

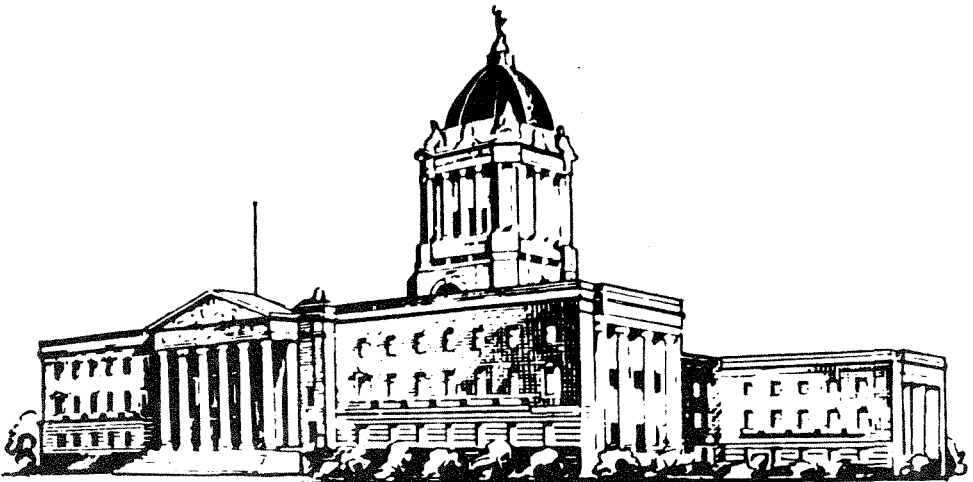


First Session — Thirty-Fourth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

37 Elizabeth II

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The Honourable Denis C. Rocan
Speaker*



VOL. XXXVII No. 26 - 1:30 p.m., TUESDAY, AUGUST 30, 1988.

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fourth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, August 30, 1988.

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Mr. Mark Minenko (Chairman of the Committee of the Whole House): Mr. Speaker, the Committee of Ways and Means has considered a certain resolution, directs me to report progress and asks leave to sit again.

I move, seconded by the Honourable Member for Minnedosa (Mr. Gilleshammer), that the report of the committee be received.

MOTION presented and carried.

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

READING AND RECEIVING PETITIONS

Mr. Speaker: In accordance with our Rule 81(9), I have to revert back to Reading and Receiving Petitions where the Honourable Member for Flin Flon (Mr. Storie) has presented his petition. According to our Rules, the Honourable Member has to, the day following presenting petitions, present this.

Does the Honourable Member have leave in order to present this petition? (Agreed)

I have reviewed the petition and it conforms with the privileges and practices of the House and complies with the Rules. Is it the will of the House to have the petition read? (U.S. waste—Hudson Bay Mining and Smelting, Flin Flon)

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES (Cont'd)

Hon. James McCrae (Attorney-General): Mr. Speaker, before moving to Ministerial Statements and Tabling of Reports, I beg to present the First Report of the Special Committee of Seven Persons, appointed to prepare a list of Members of the Standing Committees ordered by the House.

Mr. Clerk, William Remnant: Agriculture (11): Mrs. Charles; Mr. Chornopyski; Hon. Mr. Cummings; Messrs. Enns, Evans (Fort Garry); Hon. Mr. Findlay; Messrs. Helwer, Patterson; Hon. Mr. Penner; Messrs. Plohman, Uruski.

Economic Development (11): Messrs. Alcock, Angus; Hon. Messrs. Connery, Ernst; Messrs. Evans (Fort Garry), Evans (Brandon East), Gaudry, Helwer; Hon. Mr. Neufeld; Messrs. Pankratz, Uruski.

Industrial Relations (11): Messrs. Ashton, Burrell, Cheema; Hon. Mr. Connery; Messrs. Doer, Edwards; Hon. Mr. Ernst; Messrs. Patterson, Praznik, Roch; Ms. Wasylcyia-Leis.

Law Amendments (11): Messrs. Burrell, Carr, Cowan; Hon. Mr. Ducharme; Messrs. Edwards, Enns; Ms. Gray; Messrs. Harapiak, Mandrake; Hon. Mrs. Mitchelson; Hon. Mr. Orchard.

Municipal Affairs (11): Mr. Angus; Mrs. Charles; Hon. Messrs. Cummings, Derkach, Downey; Messrs. Enns, Evans (Brandon East), Pankratz, Plohman, Rose, Taylor.

Private Bills (11): Messrs. Angus, Chornopyski, Gilleshammer; Ms. Gray; Mrs. Hammond; Messrs. Harapiak, Harper, Kozak, Maloway; Hon. Mr. Manness; Mr. Praznik.

Privileges and Elections (11): Messrs. Cheema, Cowan; Hon. Messrs. Derkach, Downey; Messrs. Harapiak, Helwer, Lamoureux; Hon. Mr. McCrae; Messrs. Minenko, Praznik; Mrs. Yeo.

Public Accounts (11): Mr. Burrell; Hon. Messrs. Derkach, Driedger (Emerson); Messrs. Driedger (Niakwa), Gaudry, Gilleshammer; Ms. Hemphill; Mr. Kozak; Hon. Mr. Manness; Messrs. Rose, Storie.

Public Utilities and Natural Resources (11): Mrs. Charles; Hon. Mr. Cummings; Messrs. Doer, Driedger (Niakwa); Hon. Mr. Findlay; Messrs. Gilleshammer, Harper; Hon. Messrs. Neufeld, Orchard; Messrs. Storie, Taylor.

Rules of the House (12): Messrs. Alcock, Ashton, Cowan; Hon. Mr. Downey; Mr. Lamoureux; Hon. Messrs. McCrae, Manness; Mr. Minenko; Hon. Mr. Rocan; Mr. Roch; Ms. Wasylcyia-Leis; Mrs. Yeo.

Statutory Regulations and Orders (11): Mr. Carr; Ms. Gray, Ms. Hemphill; Hon. Mr. McCrae; Messrs. Maloway, Mandrake; Hon. Mr. Manness; Hon. Mrs. Mitchelson; Mr. Pankratz; Hon. Mr. Penner; Mrs. Yeo.

Mr. McCrae: Mr. Speaker, I move, seconded by the Honourable Opposition House Leader (Mr. Alcock), that the report of the committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

Hon. Glen Findlay (Minister of Agriculture): I would like to table six reports:

The Prairie Agricultural Machinery Institute Thirteenth Annual Report for 1986-87;
The University of Manitoba-Faculty of Agriculture 34th Annual Progress Review, January 1988;
The Manitoba Beef Commission Annual Report, 1986-87;

The Agriculture Annual Report, 1986-87;
The Manitoba Crop Insurance Corporation
Annual Report, 1986-87; and
The Manitoba Milk Prices Review Commission
Annual Report, 1986-87.

* (1335)

Hon. Edward Connery (Minister of Labour): I would like to table the Annual Report of the Department of Labour for 1987-88.

ORAL QUESTION PERIOD

Medical Records Privacy

Mrs. Sharon Carstairs (Leader of the Opposition): My question is to the Attorney-General (Mr. McCrae).

Yesterday, the Government of Alberta released their agreement with CSIS, an agreement which I have now obtained, and Alberta has refused to allow access to the detailed health and hospital records of Albertans.

My question is: Will the Attorney-General now admit that he signed this agreement hastily and without any consultation with the Manitoba Association of Rights and Liberties, hospital organizations and other interested groups?

Hon. James McCrae (Attorney-General): The Government of Manitoba has refused to allow the free and easy access to CSIS of people's health records in the Province of Manitoba.

Mrs. Carstairs: With a supplementary question to the Attorney-General (Mr. McCrae).

Can the Attorney-General explain to this House why he did not consult with other provinces who had signed agreements, in that the Alberta agreement not only excludes Health, but also excludes Energy and Mines; Consumer and Corporate Affairs; Culture, Heritage and Recreation; the Civil Service, etc., etc.?

Mr. McCrae: In the Province of Manitoba, everything is excluded, save and except locator information.

CSIS Agreement

Mrs. Sharon Carstairs (Leader of the Opposition): Will the Attorney-General (Mr. McCrae) now negotiate a new agreement with CSIS which specifically details the information which is accessible to CSIS and equally clarifies that information which will not be accessible to CSIS?

Hon. James McCrae (Attorney-General): I should let the Honourable Leader of the Opposition (Mrs. Carstairs) know that in regard to calls by her critic and by herself for amendments to the agreement, the spokesman reported in the Winnipeg Free Press—the spokesman from the Health Sciences Centre—had occasion to call my office this morning and dissociated himself from comments reported in the Winnipeg Free Press about supporting Liberal calls yesterday for amendments to the agreement.

Mrs. Carstairs: What that has to do with the question is irrelevant.

CSIS Agreement Information Security

Mrs. Sharon Carstairs (Leader of the Opposition): With a new question to the Attorney-General (Mr. McCrae).

My colleague, the Member for Kildonan (Mr. Cheema), and his community had their entire community called into serious question last year when information about Sikh organizations was first provided from CSIS to the Minister of External Affairs, the Honourable Joe Clark, and then provided to the Premier of this province and then acted upon, to some degree, by Members of the then caucus of the Government of the province with no questions ever raised as to its accuracy. Now, according to this agreement, the information is going to flow both ways.

