremely difficult time within the last 12 months, but I am very pleased to report that the current recovery in prices is good news for the future. In spite of the downturn in the hog prices, the pace of new hog barn construction continues to be strong. This strong pace reflects our pork sector's long-term confidence in future market opportunities as the world hog markets continue to expand. Manitoba's pork industry has undergone very rapid and dramatic growth, nearly doubling production over the last decade, with an increase of almost 60 percent in the last five years. The province exported pork to some 37 countries in 1998 at a value of over \$200 million, representing a rise of 27 percent from a year earlier, and that despite what we are all aware of: the discussions of the Asian slowdown, the Asian flu. A lot of our export is to Japan; nonetheless we recorded a 27 percent increase in pork exports last year.

The expansion in this sector can be attributed to the initiative, commitments, skills of the province's pork producers and the collaborative spirit evident in the industry. With

construction well underway at the Maple Leaf Foods plant in Brandon and, of course, the recently expanded state-of-the-art Schneider's processing plant here in St. Boniface, and most recently the expansion of the Springhill plant in Neepawa, Manitoba continues to build on its foundation as a world-class pork producer and processor.

* (1440)

Some comments on our safety nets. The province's Crop Insurance Program administered by the Manitoba Crop Insurance Corporation constitutes a critical component within our broad safety net system. The provincially based program, which is jointly funded by the federal and provincial governments, provides farmers with protection against financial losses incurred from natural causes. Currently, more than 80 percent of Manitoba's crop land is insured by the corporation. This percentage represents the highest acreage proportion covered by crop insurance in Canada. The Manitoba government's annual funding contribution to the Crop Insurance Corporation premiums and related expenditures has ranged from \$30 million to \$36 million during the last three years. It varies somewhat in terms of the number of contracts and crops covered, but that is the range of the Manitoba portion of crop insurance cost, \$30 million to \$36 million.

We currently insure 40 different crops and are constantly adding to the mix of crops, and I expect that will continue as more and more diversified crops will be produced on our farmland. This broad commodity coverage encourages crop diversification within the province, and we will continue to make improvements to such coverage in the years ahead. I make a note here that it certainly would have been a great help to us, with the benefit of hindsight, had we instituted into the core program unseeded acreage coverage. Saskatchewan has a program that does provide for a modest \$25-an-acre coverage for unseeded acreage. It is, of course, available in Manitoba, too, both the \$25 and the \$50 coverage, but I regret to report only a relatively small number of contract holders seek that coverage.

The experience that we are experiencing currently in the province, it is my will and it will

be my intention to consider building unseeded acreage coverage into the core program. I believe there would be a reception to that by producers that may not have been there a few years past when some areas, such as the one now plagued with water, was chronically in a drought situation and saw little reason to add any premium cost for unseeded acreage.

Just a few words on the Manitoba Farm Mediation Board. It has understandably become more active in this last year with the crash in hog prices and the continuing poor commodity prices, and of course now the difficulties faced by so many of our producers. This is a significant and important group of Manitoba citizens with good general broad farm experience that help many, many of our families who find themselves in difficulty.

The aim of the Mediation Board is to try to bring the parties together, to try to help rearrange financing. They have a modest budget of their own and occasionally can provide some modest support, \$5,000, \$6,000 or \$7,000, that will help maintain a family on their farm and keep debtors from their doorstep. I have a great deal of respect for this group and their members. It is a small committee, I will not try to name them all, but chaired by a Mr. Harrison, I believe it is, and about five or six farm members of good standing throughout the province who do, in the main, a very important job.

I would like to speak a little bit about the Net Income Stabilization Account. The Net Income Stabilization Account, or NISA as it is called, is a major program tailored to serve the needs of participating producers during difficult times of commodity price downturns, which has most recently been experienced in the grain and the hog industry. This program, while it has its critics is, I must inform the honourable member, generally very well supported by producers. It is, of course, a program that allows the farmer to, in an orderly way, set aside some of his sales, some of his profits in a good year to be matched by provincial and federal sharing and then drawn down at times of need. That program just recently has come under some considerable scrutiny as we try to amend it, to make it a little more flexible.

Each year, Manitoba producers can deposit money into NISA and receive a maximum matched contribution from federal and provincial governments. All agricultural commodities, with the exception of inedible horticulture and supply-managed commodities, are eligible under this program. About 90 percent of Manitoba producers are participating in NISA, accruing almost approximately \$400 million in their accounts. Mr. Chairman, it is important to note that is a significant amount of money that is in the, roughly speaking, 19,000 NISA holders' accounts, \$400 million.

With regard to the producers who do participate on average, close to 20 percent of gross sales are on their account. NISA payments can now be delivered more timely and when needed. Participants no longer need to wait until the following tax year to apply for withdrawals. The introduction of interim withdrawals enables farmers to receive funds closer to the time when it is determined that they are needed, and our government pressed for more flexibility in the NISA withdrawal rules to ensure timely access to their NISA funds.

I am pleased to note that just as of yesterday Ottawa has announced that it has responded positively to these requests, and those announcements were made in Brandon. My friend and colleague the honourable member for Swan River (Ms. Wowchuk) was also present during those announcements. NISA is available to participating producers by making available an influx of cash during the income downturns. This program provides income safety net protection for the majority of grain and hog producers who are facing financial difficulties at this time.

Some new initiatives with respect to the farm income situation. During this time of financial duress faced by a number of producers, the Manitoba government was prepared to launch several new initiatives. The honourable member will recall that as we were getting into this developing crisis, particularly in hogs but also the continuing poor commodity prices and governments were moving rather slowly to the development of the AIDA program, there was an urgent need required for some immediate assistance, and I was pleased to have the

Manitoba Agricultural Credit Corporation launch what we call a Producer Recovery Program on December 22, 1998. This new initiative was aimed at helping farmers in financial difficulty caused by the current worldwide decline in commodity prices. Under this program, producers can offset working capital deficits and settle outstanding accounts payable.

On June 2, that program was enhanced from the original allocation of \$25 million to \$45 million, an increase of \$20 million. Individual farmers are eligible for loans of up to \$50,000, while partnerships and corporations with farming operations may borrow up to \$100,000. To date, the uptake has been significant, and since its launching date in December, as of today, we have some \$27.7 million in loans approved, and of this amount, \$24.1 million has actually flowed as cash flow. That is a significant injection of cash into the cash-strapped farm economy during this relatively short period of time from mid-December to June.

I think, Mr. Chairman, even you would be impressed by that kind of performance on the part of my loans officers in Brandon.

Mr. Chairperson: Yes, very impressed.

Mr. Enns: Applications for another \$4.9 million in assistance are currently being processed. The demand for assistance under this program has been strong. Applications for loans under this issue will continue to be available until July 31 of this year.

Then we have the Agricultural Income Disaster Assistance program or AIDA that is much in the news these days. In December of '98, the federal government announced the \$900-million Agricultural Income Disaster Assistance program to deal with the current financial crisis occurring on some farms. In response to the announcement, the Manitoba government, in consultation with producers, examined the effectiveness of this initiative in meeting the particular needs of the province. While we continue to express some serious concerns, and some of those concerns are becoming all too apparent as we try to apply the program to the

current income problems and disaster problems that farmers are facing, we nonetheless felt it mandatory or important to join the program, and that is what we did some time in late January.

To enable producers to receive full benefits under the AIDA program, the Manitoba government agreed to participate at 40 percent of the program cost. Nevertheless, we will continue to press Ottawa to recognize and address the particular needs of Manitoba farmers, and we are doing that right now. The essence of the AIDA program is to provide assistance to the farmer when his income declines by more than 30 percent of the last three years' running average.

At this time, I would like to comment just briefly on the extremely wet conditions that we have not just in western Manitoba, although that is certainly the area that is most seriously impacted, but there are regrettable areas outside of what we call the southwest-Neepawa, Gladstone, up into the Roblin-Russell/Grandview area. I believe that there are even some problems in the southeastern part of the province that they have had extreme difficulty in getting their crop in the field. Many producers are deeply concerned about their ability to get their crop into the ground this year. Manitoba Agriculture staff are working with western farm families whose land is experiencing excessive wet soil conditions. Our staff is providing them with information and advice on available options under these conditions, such as on agronomic practices, weed control, program coverage.

We have recently distributed our newsletter in the region listing our available services and resources for farm families coping with financial stress. Further newsletters are being planned. These will cover program, livestock feed, agronomic and other resource information. There are two specific offices set up, one in Neepawa and one in Melita, I believe, that have kind of pulled together the different emergency support efforts of government under one roof, one-stop shopping kind of for disaster assistance, and all our ag reps are aware of these offices. All our ag reps are working together in coordinating these efforts, and I understand that although it is not lessening the scale of the problem, it is certainly making it a little more

readily available, the kind of government information that is required under these circumstances.

* (1450)

I remind all of us that we are rapidly approaching the deadline for full coverage on crop insurance. Spring seeding has been extended by five days. The federal government has co-operated on this deadline extension in order to provide the same opportunity to western area farmers as received by the Red River Valley producers during the '97 flood.

Producers in western Manitoba may also be eligible for Disaster Financial Assistance under the DFA program. That is a program that I just want to spend a moment, that it is extremely important that we address and that we focus on other costs related to agriculture that, for instance, were responded to in the Red River Valley flood and have yet to have received any firm indication from Ottawa that it is their willingness or that they are prepared to provide the same level of support.

I mention three programs specifically. The Custom Seeding Program, which I felt I had to announce last week if it were to have any impact in trying to make full use of the better weather that we are currently enjoying. I announced without knowing for certain that the federal government would be supporting that. It was in '97 fully covered by the federal government, 100 percent cost of that program as administered by PFRA. We have another program that we refer to as the JERI program that compensated for some of the input costs, fertilizer losses that were put on them. Members of the committee must recognize that in many instances farmers have applied \$25, \$30, \$35 worth of fertilizer on their fields last fall or early this spring only to see them totally wasted, washed away in these heavy rains and of course totally, a 100 percent loss if no crop is planted at all. All they are doing is nurturing humongous weed growth that is going to cause a farmer additional expense to try to control. So I am seeking the opposition party's support in my appeal to Ottawa to fully provide the kind of assistance to all farmers in need in 1999 as was done during the Red River Valley flood in '97.

Mr. Chairman, I know there are a number of other issues that I should relate to, and I always feel under some pressure because my excellent staff who are sitting back there have prepared copious notes for me that describe in beautiful prose and with a great deal of information the full ramifications and status of agriculture as it is today, but I know that the honourable member for Swan River (Ms. Wowchuk) really wants to get at some specific questions, and I will cease and desist my presentation at this time and welcome my critic the honourable member for Swan River.

Mr. Chairperson: We thank the Minister of Agriculture for those comments. Does the official opposition critic, the honourable member for Swan River, have an opening statement or comments?

Ms. Rosann Wowchuk (Swan River): Mr. Chairman, I just would like to make a few comments. The minister talked about the importance of the department and the importance of the industry, and I think many times many people in Manitoba and in fact in other parts of the country overlook the importance of agriculture and its importance in the economy. We can see that happening when we see the small part of the population that participates in agriculture. Many people sometimes forget that the job that they are doing, although not directly involved in farming, is a spin-off job from farming. We saw very clearly just in this last couple of weeks the importance of agriculture. Although it is not one you like to see, but we see in the southwest part of the province where the business community and the Chambers of Commerce are concerned in small towns, and in fact the City of Brandon is talking about the impacts that they are going to feel because of the decline in the agriculture economy in that part of the province.

I feel very badly for those people who are going to suffer along with the farmers because we all know that when a farmer has money in his pockets, it does not stay there very long; he reinvests it either back in land or in equipment or money is spent on the family, and it spins through the community many, many times. The loss of revenue that we are going to see in this province, if that million-plus acres does not get

seeded is going to be felt throughout the province. So sometimes it takes a situation that has developed as we have in the southwest part of the province to make other people realize how important the agriculture industry is, and it is not only the heavy rains. In this particular situation, over the last couple of years, we have seen a decline in commodity prices. Farmers are making do with the equipment that they have, and I believe last winter we saw layoffs right here in Winnipeg where farm machinery dealerships were not having the sales that they had, were dissipating and their employees had to be laid off.

It is still a very important industry in this province and certainly has seen some changes as we move away from the Crow and move into a new era where grain prices are not what they used to be and we move into new crops. It is going to be a challenging time for the farming community and those in rural Manitoba, and people in the industry look to the Department of Agriculture for support and for the information needed as they take on the challenges of new variety crops and move into different areas. It is very important that we have a strong agriculture staff that is there in the regions to provide the farming community with the information that we need. That is one of the areas where we have some concern with the decline in supports for the farming community within the Department of Agriculture.

Certainly the hog industry is one that has grown and one that seems to be having less challenges than it did a few years ago. I hope that we can see that industry grow in a sustainable way, and when it is done properly and when there is proper consultation, it has the support of communities. But there are areas where we still have work to do in that area.

I believe the minister talked about the crop insurance, and certainly the issue of unseeded acreage is one that has had lots of discussion over the last little while and one that farmers have not participated in. Basically, farmers feel that the package that is there right now is not adequate, so I hope that we will see changes made to the program when the next round of negotiations take place to improve our crop insurance.

One of the hardest hit in this time of low commodity price, or disasters because of the weather, are the young farmers. They are the ones who the minister talks about NISA and AIDA, but those are the people who have a high debt load, have very little money to spare, have no money in NISA. In fact, if you look at some of those accounts, the minister is well aware that many of those people, if they have the ability to put money in, they put it in and take it out just about as quickly so that they can pay off some of their debts that they are carrying.

* (1500)

Certainly AIDA, as well, a program that we knew for a long time that was needed. In fact, I wrote a letter to the minister back in September of last year asking him to look at the situation that farmers were facing and the need for the provincial government to address it, look for ways to support the farming community. We had hoped that the package that would be developed would be a much better package than it is and as people prepare to make their application, it is proven that there are many people who are not going to qualify. Even with the announcements yesterday of lowering the numbers where the program could trigger in, there are still many farmers, because of the guidelines that AIDA is run under, who will not be able to access money. So certainly there are challenges there.

The weather conditions are certainly a challenge to many people, those in particular in the southwest part of the province but in others as well. In the Parklands there are several areas where seeding will not take place this year. The weather that we are having right now is certainly helpful, but there will still be some that will not be able to complete their seeding. Along with that are the challenges that we are going to face, particularly in, again, the southwest part of the province where it is not so much whether you are going to be able to seed or not but whether or not you are going to be able to get those weeds under control that are going to be the big challenge.

One of the areas that I think that the government has not addressed properly is certainly supports for families who are in very stressful situations. We have called on the

government many times to reinstate the rural stress line. We have asked that from the Minister of Health (Mr. Stefanson). I would ask the Minister of Agriculture to recognize the impacts on the families, to recognize the difficulties these families are facing and put in place that service. The cost of that service in the whole scheme of things is not very high. When you think that there might be a family who needs some support to get them through a very difficult financial and emotional situation, we had hoped that the government would recognize that as an important service.

I recall that when the Red River Valley was flooding, I believe the line—no, the line was not in place at that time, but we had called for it then. But at the time the government cancelled the line, the then Minister of Health said, well, we do not need the line anymore because commodity prices have improved and things are looking much better, so we do not need these kind of services.

Well, things are not looking good in the rural community. There is a tremendous amount of emotional and financial stress. This is one of the services that I very much would like to see the government put back in place and offer that service to people in the farming community. I do not think because people live in rural Manitoba they should have lesser services than people in urban centres. By that I do not mean every service should be out there, but you should be able to access those services. That is not happening right now.

In all of this situation, we have called for the people who are suffering this year to be treated the same way as the people in the Red River Valley were treated. That is not happening. The programs came about much more quickly during the Red River flood. The Leader of the Opposition (Mr. Doer) today said in the House, you know, we do not want to be cynical, but was part of the reason that money flowed so quickly during that situation because there was a federal election. Well, I do not think that that is fair that people should have to wait for a federal election.

We would support the government in every way we can to ensure that we have disaster assistance programs implemented for people

who are suffering and in this disastrous situation to be treated the same as those in the Red River Valley, whether it is costs for fertilizer, whether it is costs for custom seeding, whether it is costs for replacing chemicals or whether it is feed for livestock. Those kinds of things, we should have a policy, and those kind of costs, people should be treated the same way as they were in the previous floods and, I really think, floods or any kind of disaster. There should be a plan laid out that we should not have to negotiate each time something happens and federal ministers have to make accusations that provincial governments have not made application for funds when in fact those have been made. People should not be pawns in these kinds of situations. Those are the areas, Mr. Chairman.

Certainly, when we look at changes that have been made, I have questions to ask about the AIDA program and the issue of research and the direction that we are moving on in research and the supports that the government is prepared to offer to the farming community. We have some under the area of changes to crop insurance and agriculture Crown lands and a few of those areas. I understand that, given the time we are at in the whole Estimate process, there is not going to be that much time that we can address these, but I am sure there are some questions that we may put on the record that we can answer from the minister after.

Mr. Enns: If I could be of some help, I see my officials from both Manitoba Crop Insurance Corporation and Manitoba Agricultural Credit Corporation are here. If we would like to spend a few minutes, any questions that you have with respect to those two Crowns, I would be, at the willingness of the Chair, ready to treat them separately.

Ms. Wowchuk: There are a few questions under crop insurance that we could do right now. I guess I would want to know where we would get into the discussion on AIDA. That would be under policy. That would not be under— [interjection] That would not be under either of those departments—

Mr. Enns: If I might, I might suggest, let us go to Crop Insurance. Could we call on Crop Insurance officials to come and join me?

Mr. Chairperson: Just wait there for a minute, please. Under the practice, debate of Minister's Salary is traditionally the last item considered for the Estimates of the department. Accordingly, we shall defer consideration of this item and now proceed with consideration of the next line. Before we do that, we invite the minister's staff to join us at the table.

We ask that the minister introduce his staff present.

Mr. Enns: With me, of course, is Don Zasada, the deputy minister of Agriculture. I am pleased to have Mr. Neil Hamilton, the general manager, Manitoba Crop Insurance Corporation, and Mr. Jim Lewis, who is the director of Finance. He is the gentleman that has joined us from their Portage la Prairie head office this afternoon and would be pleased to try to respond to any question that you may have.

Mr. Chairperson: I take it that it is the will of the committee to have questions that are quite far-ranging. We are going to go under Crop Insurance right now. We thank the minister. We can have a general discussion then.

Ms. Wowchuk: I thank the minister for bringing his staff in to deal with this particular issue at this time, one that is very timely, given the situation that we are facing. The first question I would like to ask is that when the last round of negotiations on crop insurance took place, there was a decision obviously made to not include unseeded acreage coverage. The program that we have now in Manitoba requires that you have all of your crop insured before you have the unseeded acreage covered. My understanding is there is very little participation in the unseeded acreage coverage because farmers are just not satisfied with it.

* (1510)

Can the minister indicate how it came about that we have the kind of crop insurance, unseeded acreage coverage that we have in this province versus Saskatchewan having one that allows for a \$25-an-acre payment for unseeded acreage. How did we come to that point? Why was a decision made not to have that kind of coverage here in Manitoba? Did we get something else? How did that come about?

Mr. Enns: There are different pluses and minuses, I suppose you can say, to the crop insurance programs as they are administered across the land. I have always taken a position that I am extremely proud of the program that we have over the years put together, certainly my predecessors and other ministers that have worked with the corporation over the years. That is best attested to by the simple fact that we have the distinction of having the highest percentage of our crop land under crop insurance coverage, considerably higher, for instance, than Saskatchewan.

The question that the honourable member has asked is it has been an optional program. It has not been part of a core program or universal program. As I suggested in my opening comments, with the benefit of hindsight I wish I would have made it a universal program a year or two ago. We have about 175,000 acres that are covered for unseeded acreage, but you have to recall, that is a relatively small amount out of the 11-12 million acres that we farm and about the 7 million or 8 million acres that Crop Insurance insures, involving some 250 producers out of the 11,000 contract holders.

A \$50-per-acre coverage can be purchased for a modest 88 cents. That kind of coverage, had that been in place today, would go a long way in reducing some of the stress and some of the frustration and some of the concern that is out there in the agriculture community right now. It is my intention and it is my hope that the member will support me to make that recommendation to my colleagues for next crop years that we, in fact, do make it part of the core program.

Ms. Wowchuk: Yesterday the federal minister indicated that all changes that were made to crop insurance were the decision of the provincial government, or the provincial government had to take the lead on any changes that were being made to crop insurance. Can the minister indicate what the process is here? If we are going to get this kind of change, it certainly requires a federal commitment. So is this something that has to be negotiated? Are there negotiations each year that you have the opportunity to make these changes, or do you make negotiations that last over a few years, at that time, then those programs carry through?

Mr. Enns: I just wanted to indicate that Mr. Craig Lee, our assistant policy director, has joined us at the table.

I was kind of pleased to note, and I know it will come as news to the gentlemen from the Manitoba Crop Insurance, including my deputy minister, I might add, that the federal minister did indeed yesterday indicate that I and the provinces can do anything we want with crop insurance at any time. I do not know whether that, in fact, has been your experience, Mr. General Manager. I suspect we do have to consult with Ottawa, inasmuch as that they are senior partners in the program. But in the main, these changes are discussed. We are constantly adding the number of crops that are being covered, changing some of the conditions of them. We have made some specific amendments to some of the forage coverage as of late to reflect the growing interest in forage crops, making common seed, I think, insurable.

I call it a more friendly insurance program to the edible bean sector, again reflecting the expansion of that crop in our cropping area. Virtually every year there are some amendments to The Crop Insurance Act, which we discuss with our federal partners. Generally we come to an agreement and proceed. This bringing the unseeded acreage coverage would simply be an addendum to the program. I have already talked about the wisdom of doing that with the federal minister, and I would be certain that there would be no serious difficulties. There are some premium implications, of course, for both the federal government and the provincial government, but it is my firm desire to have that as part of our core program for the coming crop.

Ms. Wowchuk: The program that we have now, the unseeded acreage program that we have, is \$50 coverage for 88 cents per acre, and an individual has to insure all of their land in order to get that kind of coverage. Am I right on that?

Mr. Enns: Yes. I think the corporation will agree with me that we will have to take a hard look at some of the policies in place with respect to the unseeded acreage. We have, for instance, one of the stipulations that it must be at least a 10-acre block, and as the honourable member

knows and I know, flying over much of the land that is in current trouble there, there are lots of places where you do not get that 10-acre block. I would like to examine with the corporation whether or not—and I appreciate all of these have premium presumptions attached to them—a fairly flat out—perhaps based more like on hail insurance-type of an unseeded acreage. If a farmer has 50 acres that he has not seeded or 150 acres unseeded, that he has some coverage for it.

Ms. Wowchuk: Can the minister indicate has his staff looked at the program in Saskatchewan where they do have an unseeded acreage policy and what the cost implications there are for the producer? Is there a fairly substantial increase? What would be the comparison of their rate of insurance versus ours? Do you anticipate that moving to this unseeded acreage will have a fairly high increase in premiums?

Mr. Enns: Our general manager informs me that, in fact, if we were to make it universal on all of the 8,000 acres that we insure, it actually makes the already modest premium quite a bit less because of its application to 8,000 acres. In fact, I saw some data—and I am looking to the general manager who I am sitting far enough away he cannot kick me, but he has kind of beady eyes that he can focus on if I am out of line—that it could come down as low as 35 or 40 cents at \$50 an acreage coverage if it, in fact, were universal.

So I think, with the Minister of Finance (Mr. Gilleshammer) listening and at the table as well, it will take the co-operation, of course, of government to introduce what I call a relatively modest enhancement of crop insurance but one that would have provided us with tremendous safety net protection at this time. We would not be going hat in hand to federal governments or to our governments. There would be for a significant number of our producers a kind of support that they badly need.

Ms. Wowchuk: Can the minister indicate whether he envisions this being an option for people who are taking crop insurance, or would you see this as a compulsory part? If you are taking crop insurance, then this unseeded acreage would be part of the package.

Mr. Enns: It is an option now, and it has not been widely taken up on. So obviously if it would be my intention to make it mandatory, compulsory, what I call part of the core program.

Ms. Wowchuk: Mr. Chairman, I just want to say that I believe that if the price is more reasonable than what it is now and if there are some changes made to the requirements right now, particularly the size of areas that are unseeded, and if you make some of those changes, I think that it would be very much appreciated. I think that given the year that we have had this year—and I understand that people in the southwest part of the province prior to this did not see an interest in having unseeded acreage insurance. Given the climate that they are normally used to, which is a much drier area and they are normally more concerned about drought than they are about moisture, I can understand why they would not have been that interested. But I believe that if there are going to be changes made to the program, people will receive it much better and in particular if some of those changes are being made.

I wanted to ask the minister, as well in Crop Insurance, there are many new crops that are being grown right now as farmers change their practices. Some of them have been added. The minister talked about changing the program for beans, and that is certainly an important crop in some parts of the province.

Are there requests from farmers for new crops that are not being insured for under Crop Insurance right now? One of the crops that I think about in particular is the interest that we have in hemp. That is one of the crops that I would like to know. What kind of consideration, and is there any coverage on that?

* (1520)

Mr. Enns: Mr. Chairman, I am advised that this is an ongoing process at the corporation. They are constantly meeting with different provincial organizations that will bring to the attention of the corporation new varieties that they are starting to grow in the province. There are some forages that currently are not being covered, but again the corporation keeps looking at them. Certainly commercial hemp is a crop that

producers are showing a considerable amount of interest in, in different parts of the province, and I will be asking the corporation to look at that crop. I note, by the way, I think Ontario, who has had a somewhat longer history of growing hemp, their crop insurance program provides some coverage.

So it is a question of getting some of the raw data that enables the actuarials to put together a program, strike an appropriate premium structure. But there is certainly a willingness on the part of both our federal partners and the provincial partners to insure as many or preferably all of the crops that we grow. Crop Insurance, and I call it our basic Enhanced Crop Insurance, is by far the most significant important element of our safety net programs. I know there are other portions to the safety net programs, like NISA and like AIDA now, but for me at least basic crop insurance still represents the central core of our safety net program.

Ms. Wowchuk: Mr. Chairman, a few days ago the minister announced the custom seeding that was going to be offered. Will that be administered through Crop Insurance, or who is going to be doing the administration on monitoring the Custom Seeding Program that has been announced? If the minister can also indicate, I asked a question in the House today about what was being covered, because when we were in Brandon yesterday I had two farmers talk to me about this program. They had indicated that it was not spelled out clearly as to what was being covered. They did not know whether it was just custom seeding or whether it was soil preparation that was being covered. The minister indicated in the House today that it is everything related to seeding. I wonder whether that information is available at Ag offices, because that certainly was not the message that the two producers that I talked to yesterday were talking about. The other question they had asked was whether it was going to be retroactive. I did not think the program could be retroactive from the announcement, because it just did not make any sense.