Will the Attorney-General tell this House what protection is available for members of the Sikh community and other ethnocultural organizations who deal with the Department of Culture, Heritage and Recreation, and which department now has direct access to CSIS?

Hon. James McCrae (Attorney-General): Mr. Speaker, as with any other department, the procedure in place is that any information other than locator information must be the subject of a request directly to my office regarding culture, regarding health or whatever is included in the agreement. Quite contrary to what the Leader of the Opposition (Mrs. Carstairs) continues to suggest, the agreement has the effect of stemming the flow of information rather than encouraging the flow of information.

Just in regard to that, since March 11, even previous to the agreement, there have been a total of 12 requests for information from the Department of Health and none of those requests have been for anything more than locator information. The CSIS organization knows better than to ask for anything more—certainly since the agreement, knows better than to ask for more.

If they do ask for more, such requests have to come through my office and are not readily available through the departments, as the Leader of the Opposition continues to suggest, which does the whole process a disservice because that is leaving incorrect information on the record.

Mrs. Carstairs: Mr. Speaker, the Opposition would feel more comfortable if anywhere in the agreement the words, "locator information" were in fact placed.

Will the Attorney-General provide to this House a list of the instructions to the designated persons who will give out information and make it available to all Members of this House?

Mr. McCrae: I will take that request under advisement, but I do suggest that the Honourable Leader of the Opposition is flogging away at a dead horse—a horse that really died on June 15. The horse died on June 15 when the matter of the security of information regarding Manitobans was taken care of and made

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more secure by virtue of this Government signing an agreement on June 15.

* (1340)

Mrs. Carstairs: With a final supplementary to the Attorney-General (Mr. McCrae).

Will the Attorney-General remove the Civil Service Commission, the Legislative Assembly, the Department of Culture, Heritage and Recreation, the Department of Energy and Mines and the Department of Consumer and Corporate Affairs from the present CSIS Agreement in that other provinces have not included access to those departments?

Mr. McCrae: Mr. Speaker, if the Honourable Member can cite for me a case of a Manitoban's interests not being served or of a Manitoban's privacy being unreasonably invaded or breached, I would be very happy—I would be very concerned, No. 1—but I would also be very happy to discuss that case with the Honourable Leader of the Opposition (Mrs. Carstairs).

If the Honourable Member can bring to my attention any breach of anybody's privacy that goes beyond the realm of what is reasonable to protect the national security, I wish the Honourable Leader of the Opposition would bring that to me because I can assure her that I would handle that matter with the utmost attention and I would be very concerned indeed.

Grain Elevator Closures

Mr. John Plohman (Dauphin): Mr. Speaker, I have a question for the Minister of Highways and Transportation (Mr. Driedger).

Recently, there has been a rash of elevator closures throughout this province and I am concerned that this is even going to get worse. Cargill has closed its facility in Pine River and the Cowan subdivision with very little notice to the farmers. Manitoba Pool Elevators have indicated that they intend to close five elevators at Centennial, Hazelridge, Oak Lake, Menteith and McDonald. The United Grain Growers have indicated that they are planning on closing 14 or more facilities throughout this province. We do not know how many more are being planned by the various grain companies. These closings are further adding to the despair of many farm families who are already faced with low commodity prices, with the drought and with bankruptcies.

Has the Minister of Transportation communicated with the grain companies to determine whether their closures are temporary because of the drought or whether these are in fact permanent closures—that they are using the drought simply as an excuse to close?

Hon. Albert Driedger (Minister of Highways and Transportation): No, I have not communicated with them, but I will.

Mr. Plohman: I find it regrettable that the Minister has taken no action to communicate—

Mr. Speaker: With a question.

Mr. Plohman: —with these grain companies on this very serious issue. Cargill has closed its facility, as I indicated, on the Cowan subdivision that the CN endeavoured to abandon only last year.

Why has this Minister not demanded justification of these closures, based on the long-term throughput of these facilities, so he could assure this House that the drought is not being used as a cruel excuse by the grain companies to further abandon their responsibilities and services in rural Manitoba, and so he could assure this House that the grain companies are not in any way simply working hand-in-hand with the railways to assist them in their rail abandonment procedures in this province?

* (1345)

Mr. Driedger: First of all, I believe that many of the grain companies are farmer-owned and the farmers themselves all play an integral part in terms of what is happening. So that part of the accusation that the Member is making is unjustified.

As I indicated before, I will be writing to ask for a clarification as to whether these closings are based on the drought, on the short-term basis or the long-term basis.

Mr. Plohman: I regret that the Minister is making excuses for these grain companies and taking—

Mr. Speaker: With a question.

Mr. Plohman: —their side on this issue.—(Interjection)—The side? The side that the same grain companies were intent on closing Churchill, I might add, for the Minister's information.

Grain Elevator Closures

Mr. John Plohman (Dauphin): I ask the First Minister (Mr. Filmon), since he is here: Will he intervene on behalf of the families and communities that are affected by these closures in rural Manitoba? Will he personally intervene and call an inquiry to determine whether in fact these closures are justified, whether there are alternative services available to these farmers and communities who are affected by these closures, and what the total costs are going to be as a result of these closures? Will he call an inquiry so the facts can be on the table, so we can ensure there is equity in rural Manitoba?

Hon. Gary Filmon (Premier): Members on this side do not have to be lectured about standing up for the farm community. We have always stood up for the farm community and for rural Manitoba.

It is unfortunate that it has taken the Member for Dauphin (Mr. Plohman) so long to realize that there is a drought in western Canada, that there are serious problems within our farm community, that they have many, many difficulties to face and they are being

compounded by other events around that lead to pressures on the Port of Churchill, pressures on rail lines for abandonment and all of those things—elevators closing. All of these things are a concern to our Government and they are something that our Government will take action on and ensure that we do everything possible to support the viability of rural communities in Manitoba.

Mr. Plohman: Why will this First Minister (Mr. Filmon) not take action on behalf of those communities and families that are affected by elevator closures and rail abandonment? Why is he intent on making excuses for those companies instead of taking the side of those families who are affected by this abandonment?

Mr. Filmon: Over 60 percent of these elevators are owned and operated by farmer-owned companies. These are decisions that are taken democratically by the people in the farm community who are anxious to preserve their own viability and their own financial support. We will stand up for and support the farmers of Manitoba. At all things that we do, and all ways that we develop policy for the future of this province, we will be standing up for it, ensuring that we support the viability of the farm communities of Manitoba.

Medical Records Privacy

Mr. Paul Edwards (St. James): My question is for the Attorney-General (Mr. McCrae).

Myself and my Leader have repeatedly, in this House, been told by the Honourable Attorney-General, in response to questions, that we were misinformed, inaccurate; but we well know, as the Attorney-General knows, that we have been right every time.

Conversely, quite the contrary, yesterday, in this House, the Attorney-General told the Members of this House that the Freedom of Information Act would protect Manitobans' health records from CSIS. I was pleased to inform the Attorney-General about Section 64(1) of that Act which provides a specific override for a Government instrument such as the CSIS agreement.

Mr. Speaker, will the Attorney-General please give this House his revised opinion as to the non-protection of this Act?

* (1350)

Hon. James McCrae (Attorney-General): The Honourable Member did, indeed, ask for an opinion, which is not something that he can ask for under the Rules, but I am given the opportunity to rise in my place, which is something I am pleased to be able to do, especially on the issue of the agreement between the Province of Manitoba and the Canadian Security Intelligence Agency.

It gives me the opportunity to ask the Honourable Member—and maybe before he answers the question, he might check with his Leader to see if they are on the same ground—but do Honourable Members opposite in the Official Opposition support the Freedom of Information Act or do they not?

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. The Honourable Member for St. James.

Mr. Edwards: Thank you, Mr. Speaker.

Of course we support the Freedom of Information Act. What we do not support is the sell-out that this Attorney-General (Mr. McCrae) has given CSIS, and other provinces have not. We have been sold down the river and he knows it.

A supplementary question: The Attorney-General of Alberta released 76 statutes that protect Albertans' rights in various areas which CSIS is going to be looking into, and if they have not already, who is to say they will not? Is that the Attorney-General's position for the people of this province? What list of Manitoba statutes has been made, if any, that gives that kind of protection to Manitobans? Did the Attorney-General have that list before him when he signed this agreement, or did he just sign it?

Mr. McCrae: I am having trouble getting through to the Honourable Member; and considering the way he asks his questions, maybe that is understandable in this situation.

I remind the Honourable Member and his Leader that prior to that agreement there was a very informal process. Yesterday, during the Interim Supply discussions, I referred to it as a loosey-goosey kind of agreement that we had prior to June 15 in terms of the procedures and safeguards that were in place to protect the privacy of Manitobans.

The fact is, if I had felt otherwise, I would never have signed the agreement on June 15, but I felt at that time that Manitobans' privacy was something that should be regarded as sacred and something that should be safeguarded, and the Government should be there to protect the right of Manitobans to privacy respecting their health records or any other records that you might name that are in the hands of Government. Therefore, I signed the agreement, Mr. Speaker, to put into place a procedure that must be adhered to when CSIS seeks information.

The Honourable Member should understand that just because CSIS seeks information from the Government of Manitoba does not mean that CSIS is going to be given that information. I remind the Honourable Member that since March 11, as I told his Leader a little while ago, since March 11 there have been 12 requests for information from the MHSC and those requests have all been locator information—name, address, type of information.

Any information that goes beyond that, there is another procedure that clicks in and the Honourable Member should be told that maybe a few more times—

Mr. Speaker: Order.

Mr. McCrae: —before he actually understands it.

Mr. Speaker: The Member for St. James, with a final supplementary.

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Mr. Edwards: If you want to talk about loosey-goosey, read this agreement. You read it!

Mr. Speaker: Where is the question?

Mr. Edwards: Mr. Speaker, yesterday, in this House, the Attorney-General—

An Honourable Member: Question.

Mr. Edwards: Given that the Attorney-General (Mr. McCrae) said Section 2 protected Manitobans, my question is: Given that paragraph 2 says terms and conditions can be opposed, where are those terms and conditions in this agreement? Why are they not in this agreement? Manitobans are relying on the word of mouth between civil servants and the Attorney-General. The Attorney-General, according to this agreement, will not even know necessarily if health record inquiries were made.

Mr. McCrae: The Honourable Member is certainly dead wrong again on who is going to know. The Honourable Member wants to see in black and white CSIS agreeing to something that CSIS has no power to agree or not to agree to.

The fact is it is our responsibility as a Government to refuse to make available or to make available, as the case may be. CSIS can ask for the moon if it wants, but as a responsible Government, this Government is not going to grant information about people which CSIS ought not to have.

The Freedom of Information Act is very much a part of the process that guides this Government. It is legislation to which we are committed, and I wish we could see more of a concrete commitment on the part of the Liberal Party in this place to freedom of information in Manitoba and the protection of the privacy of individuals in Manitoba.

* (1355)

Foster Care Telephone Survey

Mr. Reg Alcock (Osborne): Since we are talking about information, I do have a question for the First Minister (Mr. Filmon).

I would like to begin by commending him for following my Leader's advice and getting involved in the negotiations with the foster parents. We were a little concerned yesterday, however, when the Minister of Community Services (Mrs. Oleson) admitted in this House that they had used a private telemarketing firm to contact foster parents.

We are wondering—since the information that is normally gathered by the department about people is confidential and not released unless those persons consent to it, did the officials of the department release any information that was of this nature?

Hon. Gary Filmon (Premier): What nature of information is the Member referring to? I can tell the

Member that the information that those who are doing the survey were armed with was only the names, addresses and the telephone numbers of the people. No other information whatsoever was available to them.—(Interjection)— Pardon me?

An Honourable Member: What were they doing, checking where they lived?

Mr. Filmon: They were the lists of foster parents. For the Member for St. Norbert (Mr. Angus), they were lists of foster parents in the province and the only information available to those telephoning was name, address and phone number. If the Member for St. Norbert will wake up, he will know that we are talking about foster parents in this issue.

Mr. Alcock: I thank the First Minister (Mr. Filmon) for that answer.

As the Minister of Community Services (Mrs. Oleson) was reluctant yesterday to give us the name of the firm, perhaps the First Minister is now able to do that.

Mr. Filmon: As the Member for Osborne (Mr. Alcock) began—incidentally, I must compliment him for his first questions in the House, and I appreciate the fact that he is asking some questions on an issue of vital concern to all Manitobans. I also appreciate the acknowledgement that he has given about my personal involvement in the negotiations and discussions with the Manitoba Foster Parents Association with the hope —(Interjection)— The Member for Dauphin (Mr. Plohman) wants to know where the Minister of Community Services is. She is looking after the affairs of her department and attempting to arrive at a solution to a problem that we find serious, not one to be laughed at as the Member for Dauphin is.

The president of the Manitoba Foster Parents Association, who is currently meeting with the Minister of Community Services, is from the Member for Dauphin's constituency. She is concerned with solving the problem, even though he is not.

Mr. Speaker, I will ask the Member for Osborne (Mr. Alcock), as I will other Members, to bear with us. We are in what I believe are the final stages of arriving at a Memorandum of Understanding to avoid the moratorium being implemented on foster children in Manitoba.

The Members for Elmwood (Mr. Maloway) and Thompson (Mr. Ashton)—the Bobbsey twins—are anxious to get involved in the debate. I want to answer the question. If I do not get interrupted, I will answer the question.

I will commit to the Member for Osborne and to the House that tomorrow, or after we have arrived at an agreement and a resolution to the problem, I will provide the House with the name of the polling firm and the amount of money expended on the polling. I do not want to get further involved in discussions of this issue because we are close to a resolution of the issue. I do not want to start discussing information that may cause further irritations between ourselves and foster parents.

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We are anxious to ensure that we bring this to a satisfactory conclusion and we want nothing to interrupt the process.

Mr. Alcock: Mr. Speaker, I do wish to assure the First Minister (Mr. Filmon) that I would be first on my feet congratulating him if they are able to solve this problem. Nobody benefits from the battle that is going on between the foster parents and the Government at this time.

However, I do have a concern about the actions of the Government while this process was under way. The Premier has offered to table the name of the organization that was used and the amount of money this has cost. I would also ask if he would please table the questions that were used during the survey?

Mr. Filmon: I have indicated what I am prepared to do. I would ask the Member to bear with us to see this process come to a resolution that is reasonable for the Foster Parents Association and that will help us to avoid the moratorium and will be a benefit to the children who are in foster care in Manitoba.

We do not want to discuss any further issues that may inflame or aggravate the situation. I will be happy to enter into debate, discussion, or response to his questions after we have resolved the situation or otherwise. If he has criticisms of our Government, or our Minister, or me, for the way in which we have handled things, I will say to him that you will have ample opportunity to make those criticisms public, and we will have an opportunity to discuss and debate whether or not our actions were fair and reasonable, whether or not we arrived at a conclusion through proper means, and whether or not it is a satisfactory conclusion.

We will be subject to all of his criticisms, I know, and we will be happy to respond to those criticisms; but at the present time, I would like him to just leave aside the issues surrounding these people at the Foster Parents Association in the interest of having it settled within the next 24 hours.

* (1400)

AIDS Education

Hon. Leonard Derkach (Minister of Education): Mr. Speaker, yesterday, I took a question as notice from the Member for Fort Rouge (Mr. Carr), and I would like to provide him with the details of that particular question at this time.

The question was with regard to in-servicing for the AIDS Program, and I would like to inform the House and the Member that as of today about 700 teachers in the public school system, as well as a number of teachers in the private schools and Indian bands, have already been in-serviced with regard to the AIDS Program—the mandatory AIDS Program that is being offered across the province.

At the present time, one-day workshops are being planned for teachers during this year. Those workshops will be made available to teachers between the

November and February months of the school year and these workshops will be led by qualified personnel from Manitoba Health, Manitoba Education, and supported by local medical professionals.

The goals of the AIDS instruction program is to ensure that school divisions have an adequate grasp of the factual information pertaining to AIDS. It is to familiarize participants with the contents of the Manitoba Education teachers' support materials on AIDS and to present information and encourage discussion on methods and techniques whereby participants can act as supports and resource persons for other staff colleagues. I hope this information is adequate for the Member.

Free Trade Agreement Hydro Rate Setting

Mr. Gary Doer (Leader of the Second Opposition): Today, in our national House of Commons, there is a very important debate going on in terms of the proposed Free Trade Agreement with the United States, and indeed, the vote will take place tomorrow that will affect not only Canadians but indeed, we believe, will very seriously impact in a negative way on Manitobans.

In previous occasions both the Minister of Energy (Mr. Neufeld), in this House, indeed July 25, and the Premier (Mr. Filmon), on the same day, indicated that we could sell our hydro-electric energy at rates at whatever we would like to sell them at.

I would ask the First Minister (Mr. Filmon): In light of the statements from Clayton Yeutter, the Trade representative, and the former secretary of the Treasury, James Baker, what the effects of the agreements will be, in their words, to assure non-discriminatory access to Canadian energy supplies, does the Premier feel that the assessment of the U.S. trade people is accurate or is it the statements that he and his Ministers have made in terms of this proposed trade agreement, the accurate interpretation of this very important document?

Hon. Gary Filmon (Premier): We have indicated in the past that we recognize that we would be inhibited from selling our energy at below cost or at unfairly subsidized rates to Manitoba consumers. We say that is something that no Government should want to do in Manitoba, to sell to a particular client and customer at a rate below cost so that all of the users of Manitoba Hydro have to subsidize that particular user.

If the Member for Concordia (Mr. Doer) believes that we ought to sell it at a subsidized rate to a particular industry or large user so that his constituents in Concordia will have to pay a greater rate in order to subsidize some industries, then I disagree with that completely, totally and vehemently. I say that he would be doing a disservice to not only his constituents but to all people in Manitoba in entering into that kind of agreement. I am glad that the Free Trade Agreement prevents us from doing that.

Man. Hydro Legal Opinion

Mr. Gary Doer (Leader of the Second Opposition): With the greatest respect to the First Minister (Mr. Filmon), he has received a legal opinion on June 8 that very clearly raises very serious questions and doubts about Manitoba's future ability to make a made-in-Manitoba price in terms of energy and hydro-electric pricing. We are not talking about below cost here; we are talking about a legal opinion that he has not tabled in this House on any occasion.

Would the First Minister please table that legal opinion to support his position about the future pricing of Manitoba Hydro?