How did that information get out, and is it seed preparation? If you look at this and what I have here and the information that producers

had, they are under the impression that it is hiring the seed drill. If you look at some of those fields that need to be seeded, there is a lot more than a seed drill that has to go into them before anything can be done there.

Mr. Enns: Mr. Chairman, I seek the honourable member's assistance in spreading the word that it is anything that leads to seeding: seed preparation, it could be an application of spray, of Roundup under some of these circumstances. But that is done within that time frame that leads to seeding.

Information is being finalized and sent to various Ag rep offices. The second question is that I will be calling on the Manitoba Crop Insurance Corporation people to administer the program. They have the data, and they are the agency that is best equipped to verify what the level of unseeded acreage at the end of the day is. Many of these people are their clients, their customers, who have a long history with the corporation. The corporation knows precisely that this farm normally seeds 3,000 acres or 2,000 acres, and if they get a report in from them that they only have 300 acres seeded, it is this corporation that can provide us with those kinds of basic figures upon which payment will be made.

Ms. Wowchuk: Can the minister indicate then what is the process? Is it submitting your bills and an inspection? Will it require Crop Insurance inspection, or is it just sending in their bills?

There must be some monitoring and checking as to when the work took place. I guess if somebody is custom seeding for you, you should have bills from them, but is there also monitoring that is going to be done by Crop Insurance?

Mr. Enns: Mr. Chairman, I am advised that by June 30, all farmers have to provide a seeded acreage report. All they have to do on that seeded acreage report that they normally send in to the corporation is indicate that in this year they have had to avail themselves of some custom seeding. I have seen the form, a simple form from Crop Insurance that indicates the amount of custom seeding supplied with some

raw data of receipts and bills of the custom seeder having done this work, X number of acres. Based on that information, the payment will be made.

I have asked the corporation; I have asked my staff to keep it as straightforward and as simple as possible. I do not want to frustrate my farmers any more with undue paperwork and more forms, and I believe they have achieved it. I have seen the actual form. In fact, I will show the honourable member. It is just a simple form that indicates the crop seedage, spring wheat or canola, acreage seeded.

An Honourable Member: No requirement for receipts?

Mr. Enns: Well, there is a requirement for receipts, and if there is a reason for a call back or a check on the part of a Crop Insurance agent or Ag rep office, although it would be essentially Crop Insurance people that would be doing that, we will do that, but in other words pretty straightforward.

Ms. Wowchuk: Mr. Chairman, the government has made this decision on their own without federal support on it, and basically I guess because you could not wait for the federal government to make any announcements. Can the minister indicate whether he anticipates that this will be covered under the disaster assistance funding, or is this program going to be drained out of the AIDA package? Where does the minister plan to take this money from?

* (1530)

Mr. Enns: The honourable member is asking the appropriate questions. There is an inclination, I gather, looking to my deputy ministers and policy advisers, that the current position of the federal minister is to draw as much of this out of the AIDA or AIDA-related program, that it is his belief that the AIDA program should be the one and only kind of whole farm support program.

I cannot answer the honourable member accurately as to how this will play out. What I can answer, and I seek her support, is that 1997 was not that long ago, and people do not require

much of a memory to know precisely the kind of agricultural support programs that were available to farmers in the Red River Valley. I and my Premier (Mr. Filmon), and I am sure the honourable member speaking on behalf of her party, we have all made the statements that we want to treat our farmers equitably. If programs of a particular nature were available in '97, they ought to be available in '99 under these circumstances.

Just to be clear on the record, this particular program was a PFRA-administered program at 100 percent and picked up 100 percent, federal government, the Custom Seeding Program in '97. Under that program, some 930-odd thousand dollars were actually spent, just under a million dollars. Not all that much custom seeding really took place, although there was a fair bit. Our department's best estimate is that—and that is what I have authority for from my Treasury Board—upwards to 500,000 acres might be custom seeded under these circumstances, and at \$10 an acre it makes that a \$5-million program.

Mr. David Faurshou, Acting Chairperson, in the Chair

Certainly my Minister of Finance (Mr. Gilleshammer), when I announced the program without the federal government as a partner, I am anticipating that we can eventually have the federal government as a partner in that program.

Ms. Wowchuk: I certainly hope that the federal government will be a partner. If it was paid in '97 under a program through PFRA, I would see no reason why we could not have that kind of support now.

Mr. Enns: I might have to seek the honourable member's support in having you convince your federal colleagues to take their mind out of kicking God out of the Constitution and concentrate on the farmers' needs here, you know, and get the federal group together again. Seriously, the current government will need to be reminded, and it is a federal issue, that equity is a very important issue in this issue. I would not like to say, as her Leader of the Opposition (Mr. Doer) mused this afternoon in Question Period, that surely we do not fashion programs just because a party or a government is in the midst of an election.

Ms. Wowchuk: I want the minister to know that our federal caucus has raised this issue several times in the House of Commons and is very supportive of the farm community and feels that this should be supported.

The minister talked about \$5 million that he anticipates this costs, and the minister talked about the money coming out of the AIDA if someone else does not pick it up. Does the minister then mean that the provincial contribution to the AIDA package on the other side would be reduced by \$5 million to cover this off, or is it somewhere else that we are expecting the money to come from to cover this off?

Mr. Enns: The federal minister has advised that any component of these additional programs or any programs that the province initiates that bring down the call on the federal portion of AIDA will be credited to our account. If we institute a program that reduces the draw on the AIDA program, we will be credited with that because, you see, it is adding income to the farmer. When he fills out his AIDA form, that is reflected in there, so his payout under that program would be somewhat diminished. That savings would be recognized by the federal government as a direct result of the program, whether it is the kind of program that we are talking about, and we would receive credits for that.

Ms. Wowchuk: I would like to know what other options the government is taking to help out with the situation that the farmers are facing. I look at the package that was put out by the Saskatchewan government, and one of the things that they are offering is greenfeed coverage. Given that there is a serious weed problem and some work has to be done to try to control them, there could be a hay shortage, farmers talk about pastures being flooded out and loss of hay this year, are you giving any consideration to offering the same or similar options to what Saskatchewan has where there would be insurance coverage for greenfeed coverage?

Mr. Enns: Mr. Chairman, I am advised that we are currently putting together a package of additional programs, that some would come that we want to present first of all to my government

but also to the federal government that would call on their participation in funding at different levels, either under the JERI program which was a 50-50 flooding, some of it perhaps qualifying under the DFA program which has a formula that changes the percentage of provincial-federal participation at different levels of costs. I am advised that the Department of Agriculture is looking at a greenfeed component similar to what has been announced in Saskatchewan. That will be part of a package that we will be seeking support for and urging farmers to produce greenfeed. My general manager informs me that if, for instance, we have a field of barley that we have insured for barley, we will allow that to be cut for greenfeed. They will go down and do an assessment and appraisal of that situation before that is done. So there is that kind of flexibility in the program. I am sure we are going to see quite a bit more.

Ms. Wowchuk: I wanted to ask a question about another program that is covered under Crop Insurance. That is the livestock depredation program—predation, predators—

Mr. Enns: That is when the coyotes get our animals.

Ms. Wowchuk: That is right. We have raised this with the government before, and it was certainly a program that cattle producers have called for and one that they have looked for. Can the minister indicate what has been the uptake of that program, what kind of claims have been made, what number of claims have been made? I guess I would like to know what number of claims have been made, what number of claims have been denied, and what kind of dollars have been paid out on it.

Mr. Enns: We had 307 claims this past year. Compensation was paid to a total of \$121,400. Administration, cost of administering this program was \$27,000. So the total cost of that program was \$148,700 or \$149,000 total cost. The question that was asked, out of the 307 number of claims, I am assuming these were all paid-out claims? Was that 307 out of 500 requests? I think that is what you were asking. I am advised about 70 were declined.

Ms. Wowchuk: There were a couple of issues raised with people in my area of the province who had problems with wolves. It seems to be that first they thought you had to find the animal immediately after it was killed or put down, but that really does not happen when you have got very large pastures. Sometimes, as the minister knows, it takes a few days before the ravens start to circle around where you can actually find where the carcass is. There are producers who are having difficulty with that, but when we raised that with the minister he said last fall that it did not necessarily have to be at the time the animal was lost, it was the time it was identified as being lost.

I had a constituent who called me just the other day who was having a problem with that, where he had lost an animal. He then found and shot the timber wolf in the area but the claim was denied because there was not evidence that the timber wolf had taken it down. Who makes the judgment call? How is a decision made as to whether or not this is really a wildlife predator that has taken this animal? Who makes the determination and how is that made to determine whether, even in a case where there might be a timber wolf that is seen in the area, a decision is made that it is not worthy of compensation?

Mr. Enns: Obviously, there is a judgment call that has to be made in assessing probable cause for the loss of a domestic farm animal. The Crop Insurance Corporation calls on Natural Resources personnel as a third-party verifier of this, the assumption being that they have a so much bigger background in predators' habits and of course, as a department that has the responsibility, would like to know. It is helpful to them when they see a higher incidence of wolves or other predation take place in a certain area that they can be alerted to some management programs that they ought to be considering in that area.

I am also advised there has to be a carcass, a carcass has to be found within three days. We are getting a little more flexible. If there is a genuine dispute about whether or not that was an animal lost as the result of a predator or natural cause, there is a possibility they will settle in some instances for a 50 percent claim if we do not feel we can prove it that it has been a

predator's loss. Loss has to be reported within three days of discovering the carcass. I appreciate that there was a fair bit of controversy on this very issue at the time we introduced the program.

I will certainly recommend to Crop Insurance and to ourselves in the department to make sure that our producers, particularly our livestock producers, make use of some of the newsletters that they have, like the Manitoba Cattle Producers Association, that they are fully informed of these kinds of regulations. I think if more of our producers understand that, the program will be more appreciated. I think I say without standing to be corrected that we are one of the few jurisdictions in the country that are providing this kind and this level of protection.

Ms. Wowchuk: I would like to just leave the name with the minister of the individual who contacted me yesterday. His name is Mr. Jim Burdeny from Ethelbert. If the minister could have his staff look into that particular situation and then I can get to back to him as to the details of why his claim was rejected, that would be very helpful.

Mr. Enns: Staff has noted the name, and we will certainly undertake to do that.

Ms. Wowchuk: I did not quite get the minister. Is there an appeal process, or is it a negotiation if an individual is not happy with a decision?

Mr. Enns: My staff indicate that they are working on an appeal process.

Ms. Wowchuk: Is there any detail on what that appeal process would take, or is just something that is in the developing stages?

* (1550)

Mr. Enns: The honourable member will be aware that we do have an appeal tribunal associated with the Insurance Corporation, and that will be the body that would hear it. We are working out the specific details about how and on what grounds a case would be appealable. The basic one would be the question of whether or not it was a predator kill or a natural causes death.

Ms. Wowchuk: Mr. Chairman, I look forward to hearing the final decision on that, because it is one that needs some clarification. I think there is a little more information needed as to when claims have to be made, how soon after the finding of the animal, and I think there needs to be a little bit more information and an avenue for appeal, although sometimes these losses are not very great. In some cases, if it is one or two animals, even one animal, it can be a fairly substantial loss for farmers. So if they have an avenue to appeal it, then that would be helpful.

Under this line, we also have—

The Acting Chairperson (Mr. Faurichou): May I interrupt the honourable member for Swan River.

Mr. Enns: I just wanted to inform the committee that I lost only one calf in calving season this time to a predator. A coyote chewed its head off while the cow was having a difficult delivery. But my deputy minister prevented me from applying for any support under this program, because he said that would be a conflict of interest, and ministers are expected to take these kind of losses. Is that not what you told me? [interjection]

Ms. Wowchuk: Sometimes that is some of the risks you take when you get into this kind of business.

Mr. Enns: Absolutely.

Ms. Wowchuk: Mr. Chairman, under this department we also have NISA. I believe this is where we could get some information on that particular program. When we looked at some of the statistics on NISA, we found that across Canada about one-third of NISA participants had accounts which balanced at just \$395, in contrast to the top 1 percent of participants who held 13 percent of the NISA funds.

Mr. Enns: This is not under Crop Insurance. Did you want to do the Manitoba Credit Corporation next and then we go into safety nets?

The Acting Chairperson (Mr. Faurichou): Thank you, honourable minister. Is the committee willing to move on?

Ms. Wowchuk: We could call Crop Insurance and then we could move on.

The Acting Chairperson (Mr. Faurichou): Could I ask the committee's indulgence in this respect? Are you prepared to pass at this time the lines involving the Manitoba Crop Insurance?

Ms. Wowchuk: I am sorry. I am looking at the lines here, and I see Crop Insurance and then NISA under the same area. [interjection] Pardon me? NISA comes under the same area.

The Acting Chairperson (Mr. Faurichou): There is a question on the floor to the committee. Is the committee willing to pass at this time the lines pertinent to Manitoba Crop Insurance Corporation? [agreed]

Mr. Enns: We will leave NISA line open.

The Acting Chairperson (Mr. Faurichou): Very good.

Item 3.2. Risk Management and Income Support Programs (a) Manitoba Crop Insurance Corporation (1) Administration \$4,312,600—pass; (2) Premiums \$29,600,000—pass; (3) Wildlife Damage Compensation \$1,000,000—pass.

Item 3.2.(b) Net Income Stabilization Account \$18,500,000.

Mr. Enns: We have agreed to hold that. We are now skipping over to MACC, the Credit Corporation.

The Acting Chairperson (Mr. Faurichou): Very good. The will of the committee has been to decide to pass on the Net Income Stabilization Account.

Moving on to Item 3.3. Manitoba Agricultural Credit Corporation \$9,455,300.

Mr. Enns: Mr. Chairman, may I just introduce Charlene Kibbins, who is our assistant director of the Manitoba Agricultural Credit Corporation. Mr. Gill Shaw is likely on his way. Honourable members will appreciate that when we get these committee calls on such short notice, in both

these instances—the MACC head office, of course, is in Brandon; Portage is a home for the Crop Insurance Corporation—it is somewhat difficult to have them here. But Charlene will be able to respond to any and all the questions that the members of the committee may have. Thank you.

Mr. Chairperson in the Chair

Ms. Wowchuk: Mr. Chairman, I just wanted to, briefly, under Manitoba Agricultural Credit Corporation—there has been legislation brought forward to change The Credit Corporation Act. I have talked to some people about it, and they tell me basically it is just updating the act to bring it into today's language, as the major change. But I guess I would ask the minister if he could indicate the purpose behind it. Is that what it is, just to update the act, or are there some other reasons why we are now making changes to this act?

If I recall correctly, last year we made some changes to the act that were housekeeping in nature, and now we are doing it again this year. I wonder why those kinds of changes, if they are just housekeeping, were not all done in the—I understand it is a complete rewrite of the act—but why did it not happen last year when there were some changes being made to the act? What is the purpose of taking that on right now?

Mr. Enns: Mr. Chairman, I should advise the honourable member that it is more than just housekeeping. This is modernizing, bringing some needed changes in principle to the operations of the corporation. We were having to virtually amend the act every year to accommodate the changing face of Manitoba's agriculture and the kinds of things that farmers borrow money for.

I would call it a significant piece of legislation that continues to recognize that Manitoba Agricultural Credit Corporation is an extremely valuable tool that the Department of Agriculture has, the government of Manitoba has, to provide needed support, particularly targeted support. Manitoba Agricultural Credit Corporation still, in the main—it is reflected in its policies—targets the start-up farmer, the young farmer. We still have, although it has been

decreased, some subsidized support for that young farmer in the Young Farmers Rebate Program.

So the new act encompasses all of these thoughts. It also, if the honourable member has read the act properly, recognizes that, where in 1958 when the corporation was founded and subsequent years that it has operated, it was clearer to identify what constituted a farmer or a farm enterprise than it is today, so there are some changes to the act that allow the corporation to broaden its mandate to include what, in fact, is happening in some instances out in the landscape beyond the straight family farm unit that we have been more or less mandated and constituted to service.

I look forward to a lively debate on the bill when the bill comes to the Chamber and certainly will have senior staff of MACC available at committee stage of the bill to provide specific information, clause by clause, as to what they portend to do and how they have changed from the old bill.

Ms. Wowchuk: Is this legislation allowing for a shift away from the normal role of MACC? The minister talked about a focus on start-up farmers and those who cannot get loans. Does this change allow it to move more toward the corporate farm or toward the co-op farm? What is the change that you are seeing within the agriculture community that you feel has to be addressed in this change in legislation?

Mr. Enns: Mr. Chairman, I am told that the act properly reflects the basic mandate of the corporation; that is to provide financial assistance to start-up farmers with the emphasis on the start-up farms but to any farm operation that perhaps over the years has changed somewhat. He has some involvement in some further value-added operation that he is associated with on his farm that in the more restrictive, older act would preclude the MACC from providing any consideration for support, but now makes it able. It is fair to say it is a broadening of its mandate.

It is also fair to say, Mr. Chairman, that there is in our current government programming a gap, if I may put it that way. We are primary

production farmers. People who are involved in farming production are for some reason—the member may want to take it up with the appropriate ministers—excluded from those support programs that governments have in departments like Rural Development, departments like Industry, Trade and Tourism, the REDI program, the Grow Bonds Program, some of the economic development, industrial loan-like programs that the Minister of Industry, Trade and Tourism has available to businesses in Manitoba.

But if it is a business that is relative to primary production, they are specifically excluded from many of those programs. In some instances they come very close to where MACC could help them, perhaps not necessarily in the direct loan capacity, but in the diversification program that we have. That has become a very popular program that is recognized, particularly by the private banking institutions, of being extremely helpful in bringing together some of these operations on the farm scene.

Ms. Wowchuk: Is the minister then looking at a way to support farmers who are in the primary production business who are looking then to get value added to their product? Is that what you are seeing?

* (1600)

Mr. Enns: We have kind of taken a pause in our expanded potato production, generally speaking, but I am an optimist, and I believe that today we are still in a very good position that sometime not too many years from now we will be expanding our potato production again.

Potato production is an expensive business to get into. You might get two or three potato producers willing to get into the project but wanting to come together and build one storage facility which are major dollars. Under the old act, it would be difficult for the corporation to deal with these people as a unit if they so chose to, maybe three potato farmers building under a corporate name, owning a joint potato storage facility that services the three farms.

We are seeing some, and I know the honourable member may wish to pass a social

comment about this. It is not being driven by the Department of Agriculture or any particular policies, but the growth to consolidation continues to take place in all aspects of farming. We have had some fairly significant expansion and/or coming together in the dairy operations where we are seeing herds of 300 and 400 dairy people coming together, and I believe there is a diversification going out to one of these operations. Certainly the hog operation continues to be in an expansion mode, and if that price recovery does become complete in the next few months I can expect no let-up in the continued expansion of the hog industry.

Ms. Wowchuk: The minister talks about the expansion of the hog industry, and certainly that is going to happen. We are going to see that grow. You talk about the people joining together to work together. Well, I think we have come full circle. I recall a time, and if you read back, when my parents and my grandparents were farming, not everybody owned a thrashing machine. They shared equipment, and we have come full circle. We are coming back where, instead of being so independent, we are learning how to work together again. And I see nothing wrong with that. If that is the route, and if there is an encouragement for that to happen and for people individually not to have to go beyond their means, what they can afford and get themselves into deeper debt, well, that is something that is certainly welcome.

But if we are looking to value-add on every farm—I know I talked to some farmers just recently who, when we talk about value-added, they say: where are we going to find the time in the day? We cannot grow the potatoes and make the potato chips too. There is a limit to how much value-adding that we can do on the farm. There is need for primary production, there is need to diversify, and I think that there is need to work together on some things. If that is the goal that this legislation would allow for the corporation to have the flexibility that they need to work with producers when they want to have a joint venture such as this, then that would be a good move. But would there not have been a clause under the act that would have allowed for people to join together in a joint venture prior to this? Did the legislation not allow for it or was it just too complex?

Mr. Enns: It allowed for it, but there were some specific incidents that prevented us from considering it. Just the changes that are taking place in the farm industry.

Ms. Wowchuk: The minister talks about when the corporation was founded in 1958. Some of those farmers who started in 1958 who had borrowed money from the corporation are now looking to—some of them, I would imagine, are out of farming now and some of them are looking to get out of farming. We have to look at some kind of transition.

It is very challenging, with the size of operations and the amount of money that is needed, for young farmers to get started, to take over the family farm, for example. Parents want their children to take over, but they cannot afford to be left without anything because this is their life investment in there. The children cannot afford to buy it out completely. Is there any move to look at any kind of transition funding that would help young farmers take over the family business and continue those operations which are very important? We want to see those young people stay in our community. We have a decrease in the number of farmers that we are having. We do not want to lose more of them, and I think that is something we should think about.

Mr. Enns: The honourable member raises an issue that the deputy minister informs me has been the centre of a great deal of discussion and program planning, particularly under our farm management program sector. We have developed whole sets of workbooks, if you like, to assist families in making that generation transfer. Certainly Skip has informed me that the corporation works very directly with families under these circumstances.

I might also say that in many instances we find ourselves passing on our maturing customers to FCC, and so we do not necessarily have them here. That is fine with me as well, but it is a matter that the Department of Agriculture considers of real importance, that we spend some considerable resource time in terms of staff and efforts in hosting regular programs.

I remember I attended one program some years ago where we have co-partners with the private sectors in the form of capable chartered accountants and some banking people and estate planners and lawyers. We all sat down and had a workshop on this very issue. It is an important issue. It can be very stressful on the family because it can be a sensitive issue, the coming generations sometimes feeling that, well, it is owed to them because they have been working on that farm for a good portion of their lifetime at what, I suppose some might say or, in their own opinion, might think, is less than adequate or full wages, but were prepared to do it in the consideration that they were going to be deeded the farm.

But then to cover off what the honourable member has expressed a concern, and in this day and age a retiring farm couple needs to look after, hopefully, and what is prudent, their ever longer span of life that needs to be financed somehow or other.

* (1610)

Ms. Wowchuk: I am pleased to know that the department is looking at those kind of things. I really think that it is something that we have to work on, that whole transition, and how it is that we can help families go through that transition smoothly.

I look at the line in the budget, and we see that there has been a fairly substantial reduction in Net Interest Cost and Loan Guarantees. Can the minister indicate what has changed there, and why we have that kind of an anticipated reduction in funds?

Mr. Enns: I am advised here by my capable staff that this decrease is due to a four-year history of gains on sale of property, interest and investment income.

Ms. Wowchuk: I am not quite understanding what that means.

Mr. Enns: Actually, I did not understand that either, but I was just checking with you to see whether—

Ms. Wowchuk: Are you telling me that that means you have sold—you said increased sales.

What have you done? I do not know what you have done.

Mr. Enns: I am apprised. As the member is aware, the corporation continues to sell land from time to time that comes into its possession through different means, very often back to the lessee, who has perhaps been leasing the land for a while. What this reflects is that the land in fact has been selling for more than its book value, so it cuts down on the demand on that line item.

Ms. Wowchuk: The minister indicates there is more and more land being sold off. Can the minister indicate how much land the corporation still owns and what does he anticipate that plan to be? Is the move continuing to dispose of that land as quickly as possible? I assume we no longer have long-term leases. The leases are short term, and when those come up, the corporation is trying to sell them?

Mr. Enns: I am pleased to indicate to the committee that as of March 31, 1999, we have some 30 what we call long-term lessees, that is, that have leased land for over five years up to the age of 65 and then a transfer has to be made. We have some 37 short-term leases, one or five years, for a total number of lessees of 67. The value of that land, book value is \$4.7 million and the number of acres is 28,559 acres. That is down considerably from, say, over the past eight or nine years, 10 years. Certainly there was a time, I believe, when this government assumed office in '88, that was probably in the order of 134,000, 135,000.

Just for comparison sake, last year, March 31, 1998, we had 37,000 acres. Today we have 28,000 acres. So a further 9,000 or 10,000 acres have been subsequently sold. Last year we had 90 lessees, a combination of long term and short term. This year we have 67.

If the member is looking for a policy direction, certainly we encourage and I have encouraged the corporation to, where applicable, and in most instances—I am looking to Charlene to see if I am right—in most instances the land is eventually sold back to a lessee. In fact, we encourage that to happen. We are not forcing anybody to do that, but obviously that long-term lessee is happy to remain that way, but at some

stage of the game he often comes to the determination that he would like to purchase land, and he is then in a favoured position, you might say, to purchase that land.

Ms. Wowchuk: Does the individual who is the lessee have first option to purchase the land, or does it go up for tender?

Mr. Enns: That is what I meant by saying favourable conditions. The lessee has the first option to purchase. If he chooses not to exercise that, then it is open to tender process.

Ms. Wowchuk: I guess what I am looking for, a few years ago when the government was moving quite aggressively to get rid of their MACC land, for some people it was quite a burden. Because of their financial situation, they could not purchase the land, but they needed the land. It was part of their operations. I know in a couple of cases where it had put a fair amount of pressure. In some cases, they were not able to purchase the land and, of course, then had to change their operation. What I am looking for is: does the government feel it is so important to dispose of this land that they are willing to put added pressure onto families who want to continue to operate but cannot because of this policy decision to dispose of MACC land?

Mr. Enns: The staff informs me that there is no specific policy to do what the honourable member suggests. There is, I suppose, the greater comfort level in the longer term lessee. In the short-term lessee, there is that pressure for sale, but, again, staff informs me that they are also very co-operative in helping to finance the sale.

Ms. Wowchuk: I am not clear then. The minister is saying there is a move to reduce the inventory of the corporation, the amount of land, and leases are now signed. Do producers who lease land from the corporation lease it for—what is the longest lease you can get at this point? Is it after that lease has expired that you have the opportunity to lease again, or must you consider purchasing the land at that time?

Mr. David Faurshou, Acting Chairperson, in the Chair

Mr. Enns: Mr. Chairman, I will redirect from the material provided me by the officer of the corporation: Depending upon the settlement arrangement, MACC may offer the original landowner debtor a lease with a purchase to option for a term of up to five years. If the original landowner debtor is not in a position to purchase all of the original landholdings during or upon the expiry of initial lease term, MACC offers a subsequent three-year lease, with a further purchase fund provision.

* (1620)

That means that during these three years MACC actually provides dollars to put on deposit on the land. If a portion of the original landholding is purchased, MACC offers a three-year lease for the balance. It does not have to be the entire parcel of the original landholdings, and the purchase fund provision becomes the lessee's option. The maximum period that MACC leases land for is eight years. Any land not leased or sold in the course of debt settlement is advertised to the general public for sale and lease. MACC will always be in this business, because regrettably MACC will always find some land coming back to them. At least it is not the policy of this government that MACC acquire large holdings of land but to, again, use that as a matter of fact to very often enable the farm family or farmer in difficulty to maintain a farm, and by recapitalizing and, quite frankly, by the corporation sometimes taking a loss, that is accomplished.

Ms. Wowchuk: So an individual can lease a piece of land for eight years. If that individual chooses not to buy, it goes up for sale. If nobody is interested, is it then re-leased? Is there the option to re-lease again? I guess, I would want to know also the take-up. Is there a lot of land that is put up for sale by MACC that ends up staying in this because there just is not the ability for someone to purchase it, or is there a great demand and is the land sold most of the times?

Mr. Enns: The policy is that after the eight-year expiry of the lease, the land is put up for sale as always in the first instance to the lessee that has first refusal; failing that, it is put up for general sale. If the land does not sell and it goes

up for lease again, the lessee has the option of successfully bidding on the lease. The lessee under those circumstances is not a preferred position but he would be bidding against others who may wish to lease the land as well. So it is a combination of things.

Ms. Wowchuk: I want to talk about the Manitoba Producers' Recovery Program. A program that the minister brought in just this year, one that there certainly has been an uptake on, and one that will help farmers through a difficult time, particularly, the hog producers. I know of one particular hog producer who said this was a very important program for him, even though he had to pay back the money. It got him over the hump, so to speak, until the prices came up again. It provided for a much-needed cash flow. Can the minister indicate, there was a strong uptake and it required additional money to be put into the program, what the participation is right now? Is there still a demand or have we reached the peak of the demand, and is it levelling off now on this particular program?

Mr. Enns: Mr. Chairman, I think in my opening statements, I covered some of the facts. I am very pleased with that program. It is not, as the member correctly identifies, a handout or a grant program. The farmers do have to pay these loans back, but I want to compliment the staff and the management of the Manitoba Agricultural Credit Corporation for having really responded, in a very short order, to again what turned out to be a fairly major undertaking, that is, to provide this emergency recovery loan to needing farmers and to do it in a way that at the same time showed some responsibility for the stewardship of public money that we all have to be concerned about, but also to try to keep the paperwork to a limit. In the main, I believe they have succeeded.

I would like to acknowledge that we have our General Manager Gill Shaw come and join us now from Brandon and Karen McEachen from Brandon as well.

Back to the loans program, I really do want to compliment them. They had to instruct a lot of their field officers; in some instances, they were less successful than in other instances. There were some initial misinformation as to

what was required to do it, but the simple fact is that within these relatively short months, four or five months, over \$27 million have been approved to date. I believe, some \$24 million of money have actually flowed into the community.

The member is right. I recently received authority to increase that from the original \$25 million to \$45 million, and while the activity is slowing down a bit at this time, we expect the better part of that \$40 million to \$45 million will be taken up by the July 31 deadline. Of course, one of the features of the program that I think is helpful is the corporation is prepared to, on an as-needs basis, a case-by-case basis, allow for a deferment of a year or even up to two years any payment of principal and interest.

Mr. Chairperson in the Chair

That is very important for some of these producers who are caught in this low commodity price squeeze. I am hopeful that, for instance, some of our hog producers who avail themselves of this loan will be in a good price recovery position perhaps later on this year and will then find it quite within their means to be able to meet these obligations of this loan. In the meantime, as the member correctly points out, it helped the producer over a particularly difficult period of these price slumps.

Ms. Wowchuk: As with any program, there is always going to be some that do not qualify and some who are unhappy because they hear an announcement of a program, and when they go to make their application, they do not qualify. Can the minister indicate the number of people that have applied for the program and the number or percentage of people who did not qualify? What would be the reason for disqualification? Was it a review of an individual's financial situation that would result in them not qualifying for the program? What was your requirement to qualify?

* (1630)

Mr. Enns: Mr. Chairman, out of a total of some 532 applicants whose loans have actually been disbursed, we have only declined 52 of them, and in those instances they would be forwarded to, in many instances, to the Farm Mediation Board.

I do not have the Farm Mediation data before us, but I know that in many instances they have helped them restructure their loans, and only in a few isolated cases were they actually totally declined. Regrettably, as the member knows, there are some situations where it is just not prudent to borrow more money for different reasons, and regrettably those cases keep showing up. Whenever a new program is announced, they are very often the first at the door to ask, okay, now here is a new program. But if their experience in the past has been such that a corporation simply cannot in good conscience make a loan to them, they will have to refuse them.

But I am trying to get an understanding that there have been relatively few declines, less than 10 percent.

Ms. Wowchuk: What is the maximum loan that a person can get?

Mr. Enns: This program had a specific limit set at \$50,000 for the individual and \$100,000 for the corporation or family partnerships, if they were so listed in their farming books.

I might just add for further information, I have kind of a sector breakdown: \$3.3 million or 11 percent of the \$24 million disbursed went to beef operators. Sixty percent went to grain operators. That is a surprising figure, 60 percent or \$16 million. Hogs took the next biggest chunk at 26 percent, or \$7.4 million went to hog producers. We had just a very small amount, less than \$200,000 to a poultry operation, and then others, also a very small amount, 1.4. That might have been my wife's enterprising South African Boer goat meat venture or her sheep venture, but, then, again, I know that my deputy minister would not let me apply for a loan because he would call that a conflict of interest again on the part of the minister. So it is not my family's loan.

Ms. Wowchuk: The minister talked about the Manitoba Farm Mediation Board, and the notes here say that the corporation can provide special farm assistance. Is it financial or farm, to farmers in need, in co-operation with the Farm Mediation Board? So what funds would be available from the corporation for people who

are required to go to the Mediation Board? Is there a special program that helps them do that?

Mr. Enns: I am advised that the corporation has in place a specific amount of money, \$5 million, that is used exclusively by clients who have gone through, availed themselves of the farm mediation process, then with the co-operation of the corporation and the use of these funds have worked out a restructured refinancing arrangement, and that is the degree that the corporation works with the Farm Mediation Board.

The Farm Mediation Board of its own has a modest budget line and can, on occasion, provide some relatively nominal or minor bridge financing. I know in one case, I think they paid a hydro bill for a farmer of \$4,000 or \$5,000 that had gotten badly out of whack. After working with the corporation and doing the major refinancing of a farm loan, using that \$5-million fund, and there are some little bits and pieces that are maybe still left, they can provide some additional support like that. When we deal with the Farm Mediation Board, I would be pleased to provide the honourable member with that data.

Ms. Wowchuk: So the funds through the Credit Corporation, the \$5 million that you talked about, would be used to refinance farmers who have gone through the mediation board in the form of loans. Is that correct?

Mr. Enns: Yes. Usually what I am assuming will happen, a farm family gets into serious difficulty. Creditors start calling in their notes. They are at the verge of facing bankruptcy. They avail themselves of the farm mediation process. The farm mediation process will take a long and hard look at it. Remember, these are in the main good Manitoba farmers who know their business. They will convince a banker to hold off here, a credit union to hold off there or MACC and CCC. Then we will work out a restructuring program that is designed based on their look into the farm operation: Well, this could be viable; this could be a viable operation; this farm will return enough if we take these accumulated loans; it would help, the \$5 million, put that into a longer term, lower payment term. Interest rates are favourable, 6.5 percent, and keep that family going.

It is kind of an unheralded program, but I think it is a very important program that has a reasonably good success rate. There are failures in everything, and there always will be. Nobody is automatically guaranteed at making a living at farming, but these people do a pretty good job.

Ms. Wowchuk: The program also says that the corporation can provide disaster relief assistance as directed by the province in emergency situations. Would that be where the Manitoba Producers' Recovery Program comes under? Would that be considered something that was disaster relief assistance or are there other programs that the corporation can offer in a disaster situation? Is there the ability of the corporation to become involved, for example, in the disaster that we are seeing in the southwest part of the province or other parts of the province? Would that be the kind of thing that the corporation can do? If the minister could outline perhaps a program that has been handled by the corporation that would be of the disaster relief assistance scale.

Mr. Enns: The corporation has the capacity to respond to various directions received from government from time to time. As an example, it became apparent that, in the reconstruction of the properties in the Red River Valley after the disastrous 1997 flood, even despite the fairly generous combined federal and provincial support that called for up to \$100,000 or \$130,000 I believe for a home, another \$130,000 for a business, something like that, many, many, many residents were in need of doing some extensive floodproofing before they built these homes, and there was a maximum of help available under those circumstances. That would mean that the homeowner would have to provide the rest of the money. The corporation on very short order was asked whether it could fill in this gap.

We opened up offices in Morris, I believe, and Winnipeg here. That program has loaned out some \$25 million to 325 homeowners, 119 farms and 40 businesses. It does that under that capacity; it was directed to do it. If you look at the core mandate of Manitoba Agricultural Credit Corporation, it is not to loan out money under these circumstance, but under the disaster assistance provision within their means they can

respond and do respond in a very expeditious way. I am very proud of them. They have done a first-rate job. The manager reports to me that we were somewhat, I think, a little nervous about these loans, because these were not our normal clients that we deal with in terms of the farm community that we have experience with. Also under the circumstances, I mean, here an aggrieved party in the Red River Valley, who thinks his government is not doing enough for him, so he has got a loan out with a government agency. Is he going to be paying that back as called for under the loans? I think reports are that your accounts receivables on these \$25 million is good and in keeping with the overall performance of the corporation, so we are quite pleased.

*(1640)

Ms. Wowchuk: So that would be the Flood Proofing Loan program that applied in the Red River Valley. We were in the Melita area and in a couple of other communities where we heard about business people talking about the devastating effect they were going to feel because of not having the crop in the area. What they talked about was they said: you know, we are not looking for handouts, what we are looking for is we are going to need some loans to keep us going here.

Would it be possible to do something similar to this? Would it require a new program, or do you have the ability under the corporation's mandate right now to say, yes, we recognize there is a problem in another part of the province, there is need for cash flow to help these businesses go through, and we are prepared to set up a loan program to help them carry through this?

What would be the steps that would have to be taken? Is it possible to do and what steps would have to be taken to do this? Who does the direction have to come to from, the minister or from cabinet, to say we are going to set up a loans program in another part of the province, or does the corporation have the mandate to do that right now?

Mr. Enns: As was the case when we responded to the Red River Valley credit needs and the

restoration of farms, homes and businesses, this would have to be a cabinet decision that directed MACC to, within the kind of parameters that would be set out, kind of, you know criteria that would be set out, but certainly I am informed that the credit corporation would be ready, willing and very capable of providing that kind of assistance in loans that, I think, some of the business community would find very helpful. Again, they have the capacity of deferring initial payments, allowing for recovery, and certainly those 40 businesses that we dealt with in the Red River Valley flood, they would write a reasonably good commendation for us, I am sure. I have heard the same complaints. That is something that could be considered.

Ms. Wowchuk: Well, I am pleased to hear that. I hope that the government will pursue that and offer that hope to those people who have expressed serious concern about their businesses, because in this particular business there are four people working now. He said by the end of the month, they will be down to two. A restaurant told us they were, I believe they said, down somewhere in the range of 70 percent of their normal business because people just were not coming to town for coffee and those kinds of things because they are thinking about not having the money. We do not want to lose those businesses because we know that when we lose a business in a small town, it is really, really hard to get it back.

So I would encourage the minister to look at this. Given that we are having the difficulty that we are with getting any assistance from the federal government, we have to look at what we can offer here. Certainly, we hope that it will be the federal government that will come through, but in a loans program like this, I think it would be very helpful for those people to know that there is some place that they can access some money and keep going for awhile.

Mr. Enns: Well, Mr. Chairman, to the members of the committee, I want to take this occasion to at least put on the record that along with this additional activity that the corporation has engaged in, they have had a record year in terms of their regular loans portfolio, I am advised, in excess of a hundred million dollars that have been handled in their regular loans program,

which is a record amount for the corporation when you consider that a few years ago we were loaning out in the order of \$35 million to \$40 million.

In 1994, it was \$28 million, \$29 million. This year, it is in excess of a hundred million dollars loaned out, direct lending of \$78.5 million to 1,136 clients. Flood loans, which we talked about, are \$12.7 million. Producer recovery loans, these are older figures, \$14 million; guaranteed operating loans, Cattle Feeders' Association loans, but in total in excess of a hundred million dollars has been loaned out. That is in the regular loans portfolio.

In addition to that, I have called upon the corporation to jump to the pump on the recovery loan that we just talked about that we implemented this December. They have just finished and are just concluding looking after a lot of people in the Red River Valley that found their services very beneficial. So I believe the corporation has performed above and beyond its call.

Quite frankly, I am in a constant fight with my senior management of the department and the management of the Manitoba Agricultural Credit Corporation because I think the Manitoba Agricultural Credit Corporation are pretty decent guys, and I would like to get them some more staff once in awhile. So there is tension in the office of the minister and the deputy minister here on that issue, and I am searching for some outreach on the part of my Ag critic from the opposition to help me in this fight.

Ms. Wowchuk: Mr. Chairman, some of the people who will be the hardest hit are young farmers who carry the heaviest debt load. Many of them, I am sure, have loans with MACC. Some do not. Some have loans other places. Is there any plan or thought being given as to how you are going to deal with these farmers who are not going to be able to make their payments?

Suggestions have been made that rather than collecting the interest this year, you add it on at the end of the payment or look at some ways that we can help these farmers who are not going to be able to make their payments.

They are going to have a hard enough time staying alive. If some of them have loans with MACC, how are you going to deal with those? What have you got to offer those farmers? Is there any help that you can offer those who are dealing with other financial institutions? Is there any discussion taking place in the department with MACC or departmental staff to talk to banks and credit unions and how they can help carry this load? They benefit when farming is going well. They loan them money, they make the interest, and they reap the rewards. How is MACC looking at sharing this burden? Is any discussion taking place with other financial institutions to help share this burden?

Mr. Enns: My deputy informs me, and I am well aware of it, that throughout this system, we have had these kind of very serious problems on the farm where in the first instance it was occasioned by the, very specifically, collapsing hog prices, for instance, you know, with the ongoing low commodity prices. Now we have this, in addition, flood problems and unseeded acreage problems.

* (1650)

MACC was very quick to respond to individuals who found themselves in difficulty by allowing their loan payments to be deferred in two ways. They could be set aside and a repayment term over the loan extended by the length of the deferment or reamortized over the remaining term of the loan, which would result in a somewhat higher payment, but in other words a great deal of flexibility. As of June 17 they had 54 clients affecting 110 loans have asked for deferred payments, and we are doing that. We partner with the private sector.

Certainly over the last few years, particularly with our Diversification Loan Guarantee Program, I think it is fair to say, Mr. General Manager, that our relationship with the private sector has been considerably enhanced. Many of the private banking institutions are recognizing the value of the program that we offer and are using it. So our interface with the private bank system is there.

I believe FCC is doing similar things with respect to payment deferment under stress. I

know I have used it publicly, that showing kind of leadership from the public sector lending institutions. I use every occasion that I can to impress upon the private banks and credit unions that they ought to be doing the same.

My deputy informs me that they, in fact, are doing it. It is not really in the interests of any of these institutions to foreclose on them, even more so under these circumstances. I noticed that particularly in the hog crisis, and it really was a crisis. We just went from 70 cents, 80 cents to 20 cents. There was a disaster on the fields. But none of the banks or none of the credit unions ended up owning a hog barn. Some of them did not mind owning a section of prime agricultural land. There was a time that the Royal Bank was the biggest landowner in the province after another difficult period of farming. But none of these bank credit managers wanted to own a hog barn. I am told that surprisingly although, yes, there were some who chose to throw in the towel and give up at that time, there were no serious collapses. There was no serious call that created total failures. I am looking at the officers of the corporation here, as far as I know, and none have been reported to me, that they have money out on numerous hog operations, that you cannot report or have not reported to me any level of failures on those.

What has happened, there has just been a handful, a couple that have asked for just a two- to three-month deferment of payments and interest but no defaulting of the loan and carrying on. So that is a remarkable performance.

Ms. Wowchuk: That is within the corporation. The loans that you have out there, there have not been any defaults in. Is that what you are referring to?

Mr. Enns: I am talking about the private sector loans out where we have guaranteed; 25 percent is what our program calls for.

Ms. Wowchuk: The minister may have answered this, and I did not get the answer or did not hear him. You talk about loan—the ones that you are guaranteeing with the banks, but is there any discussion taking place within government

or with the banking sector to look at looking at ways to defer? I understand that you are saying that the corporation has the ability to refinance loans for farmers that are in difficulty, but is there anywhere in the community that the minister is aware of or representatives of the corporation that has contact with FCC, that there might be discussion looking at what is happening in the farm community, and how we can stabilize that farm population so we are not getting people leaving the land?

Mr. Enns: Staff advise me that we have met with FCC, and they have indicated to us that they are prepared to consider loan deferral payments. We have also met with main line banks, and they too have indicated that they will work. They tend to not make grandstand public pronouncements about this, but they do assure us that they will work on a case-by-case basis, as we will. I trust and I hope that the private institutions will respond to the genuine need that too many of our producers are feeling right now.

I am aware that we meet once a year. I am just trying to remember the date. I think it is early on in the new year with representatives. There is the Canadian Bankers' Association, and they have an annual meeting with the Premier (Mr. Filmon) and cabinet. That is always an occasion where we can as a government ask for their co-operation. That is all we can ask for. They are private businesses, but I can recall using that occasion—that was shortly in the new year, January, and our hog prices were at their worst. I can recall making a specific pitch to them saying, surely, gentlemen, you do not want to end up owning a bunch of hog barns, and they all agreed they did not, but more seriously, took that occasion to do exactly what you are asking, Ms. Wowchuk, by asking the bankers.

How does that story go? How can you tell a compassionate banker? Something to do with the glass eye and the natural eye, and it is the glass eye that shows emotion or a tear coming out of the glass eye, then you know you have a really good banker. It is something like that. Maybe I have got that story mixed up. I need John Taylor to help me tell that story properly. He has got these Australians from the Australian outback, and he tells me these stories every once in a while.

Ms. Wowchuk: We often hear about diversification, and I was in Rural Development Estimates, and the Minister of Rural Development (Mr. Derkach) was talking about all the growth in rural Manitoba. And all the cases that he highlighted were very much close to the city or south of No. 1 Highway. That is good; we want to see the industry grow, but the corporation has the ability to lend a fair amount of money and promote different kinds of industries. So I wonder what steps does the corporation take or the government take to try to encourage the growth of different agricultural industries north of No. 1 Highway in the Interlake area. In the Interlake, there is some growth, but I think that we have to look at the whole province and try to get some growth in other areas.

If I look at the part of the province that I represent, that is the area of the province that was hardest hit by the change to the Crow benefit. We had the greatest increase in cost of freight. I recall one member of this Legislature who said: It is just a different mindset of people that live in certain areas. But the government also, I believe, has a responsibility to promote and encourage growth in other parts of the province.

So I would ask the minister what his vision is for other parts of the province and how he plans to promote to get some of this other growth and whether he feels that Manitoba Agricultural Credit Corporation can play a role in having some of this growth develop in other parts of the province.

* (1700)

Mr. Enns: In our extension work through our various Ag rep offices throughout the province, we have a lot of staff, first of all beginning with the ag rep, and specialized staff that are always looking for and talking to and working with the local people within their district about what possibilities there are for some additional economic activity, agro added-value activity or so forth. But, in the final analysis, it is the dollars and the economics that shape these decisions that are made by the private sector. We are not as a government involved in developing businesses. I suspect the member

really would not expect us to. But, certainly, I think that as communities focus a little bit more on what their strengths are rather than looking at their weaknesses, they very often—and some of that process is done through different programs in other departments like Rural Development through the round table concept. Communities decide that they have real opportunities in specific areas, maybe the tourism area. We I do not think have exploited the agro-tourism opportunities to the fullest, although we have a program that is of some standing, of some tenure, that promotes farm visits by our urban cousins and others who come to visit us from different parts of the world.

It is to create the kind of climate, in my opinion, that will encourage entrepreneurial efforts, whether it is done individually or collectively. I am sorry, I must say, and I do not have the full answers to what happened, but I am assuming that we will come, for instance, to the fledgling hemp industry that announced with considerable fanfare operations in the Dauphin area. That is what I say about how the added value or the jobs or the economics kind of follow some other form of leadership.

In this case, it was the fact that in that Dauphin area there were more farmers than elsewhere in the province that were prepared to seriously look at that new crop in hemp. That predicated and that more or less made the decision. It was not a government. There was obviously a great deal of support for that new crop, commercial hemp, in the Dauphin area, and a company had made plans to establish there. I do not have the data on it, but it is my hope that—the crop is being planted; the hemp is being grown—something will shake out, and the folks in the Dauphin area will have a commercial hemp plant in the not too distant future.

In other instances, it is other matters. I see great opportunities in the future, and we are just really starting to see the challenge. It is a massive change that has taken place in our agriculture with the loss of the Crow, and that full impact is going to work on us for the next couple of decades. It will really be a decade or two from now that we will sit back and look at—you know, we think about how agriculture was

pre-Crow, how it has turned out to be after Crow. That sounds a little bit like AD and BC and DP. Pardon me, it is all in the common age now, is it not?

Ms. Wowchuk: Mr. Chairman, last year we saw legislation come forward that allowed for new generation co-ops to be set up here in the province. I would like to ask the minister whether there have been many new generation co-ops that have been established. The minister mentioned the hemp operation in Dauphin, and I certainly hope that they get through the glitches that they are in right now and that becomes a reality and we do have the industry grow in the area. We have the processing plant there, as well. But those people also talked about forming a new generation co-op. They have not done that yet, but are there new generation co-ops that are established and that are accessing funds through MACC?

Mr. Enns: Mr. Chairman, I have a lot of enthusiasm for that new piece of legislation. Some of the most successful value-added agricultural enterprises that run particularly in our northern states, the big American sugar companies, are all closed co-op ventures. So while it is going to take a little while for it to catch on, certainly we have a few of them that are going. I believe the group of egg producers in the Dufrost area that have come together and built what they call Millennium Barns are in fact a closed co-op that involves about 10 or 12 members. There is a further group in the St. Claude area that is also in the poultry industry that is thinking about that. I do not know for certain, but I know it is a co-op; the group that gathers the straw for the Isobord plant is a farmers straw co-operative, they call it. Whether that is structured on the old or on the new, I suspect they would probably structure on the new once the new act was available.

So I think that is going to prove to be a timely piece of legislation, that producers will find an opportunity to get together and get some strength through numbers and will in many instances move the primary producer one leg up the food chain ladder. If we cannot get it through commodity prices, at least maybe we can get a more decent, a fair return for some of

our labours on the farm through doing it that way.

Ms. Wowchuk: Are new generation co-ops taking loans through MACC, or do they have the ability to borrow money through MACC?

Mr. Enns: I am advised that they would be eligible for loans.

Ms. Wowchuk: If a new generation co-op were to establish and come to the corporation for loans, how would you determine the amount of their loan? Would you calculate it as what they would be qualified for as an individual, or is there a formula that would be used that would be used for a co-op to get their loan? How would you find the limits on it?

* (1710)

Mr. Enns: Staff is telling me that, while the new generation co-op group can access it, the most expedient way that we could be helpful to them is through the Diversification Loan Guarantee Program where we can guarantee a project of up to \$3 million. I have been trying to push that limit to somewhat higher or an unspecified limit, because as I mentioned before, we are getting into more and more of these \$5-million, \$6-million, \$7-million, \$8-million projects whether they are poultry operations or something else. Yes, the corporation can respond to that kind of request.

Ms. Wowchuk: Will the changes that are coming in this legislation enable the minister to move those loan limits to a higher level without going to cabinet, or will this be done through regulation? Is this part of the reasoning for changing the legislation?

Mr. Enns: I think the member has raised an excellent point. Certainly it is my belief that the corporation will be more comfortable in doing business of this kind under the new legislation, under the broader principles that guide the corporation in their lending pattern, yes.

Ms. Wowchuk: One other area that I wanted to talk about, I often ask this question and it is about: under the corporation there is supposed to be a line for fish farming loans, and is that line

still there? The member for southwestern Manitoba has lots of water in his part of the province and is probably thinking about fish farming, so I just wanted to be sure there is money available for him if it is there. We see it there. Is there any interest? I ask the question because I just met with a group of people who are interested in fish farming, whether or not that loan is still available and whether or not any application has been made in it, whether any loans are out under that program.

Mr. Enns: Well, Mr. Chairman, regrettably some things do not get quite done and accomplished when fine public servants like the Honourable James Downey from Arthur-Virden decide to move on to private life and out of cabinet. There was a particular operation that was near and dear to his heart and my heart and my deputy's heart. You would not think my deputy had a heart, but he does have a heart for fish. He likes fish. Remember we spent quite a bit of time out there; we then hornswaggled the corporation into financing, if we could get that fish farming thing I am talking about, Glacier Springs, off the ground, there were excellent opportunities for about 50-tonne production units patterned much after the model of a feeder barn. It would require about \$250,000 to \$300,000 credit, and to answer your question, MACC would be ready and willing to provide that kind of assistance.

Ms. Wowchuk: In that long answer the minister indicated that there are no loans out under the fish farming program. That is what I was looking for.

Mr. Enns: You figured that out, eh?

Ms. Wowchuk: Mr Chairman, I wonder if the minister can indicate whether there is the ability under the corporation to lend money to First Nations who are interested in farming. We know that through the federal government there was a program that went sour, and there were no more loans available there, but is there under MACC the ability, and can the minister indicate what the requirements would be before First Nations individuals or a band would qualify for a loan, whether it be for livestock or whatever? Do they have the ability to borrow?

Mr. Enns: Mr. Chairman, I am advised by the corporation that we do do business with the First Nations people, but we cannot get into loan arrangements on reserve. We have a number of clients though off reserve. I assume in many instances it might be cattle or other farming ventures. Mr. Shaw indicates that we have, and we continue from time to time to talk to the First Nations leadership about that. If there were a way that we could come to terms with that issue and get some security, but of course it becomes a very sensitive issue for the First Nations people. They simply will not allow any agency such as the credit corporation or bank to take any form of security on property within the reserve. Without that security, it is very difficult for the corporation to process a normal loan, but they do have loans with a number of First Nations people off the reserve.

Ms. Wowchuk: So then, getting back to the fish farming. If there are First Nations that are interested in fish farming—and this is hypothetical; I am not tying you to any particular—that would be interested in establishing fish farming, this operation would have to be located off reserve versus on reserve before the corporation could deal with it. Is that correct?

Mr. Enns: Yes, that is correct.

Ms. Wowchuk: Mr. Chairman, there are many other issues we could discuss under this one, but the staff is very co-operative when we have particular issues. I have always been able to call the staff and get answers to questions, so if there is any that I have not gotten this time, with the minister's permission I will call staff and get answers to those questions.

Mr. Chairperson: Item 3.3. Manitoba Agricultural Credit Corporation, Administration \$3,547,900—pass; Net Interest Cost and Loan Guarantees \$1,800,000—pass; Provision for Impaired Loans \$800,000—pass; Special Farm Assistance \$100,000—pass; Flood Proofing Loan Assistance \$1,418,800—pass; Manitoba Producers' Recovery Program \$1,788,600—pass.

Resolution 3.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$9,455,300 for Manitoba Agricultural Credit Corporation for the fiscal year ending the 31st day of March, 2000.

Now where would the honourable member for Swan River like to go?

Ms. Wowchuk: Mr. Chairman, earlier we had agreed that we would go till about quarter to six, so I would like to just ask some questions about the AIDA program, if that would be possible.