Hon. Gary Filmon (Premier): That issue has been looked at by many experts. I repeat, for the benefit of the Member for Concordia (Mr. Doer), that we are not able to sell our energy at below cost or at an unfairly subsidized rate to people in this country because of the fact that it would be unfair to all of the consumers of Manitoba Hydro; that all of our consumers and all of our constituents should not have to subsidize a major user for whatever benefit he wants to attribute to that process. That would be unfair to the people of Manitoba and we would not enter it.

I am ashamed at the fact that he would enter into such an agreement. It just shows how right the people of Manitoba were in turfing out his administration.

Mr. Speaker: The Honourable Member for Concordia, with a final supplementary.

Mr. Doer: The First Minister knows that the legal opinion that his office and he received does not allow preferential pricing with hydro between Manitobans and the Americans in the future.

I would ask him to table this legal opinion to back up his rhetoric because the New Democrats will table a legal opinion today showing his position to Manitobans has been wrong all along in this Free Trade Agreement.

Mr. Filmon: Previous NDP Governments entered into agreements to sell our energy to the Americans at cheaper rates than it is being sold to Manitobans. They have done that and the Free Trade Agreement does not prevent that from happening. That is the kind of bad business agreements that they entered into when they were in Government and they carried on because they somehow thought that was a good way to sell energy. We do not agree with that and we are not going to carry on with that kind of crazy business.

PCBs Safety and Storage

Mr. Harold Taylor (Wolseley): Mr. Speaker, guess what? My question is for the Minister of Labour and Environment (Mr. Connery) again.

All along, this Environment Minister has consistently denied any responsibility for the PCB laden boxcar out in the North Transcona CPR Yards. He has stated on

many occasions that the yards are federally regulated and it is only Ottawa's problem. Pure fantasy. Environment Canada Guidelines indicate that handling and storage of PCBs is primarily the responsibility of the Provincial Government and the provincial Minister of the Environment and to ensure also that Environment Canada plays its adequate role for the areas under federal jurisdiction.

When will this Minister reassure anxious Manitobans by taking responsibility for a change on those PCBs, and PCBs in general, contained in this province in storage dumps?

Hon. Edward Connery (Minister of Environment and Workplace Safety and Health): At no time did we ever abandon any rights on federal property. We have worked cooperatively with Environment Canada at all times. We had our staff visit the rail car with Environment Canada staff to ensure that the car was safe.

There were concerns raised that there were two locations on CP rail with PCBs. There are three barrels in one car at the Transcona Yard and there is one barrel at the Weston Yard. There were concerns as to why there were two locations. So we had our people work with Environment Canada.

I have a one-page letter from Environment Canada to Mr. D.J. McMillan, Superintendent of the Winnipeg Division of CP Rail. We hope that we have a resolve to this issue because our department and our Government is very concerned about PCBs.

It says, "Further to our telephone conversation of August 29, 1988,"—that is not very long—"Environment Canada's current recommendations for improved PCB storage at CP Transcona Yards are as follows: (1) Padlocking of the boxcar"—and I say that the padlocking of the boxcar does nothing more than what was there because the bolt was safer than the padlock, but we will ensure if that is what they want they will have that. This has visually been confirmed by one of my inspectors. "Moving the boxcar closer to the Transcona Yard office so that either CPR shift personnel or a night watchman would be present on a 24-hour-a-day basis." The site shown to my inspectors is satisfactory. "Brush is removed from around the new site in order to minimize the risk of fire. The boxcar should be opened once every two months and the drums storing the capacitors visually inspected. A list of contents stored in the boxcar should be maintained in the boxcar."

That is basically the intent of the recommendations and so the department has worked very quickly to improve the situation—a situation that all department people thought was safe, but because there were concerns raised, we ensured that we would do it and try to make them satisfied that it is safer.

Mr. Taylor: Some progress, some progress.

Given that the federal Minister of the Environment also says that there should be standards for buildings, fences and signs by a statement he made on national radio last Friday, when are you going to complete the last of the clean-up to make that storage area safe?

* (1410)

Foster Care Telephone Survey

Mr. Connery: Mr. Speaker, to the Member for that question. We are working with Environment Canada continuously. As I mentioned earlier, we were going to reinspect every site in Manitoba to ensure that it is safe. If there is a site that is not safe, we will take remedial action.

I would also like to say to the Member and to this House, Mr. Speaker, that we are embarking on having a special meeting of the Environment Ministers and Mr. McMillan in October when we are having our annual meeting here around the middle of October. This issue is taken very seriously and we are writing for them to cooperate with us to develop, if we need to, stricter regulations to ensure that the storage of PCBs is safe.

We are also working on a Transportation of Hazardous or Dangerous Goods Administration and Enforcement Arrangements Agreement with the federal Government so that if we do have to move any of these dangerous PCBs, or as a matter of fact, any hazardous material, we will ensure that it is done in the very safest way.

PCBs Storage Sites Location

Mr. Harold Taylor (Wolseley): A final supplementary, Mr. Speaker.

In view of the federal Environment Minister's admission that there is an incomplete listing or accounting or inventory of PCB sites across Canada, including Manitoba, just what is this Minister doing to rectify that situation so that we know that there is a full inventory of PCB storage sites in Manitoba and that there is proper sharing of information between the two levels of Government and, if necessary, interprovincially, for a change so that we do not have these gaps in information flow and the potential for disaster to happen because somebody is not talking to somebody else.

Hon. Edward Connery (Minister of Environment and Workplace Safety and Health): Last Friday, there was a conference call with our staff and people from across Canada to discuss the issue because of the unfortunate incident in Quebec. Something like that is a tragedy. It was by error, obviously; somebody was not doing their job.

Our department, in cooperation with Environment Canada, will ensure that every PCB site is located and is investigated and inspected to make sure that it is safe. We will make sure that all information is cooperated between the two levels of Government so we both know where the federal and provincial storage sites are to ensure that we do not have a disaster like we had in Quebec. That is the last thing that any Member in this Legislature wants. Our departments will work to their very best to ensure that this never happens in Manitoba.

Ms. Judy Wasylycia-Leis (St. Johns): My question is for the Premier (Mr. Filmon).

I would like to start my question by saying we are also hopeful about the negotiations with the Manitoba Foster Parents Association, and I will respect the Premier's wishes with respect to not asking a question about the dispute, as he puts it. My question has not to do with the dispute but with the stonewalling of the Government yesterday with respect to the questions asked in the phone campaign on the weekend of the Manitoba foster parents.

Could the Premier indicate today, given that obviously his offices have been involved, and given that political staff apparently were involved in the writing of the questions, could he indicate today what those questions were that were posed to the Manitoba foster parents and would he table the questionnaire today?

Hon. Gary Filmon (Premier): Mr. Speaker, as I indicated to the Member for Osborne (Mr. Alcock), I will deal with those questions tomorrow. If the Member for St. Johns (Ms. Wasylycia-Leis) is not satisfied with my answers tomorrow, she can enter into discussion, debate, criticism, whatever she chooses, about the manner in which I have handled the situation.

My Government has responded to a very serious concern of ours. I do not think that it is productive and I do not think that it benefits an attempt to solve the differences and resolve the problem that we face with respect to a moratorium on foster care in this province by continuing to raise the issue when we are almost at an agreement with the Manitoba Foster Parents Association.

If the Member insists, then I can only assume that she is not interested in solving the problem or resolving the differences that we have, but that she just simply wants to make some political hay out of it, and I do not think that is the right thing to do when we are dealing with the lives of foster children in Manitoba.

Mr. Speaker: The Honourable Member for St. Johns has time for one final supplementary question.

Ms. Wasylycia-Leis: We, on this side of the House, are not trying to cause any difficulties with respect to the sensitive negotiations. We are trying to get some answers to a problem caused by this Government and get some clarification of Government policy.

I would like to know from the First Minister (Mr. Filmon), given that he will not table the questions today in the House, why this Government posed questions to the foster parents of Manitoba that included how they felt about taking money from an association to give to foster parents; how they felt about the Government's original proposal; how they felt about the Manitoba Foster Parents Association proposal; and how that gave the Government any new information for resolving this dispute or for dealing with the situation in the event that a moratorium would take place.

Mr. Filmon: I must say that I cannot abide the hypocrisy of the New Democrats in this House. Over the past year or two, we have had them spending public money by the tens and hundreds of thousands on polling with respect to the takeover of ICG, polling with respect to their views on Crown corporations, with respect to their views on Government priorities and actions; and on free trade, on ICG, on Crown corps, on all of those things, they refused to tell us who did the polling, what the polling costs, or any piece of information with respect to that.

I have told the Member that I will give this House information with respect to the name of the firm and with respect to the cost of that poll tomorrow, or at such time as we have arrived at a conclusion to the discussions between us and the foster parents.

Mr. Speaker: Order, please. I would ask the Honourable First Minister—the word “hypocrisy” is under the terms of unparliamentary language; therefore, withdraw the word.

The Honourable Government House Leader.

Hon. James McCrae (Government House Leader): Reference to the words “hypocrites” and “hypocrisy,” you will find on both lists.

Mr. Jay Cowan (Second Opposition House Leader): On the point of order, as the Government House Leader (Mr. McCrae) should realize, on many occasions in this House, Members have been asked to withdraw the word “hypocrisy.” I am certain if he gave the First Minister (Mr. Filmon) the opportunity to withdraw the word “hypocrisy,” he would follow the tradition which has been well-established by all Honourable Members in this House and in this Chamber in so withdrawing that remark.