Mr. Chairperson: Okay. So we go back then to item 3.8. Agricultural Income Disaster Assistance program. The honourable minister maybe would like to introduce some new staff here.

Mr. Enns: I am joined by senior member of staff Mike Lasiuk, and, of course, Craig Lee has been with us up here before. Mike crunches the numbers for us on these issues.

* (1720)

Ms. Wowchuk: When we first got into this situation where farmers were in financial difficulty, we knew that we had to have some kind of support for them and all farm organizations had been calling for support. We have had discussion for a long time about long-term safety net programs, and we were waiting to hear what the program was. Yesterday, in the House the minister talked about my support for the program. I was really thrilled to think that I had that kind of power, that by saying the government should follow Saskatchewan that I actually had an influence on the minister signing onto this program. But I realize full well that it is people with a lot more power than me that have helped the minister make his decision on this program.

Given that the minister and farmers across the country have indicated that there are real problems with the program, I would like to ask the minister what role his staff had or who was Manitoba's representative in the drafting of this program and what influence did the government have in making changes or developing the program.

Mr. Enns: As the Premier (Mr. Filmon) has said on different occasions, it is perhaps not quite correctly when he says we had no input. Certainly our senior policy person, Mr. Craig Lee, was the point man from Manitoba that was

involved in the development of the program. We were presented, in essence, with pretty basic program in place that was to some extent, and I am not fully familiar with it, modelled after the Alberta FIDP program, which I understand was introduced right about the same time that Peace River faced a very serious situation of upwards of 700,000, 800,000 acres of unseeded land with no appropriate insurance or other programs coming to their aid.

In essence, the program should work. It has a fairly straightforward and understandable principle; that is if a farm's income, we are talking a whole farm now, if the whole farm income drops below 70 percent of a three-year running average of the previous three years, if it drops to 65 percent, then this program will top up that, will bring it up to 70 percent, will top up, provide that farm with whatever it takes, \$5,000, \$10,000 or \$30,000 to bring it up to 70 percent.

That on the face of it sounds like it should be a good program, and certainly the Canadian Federation of Agriculture and the Keystone Agricultural Producers organization have all, by and large, supported it. I remember the former outgoing president, long-time president Jack Wilkinson from the Canadian Federation of Agriculture was a very strong proponent of this program, and my colleague the member for Provencher is a very strong supporter of this program, I believe. [interjection] Oh, you are not from Provencher.

An Honourable Member: No.

Mr. Enns: Where are you from?

An Honourable Member: La Verendrye.

Mr. Enns: La Verendrye, pardon me.

An Honourable Member: You have promoted him to the federal House.

Mr. Enns: Okay, I had the federal House in mind.

But for a number of different reasons it has flaws in it, and one of the flaws, of course, is—and I am concerned because if the design of

safety nets, if we are moving to this style of a program, for instance away from the kinds of programs like basic crop insurance, then I get very concerned. One of the basic flaws is that that 70 percent figure is based on your last three years average. Well, if you had three very average or mediocre crops or farm performance in those three years, 70 percent of nothing is still nothing, and that is what some of our farmers are facing right now.

You have a group of farmers in the Grandview area, this is a third successive year of just really very little. Now, it is small comfort to them to have myself or the federal minister saying, but we are going to give you 70 percent of what you got on average over the last three years. That is what causes me difficulty, and that is why the farm community was not as receptive as they might have been expected to be to the federal minister's announcement yesterday in Brandon.

But at the same time we have, as a government, committed—and it was not an easy thing to put the numbers together, because for staff it is very difficult to estimate exactly what the requirements would be, and treasury boards want to know a little more precisely what it is that we are asking for, so we had ranges that ranged from \$12 million to \$27 million to \$30 million. In any event, we came down as our share of this program as being in the order of \$62 million; the federal share, 60 percent, \$90 million. There is \$150 million meant to help farmers' income when they are in trouble.

And I am insisting that we find some way in a more direct way and in a more universal way of applying that. As you know, I threw out the suggestion that we try to shape that into an acreage payment based on unseeded acreage out of these AIDA funds, and I am determined to try and do that. Now, senior officials, Mr. Lee particularly, is the one who is charged with the responsibility of trying to get that in shape with the federal authorities.

Ms. Wowchuk: Given that each province has their own annex clause to the agreement, is it the view of the department that there is the ability of one province to move to have their funding come as an acreage payment of unseeded acres

early and then have the follow-up on the balance paid out through the normal process of the application, or, if you do that, do you put the program at risk and risk losing the funding? Certainly this is a pot of money that is set aside for disaster assistance for farmers, and we do not want to lose that pot of money. So do you feel that you have that ability to make those kinds of changes to allow for the acreage payment now—of course, the money would not flow until September or October anyway—and still have the rest of the population apply through the normal process?

Mr. Enns: We believe we can do it. You know, it should not be interpreted as a green light or approval from Ottawa that they will let us do it. There are some concerns that, if we are providing what amounts to an acreage payment to a significant group of our producers for unseeded acreage and allow the rest of them to do the regular application for the AIDA program, we do not have two applications for one. That would be unfair to everybody. There is the ongoing issue that whenever we talk—that is why I want to—it is important from my point of view to keep it within the concept of the AIDA program, which, if you recall, is based on whole farm income, not a specific thing.

My deputy minister advised me that, if we start specifically talking about an acreage payment, then the trade people start pricking up their ears and asking about the countervailability of it and the trade agreeeness of it. Although I have, and I continue, as I said to the Minister Lyle Vanclief in Brandon, to have a great deal of trouble: how come a modest acreage payment triggers a trade war if we are thinking about it, and a \$70-, \$80-, \$100-acre payment triggered by their preventative planting program is not considered a trade item. Somebody has to explain that to me. I mean, it is not a provincial issue; it is a federal issue. But I raise it just because there is that concern. That is, while we may want to call it an acreage payment, it is a payment out of the AIDA program.

I will give you one little example that the department modelled for me, for instance. A 1,200-acre farm that has 50 percent seeded—there are going to be a lot of farms like that, 30 percent, 40 percent, 50 percent seeded—under the

model that my department used, it could qualify for an AIDA payment of up to \$42,000. Now that is a pretty significant support payment. If I applied a per acreage at \$25 an acre payment to that, with the 600 acres on that farm that are not seeded, that would amount to a \$15,000 payment now, and then he would get the balance, that 27, paid when he concludes the AIDA program next taxation year.

* (1730)

Ms. Wowchuk: Certainly the whole issue of acreage payment in Manitoba or Saskatchewan, which is much needed, might cause trade wars does not make any sense when you hear what the people south of the border are getting. I understand they are getting somewhere between \$60 and \$70 a payment. I do not understand how they can make payments, and for us to make them will result in a trade war. But that is something for other people to deal with.

I want to ask the minister given that our share of the program for this year should be somewhere in the range of \$26 million, we anticipate that should be the amount that Manitoba's share should be, why is it that the government only budgeted \$12 million for the program in this particular year?

Mr. Enns: Again, we simply do not know. Under the AIDA program, we have something like 900 applications in—[interjection] A thousand applications in. We have processed about a hundred. The average claims across Canada is about \$22,000, so that is a relatively modest draw on that program. This is now well into June. Certainly, you would think farmers would be filling out their programs, and the cut-off date is July 31; so we have about another month, a little over a month to go. I had the request from the Department of Finance: look it, Mr. Minister, do not print more than you need because it has a way then of showing up in our overall budget figures.

Also, the accommodation by the federal government that they would pick up the full costs of the first year, a hundred percent of the cost of a full year, and then we would adjust it in the second year meant that it did not really matter what I printed. We are committed to \$62

million, \$90 million, 60-40 sharing of roughly \$150-million program. In fact, if as a result of this year ongoing low commodity prices, the troubles that we are having out there, we have a very heavy draw on there and it exceeds that amount, then we would have to consider prorating, paying only 80 percent or 90 percent of the claims.

Ms. Wowchuk: The minister indicated that the federal government is going to pay all the costs this year. They are going to pay it all and then we would have to pay back the following year. So in actual fact, \$12 million may not go out of this year's budget, but in next year's budget we could end up with somewhere in the range of \$50 million in this line.

Mr. Enns: Yes.

Ms. Wowchuk: Why was that decision made to not show any of the expense this year and carry it all forward to next year?

Mr. Enns: Well, Mr. Chairman, I think when we first looked at Manitoba's share on the first year, it ranged between \$12 million and \$24 million. It seems to me I saw that range of figures, and we chose to use the lower figure. I still say and I could be proven wrong that I think quite frankly some of the discussions that I have had with Minister Vanclief is that, after having made a great to-do about the massive \$1.5-billion Farm Aid Program that is provincial and federal together, right about now he is expressing some concern about it not being taken up, not flowing the money. He is considering—at least we heard him say that yesterday—some major changes, modifications to the program. If negative margins, for instance, are included in the program, that could be a major change to the program. It could flow quite a few more dollars into that program.

But at budget-setting time, here was the program, I looked at it and I felt reasonably assured that the figures, even the \$12 million that we put in for our provincial share, would cover the actual take-up on the program. I still have to be proven wrong. I will be proven wrong on July 31 maybe or the end of the year, too, of '99.

Ms. Wowchuk: But it does not matter what number you put in it this year, you are not going to pay out any money out of it because your payment has to go to the federal government next year. So what we are going to have to see if there is a big take-up is then a big bump in the Agriculture budget to cover those costs next year. Is that correct?

Mr. Enns: I am really not so certain. For instance, if we persist in doing as my heart feels I want to, provide an acreage payment based on unseeded acreage, and I do not get the co-operation from the federal government, we may just do that and consider that as part of—say, it costs \$18 million or \$20 million. That is \$20 million, but that is our \$20 million of the \$60 million that we are committed to. Then we have \$40 million left for AIDA. Would the member support me if I did that? You would have to think about that a little while, eh? Have I ever misled you? Have I ever told you something you could not believe in?

* (1740)

Ms. Wowchuk: So then in reality there is \$12 million that is in the Agriculture budget that will not have to be paid out for AIDA this year, that should the department make some decisions, that is money that might be able to be used for a program such as the minister has talked about, the \$25-an-acre payment.

Mr. Enns: I would call that being very much of AIDA.

Mr. Chairperson: Is it the will of the committee to call it six o'clock? [agreed]

The time being six o'clock, committee rise.

EXECUTIVE COUNCIL

Mr. Chairperson (Marcel Laurendeau): Would the Committee of Supply come to order please. This section of the Committee of Supply will be dealing with the Estimates for Executive Council. Would the First Minister's staff please enter the Chamber at this time.

Mr. Gary Doer (Leader of the Opposition): Mr. Chairperson, I understand it is raining again

in the southwestern portion of the province which is regrettable. We had about seven days of reasonable weather, considering what we went through at the beginning of May and June.

The federal government's program announcement has been judged by people most directly affected to be woefully inadequate, Mr. Chairperson, and we are concerned about the Liberal federal government's inadequate announcement.

Can the Premier indicate what specific programs we will be announcing? It seems to me the idea of \$25 per acre from the federal government on top of the other programs made sense. The Custom Seeding Program made sense. Are there any other specific programs we are announcing here in Manitoba?

* (1430)

Hon. Gary Filmon (Premier): Mr. Chairman, I cannot give a final definitive answer to that without discussing it with the Minister of Agriculture (Mr. Enns). I believe that he is in his Estimates in another committee room, and he might be able to amplify more on what is being considered. I do know that in the course of our discussion that we have talked about a payment for the sunk cost of fertilizer and chemicals from last fall in preparation for the land for this year, and the land not being seeded, that is a sunk lost cost.

There was a program, I believe it came under JERI in 1997's Red River Valley flood relief program. We have put that in writing as a request, I believe, to the federal government. The second one is a program for maintenance of the land that is unseeded because it will grow over in weeds, and it will be tremendously difficult to even plant it next year if it becomes infested with weeds. So there needs to be a payment to maintain the land over the course of this summer, or as an alternative, I understand that the Ducks Unlimited proposal is one that puts a type of forage cover over it and allows for some value to be taken off it as well as having the farmer then maintain it for the summer in a ground cover that has some economic value.

Those are things that have been looked at. I do not know at what stage they might be and

what our involvement might be, but clearly we are looking at all available alternatives to try and ensure that we are doing whatever is reasonable for the farmers.

Mr. Doer: I asked questions a couple of weeks ago about the Versatile plant here with the merged organization. The Premier indicated he would be in touch with the owners of the operation. Can the Premier advise us, has he contacted the owners and the status of the plant here in Manitoba?

Mr. Filmon: I am operating a bit from memory, and the member will forgive me if I do not get it absolutely right because I know I did have discussions immediately following that discussion in Question Period. I believe that the letter that I signed was to the CEO whom I have met on a number of occasions, the CEO of Ford New Holland in London, England. It was sent within a day or two of that discussion here in Question Period. We have not received a response that I have seen.

Mr. Doer: Yes, will the Premier be following that up with a phone call to the CEO whom he has met before just to get—sometimes letters get to somebody that gets to somebody. I am sure the Premier's letter would get to the CEO, but sometimes direct communication is also very helpful to the workers and the suppliers of Versatile here in this community.

Mr. Filmon: Yes, we believe it is a very important issue that we have to pursue vigorously, and the request was actually for a meeting. I was prepared to fly to London to have the meeting or wherever it was convenient for the CEO. We have had, I think, some informal response to the effect that they do not want to talk to anybody until they do their internal analysis of their assets in their combined facilities, but we will certainly pursue that if we do not hear very shortly.

Mr. Doer: There were some rumours on the street that were recorded and reported in some of the financial publications that, obviously, on top of the farm prices and everything else that has resulted in a reduction in the workforce over the last year, can cause considerable concern, so I

just would ask you to keep us apprised of that issue.

Another question, and the Premier, I would think, would be aware of this issue if it was contemplated as a policy change by the government, but, as I understand, because he has been very involved in the Lotteries expansion over the years, is there any plan to expand the lottery operation? This is a rumour that I would like to—this is a legitimate question. I do not know the answer to the question. Is the government's Lotteries Commission considering changing their hours to be 24 hours a day—the casinos, that is, the Regent Avenue and the McPhillips Street Station.

Mr. Filmon: I have not been apprised of that rumour or any possible request to that effect. I do not know whether the Minister responsible for Lotteries (Mr. Praznik) has been before the House for Estimates, but he might be in a position to answer that. I am not, because I have not heard anything about that.

Mr. Doer: So the Premier has not approved a change in the lottery hours, and I do not know whether there is any rumour circulating about change in lottery hours for the Pan Am Games or whether it is just for the Pan Am Games or it is a permanent decision or if it is just a false rumour. There was some speculation that this may only take place for the Pan Am Games for expanded hours of operation.

I think something that would have that much impact on potentially the community, particularly the North End and the Regent Avenue operation with all kinds of impacts, would be something that would be beyond the purview of the Lotteries Commission and certainly be a policy decision that the minister and the Premier would be involved in because it would have public consequences and Crown corporations or operations like this are not supposed to operate without some kind of public consideration. So, again, is this rumour consistent with something in the Pan Am Games and only to the Pan Am Games?

Mr. Filmon: I am speaking just as one individual, but I can tell the member opposite that I would not favour 24-hour gaming on a

permanent basis. If there were a proposal to consider it for the two-week period of the Pan American Games, a proposal that was supported by rationale and documentation and so on and so forth, I have no idea what the potential market would be. The member opposite has probably visited in Latin American countries, as I have, and knows that it is customary to have restaurants open until four and five in the morning in a lot of these Latin American countries. There is a different sense of the clock in a lot of them, so I would have to take a look at a rationale. All I can say is that I would not favour at any time a 24-hour operating on a permanent basis, and if there is a proposal for extension of the hours during the Pan American Games, I would have to have a lot of convincing even at that time to support it, but I would look at the rationale.

I have just got a note incidentally handed in to me from the minister's assistant saying that there is no intention of extending the operating hours. I am not sure whether that refers to short term or long term.

* (1440)

Mr. Doer: I appreciate that answer from the Premier as another individual, although this individual across the way has more power than this individual on this side. On this matter, I would agree with the Premier. My sense is that whatever the revenue benefits would be offset with the other social disruptions in our communities, and I am pleased to hear that the rumour is not founded in fact. We could not find any way of getting it verified or not verified. It was not a Question Period kind of question, because generally we try to know the answers to the questions or anticipate the answer of questions when we ask questions. As you have pointed out in the past, we do not always have the answers when we ask questions. Some of our questions are quite legitimate questions, but I appreciate the answer from the Premier. I would agree with the Premier, and I am sure the member for Transcona (Mr. Reid) would also agree.

I understand the member for Inkster, whom I waited patiently for yesterday, much to my chagrin, has some questions, and I will allow him to proceed.

Mr. Kevin Lamoureux (Inkster): Mr. Chairperson, I will attempt to keep it within 45 minutes, each question that is. No, I am kidding.

I wanted to continue on from where I left off in terms of the questioning in asking the question in terms of the political nature of the Seven Oaks report and the obligation of this government. I was somewhat surprised in terms of the response from the Premier where he states, and I quote: no, Mr. Chairman, I do not see that, so I guess I will have to have time to investigate further.

The "that" he is referring to is the very political nature of what we have before us. I do find that it is pretty incredible for an individual who is as astute as he is to become the Premier not necessarily understand the perception of the political nature of the issue that we have before us. What I ask the Premier to acknowledge is that this issue of the Seven Oaks principal violation of the breach of the integrity of our standard exams, very much so, has strong political ramifications. Would he at the very least acknowledge that fact?

Mr. Filmon: Yes, Mr. Chairman, I believe that it does have strong political overtones to it. There is no question that within certain groups in the education stakeholders of our province, there is firm and unalterable opposition to standards testing, the Manitoba Teachers' Society, for one. I was surprised to hear this week that the New Democrats have changed their opposition to standards and testing.

An Honourable Member: They are in favour of it. They favour standards exams.

Mr. Filmon: Well, I hear now that they do which is a shock to me because I know I debated this with various members in the lead-up to the 1995 election campaign. I know that the approach that the Liberals are taking is one of those, you know, we agree in principle but, and they have chosen the Grade 3 test as the one they say that they oppose, which is, of course, nonsense. Why should a parent have to wait until Grade 6 to find out that their child had a learning problem?

I mean, why would you waste the first six years of a child's public school education before

you try and find out whether or not there is a serious issue that has to be dealt with, gaps in knowledge and understanding, gaps in the curriculum, any of those things that do occur? I have listened to middle school teachers say that they can tell you that children coming from particular elementary feeder schools have an entire gap of knowledge and understanding in certain areas of the curriculum because it is not being taught in particular feeder schools. So to take the position that it is Grade 3s who do not need it is absolute nonsense, but, anyway, that is another issue.

Back to the philosophical opposition, clearly the principal of that school, the Maples, who is also the chair of the NDP re-election campaign and a former president of the party, Mr. O'Leary, is opposed to standards testing. He is taking the blind philosophical position, opposed to it, as are a number of the stakeholder groups. His superintendent, who is also an ardent New Democrat who wrote the report, as I understand it, Mr. Wiens, is also the chair of the education policy committee of the New Democratic Party. So to say there is an incestuous relationship there amongst the NDP party, the principal who exposed the exam inappropriately to a math teacher before it was written, and the superintendent is absolutely fact.

So there are politics to this, but we also have to look at who the board members are who ultimately support or hire the superintendents and principals, and there are certain school divisions in which the dominant membership is New Democratic, and so all of these people would be inclined to support each other in attempting to resolve issues.

So, from all those perspectives, I do not deny that there is a possibility, even a probability that politics are behind certain things that are done. The question is: what should be done in order to resolve the situation, and I can say to the member opposite that that is not a position that I would make on my own, and it is not a position that I am in a position to discuss really because it is in the purview at the moment of the Minister of Education (Mr. McCrae).

Mr. Lamoureux: Mr. Chairperson, this is the reason why I discuss it now, is because the Premier poses the question in terms of what

should be done. The Premier acknowledges the political nature of it, the principal being the former president and current campaign manager, and the one that supposedly wrote the report—I do not know for sure, because I have not seen the report—being the superintendent.

The benefits politically of raising the issue in terms of shaming and so forth are overwhelming for at least two parties inside this Chamber, and that is the primary reason why I say, given the political nature of this particular incident, that the Premier or the Department of Education would be doing a disservice if it was to have that internal review, that in fact what is really necessary is an external review.

So the question that I would put to the Premier is, if the Premier is content and the Minister of Education (Mr. McCrae) is content with that report—I have not seen the report—if the government is content with that report, well, I guess nothing will happen from here, but I would then argue that I would like to see a copy of that report. If the government is not content with that report, Mr. Chairperson, then I believe there is an obligation to take it to the next step. It is the next step that I believe the Premier can address, and that is, if the Premier and this government do not accept that report, would the Premier then commit to having an independent investigation? I think that is absolutely critical, and can the Premier not agree to that today that if there is going to be an appeal in any form of that report, it be done in an independent fashion away from the Department of Education?

* (1450)

Mr. Filmon: I would say this that I have not seen the report, so I cannot be content or discontent with it. Any further discussion on that matter would have to be engaged with the Minister of Education and Training, and any speculation as to what we might do if we were content or not content would have to wait until he has presented an analysis to government if he chooses to pursue it further. But I am not in any position to discuss it any further, nor will I speculate as to what we might do under any circumstances.

Mr. Lamoureux: I am wondering if the Premier can comment in terms of the length of

time that has lapsed since the original breach of the standard exams and if he believes that an adequate amount of time to be trying to draw this thing to a close is, in fact, 10, 11, 12 months from the moment in which it was breached to the moment in which this government found out, and we are finally now today or last Friday the government has a report. Is this what we can expect any time there is a breach in the standard exams? Is this the type of message that this government wants to send to our institutions?

He commented to the effect that there are a lot of people that oppose it outright. If you have a principal at whatever level opposing standard exams, that is fine. I cannot be critical of that. Everyone is entitled to their opinion, but it is a question of having a professional attitude towards your job. If you do not like it, sometimes you have to do things which you do not like. I know I have had to do that on considerable occasions, and I think that each and every one of us at times is obligated to do things that we do not like.

So I would have expected that whether someone supports it or does not, they will respect it because it is a provincial directive. Here we have a serious violation where that provincial directive was not followed, and it is past a year since that exam was actually written, and the issue is still up in the air. Is the Premier content with the amount of time that it has taken to date in order to get us as far as we are?

Mr. Filmon: Without knowing any of the details of why it has taken so long, yes, I certainly believe that this is an inordinate length of time to receive an analysis and report, to have the investigation done, but I also acknowledge that it was in the hands of the Seven Oaks School Division and its superintendent and outside of government's control. I do know that certainly they were urged to eventually get it done.

Mr. Lamoureux: Mr. Chairperson, before I leave this particular point to go on to the Question Period topic, there were some very serious suggestions that were happening today, and gestures, in Question Period in regard to the report. As I had posed the question to the Minister of Education (Mr. McCrae) who has

actually read the entire report—he implied that he was reading it yesterday morning—there were allegations coming from the government benches that members of the New Democratic Party have already received or seen that report.

Is the Premier aware of the report being leaked in any fashion whatsoever? I think that is in fact a fairly serious allegation that I was hearing coming from the benches. I did not hear a response from the opposition party when that allegation was being made. Is the Premier himself aware of who might in fact be informed about the details of this particular report?

Mr. Filmon: I have no knowledge of that, Mr. Chair.

Mr. Lamoureux: Would the Premier be in a position, if the government does accept the report, would the government then be in a position to table that report?

Mr. Filmon: I cannot give any further information other than that which the Minister of Education gave in Question Period, which indicated that there were third-party confidentiality concerns, and he had asked for a legal opinion on them before he could make that decision.

Mr. Lamoureux: Mr. Chairperson, I am going to leave that particular issue for now anyway. I wanted to express serious disappointment in terms of the way in which this government has dealt with this breach of security, what appears on the surface to be an apparent cover-up, what appears on the surface to be an individual who has been harmed both reputation-wise and to his health and well-being. One would have liked to have seen a bit more of a sensitive government that was prepared to stand behind its provincial directives. It saddens me in the sense that these standards exams in which we invest millions of dollars every year are in fact being laughed at by so many as a result of this government's inability to address this particular breach.

Having said that, Mr. Chairperson, I wanted to go on to the questions that I had in Question Period earlier today. We had a very serious incident that happened earlier in the week where we found out that the Minister of Justice (Mr.

Toews) and his department had access to 9-4-5 numbers that were in fact being called in on the gang hotline. Yesterday, during Estimates, we found out that the Department of Justice is not the only department that is having the 9-4-5 number problem.

Has the Premier been informed of which departments to date actually have whatever information lines of a confidential nature in which we have seen that 9-4-5 problem surface?

Mr. Filmon: I think, as has been indicated by ministers in Question Period, my understanding is that the ability to identify a call source was only from the 9-4-5 exchange, which is the government exchange itself. In the various different lines, the call-in lines in various different programs, whether it be the poachers line or the social services welfare fraud line or the gang hot line, that has now been corrected in all of those areas. That is the information that I am given to understand.

Mr. Lamoureux: Mr. Chairperson, has the Premier sent out to other departments any form of directive to look into this particular issue? If not, is the Premier prepared to do that?

Mr. Filmon: Each minister has taken the responsibility for the action on that. I will verify through the Clerk of the Executive Council whether or not there is any possibility of any other areas that need to be examined. If we determine that they do need further examination and assurances, then we will do that.

Mr. Lamoureux: Mr. Chairperson, there is what one would classify as departmental or direct information lines of a confidential nature, and there are also the more indirect ones. I believe, for example, at times MPI will establish a line.

What is done in order to ensure that those lines and the integrity of those types of lines would in fact be protected?

Mr. Filmon: Well, as a result of the revelations of this past week, departments that have these kinds of lines have undertaken to have MTS ensure their anonymity, their security, and we

will double-check to make sure that these things have all been looked after.

Mr. Lamoureux: Mr. Chairperson, is it possible to get from the government a listing of those confidential lines that are, in fact, administered both directly and indirectly by the government?

Mr. Filmon: I will endeavour to do that, Mr. Chairman.

* (1500)

Mr. Lamoureux: Mr. Chairperson, I do think that it is important, and I would ask if the Premier can, in fact, get that list of numbers so that we can do what we can in terms of ensuring due diligence in protecting the confidential nature of those lines. Having said that, no doubt there are a number of different areas in which one could venture into with the Executive Council, but I appreciate the fact that we have to be sensitive to the time. So I am quite prepared at this point to pass on, but I do look forward to getting a copy of the lines, of those telephone lines, from the Premier. Thank you.

Mr. Chairperson: 2.1 General Administration (b) Management and Administration (1) Salaries and Employee Benefits \$2,043,300—pass; (2) Other Expenditures \$398,300—pass.

2.1 (c) Inter-governmental Relations Secretariat (1) Salaries and Employee Benefits \$363,000—pass; (2) Other Expenditures \$95,600—pass.

2.1 (d) Government Hospitality \$10,000—pass.

2.1 (e) International Development Program \$500,000—pass.

2.2 Amortization of Capital Assets \$6,600—pass.

Resolution 2.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,600 for Executive Council, Amortization of Capital Assets, for the fiscal year ending the 31st day of March, 2000.

The staff can leave at this time, and we will now deal with the Premier's Salary.

2.1 General Administration (a) Premier and President of the Council's Salary \$43,200—pass.

Resolution 2.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,453,400 for Executive Council, General Administration, for the fiscal year ending the 31st day of March, 2000.

This concludes Executive Council. We will move on to the Department of Highways.

Is it the will of the committee to take a five-minute recess while we get everybody here? [agreed]

The committee recessed at 3:05 p.m.

After Recess

The committee resumed at 3:14 p.m.

HIGHWAYS AND TRANSPORTATION

Mr. Chairperson (Marcel Laurendeau): Would the Committee of Supply please come to order. This section of the Committee of Supply will be dealing with the Estimates of the Department of Highways and Transportation. Would the minister's staff please enter the Chamber at this time.

Mr. Kevin Lamoureux (Inkster): I am going to be somewhat brief. I brought up an issue in Question Period with the Minister of Highways in regard to some property just north of Inkster Boulevard that is adjacent along the service road on the Perimeter where they have put together a grain elevator, and now they are hoping to be able to have a hook-up to Inkster Boulevard, the owners of the property that has the grain elevators. One of the local farmers has indicated a great deal of concern for me, in fact brought—

An Honourable Member: Which one?

Mr. Lamoureux: Not the actual owner. I have met with the owner of the one property, but it

was another farmer that actually brought that particular individual to me after expressing concerns about how land could be expropriated, and so forth, which really raises the issue of when that is in fact done.

The concern, of course, you know often you have the need through, it is in the public's best interests. It quite often occurs where land will in fact be appropriated for public use. I think it is hard to criticize a government for taking that action when it is deemed in the public's best interest. There is no doubt a great deal of concern if the government was to attempt to do this for a private business. On the surface, at least, this is what might appear to happen.

So I would ask the Minister of Highways if he can just briefly give comment on this particular issue that I brought up the other day in Question Period.

Hon. Darren Praznik (Minister of Highways and Transportation): I just want to make a point—well, my deputy minister has gone to the office to get the large map of the area, because I think when the member sees the layout of what is happening, he will have a little different perspective. There are two property owners who are involved, and I understand that we have just settled with one of them and reached an agreement for the purchase of the necessary properties. There is only one remaining, which I assume is the one that he has spoken with or a farmer who may rent his land.

While we are waiting for my deputy to return with the map, I think there is a very important principle or point that needs to be made. The member for Inkster said about the inappropriateness about expropriating or building roads for private purpose. We sometimes forget that probably the lion's share of new road development in our province over the last half a century has been for private purpose. We built a highway to what is now the city of Thompson, the city of Thompson was built, and that highway was built at public expense for the private purposes of the shareholders of International Nickel Company. There would have been no purpose to build a highway, Highway 6, had Inco not found a mine and developed a mine. With the mine came the town

and all the supports for it. The whole purpose of that city was not to put a city in place just for the sake of doing it. It was to support an economic activity in the creation of a mine and smelter operation for the private profit of the shareholders of International Nickel. Now, the people of Manitoba have benefited because we have been the beneficiaries of the tax revenue from that endeavour over the years, but that highway was built, in essence, to accommodate a private development.

The city of Flin Flon, represented by our colleague who is my critic from the official opposition, did not exist until the Hudson Bay Mining and Smelting Corporation purchased the discovery of a deposit and built the city of Flin Flon to support their operations, and the roadworks were built for that purpose. So let us appreciate that the development of roads is to facilitate the movement of citizens and the movement of trade and commerce.

As trade and commerce develops and shifts around our province and expands, we attempt to accommodate that flow on our road system so there is nothing untoward or unusual. If we were to expropriate property and then turn it over to a private individual for a private road, yes, there is some difficulty with that. There may be circumstances where there is a public purpose in there, but generally speaking, building and accommodating public roadworks which may, in fact, result in some expropriation is not in itself an ill purpose. I just think it is important that that be on the record very clearly, because the road infrastructure is absolutely critical, of course, to developing the economic life of our province.

Now, if I may for a moment, Mr. Chair, for the benefit of members of this committee, I do not have a copy to table, but this is a map of the area in question. This being north. This is currently the Perimeter Highway, PTH 101. This section of red is the land currently owned by Paterson Grain or one of its subsidiaries. What makes this property so unique to them is the Canadian Pacific Railway runs here and the Canadian National Railway runs here, and their purpose in building on this parcel of land a major terminal is so that they can access both of the national railroad systems.

You know, for those of us who represent rural constituencies, and I look to the member for Dauphin (Mr. Struthers), the member for Selkirk (Mr. Dewar) has some grain growers in his riding, although significantly a suburban riding but still some, and the member for Portage la Prairie (Mr. Faurschou), one of the great difficulties for farmers, particularly in this post-Crow era is to be beholden to one railroad company to move their grain. There are very few places where a purchaser of grain can access two railroads and be able to negotiate price with two rail companies in a competitive marketplace because once that terminal was built, you cannot move the terminal.

Why this property is so attractive for this particular industry of the grain industry is because it is, in fact, accessible to two rail lines. So part of their proposal will be to develop a track system and rail yard that will connect to both railroads, so that cars can be moved off of either line of the Canadian Pacific or Canadian National Railway. They ultimately can negotiate the best price, and then, of course, one would hope and expect that that makes them more attractive in the marketplace to farmers who are selling their grain and, consequently, can offer a better price to those farmers or have better options for those farmers.

Certainly, in the age of Estey, as that report develops, this could become a very, very beneficial site potentially for those selling grain because of the easy access to both railroads out of one terminal.

Now, to facilitate this, the owner of the property, Paterson Grain, approached the Ministry of Highways to say: we want to have access to the roadway to the Perimeter Highway around Winnipeg; we need to have access to our property.

If you look at this particular map, and I will share it with the member when I am finished in the display, the property is adjacent to the Perimeter Highway. There was an old access point at one time, still is there, a small access. It really is an agricultural access; it is not built for taking trucks today. They have said we would like that expanded to accommodate our commercial development. That is part of our

responsibility in putting through—remember at one time this would have been probably a municipal roadway or what have you. The highway was built, so this is the access point for that property to the highway. We have to provide them with some access, either a service road or direct access onto the Perimeter.

* (1520)

Now, one of the problems for the Department of Highways, just to walk the member through this, is that at the Department of Highways we would like to maintain as few exits off the Perimeter Highway as possible. This is a high-speed, 100-kilometre-rated highway that is taking all the traffic around the city or traffic moving from one end of the city to the other in a speedy fashion. Every time we add another access point, you increase the risk factors. I look to my staff to make sure I have got the words right. So increase the risk factors.

We look at adding more than an agricultural access here. Remember, this is a grain terminal which will have lots of big trucks, heavy trucks turning, moving off, and it is also relatively close to this turning section and a curve in the highway. So the risk factors again increase when you have these types of changes in the highway. I look to my staff if that—[interjection] Right. We also have a ramp going up the bridge that again increases the risk factor, the danger factors around that exit point. So, in order to engineer a safe exit, this is going to be very costly. We have to put in appropriate turning lanes. We have difficulty with proximity to the ramp and a host of questions.

So the department said: are there other options where we could take the traffic off now, where we already have an access point to reduce the risk, and be able to bring it in, and it works best ultimately if we are able to have a through roadway? As the member will see from the plan, being able to provide an access where PTH 6 currently meets the Perimeter, where we already have turning lanes and we have the kind of structure where people are alert to intersection activity, if we were to be able to take a roadway off of that intersection to access this property and make a connection further over here onto PR 221, Inkster Boulevard, we would be able to get

the through flow of traffic without or minimizing the kind of risk of taking traffic off the Perimeter.

Now another factor that worked its way into this is that, when we looked at the cost of building and engineering an upgrade to the current agricultural access with the risk factors, the costs, if I am correct, of going with the public roadway, with using these two accesses, are about the same roughly. Actually, they may even be less cost to the taxpayer and probably safer for the motorist. So that was the route that was selected. The other thing, too, about this is we suspect with this linkage, this rail linkage that Paterson will be putting in here, that this particular site will become equally attractive to other industrial users who want to be able to access both railroads off of their plant site. What a dream, when you can have access to both railroads and get into competitive bidding to carry your freight because you can deal with both on the same connection. You do not have to move your plant.

So we suspect this particular site, being close to the two railroads with the rail linkage which is being negotiated with the railroads by Paterson Grain and with this road system, will become a very exciting property or area for industries that would like that kind of linkage. At the end of the day it gives us, I think, a competitive advantage for other development.

Now to make this work, obviously some property would have to be obtained or purchased for the public roadway. Needless to say, we would expect, as part of the development, that Paterson would be building in fact their piece of this roadway, but these sections will be public roadway, our sections will be. Eventually after they are developed, just like any subdivision approval, over a number of years the road is built and the standard will become public roadway as well because access will be required to link that. Those are still details that are being worked out currently. By going this route instead of the more expensive access off of here, we have safety improvements, we have a better flow of road.

Now, I understand that the owner of this particular property, which is the bulk of what

needs to be purchased, I understand is a Mr. Jack Oatway, which is an old family name in that part of the country, associated with that part of the province. In fact, Mr. Oatway, back in the '30s and '40s, was secretary-treasurer of Selkirk, if I am not mistaken, so the family goes back many, many years. I understand we have reached an agreement in principle for the purchase of that land. There is one small piece required here to be able to provide access to that property again. I suspect this is the landowner that the member is speaking about. We would hope that we would be able to conclude a purchase agreement. I think if the member will look in terms of agricultural development, we have a railroad and Inkster Boulevard already going by that site. We are talking about a very small, pie-shaped piece of land, ultimately, not one that is ideally suited for agricultural activity, given its shape and form. We hope we can negotiate a reasonable agreement. If not, the expropriation opportunity is certainly there, given the size of the project.

I say to the member, to the other property owners here whose land we are purchasing or may expropriate, this particular public road will increase the value and opportunities for their property into the future. There is no doubt about that in my mind, because they will then have ability to see their land utilized for this rail line which accesses to this branch or yard that will access two rail lines. So there is a significant benefit to those who may be involved in the project.

The member for Inkster referenced a farmer who is not the owner of the land who had spoken with him or brought someone into it. I am speculating somewhat, but it may be that the farmer who currently rents this property, I do not know if Paterson is leasing the land for agricultural purposes. I have just had pointed out to me that some up in here have some other landowners who have houses, I understand. The landowner we are probably talking about owns to the south of this. I suspect that if it is a farmer that is renting the land, obviously this kind of development would mean the land likely or not all of it would be available for being rented. There may be other issues that those people have where they would not find this project to be supported.

But I am sure the member would have to agree, for the purposes of economic development for seeing an area where two rail lines can be linked to create a competitive situation for large users of rail transportation, where there are opportunities to ultimately reduce the cost to producers who are now paying the cost of shipping grain, all of these I think warrant a significant public purpose, a good public purpose that should it become necessary would, of course, lead us to consider the use of expropriation to obtain that piece of property.

Mr. Chair, I am going to ask if the page can just share the map with the member for Inkster. I think we should show my critic on the other side so they know what we are talking about.

Mr. Gerard Jennissen (Flin Flon): I wonder if the minister's staff would also entertain just a couple of specific questions on a road from the member for Selkirk.

Mr. Praznik: Absolutely.

Mr. Gregory Dewar (Selkirk): I want to thank my colleague for giving me a chance to raise a couple of issues this afternoon.

I want to ask specific questions regarding the upgrade or the reconstruction of Provincial Trunk Highway No. 9 between Lockport and West St. Paul, a road I know that the minister is very familiar with, having lived on that road for a number of years.

As the minister is aware, I raised this issue before, and I have sent letters to his predecessor on this. There have been a couple of different scenarios put forward as to what the department would do with this highway. As the minister is aware, it is just basically one four-lane highway, and, at times, in particular in the winter, it can be quite treacherous, and there have been a number of serious accidents on this stretch of that road.

* (1530)

I realize, as well, that it is quite an expensive undertaking. It has been projected in the past it would cost approximately \$38 million to \$40 million to redo it, but there were a number of different scenarios put forward. There was an

upgrade, and I see this year, in this capital budget, there was some money announced for some repaving. I notice, as well, that some of that has taken place, but I understand that in the long term, there has to be a better solution than that.

I attended some meetings in St. Andrews a number of years ago, actually prior to the last provincial election, so it would have been in 1994. The minister's predecessor at that time was swayed, I assume, by the media reports from that time, that he was convinced by petitions and other concerns raised by area residents that, in fact, the road should be divided and a median be put in place, and, basically, a full upgrade would be necessary on that highway. Well, here we are, four, five years later, and still basically nothing has been done.

So I just want to know what the minister's thoughts are. Is he going to upgrade that highway, reconstruct it, or, in fact, is his department proceeding with the so-called Selkirk corridor?

Mr. Praznik: I really appreciate the question from the member for Selkirk because we are really on this minister's home turf, having grown up along Highway 9. One of my earliest experiences in life was having to cross the road from the time I was six years old to get the school bus every morning, and selling strawberries. I remember old Tommy Hillhouse, the MLA from that period, buying strawberries from me along that highway, so it is a very important part of my life.

I have to tell the member that the member for Gimli (Mr. Helwer), the current member for Gimli constituency, has discussed this issue with me at great length. I have to say to the member for Selkirk (Mr. Dewar) that I am waiting with great expectation that the member for Selkirk, the current member for Selkirk, may be so bold as to challenge this minister to pave PR 500 in the R.M. of St. Clements.

I wonder if I am going to have his suggestion, because I hear through the rumour mill that he may be contesting the new Selkirk constituency in which it is included, formerly part of the Lac du Bonnet riding. I am waiting to find out if he would be an advocate for paving this PR 500 because I feel somewhat a conflict

of interest because it is the road that runs by where I live. I am waiting to see what view the member for Selkirk, the current member for Selkirk, is going to suggest with respect to the pavement and upgrade of Provincial Road 500, as are my neighbours waiting to see. I know the Deputy Clerk, Bev Bosiak, would be another supporter of that.

So I am waiting for the member for Selkirk, I must admit, to put on the record his support, perhaps a request, that PR 500 be paved because I, of course, feel somewhat in a conflict to advocate that particular project, so I am waiting for that. But I know the member for Gimli (Mr. Helwer) today has also taken a great interest in this project.

An Honourable Member: All paved roads lead to Lac du Bonnet.

An Honourable Member: All roads lead to Dauphin.

Mr. Praznik: Well, they used to all lead to Dauphin.

Mr. Chair, the whole Highway 9 problem is a very difficult one. It is a difficult one because the cost of rebuilding that highway to divide it given the land, the tightness of that right-of-way, the Estimates of my department give me some \$38 million, a huge amount of money, at the end of the day, what would we buy? The member for Selkirk (Mr. Dewar) has driven that road most of his life. The current member for Gimli knows it well. I know it well; I still drive it. My parents live along that highway. If we had a divided highway, just the inconvenience to local residents, that strip of Highway 9 by and large now is a residential street. I mean, if my dad, Bernie Praznik, is going to cross the road to see his cousin Jeannie Kerr and Ed Kerr and he has to go way up and around again to cross over because it is a divided highway, I think we are probably going to create more difficulty along that road by looking at a divided highway project and probably spend a huge amount of money and have a road that is significantly unsafe because of the frustration.

One of the difficulties I face now is just as we see subdivisions come in along that road and

we have approvals, it works great where you have two subdivision entranceways across from one another and you can get a proper intersection. But, where you have one subdivision entrance and then maybe 400-500 yards down the road you have another, we are getting high volume traffic turning onto the highway, it is a very dangerous roadway on which to drive. I know when I moved to eastern Manitoba and drove Highway 59, I know my mother always used to say to me, if it is a stormy day, why do you not drive Highway 9 and go through Lockport. I thought you have got to be crazy. It is four lane, undivided. If it is an icy road, you have people turning, people coming on. I would rather be on 59 with no entranceway. So we know it may be sheltered. It is just nature of what was once a highway with, again, Red River settlers' lots, with homes every 200 feet a lot, many of them 100-foot lots with a driveway virtually on every one. You have subdivisions in the back adding to traffic. So it has, by and large, become a residential access road to some degree.

As a consequence, I think we should probably accept that fact. The member is really asking for my view on the road and where I see things as Minister of Highways. I think we should accept the fact that it is a residential road. I think it needs obviously an upgrading on its pavement. My father looked at it one day and said: Darren, why do you not just widen it, pave the shoulders a little bit? There has got to be enough room in the ditch. My staff come back and they tell me drainage is a problem along that road. And you know, he is right, there is drainage issue. There is a lot of water that drains out of subdivisions now and comes into that. It is carrying a lot of water. So there is a drainage issue and there is no other place necessarily to accommodate that drainage. To the east of the road, most of your drainage goes towards the river, but you have all the subdivisions to the west draining into the highway which takes them to major drains to the river. So the ability to do much is simply not there, even to put some sort of a divider, again, how do people cross the highway to access it?

I think we have to accept that Highway 9 is, by and large, a residential feeder street. We have to treat it as such, a four-lane feeder street.

I would love to see the day where we could pave shoulders. I do not even know if we have enough width to be able to do that to maintain the asphalt. That is a problem because you need to have a certain kind of grade. I look to Mr. Tinkler and his nod, but he sees the problems with doing that. So I think let us accept it as a residential street. Let us look at the future about repaving it, getting a good surface and handling it that way.

Now, that says to us we have a problem. We have the truck traffic. We have the industrial heavy truck traffic that we obviously are going to have to take off that road. Going back many, many years, I remember the days of Howard Pawley when Howard said we are going to do this and that, and that is a long time ago. He was Premier of Manitoba, not just Minister of Highways. He was the Premier of Manitoba. He was not able, in his terms of office, to make the kind of significant movement in this area that should have happened. And I say that with great regret as a former constituent and local resident because the ability to have tied up the land was a lot easier in the '70s than it was in the '80s and a lot easier in the '80s than it was in the '90s and a lot easier today than it will be 10 years from now. So it is saying to me that we obviously have to get on with at least putting some land away.

I think in reviewing our plans with the department that the answer obviously is to create a significant highway truck route, obviously, that would go to the west of the current highway, using as much of the existing road as possible. I am also very well aware, as the member for Gimli (Mr. Helwer) has advised me, and I am sure the member for Selkirk (Mr. Dewar) would as well, that the use of McPhillips or 230 for that route in its current form has the same problem, too many access ways, fair bit of development.

It is regrettable that that could not have been dealt with back in the Pawley days, really, or in the '70s, in other days, when we could have been doing more land banking before we had a lot of development on that route, if that had happened. And, again, you know, in fairness to the politicians of that day, you talk about it and you say, well, it might be 20 years before we need the land and people say, well, let me get on with

my house, let me do this, and it is always that balance.

* (1540)

Some land purchases have been made, particularly in hardship cases where people wanted to get rid of their land and it is land we needed. But the idea of building a truck corridor, even if it be two-laned to start, that would take the heavy traffic and have minimal access ways on to it to the west side of the current McPhillips that would eventually link in again with, I imagine, and I look at my staff, the by-pass around Selkirk eventually and be able to take the traffic to that far bridge which takes 44 to 59 for traffic coming from the west end of Winnipeg to the Pine Falls area, so that it can skirt the city, skirt Selkirk, do the bridge over No. 4 to 59 north—that becomes important as part of that corridor. At the end of the day, I suspect this will be less expensive than proceeding with either trying to handle truck traffic on Highway 9 or looking at some of the other options.

So that is where I would like to see this thing go, and it is something that as we look at next year's program I am certainly very high on considering moving up some of the acquisitions, start doing some of the preparatory work. It is going to take years to get this project done. There is no doubt it is a massive one, but I think given the development that has taken place, the truck traffic movement, the growth in this area, it is coming sooner than later, and we have to move on to it. But that is my thoughts on it, and that is where I see us coming from, and I appreciate the question from the member.

Mr. Daryl Reid (Transcona): I see the minister has his key policy advisors here, so I thought I would take this opportunity to ask questions. I know he has members in the gallery also taking notes of his comments and questions that are placed in this House here, so I want to raise the issue dealing with railways.

I know the minister said in answer to questions that I had raised in Question Period last week that he had met with the representatives, the senior managers of CN Rail, and I wanted to ask the minister the context in which those meetings occurred and if he has raised the

issue with the senior managers of CN. Perhaps he can tell me who they were that he met with and the content of the discussion, if he can summarize it, and also whether or not he has raised the issue with respect to job losses in CN's operations here both inside the city of Winnipeg and for the province.

Mr. Praznik: Mr. Chair, the meeting was with Mr. Peter Marshall who is the senior vice-president for the Prairie Division, Sandi Mielitz, vice-president of, I believe, Grain and Fertilizer—we do not have their exact titles in front of us here—and Mr. Feeney, who I believe was their public relations communications person. I think there were three or four of them there. I have their cards in my office, but we are all trying to get their names. I think that was the delegation.

Mr. Ed Helwer, Acting Chairperson, in the Chair

The meeting, the purpose of the meeting was to come and say hello, introduce themselves to myself as the new minister in the province. We had a far-reaching discussion about issues like Estey. We had issues about their future, their commitment, their operation, the changes in their operation. We talked a lot about the growing trend for freight from western Canada to be moving through Winnipeg and taking a sharp turn to the right, moving south into the United States, CN's purchase of Illinois Central. I think they have some other railroad, the name escapes me right now, that they have acquired an interest in that has given them the ability to route traffic right through now to Mexico. It is Kansas City Southern Railroad. So we talked about those issues.

I also raised issues with them about their long-term plans in the province, certainly the need for ensuring that they were doing their planning now. I also mentioned to them that the mayor of the city of Winnipeg, the new mayor, was an individual who I know was very committed to long-term planning and that they should be looking at their land needs, intermodal relationships now, to ensure that that was fitting into the planning with Winnipeg. We would not want to see a particular day when it is impossible for them or very difficult for them to have their needs met by a rail system going through or by

our capital city. So we talked about those types of issues.

I had raised the issue of the closure of the particular shop the member has referenced. They indicated to us that they were still in the process of working out their issues around that, that if they had not in fact made a decision, if I remember correctly, that was an issue that was working through, but of course there were discussions, and that had led to the public interest in it. They did assure me that part of their analysis in making the decision that if they, in fact, did make a closure of that shop for economic reasons, they would be part of the movement of other positions potentially into the province as well.

We ask that should they be getting close to making a decision, we would ask that they let us know and I encouraged them very strongly to ensure that—I mean, I appreciate their economics and making things work, but we thought we could be very competitive in Manitoba. If that did not work, other things did, and they said certainly. So the message was conveyed that we expect them to try to develop as much economic activity in our province as possible.

Mr. Reid: The minister says that he understands when the company managers, senior managers, talk about closure of the CN Transcona wheel shop.

Just to provide the minister with some background, he may not be aware of this, but that wheel shop supplies those steel wheels for all of CN's system right across Canada. It is the only wheel shop that is remaining in major production for that railway. There are 110 jobs at risk there and the families that are associated with those jobs. The minister says that shop is potentially closing for economic reasons. Well, I can assure the minister that in all of my years there, and I worked 22 years in that operation, that that particular part of the plant always made money for the railway. It has never been a burden to their operations.

So the economic reasons to me do not carry any weight in that regard. The employees that work in that operation know full well too that the wheel shop makes money for CN. It is much

cheaper to produce wheels there than it is to do that work elsewhere. I am sure that the railway has experimented with that over the past years.

With respect to that wheel shop's operation too, the minister should know too that just last year and the year prior, from the 1997 fiasco that the two railways had with respect to grain transportation in this country, that wheel shop has been operating with unlimited overtime for the employees in that operation.

So you cannot say that that operation is not essential or crucial to CN's overall operations across Canada. It is economic in its operations, it is crucial to its maintenance of its equipment, and the jobs that are associated with that now are now going to leave the province of Manitoba. The same time that the minister was meeting with CN officials, and perhaps he can give me the date, but if I recollect correctly, the time that he was meeting with officials is the time that that information was coming out from the eastern managers of CN, saying that that particular shop's operation is going to be closed down. So I have to wonder here: is there no communication between the CN headquarters management team in their mechanical operations, or is it just something that they are trying to do to pull the wool over the eyes of this minister and this government with respect to the loss of rail jobs in this province?

The problem we have is we have lost over 6,000 rail jobs in this province already during the term of this government, during this Premier's (Mr. Filmon) watch, and we have to be on guard continuously that we are not going to see a further erosion of those jobs from the province of Manitoba. That is why I have raised it; that is why my Leader has raised it with respect to the protection of these jobs.

I would like to know, because the Premier has said and the minister indicated in Question Period that you have met and talked with the CN managers, have you impressed upon them that the government back in 1993 lowered the locomotive fuel taxes as a means of protecting rail jobs in this province to encourage the companies, both CN, CP, and perhaps other railways, to keep or bring rail jobs here.

I mean, if that was not the trade-off that was made, let us know, just tell us so. Then we will have to ask questions with respect to the real reasons why you gave that tax break. But we want to know if you have raised that matter with the senior managers that we, as a province, the people of this province have lowered the locomotive fuel taxes for the railways as an encouragement for them to keep jobs here.

* (1550)

We would like to know what response CN is going to have, or are they just going to continue to erode rail jobs in this province until we have none left, and that the government will say, well, we have lowered your taxes, go ahead, take away all the jobs too, we do not care. Because that is essentially what you are saying right now.

Mr. Praznik: You know, the member for Transcona just very conveniently, conveniently forgets to add the very significant number of call centre jobs that CN brought to Manitoba, good-paying, high-tech jobs that have come in in a leading North American call centre.

An Honourable Member: 200 or 6,000?

Mr. Praznik: What are the number of jobs that they have brought in? It is well over 400, if I remember. It has been some time. Well, the member says 6,000. Let us go back to the days of steam trains, for goodness sake. Since I am dealing with a party of dinosaurs, let us talk steam trains, because I bet you, and I say this to the member for Transcona, in the days when the railroad operated with steam and coal, there were thousands of more jobs. Why for goodness' sake would we ever have wanted to see the railroads go to diesel and do away with all those jobs? In fact, let us forget the coal, because we did not have coal mines. Let us go back to the early, early days of the railway when they ran on wood, because all that wood had to be sawed, and if you follow the thinking of the member for Transcona, we should never have encouraged the use of power saws. My goodness, it should all be cut with the old swede saw back and forth because you employ more people.

You know what? I just say to the member, the one thing he and I cannot control is the

advance of technology. Technology changes the way in which we do our work. Thank God for that because, I tell you, I would not have wanted to farm 70 or 80 years ago with the equipment they had. I do not think any of us would have wanted to work for the railways in the days of cutting wood and shovelling coal in steam engines. Technology has improved the way in which things are accomplished and done and greater efficiency and productivity with it.