As the Government House Leader did indicate, it does show up in both lists, but what he neglected to mention, Mr. Speaker, was the reference in Beauchesne to comments which are personal and cause heat and disorderliness in this House.

Now those are the types of comments, in the use of the word “hypocrisy,” that do offend that citation of Beauchesne, and I would ask the Government House Leader (Mr. McCrae) to allow his First Minister (Mr. Filmon) the opportunity to follow the tradition of all Honourable Members and withdraw that offensive word.

Mr. Speaker: I would like to thank the Honourable Member for Churchill.

The Honourable First Minister.

Mr. Filmon: Having sat in this House for some considerable length of time, and having watched New Democrats on this side of the House utilize words like “hypocrisy” time and time again and refuse to withdraw them as the former Member for Transcona did when he sat in this House, I have come to know what Beauchesne calls for, and I know that Beauchesne has ruled that the word “hypocrisy” is both unacceptable and acceptable.

I will follow the precedent that was set by New Democrats in the last term of this Legislature, which was that they did not choose to withdraw the word “hypocrisy,” particularly when it is so appropriate.

* (1420)

Mr. Speaker: I have asked the Honourable First Minister to withdraw the word “hypocrisy.” I find it does create some confusion.

The Honourable First Minister to withdraw.

Mr. Filmon: Mr. Speaker, only because I have such respect for your judgment, I will withdraw the word “hypocrisy.”

Mr. Speaker: I would like to thank the Honourable First Minister.

The time for oral questions has expired.

MATTER OF PRIVILEGE

Mr. Jay Cowan (Second Opposition House Leader): Mr. Speaker, I rise today on a most serious matter of privilege which has serious implications on all of our abilities as Members of the Legislature to perform our duties in this Chamber.

It is also important that I clearly indicate, at the start of my remarks, that although the matter I am dealing with deals with your duties as Speaker, it is not intended nor should it be construed as any reflection upon yourself or upon your office.

I will be concluding my remarks with a substantive motion allowing the House the opportunity to take specific action. This is the first opportunity I have had to raise this matter as it deals with the matter contained in the Votes and Proceedings for August 26 and the Hansard for the same day.

In keeping with the requirement that Members take care to ascertain the full facts of a matter before bringing it to the attention of the House, and having taken the time to carefully review both the Hansard and the Votes and Proceedings, and having taken the time to consult with others who heard the actual proceedings on that day, it is just now that I have been able to confirm the facts I am now presenting.

As well, this is the first opportunity for me to present the matter of privilege because it is just now that we have established committees of the House and I will be referring this matter to one of those committees. So it would have been impossible to have referred the matter to a committee before that committee had been struck.

I will also put before you, Mr. Speaker, a prima facie case that a breach of privilege of all Members of the House has occurred. I believe this breach to be sufficiently involved to justify it being given precedence over the other business of the House.

As way of background, on July 21, 1988, the opening day of this Session, the Premier (Mr. Filmon) moved

the following motion: "that the Votes and Proceedings of the House be printed, having first been perused by the Speaker, and that the Speaker do appoint the printing thereof, and that no person but such as the Speaker shall appoint do presume to print the same." That motion was agreed to by unanimous consent, or a unanimous vote of the Legislature.

I make that point because obviously the Votes and Proceedings are an extremely important part of us in our duties in fulfilling our responsibilities as legislators in this Chamber. As a matter of fact, the Votes and Proceedings are the official minutes of the Legislature. For that reason, they must be accurate and they must truly reflect upon what has actually transpired in this Chamber. On the other hand, the Debates and Proceedings, commonly referred to as Hansard, is a verbatim report of the Members' speeches.

According to the ruling of Mr. Speaker Fox, on April 4, 1972, "Speeches either help or hinder a proceeding, but they are not a proceeding. Hansard is a verbatim report of a Member's speeches. It is not an official record of the proceedings of the House." I think it is important to emphasize that Hansard is not the official proceeding; however, Votes and Proceedings are in fact the official minutes of the House.

It would therefore seem logical to conclude that when Votes and Proceedings are in conflict with, or indeed, contradict Hansard, that the Votes and Proceedings, as the official minutes, stand as the record of the House. This background brings me to the issue which I consider to be a breach of privilege.

On August 26, 1988, you made a ruling on the matter of urgent public importance, which was moved by my colleague, the Member for St. Johns (Ms. Wasylycia-Leis), which called upon the Conservative Government to immediately present a compromised proposal to the Manitoba Foster Parents as a means of breaking the impasse in the negotiations. In that ruling, you concluded with the following statement: "With respect, I must find that the Honourable Member's proposed motion to set aside the business of the House is out of order because the matter raised does not meet the required conditions." End of statement.

That is how I recollect having heard your ruling. I believe, Sir, upon recollection that is how you will remember having presented that ruling. I think all Members in the House recall having heard that ruling in that manner, and I have checked with Members outside of this House who indeed indicated to me that they heard the ruling in that way. That is how it is printed in Hansard.

However, the Votes and Proceedings for that same day have a different concluding statement. The Votes and Proceedings read, and I will read the same statement with the additional comment: "With respect, therefore, I must find that the Honourable Member's proposed motion to set aside the business of the House is out of order because the matter raised does not meet the required conditions, and because the format in which it is presented is contrary to the Rules of the House." The additional clause is, "and because the format in which it is presented is contrary to the Rules of the House."

I checked with several individuals, as I indicated earlier, who listened to your ruling and not one of them remembers that statement having been made, yet it is contained in the official report of your ruling, which is indeed the Votes and Proceedings. I believe a strong prima facie case exists that the Votes and Proceedings do not accurately reflect your ruling. That is a breach of privilege as all Members of the House rely upon our official minutes of Votes and Proceedings to accurately portray what actually occurred in this House on any given day.

I move, therefore, seconded by the Member for Thompson (Mr. Ashton), that

WHEREAS there is serious discrepancy between the ruling of the Speaker as transcribed in Hansard and is written in the Votes and Proceedings; and

WHEREAS the written ruling in the Votes and Proceedings adds a substantive issue to that ruling; and

WHEREAS all Members must rely on the proceedings as identified in the official minutes of this House, which is the Votes and Proceedings; and,

WHEREAS any inaccurate wording in the Votes and Proceedings will restrict our ability as legislators to address issues in this Chamber; and

WHEREAS any restriction of our ability to function as Members in this Chamber is a breach of the privileges of all Members of the House;

BE IT THEREFORE RESOLVED that this matter be referred to the Standing Committee of the Legislature on Privileges and Elections;—that is my official motion—and

BE IT FURTHER RESOLVED that the Standing Committee on Privileges and Elections be directed to report back to this Legislature as to (a) how this inaccurate reporting of the proceedings of the House was allowed; and secondly, (b) recommendations on how to avoid any occurrence of inaccurate reports in the future.

Mr. Speaker: The Honourable Government House Leader. I will permit limited and strictly relevant debate.

Hon. James McCrae (Government House Leader): Mr. Speaker, I think, by the time I reach the end of my very brief comments, I will have suggested that you take this matter under advisement and bring the matter back before the House, and at that time offer myself and the Opposition House Leader (Mr. Alcock) and others who may wish to get involved in the discussion an opportunity to speak to you before you make a decision about the motion that you have in your hand.

The matter I think comes down to an alleged difference between the spoken record and the actual record as it appears in Votes and Proceedings, and I suggest that this is a matter that you should take under advisement, Sir, and come back to the House with. However, when we are dealing with the format of motions under our Rule 27, I have raised repeatedly in this Session the format used certainly by the New

Democratic Party and perhaps also, if my memory serves me correctly, by the Liberal Party in bringing forward motions of urgent and pressing importance under Rule 27.

While we are talking about formats, we might even discuss the format of the motion that you have in your hand when we are dealing with the matter of privilege in the House. I would invite you, if you decide to accept my suggestion, when you do come back, to make a comment about the motion moved today. I am not trying to restrict Honourable Members in moving motions, but what we have again today is something that looks awfully like a Private Member's Resolution, and it seems to me all these "WHEREASEs" and "BE IT THEREFORE RESOLVEDs" have no place, really, in motions of urgent and pressing importance under Rule 27, or, for that matter, a motion of privilege of the type raised today by the Honourable Member for Churchill (Mr. Cowan).

So I have come to the end of my brief comments, Mr. Speaker, and I do suggest you take the matter under advisement.

* (1430)

Mr. Reg Alcock (Opposition House Leader): I would simply like to say that a cursory examination of the Votes and Proceedings and Hansard for that day suggests that there is a discrepancy.

I think a matter of privilege is an extremely serious thing and would echo the recommendation by the Government House Leader (Mr. McCrae) that you take this under advisement and report back to the House as quickly as possible.

Mr. Speaker: I would like to thank all Honourable Members. Indeed, I will take this matter under advisement and report back to the House.

Mr. Cowan: Perhaps some helpful advice if you are going to take it under advisement, if you will allow me the opportunity.

Mr. Speaker: The Honourable Member for Churchill.

Mr. Cowan: I believe, Mr. Speaker, that if one—(Interjections)—I heard some oh's and groans from the Members opposite—goes back and reviews the discussion of matters of privilege in this House, they will find there was an exchange of information, which is indeed what we are in this Chamber to do. I would just want to help you so that you are not misdirected by the Government House Leader (Mr. McCrae) when he suggests that the format in which this motion for privilege of the House was presented.