Now, we have seen massive, dramatic shifts in the rail industry in the last number of decades. The number may escape me. I look to my staff, but what was the number of Canadians that CN used to have just a few decades ago at their height 130,000 employees? It was a huge number. And today they have, what, 18,000, I cannot remember exactly, across the whole country. I am just looking at my numbers, rail employment. I mean, they were at 19,900. CN has 21,500 employees in 1998, compared to, what, over 100,000 at their height, and they move a greater volume of freight today than they did.

Now, every time engineering and the brain power of our nation is applied, we find better and more efficient ways to do things. What I hear from the member for Transcona over and over and over again is, that should never happen. My goodness, let us cut wood with a saw. Let us never use a power saw to do that. My goodness—[interjection] Comments from the member for Transcona, shame on him. So here we are. The member says let us not use the power saw, because we are using the swede saw, hand saw. I mean, that is the logic, that is the mentality of members opposite.

Yes, I want to ensure that Manitoba is a competitive place. I want to ensure that railway jobs are here because they work here and they are efficient here. The member says putting on a high fuel tax that makes us a very poor place, a very expensive place to use rail transportation is somehow the answer. It was the Howard Pawley answer to Manitoba's problems. In fact, I think when that fuel tax was increased, the Premier of the day, Premier Pawley, made his statement. What was it he said? Well, the rails are here, they have to run anyway, so they will pay the tax. What a cavalier attitude because you know

there are rails in other places, too, and there are trucks and there are hosts of other ways of moving freight. And then these same members of the New Democratic Party come to this House and criticize the fact that there is a movement of freight onto other means of transportation because rail is not competitive. Well, you cannot have it both ways.

So ultimately the railroads have to be competitive, and they have to make decisions within their system and structure that work for them. Do I agree with them? Of course, I would love to see those rail jobs here. Of course, I would like it to work and see those jobs continue to be here. If the member is suggesting that they should be forced here because it is not the right place to be, well, then all he does is build into the railroad structure the inefficiencies that the farmer pays for and the shipper pays for until one day they say: we do not use the railroads anymore.

An Honourable Member: I told you it makes money.

Mr. Praznik: Well, the member says it makes money. Well, you know what? If he knows so much about the operation of CN, why is he in this House today and not in their senior management earning more money? You know what, Mr. Chair? When we ask those questions about CN—and I mean there are explanations that they put out publicly, that they put out to their shareholders, and he is welcome to buy shares in CN and go to their shareholders' meetings and ask them—they point out that 80 or 85 percent of the wheels that were produced here are being used at the two other ends of the country. The cost of shipping them worked until it is more efficient for them to produce them there where they are being used and consumed. I guess because they have to run over their rails to get them there, I do not know. I do not know that economics. We have asked the questions. They have control of that information. We can make the arguments, as can the member for Transcona, but ultimately this is a private corporation that has to answer to its shareholders and make its decisions.

If this was the very best competitive spot to be within Canadian National Railways, then it

should be here, absolutely, but if it is not, I think, we have to accept that there are other things that we have to go after where the railroad is competitive and can be. So I do not know what the member asked. The member says somehow we should threaten the railway, that we made our motive fuel tax competitive with other places, that we should not have gouged them on that, and we should continue to gouge them to keep jobs here that are inefficient. Those kinds of trade-offs are the ones that got the country into a lot of problems. [interjection] You see, the member does not listen, does he? The member is not listening again. He never seems to listen and he never seems to get it.

What I said is the control, the efficiency, CN, this is their issue, this is their issue. They have shareholders to answer to, and they have to operate their rail line in what they view to be the most efficient manner. They advise the public in putting out this announcement that the consumers of the wheels that they produce, 80 percent of them are shipped to either Ontario or Alberta and British Columbia for use, and that given their final destination, the cost of shipping makes it more economical for them to do the work in both the East and the West, closer to where they are consumed than here. Now, if the member has real information, real numbers, real information that we can use to further the cause, I would be delighted to see it.

What he has brought is his speculation, he has brought no numbers. His comment "well, it makes money," has he brought statements? [interjection] I am prepared to ask the questions, but let us remember, they do not require government's approval to make this decision. They do not require government approval and we do not have access to the internal booking, just as we do not tell every other business their operations.

I will make the case for the general competitiveness of the Province of Manitoba. That competitiveness is here today with no help from members opposite, not one bit of help from members opposite. We are competitive today because of a decade of hard work by members on this side of the House in getting the things that government controls under control where we can be competitive, including Workers

Compensation which the member for Transcona has never once contributed to in ensuring that that was an efficient operation.

I say to the members opposite, I say to the member for Transcona, we have asked these questions when they were in my office about their issue, why they choose to do this. If he has some information that is not available to the public that would strengthen the case, if the executives within CN who are recommending this decision are pulling the wool over the eyes of their senior management, of their president, of their shareholders, I would love to be able to know that.

I would not say that that has not happened before. I remember the occasion when I went as Northern Affairs minister to Montreal to meet with Mr. Paul Tellier about the closure of the Churchill line. I remember that very, very well, meeting in Montreal with Mr. Tellier and their senior people recommending the closure of the line, having their numbers and information, much of which proved to be inaccurate. In that particular case, we were able to secure a fair bit of information from outside sources including the fact that CN had not really contacted any other short lines who might, in fact, have an interest. But we did. My department did. I was the minister responsible. I worked with our staff. We contacted a number of short lines and found out that there was interest on bidding on the line.

* (1600)

So, if the member has real information that he would like to share with us, I would be delighted to have him put it on the record today, real hard facts, figures and numbers that can lead to some very tough questions. But if he is not prepared to do that, and we do not have access to that kind of—we can ask general questions, but we do not control the internal workings of Canadian National railway or their accounting system.

So I appreciate his concern. We certainly would love to see these jobs stay here if this is the efficient and right place for them to be, but the member should not be trying to put words in my mouth about this. If the member has a real

contribution to make to saving these jobs here by bringing forward information that is not otherwise available to me or to others in my department, I would be delighted to hear it.

Mr. Reid: Well, the minister says if it is efficient and the right place to be, that those jobs will stay here. I have to think back to the 1980s when Howard Pawley's government was in power at the time. It was that government that took the initiative to save real jobs in this province by sponsoring in partnership a program that would upgrade rail cars in this province, grain transportation cars in this province, and save those jobs at the Transcona car shop. I have not seen this government take any of those steps. In fact, if I listen to the minister here today, he has become an apologist for the railways as to why jobs are leaving the province of Manitoba and the city of Winnipeg. That is the only thing that I can take from his comments here today.

If you use the business logic where the minister and his colleagues say that they are so politically and business astute here in this province, can you tell me how it is more efficient to build two brand-new shops and operate them, the operational costs of them, than it is to operate one shop that is already in place with a capital investment already made and functioning in that shop? So how can it be an astute business manager to say that you could run two shops cheaper than you can run one at both ends of the country knowing that you have to ship the product either way?

If you are going to use that same logic then, what is to say that the call centre whose business is spread at either end of the country the same way the use of the wheels are that the minister says, what is to say that the railway will not split the call centre up and move it to Toronto and to Edmonton, the same way that the business operates or originates in those two territories?

If that is the logic that you are going to use and you are going to fall into that trap that the railways have set for you, what is to stop them from coming down the road here, now that you have given them multimillions of dollars in fuel tax rebate, that they will not close that call centre and move it to Toronto and Edmonton as well?

So I cannot comprehend the logic that you are using here to say that it is more efficient and that the people who are working at the jobs are inefficient here, and that is giving cause for the railways to move those shops both to Edmonton and Toronto. I cannot comprehend your business logic in that. Everybody knows that it is cheaper to operate one shop versus the two. I think there is even a railway study. If the minister was to pick up the phone and ask Paul Tellier to provide the study that has been done on these two new shops, the study will show you that it was cheaper to run the continuing operation here in the Transcona wheel shops than it was to construct the two new shops and provide the capital investment in structure inside of those facilities.

There is a study for it, and if the minister was to ask Paul Tellier, perhaps you would get a copy of that study. I am not going to do your groundwork or your legwork for you. You have people in your department that can provide you with that kind of research, and I would expect that that would occur, but the study does exist and you can go and ask for that. I hope that the railways will supply that to you.

I ask you the question: did you ask Mr. Tellier or the people in senior management that came to the meetings with you, using the logic that said it is cheaper to produce those products, to move those wheels and axles to shops in either end of the country, what is to stop the CN, now that they have their tax break, their multimillions of dollars in fuel tax reduction, to move the call centre out of the province of Manitoba? There is a bilingual workforce in parts of Ontario. There is a bilingual workforce in Alberta in St. Paul, not far from Edmonton. What is to stop that from occurring there since the bulk of the business is originating in those areas as well, if that is the logic that you want to use?

Mr. Praznik: The member says he is not doing my legwork for me or my groundwork. What is he doing as the MLA for Transcona? Shame on him. This is in his constituency. Many of these people live in his riding. Get off his butt a little bit as a local MLA.

When it happens in my riding, when I have to deal with issues of closures in my riding as an

MLA, not as cabinet minister, as an MLA, I got off my butt to work for my people. It is about time the Member for Transcona got off his butt to work for his people in Transcona. If he sees all this information, why is he not leading a charge, a local charge? Wants attention locally? Anybody can get up and ask questions. It takes a real, strong member to lead the charge.

Some of us have had that in our ridings when we have faced closures. I went through that with Milner Ridge. I went through that with Pine Falls. I am going through that with AECL, and there is lots of work that one does as a local MLA on this matter. It just amazes me, it just amazes that the member for Transcona would come to the House, I am not doing your groundwork. I have done my piece. I got up in the House and spouted off about it.

What a great MLA. Well, I will tell you, Mr. Chair, I will do it. I will do the member's work for him as MLA for Transcona. I will do it for him, but I will tell you, his constituents should be asking a real question. Daryl, why are you not going out and making a call, finding out if you get the report. You are the MLA for that area. Why are you not making this a public issue in your constituency? Why are you not raising this subject? Has he requested a meeting with anyone from CN? I will tell you, if it was happening in the constituency of Gimli, the MLA for Gimli (Mr. Helwer) would be doing it. If it was happening with most of my colleagues, they would be doing it. If it was happening to the member for The Maples (Mr. Kowalski), he would be out doing it. But, oh, no, the member for Transcona, I have done my job, boy, I have shot off my mouth in the House. I say, let us say that first.

Now, secondly, another very interesting point the member for Transcona makes, he talks about the Pawley government and the money to subsidize the refitting of rail cars because it kept jobs in Manitoba. Well, again, you know, I will tell you, representing a rural constituency with farmers, right, who now have to pay that entire cost of moving that grain, when they see that grain moving, and the member for Dauphin (Mr. Struthers) has the same issue, because his constituents are payers, and you know what we saw? We saw in that kind of whole kind of attitude—[interjection]

Pardon? Well, no, they do go together. The member for Dauphin says they do not go together. They do go together, because what is best, has always been best for the producers in our province is to have as many options as possible to sell their product. And today I am told by our Minister of Agriculture (Mr. Enns) that across Manitoba today there is something like half the capacity in our grain elevators that is empty because the farmers are not delivering the grain. Part of it is price. The price is not there. But they are doing other things with it.

The diversification that we have seen in agriculture in the last 10 years in this province has been phenomenal, has been a revolution. That is going to continue, because farmers are not going to pay more than they have to. They want to maximize their profit, and they should. And I will tell you, when you are in the centre of the continent shipping your grain and paying the whole cost to get it to salt water to move to some other market, particularly when we see the Europeans continuing to subsidize their agricultural industry and bring down world prices—our producers are not stupid. They are going to want to find the alternatives where they get the best price for their product, and given our location in the continent, our option has been and it is proving to be the option where many producers are going year after year into alternatives that consume our grain at home and we ship more finished product, whether it be carcass and, hopefully, eventually wheat.

In fact, if one looked ahead, the best thing for agriculture then, it would be so diversified, we were not shipping any grain just as milling grain. We would be shipping finished products whether they would be pastas, whether they would be prepared and cut meats, whether they would be packaged oil products, whatever. We would be moving that product out as finished product. We would be value adding here. That is best for the Manitoba economy. And that change, with the loss of the Crow, the western grain subsidy, is happening more and more each year.

I would predict today, as a transportation minister, that over the next decade we are going to see some very significant change in the kind of freight railroads carry from the agricultural

community, that it is not going to be grain like it used to be, that that grain is going to be consumed here. So that is going to have another effect on the transportation industry, and members like the member for Transcona (Mr. Reid), in their own mind, are going to have to make a choice, because you cannot on one hand be encouraging that diversification and expecting that it will result in the same kind of employment levels on the transportation side in moving grain that is not there to move anymore because it is being consumed at a better price for our producers here.

Now, the answer then is to have replacement freight. It is for our railways to be competitive, our railways to be moving more freight from other places and to other markets and passing through here and the work coming with it to replace that. [interjection]

* (1610)

Well, the member says it is not, but I will tell you in our discussions of the rails—I do not have the numbers in front of me, but they tell me that the volume of freight that they are moving through this province on their lines, particularly to our growing markets in the United States and the potential growth of markets in Mexico—well, even just this week with the delegation from Jalisco province in Manitoba, one of the comments that was made was that they have a growing demand for canola. Now, whether that be shipped in the form of oil or crushed down there, it is another market that the links in our north-south trade are good for, whether it be canola from here or from Saskatchewan. Flowing through on our rail system is part of adding to that freight.

Yet, you know, Mr. Chair, I look at members opposite, what has made all of that possible was a thing called the North American Free Trade Agreement and its predecessor the Canada-U.S. Free Trade Agreement. And you know what? When we went through that huge debate on whether we were going to be bold enough to do it, the New Democrats, I remember where they stood. They opposed it. I remember Howard Pawley running around the province saying we have to build a brick wall around Manitoba, because we are not competitive,

because our people really cannot compete in world markets. We have to have tariffs at the border, and we have to tax the corporations. Do you know what? I sat at a meeting in Ste. Anne with Judy Wasylycia-Leis and other bright lights of the provincial cabinet wanting to expand on the virtues of opposing free trade.

An Honourable Member: That is when you were a little bit on the dark side.

Mr. Praznik: Well, I do not know what the member means by that. Is he making a racist comment of some sort over there? I am not sure. What does he mean on the dark side, the member is saying.

Point of Order

Mr. Clif Evans (Interlake): Mr. Chairman, no, I was not making any racist comment. The member for Lac du Bonnet was referring to one of our former members as a bright light, and I was asking him if he was one of the darker lights that was at that meeting.

The Acting Chairperson (Mr. Helwer): The honourable member for Interlake does not have a point of order.

* * *

Mr. Praznik: I have heard that line before. Again, members of the New Democratic Party opposed that very necessary initiative for our economic development. Today they just, you know, things are doing well; we will just forget about that big mistake in policy that we made. Would they ever say go back to the old way, do away with those trade agreements? Get up and say that today in the House.

An Honourable Member: How many times do you want to hear it?

Mr. Praznik: So you were wrong. You were wrong in 1988. You have been proven wrong because if you were not, you would get up today and say that we should go back, we should continue to nationalize our railroads, we should continue to subsidize the movement of grain,

and we should continue to do all the things that got us into the state we found ourselves in a decade ago where we were in big trouble.

So I say to the member for Transcona (Mr. Reid): do his work as local MLA. I would be glad to be of assistance. I say to him that I will take the information that he has raised today, and we will go back to CN and put to them those questions that he has put. I will take it from my end, as I expect him to do from his. I say to him, though, very clearly, the only guarantee that one has of future economic success is to be competitive in the long run. Sometimes you are competitive, and you still do not know. But I tell you that you have to work at it every day.

Yes, I would agree with him that there are many times when wool is pulled over eyes at CN, because I walked into that in Mr. Tellier's office when their own staff were saying that the Churchill line would never survive, should be abandoned. No one would ever want to buy it. The member for Flin Flon (Mr. Jennissen) can attest to that, because I was keeping him informed as a local member on the Sherridon line in my role as Minister of Northern Affairs. We proved it very quickly. So I am not afraid to do that.

But the reason I was able to do that, quite frankly, is because we had made the calls to other short lines. We knew that the Gateway North group was interested. We also determined that others were interested and had never been contacted. We caught CN officials, in essence, not telling their president the whole story. That led to other things that saw the thing develop.

But, if I have good, solid information on which to work, from wherever it comes, I am always prepared to use it.

Mr. Jennissen: I truly enjoyed that healthy exchange of views. But I would like to return to where we left off yesterday when we were briefly discussing the extension of the Puk airstrip. I was given to understand that this would occur within the fiscal year, and I would like to find out—it may have been mentioned yesterday—the length of the extension again and the anticipated cost.

Mr. Praznik: Mr. Chair, the plan is to extend that particular runway to 3,000 feet at a cost of \$125,000. I am informed that the work is going to be done this year, weather permitting.

Mr. Jennissen: When the minister says "this year," I presume he means this fiscal year.

Could I also have some information on the Lac Brochet extension, the time frame on that? Mr. Hosang mentioned that yesterday. I am pleased to see that they are thinking about working on that airstrip. Would that fall under the same time frame?

Mr. Praznik: First of all, Mr. Chair, we mean within this construction year, which is fiscal year as well.

The Lac Brochet, we will be taking that to 3,500 feet. That has been grouped with extensions at Brochet, Lac Brochet and York Landing together, at a total cost, it is estimated, of \$325,000.

Mr. Jennissen: The department has identified over \$50 million in capital projects to improve northern airports, mainly to make them safer airports, more efficient airports, and so on. Certainly there is some work being done in terms of lighting and so on, but the department has indicated they do not have the dollars to be dealing with this. I think the implication is that Ottawa ought to be doing more. Is Ottawa being actively lobbied then to come up with some extra cash? Because there seems to be quite a difference between what we are putting into northern airports and the estimated \$50 million that would be needed.

Mr. Praznik: On this particular matter, we have a number of working groups with officials from Transport Canada, I imagine Department of Indian and Northern Affairs, and our staff have been dealing with this issue there very extensively. Again, given the amounts, they have to fit from the federal perspective within their budgets and their prioritization of projects. We are trying to work very closely with them. At this particular point, I know a lot of discussions have taken place at the staff level as they try to juggle their budgets to meet this priority.

Mr. Jennissen: Last year Transport Canada was considering closing the Churchill flight services station or downgrading it to what they call I believe the Community Aerodrome Radio Station, CARS. The member for Rupertsland (Mr. Robinson) had written a letter to the federal Minister of Transport asking him to review that decision. I do not know what the result of that was. I would like the minister to comment. Perhaps he has more information. But certainly the member for Rupertsland felt strongly that when we were talking about increased trade and specifically initiating some flights to Siberia, I believe it was, last year and the possibility of Churchill being used much more frequently in the future if the transportation impetus that we are talking about continues, it would make sense to keep that station at its original status.

Does the minister have any information on that?

*(1620)

Mr. Praznik: Obviously there are a lot of parties involved in this. The airport is in a federal jurisdiction. I know that the community of Churchill is very active in the discussions with the appropriate authorities and the national government. One of the things that we have learned is that the federal government, their view is not to look at a single facility in isolation of regional activity, so their studies, which I understand are still ongoing, are looking at Churchill in the context of other service and operation in the whole northern region of Manitoba.

The second point is that the feds have recognized, I think everyone has, that you still have to have a safe system there, even if they are to abandon the current personned operation and have the CARS system in place, which I understand Churchill is aware of and I think are not in opposition to from what I understand. The CARS system is the Community Aerodrome Radio Station service. Churchill has indicated that should this happen, they would like to be the centre for the training for this particular system. We are supporting them in that request.

So it sounds that the federal government is moving ahead with these changes, that it can

operate safely. In the negotiation in the mix, Churchill may end up as the training centre for that particular system, which I think would suit everybody's purposes in ensuring activity continue at that very important base.

Mr. Jennissen: In keeping with the tenor of the questions, they are fairly general on airports, and so on. Last spring, the spring before this, there was concern also about Winnipeg possibly losing jobs when Nav Canada was reviewing air navigation centres, which included Winnipeg. It might have been an ungrounded fear. I do not know. I have heard no more about that, and I am just wondering if that danger of losing 120 staff is now past, or is there still something in the wind?

Mr. Praznik: Mr. Chair, this is a decision within the realm of the national government, so although we can ask and inquire of their staff, we do not get the sense that they have necessarily come to a conclusion yet about that. Again, it is in the purview of another government, so he, like me, is at the mercy of their willingness to provide information to others. We also, as a department, worked with the Department of Industry and Trade in presenting them the case for their operations, the parts that they need to continue to be in Manitoba as a good place to work out of in terms of their own costing for those positions.

Mr. Jennissen: Could the minister give me an update on the Perimeter Airways suit against the provincial government about the crash on November 1, 1996, of one of their planes because the snow-covered runways were marked by evergreen boughs rather than by orange marker cones? I know that was an ongoing dispute. I do not know what the resolution of that as it was or is or has been. Can the minister give me an update on that?

Mr. Praznik: Yes, first of all, my department advised me that the use of evergreen boughs is not in itself an inherently bad practice. The second point is that, with respect to the lawsuit, our insurance company is handling this particular matter and dealing with the negotiation as they should because they would be the payers. So we really do not have a status on that, that I can share with members.

Mr. Jennissen: Could the minister give us a very brief status report of not only St. Andrews but also the future for Winnport? I know I have seen some really positively glowing remarks being made about the potential of Winnport, especially last year, but I have not heard very much lately. I wonder if he could comment on both Winnport and the future of St. Andrews.

Mr. Praznik: Mr. Chair, with respect to St. Andrews, again, these are negotiations between the national government and the particular municipal counterparts. We understand that the municipality of St. Andrews may be, in fact, taking over that site and will operate it on a contract with the Winnipeg Airport Authority. In fact, I am just advised as we look through our material that the R.M. of St. Andrews took ownership of it on March 30 of this year and operate it on a contract with the Winnipeg Airport Authority.

With respect to Winnport, first of all, Winnport in concept, the development of intermodal relationship of rail, highways and air is excellent. Manitoba is well positioned. I think all of the people who got involved with Winnport are extremely well intentioned and are attempting to do something very, very innovative. They have had some difficulty, some significant setbacks over the last year. Part of it is being new in the industry, a new concept; part of it is the demands of being able to be properly capitalized because there is a period obviously when you lease planes, you do not have the freight and you are losing money. So they have had some difficulties, and they are struggling through those now. I do not know if the concept will have to go into abeyance for a small period of time but inevitably, I think, will succeed. The question is when. The current proponents of the plan and investors in it have had some significant difficulties. I do not want to be discouraging to them. They have to make some decisions on the ability of their finances, but obviously the work that they have done at some point in time, I am sure, if not by them then by someone else, will be picked up and developed. But they have had some issues and some difficulties in making the project advance. It has not been as successful to date as I think they expected or hoped for.

Again, a totally new venture, really gambling that they could pull a lot of diverse pieces together, needing certain volumes of freight, not necessarily getting them right away, like any new endeavour, and when you are changing patterns of trade, in essence, it takes some time to be able to get the volumes that you need to make the thing go. I think they got caught in that kind of situation.

So they are still working through some of their issues, and we hope that things will come together with them or another group at some point in the future.

Mr. Jennissen: Yes, I think Winnport is indeed an exciting new concept. I guess it is not really new because I know there are places like that in the United States and elsewhere. But I was under the impression that acquiring landing rights in China was the big obstacle, and the minister seems to intimate or suggest that that is not the big obstacle anymore, because I believe those landing rights were acquired. It is more a funding and an organizational issue at the moment. Is that correct?

* (1630)

Mr. Praznik: Mr. Chair, the Asian flu, the downturn in the Asian economy that took place a year or so ago I think had a very significant effect on being able to get their volumes of freight. Ultimately, leasing aircraft, requiring landing rights, co-ordinating all of that, money going out the door because once you have leased aircraft and you have got bills to meet, you need the freight to bring in the revenue. I think their freight expectations, they were not able to secure the volumes that they needed as quickly as possible. Again, I think, probably, I would speculate that a portion of that was due to the economic downturn in Asia.

So having said that, it makes it very difficult to carry that rough time when you are starting a new venture. They do have some irons still in the fire, I am advised, and I am hoping that they are able, either them or a successor group, to pull this off.

Mr. Jennissen: A final question on basically airports. In the Enabling Appropriations and

Other Appropriations, that is the 1999-2000 Estimates of Expenditures, which is not the Highways Estimates, but No. 27.5. Appropriation No. 5. under Capital Initiatives for projects which are one-time in nature and will be fully offset by a transfer from the Fiscal Stabilization Fund as reflected in the 1999-2000 revenue Estimates, I note that (b) Highways Construction, \$10 million, I believe that is, and under Northern Airports, \$1 million—my question is why that was placed there rather than under the Highways budget.

Mr. Praznik: Mr. Chair, the member asks a good question. I regret that I do not have an answer for him because that decision was made by the Department of Finance in setting up the structure for our budget. Rather than showing it within the department, they show it as part of the infrastructure vote. It is an additional million dollars for and has been of infrastructure. I suspect that is why they made that decision, rather than be in the base budget.

Mr. Jennissen: I hope the minister realizes I am not questioning the money. I am very happy it is there. I am glad to see it. I was just wondering why it was under a different set of Estimates.

The honourable member behind me just mentioned, and I had forgotten about it, for the maintenance of some of the airports such as Dauphin River and Moose Lake—I think there were a few others last year—could the minister enlighten us as to what necessitated that or why that was done?

Mr. Praznik: These particular airports, I believe there were eight of them, were what are referred to as auxiliary airdromes. They were in communities that had other transportation access roadways. They were not essential to the operation of those communities, i.e., being the only way in and out. We did not have staff available in those localities for maintenance, and, quite frankly, you get into a liability issue. If you are advertising them as being maintained and you are not doing that, then you have a liability issue. Also, when we looked at the volume at those airports, the traffic volume, the traffic was very, very, very low.

Mr. Jennissen: I would like to switch now briefly to railroads. I know that the honourable member for Transcona (Mr. Reid) has already asked the minister some questions in this field, a specific question. I am sure in that debate was brought up the job losses, and so on, and lamenting the fact that there is the gradual erosion, it seems, of rail lines in the country. The focus still seems to be mainly on the two large railroads. We certainly lament the rail line abandonment, which has negative impacts for the North and for rural areas and also the extra costs that this kind of abandonment places on the rest of the province, places on the road network, the extra costs.

The minister probably recalls very well our battle, I guess you could call it, with Paul Tellier to salvage what we could from CN in terms of the Hudson Bay rail line and also the Sherridon line. Certainly Mr. Tellier did not seem to, in my opinion, care too much about that region of the country, because he has a different agenda, perhaps rightly so. It is a privatized company, and he is looking after his shareholders. But still, you know, I find it somewhat troubling that the railroad we once owned federally, and therefore, we could if we wanted to, you know, express this as a concrete federal vision, we do not have that anymore once that was privatized. We can argue pro and con whether that was a good move or a bad move. Certainly what might have been good for the shareholders of CN then was not necessarily good for northern Manitoba. However, I think we came back from the edge. I think it is running well now because OmniTRAX has taken it over, but it certainly was a serious problem there for a while.