I refer you to Mr. Speaker Graham, his ruling in 1980, on a motion which included—

Mr. Speaker: Order, please.

Mr. Cowan: —"WHEREASEs," which was found indeed to be in order.

Mr. Speaker: Order, please; order, please. Those remarks are not relevant to this matter of privilege

which is a very serious issue and I have told the House that I will take it under advisement.

I would like to thank all Honourable Members.

INTRODUCTION OF GUESTS

Mr. Speaker: With us this afternoon in the Speaker's Gallery, I happen to notice Mr. Dave Blake, who is a former Member for Minnedosa, who took time out from his fishing, I would imagine.

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

ORDERS OF THE DAY

Hon. James McCrae (Government House Leader): Mr. Speaker, I move, seconded by the Honourable Member for Lac du Bonnet (Mr. Praznik), that Mr. Speaker do now leave the Chair, and the House resolve itself into a Committee to consider of Ways and Means for raising of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of Ways and Means for raising of the Supply to be granted to Her Majesty with the Honourable Member for Seven Oaks (Mr. Minenko) in the Chair.

COMMITTEE OF WAYS AND MEANS

INTERIM SUPPLY

Mr. Chairman, Mark Minenko: I call the meeting of this committee to order to continue considering the resolution before the House. The resolution reads:

RESOLVED that towards making good the Supply granted to Her Majesty on account of certain expenditures of the Public Service, for the fiscal year ending the 31st day of March, 1989, the sum of \$2,626,074,640, being 70 percent of the total amount voted as set out in The Appropriation Act (1987), be granted out of the Consolidated Fund.

The Honourable Member for Ellice.

Ms. Avis Gray (Ellice): Thank you, Mr. Chairperson. I have some fairly important questions that I would like to ask the Minister of Health (Mr. Orchard). Could we ask . . .

Mr. Jerry Storie (Flin Flon): Perhaps, while we await the arrival of the Minister of Health (Mr. Orchard), I am prepared to yield the floor to my friend from Ellice (Ms. Gray) when that Minister arrives, but I have a number of questions I would like to direct to the Minister of Finance (Mr. Manness) in the interim, if that is all right.

Mr. Chairman: Yes, I think the Member will agree with that.

Mr. Storie: A couple of questions. I know that the Minister of Finance (Mr. Manness) is responsible for the negotiations which are taking place currently with respect to the divestiture of Manfor. I was wondering

if the Minister could direct Members on this side, and myself particularly, to any appropriation, subappropriation in the Estimates where we might find any additional support staff that have been hired, either directly by departments, line departments in existing staff years, any additional staff years which have been added for that purpose, any contracts which would come out of departmental appropriations for the purpose of strengthening the negotiating team with respect to the sale of Manfor?

Hon. Clayton Manness (Minister of Finance): There are no additional, or indeed any areas within the appropriation that would be in support of the divestiture of Manfor. Presently most of that activity is taking place under the existing structure in place. That is the Public Investment Corporation in Manitoba, and that of course, funding, as it is mandated presently, comes from Manfor itself.

Mr. Storie: Perhaps the Minister could indicate whether there has been anybody, or will be anybody taken on by Manfor, by PICM for this specific purpose, and whether there are plans to expand the negotiating team beyond that which existed prior to the change of Government on April 26?

Mr. Manness: To be very candid, the major engineering firm or consulting firm that provided resource support to the exercise is still in place—Stoddart Consultants out of Vancouver. Right today and presently, as a matter of fact, we in Government are bringing in an additional resource to help us at this particular point in time.

Mr. Storie: Mr. Chairperson, I understood the Minister to say that they were bringing on additional personnel. Could the Minister indicate from which appropriation, which Crown corporation those additional staff would receive remuneration?

Mr. Manness: Mr. Chairman, at this time I believe I will direct PICM to provide for the remuneration necessary in the same manner in which indeed it draws its support from Manfor.

Mr. Storie: Mr. Chairperson, I am wondering whether the Minister is at liberty at this point to identify the person or persons who would be hired for this task and whether he could indicate to this House what particular expertise they may have which would assist in the negotiations process.

Mr. Manness: Mr. Chairman, I cannot disclose the name of the person or persons who will be helping us at this point. Certainly the expertise that they bring within this area is multi-faceted in a sense that it will provide us with a much better understanding with respect to one of the proposals, one of the ones that has components of it that I do not believe that we are sufficiently well prepared to address. So I am seeking some outside advice in how to put the best evaluation towards those particular components of that proposal.

* (1440)

Ms. Gray: Mr. Chairperson, I have a number of questions for the Minister of Health (Mr. Orchard) and

it relates to the communicable disease control and the dollars that this department has seen fit to put into communicable disease education, including AIDS education.

We are certainly pleased to hear that there are some initiatives which are coming forth regarding the whole area of communicable disease control which, frankly, it is unfortunate that it has taken such a fatal disease such as AIDS to make Government recognize the actual importance of prevention in the whole area of communicable disease. Certainly people who have worked in that particular field in the past will recognize the importance of teaching families, teaching school children, teaching the general public about the importance of the prevention of communicable disease and about health promotion.

The Honourable Minister of Health (Mr. Orchard) has indicated that there are going to be some substantial dollars going into the area of AIDS education which was indicated by the Throne Speech, and we now have the Main Estimates in front of us for the Department of Health.

Would the Minister please elaborate for us how those extra dollars are going to be spent? Are there a number of dollars for SYs that have been set aside for this? Are there pilot projects that are going to be conducted? Are some of those dollars in advertising and public education—if he could explain to this House more of a breakdown of how those dollars are going to be spent.

Hon. Donald Orchard (Minister of Health): Mr. Chairman, how be I make an offer to my honourable friend that she cannot refuse?

Ms. Gray: I have refused them before.

Mr. Orchard: In terms of details as to extra SYs and dedication of staff resources, etc., etc., I really believe that we can appropriately discuss those issues in Estimates.

What is very appropriate right now is a broader, philosophical discussion, if you will, as to the direction one ought to take if one is truly believing in prevention as being one of the best-spent dollars in terms of keeping our population well, and away from the more formal methods of intervention treatment. I would welcome that broader debate this afternoon.

Let me begin by saying that probably there have been fewer more cost-effective methods of saving actual health care dollars than, for instance, the immunization program and immunization education, as it has become part of the mainstream, if you will, of health delivery in the free world, and indeed throughout the world.

The whole idea, the whole concept of immunization has been something that actually has been a part of my life since—the first immunization I can recall having, of course, is the immunization against poliomyelitis when I was in Grade 2. That discovery of an economic immunization program probably has saved more dollars than probably any other single immunization that has been part of daily medicine.

Let me share with my honourable friend some more recent concerns, and I seek her wise counsel this

afternoon from the broader, philosophical standpoint. I believe that from time to time we have been possibly exuberant in terms of our application of strict rules in terms of immunization requirements, and with any process like immunization, designed for the prevention of disease, there are a very, very small but unfortunate minority of circumstances wherein the immunization itself can cause some significant problems.

The decision in the past has been to balance, presumably, the community good against an individual's concern or an individual's desire that they not run the risk of a potential adverse reaction to an immunization. That is a very pointed debate, because on the one hand you have a family who very much is concerned about the potential side effects of an immunization inoculation, and on the other hand you have public health officials, all of whom you pay reasonable salaries to provide you with the best expertise and opinion that is available, presumably, and you operate on that advice and implement immunization programs.

I want to give you one example of where I thought sometimes the advice was a little exuberant. I believe the time was approximately a year-and-a-half ago and red measles had become a mini-epidemic, if you will. We had a number of cases. In going through the immunization records, immunization for red measles has to occur on the first birthday. We had arbitrarily set, for an admission to school, for children, a requirement that if the immunization had not been done at exactly the one year birthdate that the child would have to be reimmunized. That means that if the parent had brought their child in two or three or four days prior to their birthday, that child had to be reimmunized or else that child could not go to school.

I found that to be a particularly puzzling application of public health policy because the majority of the children, if not all of the children, because of the edict, who were at school were immunized and hence protected and could not contract the disease; yet we were refusing entry by the criterion of a two- or three-day window that was inadvertently missed by the parent and the child. We were refusing that child entry to school until they were reimmunized. That focused on the whole issue of immunization reaction, etc., etc. in a degree that had not been opportune or been there in the past.

I happened, in that case, to have agreed with the parents who made the very case that I just made now that of what possible danger is there? Because, first and foremost, there was no apparent evidence that having the immunization two or three or four or five days prior to the first birthday meant that child was not in an immune circumstance with his body defence systems, so that what we were doing was erring very much on the side of caution and I think that we overjudged or overreacted in that circumstance.

However, the penalty was very, very strong—very severe—and if the parent did not take the child in for reimmunization, the child was denied access to school, and that school would have been attended by children who were fully immunized.

I think that we have to continue with our immunization programs in the province because they have probably

been the greatest protector of health that has been developed in recent years and, in effect, are the ideal preventative measure, but I think there needs to be, from time to time, a more realistic or common-sense approach to that and I would welcome my honourable friend's comments.

* (1450)

Ms. Gray: In light of what the Minister has said, I would certainly be interested in knowing if he has in fact given new directives to the director of Communicable Disease Control regarding what the procedure should be should such an unfortunate incident such as an outbreak of red measles actually occur again in Winnipeg.

I would also be interested in knowing from the Minister of Health (Mr. Orchard): Only now has there been a beginning of having the health records, of over which there are 50,000 at least in Winnipeg, a beginning of the health records to be computerized. If we had an outbreak of red measles in the up-coming months, I must say that few of the health records are computerized, the rest are all manual, kept in filing cabinets which are not locked, which may be something that the Minister of Health would care to look into so they are of access to anyone who happens to walk into the office.

So I have concerns, now that we are talking specifically about immunization, as the Minister has raised. Has he given different directives to Dr. Fast, to the director of Communicable Disease? If there was an outbreak of red measles or some other communicable disease, what steps would be in place so that in fact we would be much better able to deal with that outbreak as opposed to what happened last time when there was a fair amount of confusion as to how that was going to be handled?

Compounded with that problem, as the Minister of Health (Mr. Orchard) is probably aware, if there was an outbreak, we have three regions in the City of Winnipeg which are autonomous. We would hope that there would have to be a lot of coordination because there are different medical officers of health in each region; that there certainly would have to be a lot of coordination of those three regions as to how the whole issue of a communicable disease outbreak would be dealt with.

I would welcome the Minister of Health's comments on that, and then I would like to pursue the more broader aspect of Communicable Disease and Health Promotion.

Mr. Orchard: The simple answer to my honourable friend's question is that no directive has gone out to Dr. Fast over communicable diseases. That is because no request for action similar to the circumstances I outlined has come to my office, but I will tell you in generic terms what would be required should such a request come forward and a similar recommendation come forward.

I would be seeking justification and answers to the very questions that I have just laid on the record. If

those answers could not be given in a reasoned fashion, and assurances given that the child would be less properly served by following the former direction, then I would certainly have no hesitation in turning back a recommendation to proceed as they had in the past.

As my honourable friend well knows, every circumstance of a communicable disease outbreak is different. No two circumstances are identical. In that particular one that I laid out, I believe that, in retrospect, we probably overreacted as Government, and it would not be my tendency, given similar circumstances, to react in the same way.

In terms of the computerization of immunization records, yes, that is ongoing. That is a process which ought to be able to give to public health officials, to school officials the information they require in the event of an outbreak of communicable diseases, whatever they may well be, to assure that student safety is in place not only personally but collectively. Right now the system—no question—is somewhat archaic. However, I believe, and I will stand corrected if I am proven wrong, but at the time of the red measles breakout, the onus was on the parent to send with the child proof of immunization, something that all parents have as part of their family records.

If in the event the parent had inadvertently misplaced that record of immunization, it was available through the Public Health Office in the area concerned. I know of that from some personal experience because we had misplaced one of our child's immunization record and we were able to have it very quickly and very efficiently replaced. Even though it was not computerized, the filing system allowed replacement of that and there was no difficulty.

Ms. Gray: Let us go back to talking about Communicable Disease Control and the new dollars. I really would appreciate some elaboration from the Minister as to the number of components of the Health Department where conceivably dollars and resources, whether it is staff years or specific dollars for resources, in advertising could be injected into for communicable disease and AIDS education.

If the Minister does not have exact dollars attached to each of the various components, or exact SYs, could he at least give us some indication here in the House today as to where the emphasis, where the SYs will be for increasing this communicable disease education? Are all the resources going to be going to the Communicable Disease Control directorate? Have there been some provisions made for an increase in staff years at the regional operations level?

We heard in the House today that the in-servicing is actively going on for teachers through the Department of Education, and the Minister of that department indicated as well that that in-servicing was being done by a public health staff. Given that this has been seen as a priority, this particular in-servicing in education, have there been extra resources which have been given to public health nurses in regional operations to ensure that, in fact, they will be able to do a good job and actually provide the in-servicing to teachers across Manitoba?

Mr. Orchard: It is my understanding that the in-servicing program that is under way now is similar in many respects with the exception being of updating of current information that has gone on in the past using the same resource expertise from communicable diseases as well as regional staff.

Ms. Gray: Could the Minister tell us, given that the public health nursing staff have been designated in regions to provide this education not only to teachers but to all other professionals in the health care field, to professionals in community services who work in those offices and to the direct service workers—and I am referring specifically to orderlies, home care attendants and home support workers—public health nurses have specifically been designated to provide this in-service in education—could the Minister tell us how this is going to be accomplished if in fact no new resources will be given to regional operations for public health nurses for this express purpose?

Mr. Orchard: I do not necessarily follow the logic of my honourable friend's question.

Ms. Gray: My question is, No. 1, have new resources, i.e., staff years, been specifically allocated to regional operations for the purpose of doing communicable disease education which has been given a priority with this particular Government?

My question is how are these teachers, how are all direct service workers, how are other health professionals going to be in-serviced if there are no new SYs who have been designated to regional operations?

My question is have they been designated, or are all the new resources going to the directorate level, the Communicable Disease Directorate?

Mr. Orchard: I would highly recommend that that detail can be provided when we reach the line in Estimates which discusses Communicable Disease Control, and that will not even provide the full answer because we have to then get into Regional Services wherein the majority of the delivery staff, if you will, are paid, and that is the line for appropriate discussion.

* (1500)

I simply indicate to my honourable friend that the communicable disease program is one which has taken an expanded role over the last couple years—expanded not because necessarily of communicable diseases, but because of STDs which are a very much narrower area of expertise rather than the communicable disease control.

To my knowledge, the ability of staff, public health nurses, etc., to provide information to those teacher groups, those parent groups in terms of up-to-date information on communicable diseases, per se, is rather—I do not like to use "routine" as the words—an ongoing program. However, there are changes which resources have been dedicated to recognize, in terms of STDs, particularly with AIDS, but also to another extent with chlamydia, because chlamydia has only, as

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my honourable friend nods her knowledgeable head, recently been made a reportable disease.

I might indicate to my honourable friend that probably one of the first press conferences I had as chief critic for Health was to urge the then Minister of Health to make chlamydia a reportable disease under The Reportable Diseases Act, and some year-and-a-half later that was done. Now, although STDs in general have been at least levelling off and perchance declining, with chlamydia being a newly reportable disease, the incidence and tracing requirements and the education requirements there are substantially higher.

That same criterion, of course, applies to AIDS, wherein we are in an ongoing education program because so many factors in terms of AIDS are changing, almost on a monthly basis, although I do have to admit that the level of new information appears to be cooling off slightly from what it was, say, one year ago, where you could almost on a monthly basis achieve new information on AIDS and how it was affecting the population. So that resource dedication is more in the area of the STDs rather than communicable diseases.

Ms. Gray: In regard to Communicable Disease Control and the allocation of resources, and I bring this point up now rather than in Estimates because, of course, my prime purpose in raising these questions is to ensure that resources are allocated most appropriately, not to just necessarily ask questions in Estimates to see what kind of response—I am suggesting to the Minister of Health (Mr. Orchard) that he may want to talk to his people in Communicable Disease Control. There has been some discussion of an SY in Communicable Disease Control being allocated for the purpose of providing education to the public in Communicable Disease Control.

The question that has been raised is what type of professional do we hire who can provide the best job? Should we be hiring a public health nurse with a Master's degree to provide the education, or should we be hiring more physicians? I would ask that the Minister of Health check into that area to see whether we can be getting two public health nurses with a Master's degree for the price of one physician, and who could be doing a better job of the communicable disease education to the public. We certainly have a director of Communicable Disease who is a very well-qualified physician and certainly would be there to provide the guidance. So I ask the Minister that he possibly check into that.

I have only a couple more questions along the line of health, a different area. I was wondering if the Minister of Health (Mr. Orchard) would be prepared to table in this House the review that was done by Price Waterhouse on the Home Care Program this past year, and would he, as well, be prepared to table in this House the internal review that was done by the Department of Health staff some two years ago.

Mr. Orchard: Mr. Chairman, it is my intention to table the Price Waterhouse review as we approach Health Estimates so we can have a more informed debate, but I simply have to ask my honourable friend to be

somewhat more specific about the internal review within the department on continuing care because, unless I have an author or some other more definitive benchmark, I cannot indicate whether that review has been brought to my attention.

Ms. Gray: Actually, if you speak to your Deputy Minister, I am sure that he will be able to tell you about the internal review that was undertaken about two years ago which involved an extensive amount of staff time within the Department of Health. My understanding is that review was never circulated or in fact it was shelved with the previous administration.

I am asking the Minister—if he is not aware of it, then he may want to be made aware of it—if in fact he would consider tabling it in this House.

Another question that I have for the Minister of Health (Mr. Orchard), I am wondering if the Minister of Health has any concerns regarding the Free Trade Agreement and how it may impact on our health care in this province.

Mr. Orchard: I have attempted to familiarize myself to the best degree possible with the implications of the Free Trade Agreement. I have to indicate to my honourable friend that my analysis to date, and some of the analysis that has been made available to me, does not indicate to me any major impact in terms of the Free Trade Agreement on the method by which we deliver health care in the Province of Manitoba and indeed Canada.

I have to simply indicate to my honourable friend that I believe the biggest impact that the Free Trade Agreement will have on our health care system is in its ability to provide to Canadians, and to Manitobans, in particular, an opportunity for growth in their businesses, growth in the economy, since we are here to spend tax dollars to provide health care services, to provide other social programs, to build highways, etc.