But other than just verbal and moral support for short-line railroads, what is the government doing to help short-line operators? I know the minister mentioned a few initiatives, but how do we make life easier? Because we all want to make those short-line operators succeed, particularly in this case OmniTRAX and Hudson Bay rail line.

Mr. Chairperson in the Chair

Mr. Praznik: Well, first of all we have passed short-line legislation that facilitates their operation. We have implemented the regulatory

regime that mirrors as appropriately the federal safety standards, et cetera. We are contracting with the federal department to use their inspectors so that, in essence, we have tried to make it as easy a transition as possible in terms of their operation so they know what standards they have to meet in terms of safety and operation.

Wherever we have had the opportunity to advocate on their behalf in whatever form, whether it be with the federal government, who controls the legislation that governs rail line abandonment or in any form, we have certainly advocated very strongly that when lines are abandoned that they are abandoned in sections that will facilitate the development of a short line. It will have enough potential volume and connections with other lines to be able to move into operation.

Short of providing a direct subsidy to them, I do not know of other things that we in fact can be doing other than continuing, and, by the way, it is not our intention to do that. We do not certainly have the resources. I think that would just create an uneconomic situation that would guarantee those short lines would not survive in the long run. But I guess the other thing we can do, of course, is continue to make Manitoba a competitive province in many, many ways, so that businesses develop that require rail use and ultimately will increase the volume of traffic for those short lines.

In my part of the country where we have seen a short line develop, the Manitoba Central Railroad, which now operates the Pine Falls subdivision, the continued work with the Pine Falls Paper Company and their parent Tembec to see development take place, to see the expansion of their paper machine capacity, the development of a sawmill operation as part of their integrated wood use plans, means that there is potential for greater volume to flow over that particular rail line, and we will encourage that kind of activity.

Of course, there are a lot of issues to be worked out, First Nations communities, et cetera, that have to be done, but that type of economic growth means the business will be there for the short-line railroads. If the business

is not there, those rail lines will not survive. So I appreciate the question. It is something we all have to continue to work toward.

Mr. Jennissen: One thing that I have wondered about, and that is OmniTRAX is based in Denver. It is not a problem with me personally but I do know there are Canadian nationalists who have made it an issue and said all things being considered, if we had a Canadian bid—and I know this is after the fact stuff—why would the decision have not been made in favour of a Canadian company?

As I said before, it is not an issue with me personally, but is it perhaps symptomatic of the fact that the North American market is integrating to the point where it does not really matter anymore that an American company has access to the only inland port of this country. Perhaps it is just totally irrelevant, I do not know, but I do know some people still say that should have been a Canadian company. All I can say is OmniTRAX is working out well for us.

* (1640)

Mr. Praznik: Mr. Chair, I must say on a personal note that I very much appreciate the way that the member for Flin Flon has phrased his question, because I think it recognizes his observations in the role of OmniTRAX in the North and recognizes that there are many Canadian nationalists who have a different view, and I think I have to appreciate the way in which he has phrased it. Many of his colleagues I think have taken a very different view as Canadian nationalists, and I would take issue with them, but I have to say I respect very much the way the member for Flin Flon has put that question.

Just again in perspective of what is happening in the North American marketplace, I have had opportunity to look at the development of our transportation system, and for our future in a province like Manitoba where we are so far away from the Pacific and the Atlantic, the ability to develop our north-south trade corridor, eventually, if you look at a map, I mean, straight south to Mexico City. I happened to be in Mexico on a personal holiday attending a friend's wedding last winter, and I paid a visit on

the Canadian ambassador in Mexico City. We were talking about developments there, and the Mexican government has built a toll highway from Mexico City to the border, or is building one. So we are going to have some pretty good infrastructure being developed, and the ability to move, whether it be the new rail acquisitions of Canadian National, Canadian Pacific, that make the rail lines possible to move south, our road network moving south, this means we are at the northern end of a central corridor, and lots of opportunities flow from that.

To those Canadian nationalists that the member references, and all things being equal you should choose a Canadian company, but regrettably all things are not always equal. When any company is putting out a bid to sell—and CN is a private company owned by its shareholders which actually in law has a fiduciary responsibility to its shareholders. They were never faced, from my understanding, with all bids being equal. They had to make assessments and very rarely are all bids equal. There is usually a difference, even if it is a slight one, between them.

But, when I look at the number of Canadian companies, companies with deep roots in our province, companies that grew up from very small operations, that are doing a phenomenal business in the United States today, I am very proud as a Canadian, as a Manitoban. I look at companies like Loewen Windows that started as a very small window maker, today a major supplier of windows throughout North America. Paramount Windows. When I look at furniture manufacturers in this province who started making furniture, again, shipping furniture all over North America. Our bus manufacturers. You know, a friend of mine the other night was just pointing out to me that he had watched a documentary program, I think, on A&E about the Bronfman family, the big liquor empire of the Bronfmans. I was surprised to learn that the original Mr. Bronfman was one of the first owners of the Bell Hotel in Manitoba. There are many Canadians. Whether one agrees with Conrad Black or does not, or reads the National Post or does not, I have to tell you, I am very pleased with the National Post. It is quickly becoming my favourite paper next to The Brokenhead River Review and the Lac du

Bonnet Leader from my riding. In the newspaper interests, Lord Thomson of Fleet, Conrad Black, I mean, these people have started with very small operations, local papers, and built them into huge media empires and are now running newspapers in the United States, in Great Britain, et cetera, and use many Canadians in their operation.

So, when I hear about this economic nationalism, the reality of the world is our economies have become so integrated. In North America, like Europe, building a very integrated trade block, has that been a good thing? I would say, generally speaking, yes. When you are a province or you have an economy, you need to sell what you produce. We are 1.1 million people. If we do not have the opportunity to sell what we are able to produce, our goods and our services, how do we earn our living? Our own Canadian market of some 30 million people is a very, very small market in the world spread over a very diverse country. The reality of our trade patterns is it is far easier for Atlantic Canadians to sell products to the eastern seaboard of the United States, our Alberta colleagues to sell south into the western United States, for us to sell into the central U.S. and Mexico, and for Ontario to sell into the northeastern part of the United States than it is to sell to each other. So our prosperity is dependent on the ability to access those markets not only for the goods we produce but the services we provide.

Manitoba is very fortunate. We are really a province that sells a great deal of transportation services. Our railroads, that is the point I make with the member for Transcona, is so much of the future. Railroad jobs will be moving other people's freight through our province, providing the service of transportation. Our trucking industry, our trucks haul all over North America or all over Canada and the United States now, based out of here. Those drivers are on the road outside of our jurisdiction but coming home to spend their paycheques and pay their taxes. So they support their families and earn their living providing a service of moving goods around a continent, and so from that perspective how does one turn that clock back?

If we want to ensure that Manitobans are able to access opportunities elsewhere in a fair

manner, we have to ensure that others are treated likewise in our jurisdiction. You know, as Minister of Labour, I remember the concerns in negotiating and, as Energy Minister, I remember the concerns in negotiating internal trade agreements within Canada and governments like Quebec and British Columbia saying, oh, no, we want to work in rules that give preferences to people from our province in the construction industry. So what they were really saying is: if projects go here, we do not want to give the work to people from outside our province; we want to give our own a special advantage. Well, that is fine, except then if we all do the same, those people from British Columbia do not come here to work in my province. So, again, we build these rules and we do not let normal trade patterns develop, so all jurisdictions or many jurisdictions have been saying, okay, we will treat everyone the same. We will have fair tendering rules. We will not have local preference and we will let the most competitive bidder win, which means that the quid pro quo is, yes, certainly, sometimes others come here and buy a railroad in Manitoba who are from Colorado or do other things. But it does then mean that we Canadians can go into their jurisdiction and do the same. The last time I looked, there were many, many Manitobans whose businesses or whose professions or whose trades have taken them to work in other jurisdictions where they earn their daily living.

So for those who would hope that we can work and sell elsewhere but only protect our own, that happens very rarely and for only short periods of time. I think our long-term prosperity is dependent on reducing artificial barriers to trade, in harmonizing regulatory regimes so that we facilitate the movement of goods and services and people, and allow our competitive advantages to carry us.

One of the interesting things about that northern line, I know the member for Flin Flon (Mr. Jennissen) and I, in many private discussions and public ones, have shared visions of how that line can develop. I think, it may not happen overnight, but that line is an option for moving product to saltwater, an option to the Mississippi River system. As the Mississippi River system continues to take a larger and larger volume of freight, it can maybe handle the

freight on the waters, but there is only a certain loading capacity at its seaboard end. As the cost of doing that increases, then a northern port like Churchill becomes an option for many in the catchment area of the central part of the continent.

My goodness, would it not be nice to see American grain from Kansas or South Dakota or Iowa or American farm products being shipped through our province and loaded on ships at Churchill and shipped to Europe and other places, then goods coming into that part of the continent, landing in Churchill and being loaded in Churchill and being shipped to those points? Because the jobs and income to be earned in moving them over our jurisdiction will come to Manitobans. I think that is a vision that we share, and I appreciate it.

We would always love Canadians to be the most competitive. I would. But even if we were, there are only 30 million of us. The world market is far bigger. So, if we want to have access to the world, we have to allow the world in our door as well. That is the quid pro quo.

I appreciate that the member for Flin Flon recognizes that in the way in which he phrased his question.

* (1650)

Mr. Jennissen: I wonder if I could ask the minister some questions on passenger rail, especially passenger rail in the North. I know people like Mayor Bill Comaskey from Thompson and Chief Shirley Castel from Pukatawagan have on occasion taken swipes at VIA Rail, and I think for just reasons.

In terms of going the Churchill route, very often tourists complain that there are not enough cars, certainly not observation cars, or that the treatment was not right or that the train was delayed, and so on. We get a multitude of complaints. We get even more complaints, the run to Pukatawagan and to the Matthias Colomb First Nation. Very often around Christmastime there are not enough cars. The cars are overcrowded. People have to ride in baggage cars and still pay the same amount of money. Also apparently some of the workers on the

railroad are not that culturally sensitive. People of Pukatawagan take great exception to that, including the chief, and I cannot blame her because that is an issue.

I think we need to realize, unless we have an all-weather road, and of course the minister knows I have been lobbying for that, the rail line is still the most accessible way to Pukatawagan and The Pas. The connection is usually Pukatawagan and The Pas. But the train tends to be late, often as much as two hours, five hours, 10 hours. You have to phone New Brunswick to find out where the train is. It is actually two minutes out of Cranberry, but they cannot seem to tell you. They say it may be two hours or 10 hours. It seems to be run in such a loose and irresponsible way that it bothers people. Not only that, the cars themselves are pre-World War I vintage.

A year or two ago, we had access to a directive from VIA Rail where they were going to run the cars till they failed, in other words very low-grade maintenance. Later on they denied that and said it was just a clerical error, I believe, or some mix-up, but the point was that they do not pay attention to northern passenger service, particularly on the leg from The Pas to Pukatawagan. It is a great irritant to us and a concern. We feel that the people of Mathias Colomb deserve first-rate passenger service, and they are not getting it.

So I am wondering if the minister would help me, because Lord knows I have written enough letters to VIA Rail, his staff would help us lobby for better service to that community and in fact to the community of Churchill, which is a little bit more popular and has a lot more tourists going to it. But we would also like a lot of action on The Pas, Pukatawagan end of things.

Mr. Praznik: The member has picked up on one of my favourite topics. One of my pet peeves is the lack of taking advantage of the opportunity for the passenger service on that northern line. If there is a line in Manitoba in my view that is attractive for passenger service for tourist traffic, for local traffic, it is those northern lines. What we saw with VIA Rail, and what is interesting, and I do not mean to get into

a politically philosophical discussion about this, but we had a publicly owned Canadian national railway, owned by the people of Canada, who never cared one bit about the North. We had a publicly owned passenger rail service called VIA who could not care less about the clients in northern Manitoba.

I mean, I have ridden that train a number of occasions, as I believe the member for Flin Flon has, and the member for Dauphin (Mr. Struthers). I have not done the Sherridon, the one up on the Sherridon subdivision, but I have taken the one from Thompson to Churchill. I have taken it from Churchill back to Winnipeg in my youth. I will just tell you, the service level on that train, I remember in the morning, a summer trip, packed, and you go for breakfast. There are five stools or six stools in front of the booth, and you sit down and say can I have my breakfast here. No, you have got to have a booth; you have to wait for a booth. Well, what is it to fry a couple of more eggs and bacon and put it on the plate and serve it? No, do not do that.

I remember having a delegation come in from Germany, and they wanted to take that train, and we called, and we could not book. Well, would you put on another sleeper car? No, cannot do that. So you look at it and you say, here are publicly owned, socialized industries who are supposed to have the public view, who are subsidized by the taxpayer, and they tell those same taxpayers, those same clients, those same citizens, those same shareholders, those same voters, we are going to kick you in the butt, we do not care. Well, it is interesting, is it not? Really, it is interesting. I do not want to get into political philosophy because public ownership works sometimes, sometimes it does not, and I am very practical about it. There are many times it does work.

I am not someone who says privatize everyone, but in this particular case, I think what you had was a big organization without client service who could not manage these small side operations. It was a pain in the butt to them and they just ignored them. You probably had somewhere deep in the bowels of the government or in CN just a sense that other interests against Churchill, right, because of the competition.

I mean, again, not letting market forces develop or natural patterns develop, always thinking you have to subsidize, led to more problems than it was worth. The pleasing thing now about the Hudson Bay Railway, and I have to tell the member that on one of the first occasions I met with them and they were asking me my opinion on passenger service, I told them that they have to at some point get VIA out of the picture, they have to take it over as part of their operation and they have to run it as a tourist operation. Whether it be The Pas to Churchill or different routes, they can expand that business because it has to be, in my view, one of the last great train rides in North America, has the potential to be. I would love to see that thing grow where they are running big trains, a couple a week, full of people coming up for that great train ride. Anyone who has taken it, it is an awesome train ride through awesome country and really a great adventure. I was very fortunate, as Minister of Northern Affairs, I bought tickets for my children to come with me one time, and they had a phenomenal, awesome trip.

So I say to the member I am a great believer in that. He also raised, because it is not just the tourist industry that he has identified but the people who need to use that line on a regular basis and the lack of sensitivity, and when I rode that train I just got the sense that the local people, particularly the aboriginal people who use the train, were not really cared for. There was very little interest in them, and it was more like the fewer who rode the better, because there was less to do, and that is not the way clients should be treated in any paying proposition. It is unfortunate, and I think it is shameful on the part of a publicly owned corporation.

I have to say to the member that my understanding and discussions I had with them, with the railroad, that their plan obviously was to get the freight moving, to get a sense of the rail line, develop the port, and as they felt more comfortable, the next stage would be to look at the passenger service. I understand they have an interest in doing that now and are exploring it at this stage of the game. I do not know what their plans are. They have not briefed me on them, but I would suspect as that rail company becomes more and more comfortable with what

they are doing and gets a sense of the—the critical thing for them was to get the line and the grain traffic and the port in operation, because that is the bread and butter of it.

I think this is going to be one very nice bit of icing for the summer on that bread, and it is going to take some time to develop, but there is no doubt that there are now owners on that line who have invested a significant amount of money in it who want to make a profit on it. If they want to make a profit on it, they need people who want to ride it, and they want to have happy clients who tell other people about it, not just the passenger service but certainly for the local traffic.

Once we are through a general election, I would be delighted to travel with the member if he is still the member for Flin Flon and I am still the member for Lac du Bonnet. I would be delighted to have him accompany myself as Minister of Highways to actually take the line to Pukatawagan on that rail car. I would love to do that, get a first-hand knowledge of that particular part of the line.

* (1700)

Mr. Jennissen: I thank the minister very much for that answer. In fact, I will take him up on his offer to travel to Pukatawagan, because Missinipi Days are coming up fairly soon. It would be a beautiful ride to go from The Pas to Puk and meet some very friendly and welcoming people there. I think he would find it most interesting, so I hope he will take me up on it, if not this summer, next summer.

I was interested in the minister's point of view regarding VIA's lack of service. I was in Churchill not too long ago and met a group of Japanese tourists who of all reasons were there to look at aurora borealis. It happened to be cloudy that particular night, so I am not quite sure why people fly from Tokyo to Winnipeg and then take the train up there and take the risk of a cloudy night and not actually see the aurora borealis or the Northern Lights, but apparently one night out of three was good.

So, I mean, all kinds of potential exists up in those northern tourist areas, specifically

Churchill but also along the Sherridon line, Pukatawagan and Lynn Lake and so on, and I hope the minister does take advantage of travelling on that train more often. It is a very interesting ride.

I hope he also will continue to lobby VIA Rail for better service, because that really was the thrust of my question, specifically in the case of Pukatawagan, that they would get improved service, because it has been shameful the way CN treated the line and the way VIA sometimes appears to be treating the people of Pukatawagan who use that line.

The last question I have, Mr. Minister, is fairly short. This is on railroads, and it is dealing with a very small railroad, but important symbolically, I am sure, is the Prairie Dog express and what the minister sees for the future of that small but symbolically important railroad.

Mr. Praznik: Mr. Chair, I must express to the member, first of all, I am a railroad buff, love railroads, a model railroader. I have a small model railroad operation. Regrettably, it is in storage right now, but I have always loved—pardon? [interjection] Like the real ones, the member says.

I have not set it up. I have had it for a few years. I love railroads. I am a regular visitor to the railroad museum and it is a very short, short line, I say to the member—[interjection]

So the Prairie Dog Central is a road I have a great deal of interest in. I am very glad that agreement was struck that we could save that railroad and that operation. The members may not be aware, but the engine that drives the Prairie Dog Central is the old engine of the Winnipeg Hydro that used to run the tracks from Lac du Bonnet in my constituency to Pointe du Bois in my constituency. It was the railroad that used to run across the Winnipeg River on which we now have a very nice highway bridge that we have refurbished. It used to ply that rail for many, many years. So I have a lot of ties to that engine, and it is a wonderful rail line.

My only regret, and I say this in no official capacity, but I really do think that the Prairie Dog Central people picked the wrong line for

that train. I guess as a rail buff of that kind of engine and locomotives, I wish that they had been able to secure running rights on a line that would have taken them into the beach country, whether it would be on the line that would have taken them past Lower Fort Garry to Winnipeg Beach, which is still there. I imagine it needs some work, but it is still an operating rail line, if I am not mistaken. I wish it could have done the Pine Falls line. My preference as an MLA would have been to see that train run to Pine Falls. Regrettably, the track is now lost to us that would have gone into Grand Beach. In fact, I can tell you that it runs just a few hundred feet behind my house as the old embankment. There are homes where the line used to run, so that line is lost to us.

If the managers and club would have seen fit to look at a beach run, I think they would have made that train an even greater success because they could have emulated the old Moonlight Express to the beach, those kind of runs with, I think, a very attractive destination that would have fit into the history. In fact, the Winnipeg Beach and the Grand Beach lines in other days were, I think, two of the most profitable lines for their railroads in their heyday in carrying out the beach traffic. It is regrettable that they did not look at doing that. But, having said that, at least we have saved the lines. They are planning to be in operation. I think they had some glitches around the movement of their station to their new site, but they expect to be in operation by sometime in the month of July, I gather in anticipation of the Pan Am Games and accommodating those visitors. Should I receive an invitation—[interjection] Well, the member says take them to the casino. I am glad to see that he is encouraging our tourists to leave some more money in our province rather than take it to Vegas. I appreciate that.

I would hope they might invite the minister and perhaps the critic to ride that train on their inaugural visit. If that is the case, I would be delighted to share some moments with the member. I must tell him, we should not let the member for Transcona (Mr. Reid) join us because he will be so enthused at seeing all those extra jobs of shovelling coal, et cetera, he will be wanting to advocate a return to the steam engine for all freight and transportation in our country.

We would not want to see him get overly excited. I know the member for Flin Flon and I would enjoy that opportunity.

Mr. Jennissen: The member for Transcona has some very good points of view. I am sure the minister realized that. He may not always agree with the minister, however, nor should he. I would like to go back to a topic briefly—well, not so briefly I guess—discussed yesterday, and that was Nunavut. I would like to go back to it just very briefly.

I talked with a gentleman today from Lynn Lake, over the phone obviously, a gentleman for whom I have a lot of respect. He has a lot of common sense and makes some good points. He was suggesting that, yes, the Nunavut road as an all-weather road, if any of the three, four, five scenarios were involved, would be prohibitively expensive, and it would probably take years before this would come to fruition, and that a winter road would make an awful lot more sense. But even having said that, he was still hopeful that the winter road would take the western route.

I would like to read into the record, if the minister would not mind, a resolution by the Town of Lynn Lake, Resolution No. 5, moved by Councillor Anderson [phonetic], seconded by Councillor Winsor [phonetic], which was carried, and it was sent, I believe this resolution was sent, to the Premier. I am sure the minister may already have seen it, but I want to read it into the record anyway.

It goes as follows: Whereas the road to Nunavut through Lynn Lake would be an economic benefit to the northwest region of Manitoba and to Manitoba as a whole, and whereas the mines in Lynn Lake and Leaf Rapids are being threatened with closure, and whereas the road link from Lynn Lake to Nunavut would link three other Manitoba communities with the rest of the province, therefore be it resolved that Premier Filmon be requested to support a road link to Nunavut through Lynn Lake.

Mr. Ed Helwer, Acting Chairperson, in the Chair

Certified a true copy of a resolution of the Town of Lynn Lake, passed on the 25th day of May, A.D. 1999, and signed by a Mr. Fred J. Salter, the Chief Administrative Officer.

I wonder if the minister would consider this, and also consider talking to the Premier about this which, for Lynn Lake, is a very vital point.

Mr. Praznik: First of all, I think the answer I gave yesterday is most appropriate here. The studies are being done. The Premier, I suppose, will want to support the particular project that makes the most sense from a general strategic point of view for the province. To ask him to support today, in advance of those studies, a route favoured by one side of the province versus another, I think, puts—and I appreciate the community writing and urging that support, but I think people ought to appreciate that until the studies are completed, the Premier in his role as the chief minister of this province really has to wait to see the work done and be part of making a decision as to if we even should build the road, but if we do, what is the best overall route from the perspective of the province in general as opposed to one particular part of it, because if he were to support that resolution today wholeheartedly, then I am sure the people of Churchill on the eastern part would be extremely angry at him. In fairness, in his role I think he has to keep that evenhanded weight till all the work is done and make a fair assessment for the greater good of the province.

*(1710)

Mr. Jennissen: Before we move to the Main Estimates, there are still a few other little—I hate to call them odds and ends, they are serious issues, but they are kind of disparate in the sense that they do not fit into any one grouping. I would like to ask about them. One of them is, and I almost hate to bring this up, because I know I have done this every year and we really have come to no consensus on this, and that is graduated licences.

I would like to preface this by reading a letter that I have got from a Sharon Stewart [phonetic], Box 599, MacGregor, Manitoba, which is addressed to myself. I think that puts it in context, and I would like to hear the minister's

views on this, or perhaps one of his staff could comment as well.

It says: Dear Mr. Jennissen: Thank you for your phone call and for listening to my concerns regarding road safety in our province. I appreciate having a small voice in an area which has greatly impacted on our lives. I have enclosed a summarized version of the blueprint for graduated licensing in Canada and the United States as well as a copy of the original blueprint that was released in January. I recently received this information from CAA and IMPACT, that is, Injuries Manitoba Prevention of Adolescence and Childhood Trauma. CAA sent the original copy of the blueprint, which I just received today in the mail. Dr. Michael Moffatt and Dr. Lynn Warda of IMPACT continue to collaborate with international colleagues on the effectiveness of graduated licensing systems worldwide. Dr. Michael Moffatt did all the research for the College of Physicians and Surgeons, which led to the recommendation two years running for the province to adopt a graduated licensing system.

There is no lack of interest and support for graduated licensing among injury prevention and road safety specialists, but unfortunately there is not much interest yet at the political level. Whilst new concepts and attitudes towards licensing are emerging all across North America and worldwide, Manitoba was diligently maintaining the status quo, compromising road safety and any progress towards a vision for the future of road safety in our province. Four years ago, MPI had a vision and a plan for road safety, but the two arms of government responsible to the public for ensuring road safety seemingly did not work together. Once again, thank you, and please contact me at any time at the above phone number, and I would appreciate any information you can give further to my research on graduated licensing and our government's plans to address this very important road safety issue. Yours truly, Sharon Stewart.

I read this into the record, Mr. Minister, because I get the impression that this family probably has suffered a trauma. Mrs. Stewart, [phonetic] I presume it is a Mrs. Stewart, [phonetic] has sent me quite a bit of information on graduated licensing from Alberta, from the United States and from other parts of Canada as

well, including British Columbia. I would like the minister's view on this very important topic.

Mr. Praznik: Mr. Chair, this is a very important topic and issue. I have had a number of people contact me since I assumed responsibility for this portfolio and discuss this particular matter. We, as a government, to date have not made a decision to advance on graduated licensing. As a new minister coming in and discussing the matter with the previous minister, I think I would like to offer some of my concerns and views with moving towards graduated licensing.

There are a number of difficulties with it. The concept of graduated licensing, and one has to appreciate that in a variety of provinces where this has happened already, there are different forms of it. There is not sort of a universal form. Different jurisdictions have used different means of graduating those licences. What they have in common is, by and large, saying based on your particular age, you are entitled to a certain type of licence—if I am not mistaken. I believe that is the case. Now, the idea I guess is that at certain ages you have more experience, you are able to drive. It does not judge the driver on their own individual ability but rather on their age. Is that in essence fair?

I know it is always easy to say—let us take the young drivers at 17, 18, 19, 20—that they should not be allowed to do certain things, but what about the older driver? I mean, we know many of our older drivers in the province. My grandfather when he was in his '80s was a very slow driver. He probably never broke a rule other than driving under the speed limit considerably, but he was dangerous to be on the road. There were probably people avoiding him because he was very slow in driving, very difficult in driving, and eventually the family had to ask them to take away the licence. Do we graduate at the older age as well as the younger?

I mean it is very easy to take this issue and say it was because of a young, inexperienced driver that there was an accident and someone was injured. Yes, that happens, but are we also prepared to say we are going to put an automatic age-dated set of restrictions that if you hit 65, you are all of a sudden restricted, or age 70, you

are already restricted, or 80 or 85, where we will clearly say that because your birthday is today and you have hit that age that you are no longer able to drive in downtown Winnipeg or you cannot drive after dark? Well, if we were to propose graduation in that phase of people's life, I think, we would have a revolution on our hands.

Today, what we do is we handle those cases on the basis of your ability. If your faculties are failing, if you are unable to meet the requirements of being able to drive, we either restrict your licence based on your individual abilities or we eventually take it away because you are not capable of driving. Should we not apply those same kind of rules at the early part of driving? If one looks at the accident statistics, and I do not have them in front of me so I am working somewhat from memory, but the majority of young drivers who are involved in accidents tend to be male as opposed to female. So are we going to graduate the licence to, say, only young men are restricted and not young women, or is it just age? If we pick age as many jurisdictions have done, then why are young women paying the price for young men as a category?

Then there is also the issue of what level and what restrictions you put on people's driving. One of my colleagues is an advocate, or in his community has those who advocate that you cannot drive after dark if you under 20 years of age. Well, what do you do if you are in a rural community of Dauphin or Beausejour or Whitemouth or any particular area and you work? What does that young person do, particularly if that young person is a responsible person who is driving? Are we meeting the need? By providing a blanket set of rules based on age, particularly against young people, without testing for ability or responsibility, are we really doing that justice? I have trouble with that. I must admit as a minister I am not an advocate, at this point in my career, for graduated licensing. It would not be something that I would be particularly interested in advancing.

I am an advocate for having increased means of testing for a person's ability and responsibility in driving. Driving is a privilege

and if a young person by their behavior, whether it be in the school system or interaction with the law or other things in the community, that that young person is demonstrating a lack of responsibility, then that should bring their privilege to drive into question. But that is based on an individual's own choices that they make in being responsible or irresponsible.

What I also have found in my experience again is that over the years as an MLA I have had many elderly people who have approached me where their licences have been brought into question because of health, failing faculties in being able to drive, and I have worked with them and the department to provide for restricted licences. A very common one in the Beausejour area is restricted to driving within so many kilometres of Beausejour because quite frankly they are not capable at that age or the condition in their health to be able to drive in downtown traffic. So their licences were restricted to within so many kilometres of Beausejour which met all their needs. Sometimes they were restricted by time of day; they could not drive after dark because of eyesight issues.

So if an individual is being irresponsible, does not have the responsibility to have the privilege of driving or is not able because of physical restrictions or their own abilities to drive, then, yes, one should restrict and deal with that individual. But to do a blanket age-related graduation, which tends to be, as it was explained to me, a part of receiving graduation licences, the question is, do you also do that in the latter part of life? That is the argument that young people would make to us as legislators. If you are restricting me from driving after dark because I am 16 or 17, why are you letting that 70- or 75- or 80-year-old driver who drives at 50, 60 or 70 kilometers an hour on a two-lane divided highway with a 100-kilometre speed limit, why are you not restricting them at night, too?

That is a fair question we would have to answer as legislators. So I think we are far better to look at other ways of ensuring that we are looking at people's ability and their degree of responsibility in driving to provide for our restrictions on their privilege of driving as opposed to these blanket graduations.

* (1720)

I get another issue is the physical ability—I think a former minister brought this for discussion with colleagues—and the restrictions on licences where you are handling big trucks and all of those kinds of things. Obviously, someone has to demonstrate the skill to be able to handle increasingly large trucks, et cetera. If they do not have the skill at whatever age, they should not have a licence. But I would not want to say to someone who is maybe 19 and very physically able and very responsible that they cannot be driving a large rig when they have demonstrated they can, they have been trained to do it and they are responsible, just simply because they are 19. I think we would have real difficulty with that, so that is where I am coming from as a new minister.

Things may change. It may prove to be a very worthwhile exercise, but at this point in time I think all these other issues, these other questions, have to be considered in making the decision. Today I certainly would not be necessarily advocating for that type of age-related graduated licences at this time.

Mr. Jennissen: It is a fact, though, Mr. Minister, that 27 American jurisdictions and six Canadian have implemented graduated licences or some form thereof, and I do know that in Europe in order to get a driver's licence, particularly in the Netherlands—I pointed this out before to previous ministers—a lot more training is required, but then the road volumes are heavier, maybe the speeds are faster, I am not sure. Certainly, the population appears much more congested. As a matter of fact, I do not like driving on their roads. It just seems like a traffic jam all the time, so maybe people need more training.

As the minister had mentioned, it is a fact that young males between 16 and 19 have a higher rate of accidents and fatal accidents than others, and some of those graduated licensing systems, such as Ontario where these people, I believe, in the first year that they have a licence they cannot drive at night and are restricted to certain roads, I believe, and gradually move up to full licences as they become more proficient, seem to make sense. I know it is politically

unsexy. Certainly, young people would not like it. I understand where the minister is coming from, but, still, it may be something we are going to have to look at very seriously and very carefully in the near future, I would suggest.

Mr. Praznik: Mr. Chair, I never dismiss any of these things out of hand. It is just that I have some difficulty, as I have said, given the logic behind it and the reason behind it. Again, representing a rural constituency with large areas of distance, there are some very practical matters, particularly in a part of the world where around the winter solstice it gets dark at 4:30 at night, and the member represents a northern constituency with large distances and low-volume roads.

All of these things come into play, because when we make those rules, how do they affect people in their real lives? Again, I can see many circumstances where the use of that graduation would not necessarily result in the kinds of purposes for which it was intended or the results that were intended. It would give me great concern, particularly when you are restricting on the basis of time of day in a province where in the winter it gets dark very early. I mean, you basically say that that person cannot use their vehicle after school, after supper, which is the time many people operate.

One of my colleagues who supports this personally and raised it saw it as a vehicle of keeping young people out of their cars at night. Well, we know that many young people—not many, some young people abuse that privilege. They drink, they speed, they do other things, but there are people of other ages who do that as well. If I think back to some of the fatal traffic accidents in my district over the last 10 years, if I look back to some of the really tragic and fatal automobile accidents in my part of the world the last number of years—I am thinking about one in the Garson area where a mother was killed coming home from work. I am thinking of one, a very celebrated, or I should say publicized one, not celebrated, certainly the result of the work in trying to advance stricter drunk driving laws by the federal government—but the case out of Pinawa. The perpetrators were all older people who had been drinking very heavily. I look at this and I am saying is this really the route to go?

Just because others have adopted it does not necessarily mean that it is successful and the way to go.

I must say, too, there are many U.S. states that have the drinking laws at 19, for example, and I remember in my days in high school this issue coming up during the 1977 provincial general election. Being a young person, I remember being very offended saying I am 18 years old; you have made me a citizen; you allow me now to cast a ballot and to vote; I can serve in the armed forces; I am responsible for paying taxes. Yes, judge me on my ability to drive. If I do not have the ability or the responsibility, that I have done things in my life that show I am not responsible enough yet to drive, yes, restrict me, but if I am doing all the things I am supposed to do and doing them well and developing the skill set—and again it comes back to issues of training, et cetera—then you are just picking on me because of my age, that I cannot do this?

Then what about that individual there who is 65 or 70 or 75 and is driving at 60 kilometres an hour on a 100-kilometre road, and everyone is out pulling to pass them? What are you doing about that person? Are you going to say everybody who is 65 needs now to be graduated too and we are going to slowly restrict by age what people are able to do? So it really boils down to: are you going to treat people on their individual skills and responsibility, or are you going to treat them as a class based on age?

That is one of the fundamental difficulties I have with this particular issue. I would agree wholeheartedly with the member about the need to ensure there is proper training. There are ways perhaps to advance that, but I think that we should be allowing people to advance based on their skill set, not particularly their age.

Mr. Chairperson in the Chair

Mr. Gary Kowalski (The Maples): I am very disappointed in the minister's remarks. He is talking about the arbitrariness of the age, yet that is exactly what we do with the driver's licence system. When they are 16, that is an arbitrary figure. So how can he argue about the arbitrariness?

ness of graduatedness when we, in fact, do that now in our system?

You know, 15, if you are in driver's ed in high school, you have that system now. I believe in research-based decision making. It is not because of their age, it is because of the research that shows accident statistics. I have heard from members on that side of the House that it is a lot easier in opposition to be everybody's best friend, but when you are in government you have to do what is right sometimes and what is not popular. If the research shows that there is a higher number of accidents at a certain age and a number of jurisdictions have shown lives saved, I think it is a disappointment that this minister would not be sending a message throughout his department to actively search out and justify it. The political consideration should be the last consideration.

As a police officer, I have gone to many accident scenes with young people, and I have had to make notifications of sudden deaths. So I take this matter very seriously. Graduated licences have shown in many jurisdictions a decrease in the number of fatal accidents in that age group. That is why we are asking those people at those ages to have a limitation put on their privilege to drive on Manitoba's highways.

I think there have been court challenges under the Charter to these provisions, and the courts have upheld the regulatory power of provinces to restrict it, because driving is not a right under the Charter, it is a privilege. To put restriction on that privilege based on research is reasonable, and, I would go further, is a duty of the government to allow this privilege to those that can drive.

If the statistics show a certain age group, a certain group have a higher accident rate, then the minister should be doing it. To say that my own personal opinions are this way, not necessarily my department, I think the minister knows that his personal opinion is going to have an effect on the entire department. I do not know what research is done there, but I am very disappointed in the minister's comments today.

*(1730)

Mr. Praznik: I appreciate the member's comment, but let us look at some of the statistics that the member talks about. What I am always leery about is when we see these things catch on as the answer to a problem, and everyone says, if we do this, we have solved the problem. You know, 27 jurisdictions are now doing it so it has to be the answer.

Well, let us examine that a little more. My department puts some of the information out. There is no doubt that male drivers in their early years are more involved with collisions than other categories. It is part of developing the experience of driving. Keeping them off the road is not going to give them experience necessarily. But, if you look at where we have drivers suspended and you look at the age group, yes, certainly the number of suspensions in the 16-to-19 are actually not that high. People are driving and have not accumulated long records yet. Where it really takes off is in the 20-to-24 bracket, but it stays very high for males in the 25-to-34 and 35-to-44-year-old bracket. So if we want to do research, again, what are we talking about? Among males 25 to 34, per every 100 drivers, there are seven suspended; between 35 and 44, it is 5.6. So when we are talking about the data, if we really want to be effective, does that mean we put a graduated licence that males between 20 and 44 cannot drive at night when they are more likely to drink? You know, this is the trouble we get in when we start trying to make rules based on classifications of people based on some criteria like age.

These drivers are dangerous. They are driving while suspended or they are suspended. They have done things that are dangerous. We have to be dealing with them. If we are talking about improving the ability of our young drivers, then catching young drivers, the first sign of anything this driver does not have the ability to drive or is not responsible in their life. I have even been personally an advocate of saying to our school system, if you have a young person who is misbehaving in school and not being responsible in their educational life, that is reflected in their right or their privilege of driving or could be or should be.

So if we are talking about looking at how individuals act or are responsible or not

responsible in their skills and dealing with that individual, yes, I am fully supportive of that. Yes, we probably have to do more, but when we just look at classes of people based on age, how do we divide it? How do we justify saying you cannot drive at night or on weekends or whatever when you are 17 or 18 and you live in a rural community and that is part of getting to a job after school or that is working on a farm situation? What do we say to the young person who is 17, who has got their driver's licence and they are helping their father at harvest time and they have to drive the grain truck home? They cannot?

They have not had a problem. They have been responsible in the things they do, but because we are treating you as a classification of people, you cannot drive that truck after dark until you are 20, but it is okay if you are a male 25 to 34, because seven out of 100 get suspended for drinking or other offences on the road, it is okay, you can drive. I mean, this is the trouble when you look at classes of people by age. You create a whole bunch of other problems.

You know, in my part of the country, there are many circumstances where young people behave responsibly and drive at an early age and need to as part of their operation and do drive responsibly. Do I want to go them and say, no, for the greater good, we are going to restrict your right to drive, your privilege of driving? They will say, well, what did I do? Well, you just happen to be born a male and you just happen to be between this age group. It is nothing that you are doing or not doing in your driving or the responsibility of your life, but we have to do it because you are part of that category.

I am a very strong advocate of education for drivers, of ensuring that they are continually having opportunity, that we are testing and ensuring that they have the skills and they have the opportunity to develop skills with qualified instructors. That is why we are big supporters of Autopac's program and young drivers and Young Drivers of Canada and other things to be able to encourage that, but to take the classifications and just pick on one group of people when we certainly know, by way of

suspension, that males who are older than what we would do for graduated are the highest percentage of suspended drivers. Are we going to deal with that in the same course?

Are we going to, at the other end of life, turn around and say, and I say this to the member, is he an advocate to say that when all drivers reach 70 years of age or 65 years of age, they cannot drive at night or they cannot drive in downtown and do the same kind of blanket graduation at that end, rather based on their abilities and skills?

I do not think we differ in our objectives. I do not think we differ in our concerns. I think we only differ in our means to achieve them.

Mr. Kowalski: . . . lawyer role and debating role and adversarial role, and now we are in a debate because, in fact, we arbitrarily decide at the age of 16 you are eligible to even apply, so that is an arbitrary decision. And to use suspensions as a statistic that is going to show us is not a very good statistic, because people are suspended for a number of reasons, everything from nonpayment of fines to a number of tickets. But the statistics, if you go to the Insurance Bureau, are accidents, who is having the accidents, not who is suspended. And if you look at the fatal accidents, the injury claim accidents, you will find it is the young, inexperienced driver. The suspensions mean nothing. There may be a cause and effect or there may not. That is for researchers.

So my question for the minister is: does his department work with the insurance bureaus of Canada and use their research for his decision making in his department? Just to make that clear, I will say the question is does the minister work, does his department work with insurance bureaus, automobile insurance and insurance bureaus of Canada, the research that they do, because they invest money, and does he have research that they meld the two and use that research to do decision making based on research and not political will?

Mr. Praznik: Obviously, we collect data ourselves through our system. We also exchange data with MPIC who is the automobile insurer in the province. We access other forms of data, but

a lot of the work that we are doing now is trying to have earlier intervention and looking for means of identifying drivers, young drivers, drivers of any age, particularly young drivers, who are exhibiting signs that there is a difficulty here, and as part of our structure getting them into the kind of training courses and programs that are going to deal with the problem. Just saying in a blanket fashion you cannot drive after a certain time, how are you going to get experience to do that? Or you cannot drive but with an adult, how does one set this up and make it work? That is why we do have the need, I think, to be dealing directly with problems that are there with individuals as opposed to these blanket kinds of results.

Again, those who advocate graduated licences I notice tend to advocate them for the young, and I have yet to see them being advocated for the upper age group where we have many, many issues with older drivers. I think in fairness if you are going to do a blanket set of restrictions on the basis of age you have to do it at both ends, because, quite frankly, young people will say to us why are you not, and we have to have an answer for that.

* (1740)

The other point that I make about 16, yes, we do pick an arbitrary age in which to make people eligible to apply for a licence, eligible to apply, and we judge them on that basis. Not all life is perfect. We allow people to vote at 18 because we picked that date, but the question is once you have sort of established that date, how do you then deal with people and their skill sets?

The member asked for my thoughts on it. These are my thoughts at the current time. I may be proven to be wrong. There might be some great information that comes forward. This is a matter that is in somewhat flux, but today these are problems that would have to be dealt with and they would have to be discussed and we would have to have answers to if we were to bring about that type of legislative change.

An Honourable Member: You are wrong.

Mr. Praznik: We will agree to disagree.

Mr. Jennissen: Talking to MPIC, I would like to bring up one issue that is of some concern in northern Manitoba, and that is a number of constituents have contacted me, two in particular. One person who was travelling on 391, this was in 1996, hit some black ice, skidded the van off the road, and the van rolled or whatever, was damaged, and her demerits and licence next year cost her \$265.

The other person was in '97, was basically forced to travel from Lynn Lake to Thompson because she had a medical appointment. Again, glare ice, drove to the best of her ability, but again slid off the road, damaged the vehicle. There are quite a number of cases like that. Whenever people involved in these kinds of accidents appeal, the answer comes back: the condition of the road at the time of the accident is not considered a valid defence for an accident. In other words, you must drive with due care and attention regardless of the condition of the road, but 391 is so notorious, should we not take into account some of those roads and not use the blanket defence that we cannot do that? I know it is difficult to do, but 391 in particular, sometimes it is just undrivable, and yet people have to be on that road.

Should they be penalized the same as if they were in a different part of the province where those roads would be much better maintained? Why should only northerners pay that penalty?

Mr. Praznik: First of all, just by way of logistics, we collect that demerit or that charge for MPI through the driver's licence process, so those additional charges are those of the Manitoba Public Insurance Corporation and are collected by us, as opposed to being ones levied by us.

One of the fundamental rules of driving, and I have to tell the member I have had a few accidents in my day, and I would like in my mind to believe that the condition of the road was very much a part, and probably was, but as I was reminded and say to the member today, one of the prime responsibilities is to be driving appropriately for the conditions of the road. We are all reminded of that, that if the conditions warrant a certain speed, that is the speed we should be using, and we should be mindful of it.

Is that always practical or possible to do? From my own experience, our own driving habits always tell us we can drive a little faster, should drive a little faster, and that is when usually we get into trouble. So I appreciate the concern of your constituents.

I understand the condition of that particular road makes it very difficult and that there are other options there, but the fundamental principle that applies is that if people do drive taking into account the condition of the road, and sometimes that may be they should not be on it at all, then in fact I have no other offer of an answer to the member. Those people were driving under conditions that made it very difficult to drive and perhaps should not have been on the road that day and changed medical appointments. Is that easy to do? No, but we have all had days when we have to be somewhere and the roads have been terribly icy, or we have had a storm and we have had to make the decision do we go on the road or not. Sometimes when we have decided to go on the road, we have ended up in the ditch and in more trouble and wished we had stayed at home. I know every time I have made the decision to stay at home, my day has always been happier and more enjoyable. Do people have an easy option there? Very difficult, but in a province like ours, with the climate that we have, particularly in the winter season, these are very difficult choices. I cannot offer any relief to those financial charges to the member, but I am certainly sympathetic and empathetic because I have been there as well.

Mr. Jennissen: In the case of the one constituent, and I am sure she does not mind me using her name, her name is Sherron Loewen from Lynn Lake, because she actually wrote up this incident. I think it was even published in the newspaper. There is what I would consider a mitigating factor, though. This person had a medical appointment in Thompson, had to go to Thompson. If she were in Winnipeg, she could have called a cab, could have gone by bus, could have possibly walked, could have rescheduled that appointment. Because of the way our health system operates in northern Manitoba and the regionalization, she had to go to Thompson and that is roughly 300-and-some kilometres away on an extremely icy road. She had no choice.

She left early. She drove as slowly as she could, but those roads are sometimes unsafe at any speed. She felt, and I think rightly so, why should she be penalized for something she could not really do anything about? Other people, yes, they may have had options. She did not have an option. Rescheduling that medical appointment might mean she would never get it the following year.

Mr. Praznik: Mr. Chair, first of all, with respect to asphalt accidents, it is MPI as the insurer who makes the decisions. The case the member is making should be argued with MPI in another section of Estimates, but there is a principle and the member said it. The road may not be safe under any circumstances if it is icy. So we know that for whatever reason, whether it is because a relative is dying, because we have a medical appointment, because we need groceries, because we have a child to pick up somewhere, for whatever reason, we have a job to go to where a boss is going to be angry at us, we take the risk.

Our roads in this province on many occasions in a bad winter are not safe because they are covered in ice or in a blizzard, visibility, other issues. The first principle is if you are going to go on a road, you have to judge the condition of that road. If it is not safe to be on, you should not be on it. I mean, I would like to say we live in a perfect world where there will always be 100 percent of the time the transportation opportunities for somebody to go where they have to go, but that is not the case. That would be unrealistic.

There have been times when I have been home in the last number of years and got caught in a blizzard and could not make it in until the plow went through. I mean, just physically my car would not go through that snow. I had no option to go anywhere. That is the day, I must admit, when you live in the country that I do, you like to take the roast of beef out of the freezer and have a sip of something a little stronger than water and enjoy the day, because you really, quite frankly, are not going anywhere. If you had some critical appointment, you are just not going to get there that day and there is nothing you can do about it.

Now, you know, the member made the comment about Winnipeg. There are days in this city of Winnipeg that I have been caught. I remember the great blizzard of 1986. I remember the blizzard in the spring of 1997 that added to our flood difficulties. In both of those cases, it was virtually impossible to go anywhere you could not go on foot. I remember, in 1986, having been in for a particular convention and renting a room at the Westin Hotel and being caught there for two days. Nothing moved. I remember friends who had attended a banquet at the Westin, they were not going anywhere. They came out of the banquet, that snow had piled up, they could not even get their cars out of the parkade. In one particular case, the woman was very close to giving birth and had to be taken to the St. Boniface Hospital on a snowmobile.

So in our kind of climate there will be times, and I appreciate the odds are they will happen more in the North and that there are less opportunities in some communities. Having said that, when people do take the risk, for whatever reason, of going onto a road when it is safe or exceeding speed limits when it is unsafe to do so and they have an accident, that is part of MPI's judgment call and responsibility has to be borne for it.

* (1750)

Do any of us like it when it happens? Absolutely not, but when you start examining and understanding the principle behind it, I do not know any other way to do it, quite frankly. Just logically in this discussion, how else would you manage that? Because there will always be times when we have something very important to go to and weather conditions will not allow us to do it. I know it does not even have to be the winter and ice. It can be one, big, heavy rainstorm on the highway. I have been caught in many of those and you always have that judgment call, do I keep going and have someone hit me from behind, and it is judgment call you make. So you try to minimize risk. You put on the blinking lights and you continue to edge forward, if you think you have some degree of better visibility. Sometimes you cannot, you just have to stop because you have no visibility at all.

So what do you do in those circumstances? Because I would bet you 50 percent of the time people who do go out in those circumstances have what would be, in your mind and mine, a very legitimate reason for wanting to be somewhere, but they have put themselves into a risky situation and it has not come out to their advantage. They have been involved in an accident.

You know, quite frankly, if the conditions are really bad, it is safer for that motorist and the interests of other motorists not to be on the road, even if it means cancelling appointments and other things, because not only may they lose their own life or cause themselves injury, but their presence on the road may aggravate a situation and cause others injury or death as well. I appreciate where the member is coming from on this one but, as I said, it is a difficult question and certainly more difficult by the nature of our climate.

Mr. Jennissen: Before we actually move to the Main Estimates booklet, I still have some questions before we get to line by line, even before that, but I hope to get into that tomorrow, and I really feel somewhat sorry for the minister's staff that listened to our rambling lectures, I guess they are. I am sure they are very enlightening, and I am certainly getting a lot out of it.

Before we get to that, I would like to ask one more question basically in the nature of background information on aides. Do engineering aides, a year or two ago, my memory fails me here, but I think it was two years ago, there was quite a furor about the security of their position, their tenure, whether they are seasonal or not, how they were going to be reabsorbed, moved around, whatever. Could we have a more complete picture on that, just where those people went and where those jobs are? I know one of the factors was, I think technology and computers were displacing some of those people or appeared to be. I do not know if that is entirely the case, but I would like to have a little bit of an update if possible on that.

Mr. Praznik: To give a more detailed answer to that, Mr. Tinkler, who is responsible in that area, if I could indulge the member's patience, if

tomorrow or when we are next back in this place, give him an opportunity to set out in kind of writing where people went and what happened with them, I can provide that to the member.

On that vein, my memory being jogged, I would like to provide to the member a copy of the 1997 flood costs that he had requested the other day. So if that works for him that would be better than Mr. Tinkler trying to put it all together and give it to me and repeat it. If we happen to be in a committee room I might have him give it directly to the member, but we will try to put it in writing for him.

Mr. Chairperson: Are you just supplying this for the member, or are you tabling it?

Mr. Praznik: I was just supplying it to the member.

Mr. Chairperson: Okay, good. You can just give it to the member then.

Mr. Jennissen: So the minister is saying that Mr. Tinkler, then, will give me more detailed information tomorrow? Okay. Thank you very much.

Moving to the actual Estimates booklet, which I probably have lost in the process, I was wondering about French language services in the organizational chart, why that was under Highways and Transportation, and also telecommunications policy. This is Schedule 2, looking at the flow chart, the organizational chart. I had not seen that before and just cannot off the top of my head figure out why it is there.

Mr. Praznik: First of all, with respect to the telecommunications, when Manitoba Telephone System was owned by the people of Manitoba, there was a minister charged with responsibility of that act as an add-on, because telecommunications really was the telephone system. That minister handled all telecommunications issues.

With the sale of the telephone system, all that is really left in our purview is a watching brief, in essence, on telecommunications. We do not have constitutional jurisdiction for it, but we

certainly have an interest in it as a provincial government. So consequently the former minister had been Minister responsible for Highways and Transportation and had been Minister responsible for MTS and, consequently, telecommunications. So in the reorganization of Cabinet, the telecommunications responsibility has stayed with the Minister of Transportation, in this case me today. There is one staff year assigned to Telecommunications—I believe there are two, three? How many do we have, three? By and large, Mr. Werthman is our advisor, and there are three staff years assigned there. Let me just check here. French Language Services has three staff years. Telecommunications, I think there is Mr. Werthman. There may be a secretary there.

We will just check the Estimates books for you, but Mr. Werthman is our policy advisor on Telecommunications. He does a fine job. He is one of the most knowledgeable people in the province on telecommunication issues, so he advises the government on telecommunications policy. He is the one who keeps the watching briefs with the Canadian Radio-Television Commission issues around telecommunications, and he reports to myself. I am the minister responsible for him. He reports to me, and I report to cabinet. So that is where we gain our telecommunications expertise because constitutionally it is not within our jurisdiction. So that particular line exists now within the Department of Highways and Transportation.

The second is French Language Services, and that has nothing to do with Highways and Transportation, other than the fact that this particular individual minister is charged with responsibility for French Language Services. I have had that responsibility, I think, since 1991, and that responsibility has come with me with each portfolio I have moved. There are three staff years there: Monsieur LaBossiere, who is our advisor in that particular area, has been in the gallery and would take questions with me on this matter. He is not there at this moment, but there are three staff years.

The monetary allotment for that particular service has come to Highways and Transportation Estimates simply because I am the minister charged with these responsibilities.

Should I be moved to another portfolio and retain French Language Services, those dollars in that budget line would move as well. If you go through last year's Estimates books, I think they were part of the Ministry of Health. They used to be Energy and Mines; they used to be the Department of Labour; and now they are with Highways and Transportation.

Mr. Chair, the Telecommunications side, I believe there are two staff years assigned, Mr. Werthman and, I believe, a support staff.

Mr. Chairperson: The honourable member for Flin Flon with a short question.

Mr. Jennissen: Mr. Chair, looking at schedule 7 at the back of the Estimates book and also schedule 3, under Amortization of Capital

Assets, which was in 1998-99, \$2,143,900, I believe, and this year, \$3,498,000, I am not clear on that. In the five-year chart, there was nothing there for the previous three years. Just in the nature of elucidation and clarifying, why is that there now?

Mr. Chairperson: We will let the minister answer that tomorrow. The hour being six o'clock, committee rise.

Call in the Speaker.

IN SESSION

Mr. Deputy Speaker (Marcel Laurendeau): The hour being six o'clock, this House is now adjourned and stands adjourned until tomorrow (Wednesday) at 1:30 p.m.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, June 22, 1999

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