* (1510)

I do not think I need to remind anybody in this House that if your sources of tax dollars do not grow, neither can your expenditures, and that lesson was learned even by the socialists over the last six years, wherein they went through their prolific of spending of \$500 million-per-year deficits with the accompanying skyrocketing of interest payments and the denial that Manitobans have needed services, because monies were leaving this province to pay investors in Zurich, Tokyo, Bonn, New York, all around the world, to the tune of over \$570 million per year.

I remind my honourable friend, because I know she is very astute and wishes to follow the development and the legacy that increasing debt causes to provincial administrations, and I know that her seatmate beside her will reaffirm this. In 1981, in the last Budget of the then Progressive Conservative administration, the entire interest paid by the taxpayers of Manitoba was \$91 million, I believe. I stand to be corrected, give or take a million or two. What is that old saying, "What is a

million?" Well, now we are into "What is a hundred million?" when it comes to terms of interest payments.

That \$90 million of interest payments was as a result of—what was it?—in 1981, as a result of 112 years of Government—Government of all political stripes, through two World Wars—that was the total interest paid by the people of Manitoba to service accumulated debt of 112 years of Government.

I am going to ask my honourable friend, the Finance Minister (Mr. Manness), for just a little bit of clarification from his seat. When I go to Public Debt Statutory and I find the figure of \$483 million, does that include Manitoba Properties Inc.?

Mr. Manness: No, it does not.

Mr. Orchard: Okay. I will just go to Government Services then while there is time. For that almost \$62 million in Government Services to pay for Manitoba Properties Inc., so a quick figure and a quick addition of those two lines get you up to, very quickly, \$545 million of interest costs per year that we pay this year. And that is with a dollar which has increased over the last four years that we have had reasoned the Government in Ottawa, that is with interest rates that have come down from an all-time high with reason to Government in Ottawa—the very same Government that Members opposite, from both political Parties, constantly berate for issues which are—certainly they have the public eye, the public profile, the scandals, etc. etc., but my honourable friends in the Opposition admits the global picture of the value of four years of Progress Conservative financial management under Prime Minister Mulroney and Finance Minister Michael Wilson.

If we had continued upon the Liberal legacy in Ottawa of Pierre Elliott Trudeau, an individual who, incidentally, now that I am on my feet, is against Meech Lake, as all Members of the Liberal Party in this Chamber are against Meech Lake, and if one needs to find a reason to be in favour of Meech Lake, surely it is because Pierre Elliott Trudeau is against it. For one reason alone, the man who centralized this country in Ottawa, the man who drove the deficit nationally through the roof with related interest payments, the man who single-handedly, with Marc Lalonde and a couple of other cohorts, destroyed the Alberta energy economy, is against Meech Lake because it decentralizes power in Ottawa.

We will not get into Meech Lake right now because Meech Lake no doubt has some implication on health care as well, if my honourable friends in the Liberal Party carry it far enough.

Let me continue with my remarks. Today we pay \$545 million of interests. It was \$90 million in 1981. Where do my honourable friends in the Liberal Opposition expect to get the resource to even meet those interest costs, let alone reduce them? Paying the interest costs is one thing, but paying the accumulated debt upon which interest is paid is yet another matter, because for every dollar you remove of interest payment, you must repay \$10 in borrowed

capital. That means, to get our interest payment down to the \$90 million that it was in 1981, we have to repay—let me do a quick calculation—455 by 10—\$4.5 billion. Where does that resource come from?

Where does that resource come from to even meet the interest payments, let alone pay back the debt? Do you know where it comes from? It comes from every living, breathing Manitoban who pays taxes. And all Manitobans pay taxes, whether employed or not, because they all pay sales tax, they all pay other taxes of which we get a share.

So, my honourable friends, when they oppose free trade, are opposing one of the largest single opportunities presented to this province and to the people of Canada to extract ourselves from the morass of deficit financing, the interest payments on which deny social services. For that \$545 million that will leave this province for interest payment this year, not one mile of highway is reconstructed; not one hospital bed is kept open; not one Manitoban can access additional home care; not one university student will have a greater opportunity for education; not one homeowner will have reduced property taxes—a portion of which pays for the education system—as long as that money leaves this province.

So the greatest single opportunity we have economically in this province and in this country now is in freeing up that last 20 percent of trade with the United States under the Free Trade Agreement over a phased-in period of time to protect those industries that are most vulnerable to the Free Trade Agreement. And if there is one opportunity that we have in this province, it is with the Free Trade Agreement, because we are an exporting province.

Versatile does not live on sales of farm machinery in Manitoba. It has substantial sales in the United States, as does our every single major industry in Manitoba that employs Manitobans who end up paying the taxes we need to provide the services for the people of Manitoba.

I cannot put it in any better terms than the terms that were given to us—and I will only paraphrase them because I cannot approach them with the eloquence of this individual as I sat at the First Ministers' Conference in Saskatoon some two weeks ago.

* (1520)

We had the Premier of Ontario greatly decrying the Free Trade Agreement, which, from his political perspective, is a good thing to do. After all, why would you not, as Premier of Ontario, having Auto Pact which significantly has boosted your economy, which is the ultimate in the Free Trade Agreement with the United States, when you have that in your hip pocket and it is creating jobs, investment, employment and wealth in your province, why would you not be like the dog in the manger and say we do not want anything else; we do not want anybody else to have an opportunity to enhance their stature in trade with the United States, the jobs, the investment and the wealth in their province when we have it all.

But there was another Premier there who I thought brought the whole issue right to a nutshell in about

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three sentences. It was Premier Robert Bourassa from the Province of Quebec. He said, in effect, that what has happened to our country over the last several decades is that we have allowed deficits on a national and provincial level to escalate. As a result of the escalation of deficits, we now find ourselves dedicating more of a scarce tax resource to the repayment of interest on that accumulated deficit, and he said that has impacted upon our competitive position on the international market.

He said that if anything will ruin us as a nation, it is lack of competitiveness on the international market. He welcomed the Free Trade Agreement as a province who has major trade associations with the United States and industries which are affected adversely by the Free Trade Agreement because not all industries benefit from it. The net benefit is there for Canada and for Manitoba and for Quebec. He said that without the Free Trade Agreement, we continue along our ways of inefficient production and inefficient planning. He said we cannot do that in a country of 25 million people, we have to look outside, and the Free Trade Agreement does that for us.

He welcomed it as an opportunity for the people of Quebec and the businessmen of Quebec and the businesswomen of Quebec to expand their horizons, to seek out markets in the United States and to follow through on the development of those markets with the bottom line being that Quebecers will find new jobs and new wealth. I cannot say it any better than that. I have taken many more words to say it than what he did at the First Ministers' Conference.

I simply offer a global observation to my honourable friend from Ellice (Ms. Gray); that we can continue on and we can attempt to fight the Free Trade Agreement as they are doing, not knowing really why they want to fight it, not having a better proposal, standing up on one hand saying, we do not like the Free Trade Agreement but we are free traders and we are in favour of free trade. There is that old saying that you cannot have your cake and eat it too. If you do not like this particular agreement, where is your agreement that is better? John Turner had one at one time, as Leader of the Liberal Party, back about 15 years ago when he was a little more sane in his reasoning and was not driven by some of the left-wing ideologues in his caucus right now. But now, John Turner has changed his colours. He says he is against this Free Trade Agreement but not against freer trade. Make up your mind. If you do not like this agreement, say what is one that is better.

But under the analysis that I have seen of the Free Trade Agreement, Manitoba is a benefactor as a province. There will be new jobs in Manitoba. There will be strengthened industrial opportunities in Manitoba for our resource industries and for agriculture. That, Mr. Chairman, means jobs. When you have jobs, you have tax resource to pay for Health Care. So the bottom line is, free trade means better Health Care.

Mr. Laurie Evans (Fort Garry): I was wondering whether I could ask a question or two of the Minister of Agriculture (Mr. Findlay).

Yesterday, the Member for Lakeside (Mr. Enns) asked a couple of questions of the Minister regarding the Greenfeed Program and the Livestock Assistance Program. If I understood the Minister's response, I believe those two programs essentially utilized the \$18.3 million that has been identified for the Emergency Drought Relief Program. Recently, there has been several publications that have come out of the Minister's department regarding such things as trash cover, reduced tillage and so on. Certainly, I agree with these proposals. But these are not necessarily new proposals, they are the type of recommendations that have been made for many years.

I think we have seen in the past year or two considerable soil erosion despite the fact that these proposals were made. I am a little concerned that looking through the Budget, I do not see that the Minister has a great deal of discretionary funding available to him that might assist municipalities or individual farmers to utilize these proposals if they are in fact in a tight situation as far as cash flow is concerned. I am wondering if the Member has any mechanism at his disposal that could assist, because I would regard this as a pretty important investment to try and ensure that we do not run into major erosion problems in the spring of 1989 and I think the susceptibility or the vulnerability is greater than it has been in the past because many of the areas that have suffered from drought have very limited soil cover at the present time.

There has been some salvaging of crops earlier on so that there are a lot of areas that are essentially in fallow form even though they were planted in the spring of 1988. We have seen such things as the necessity of clearing drainage ditches, roadside ditches and other things which are attributable to the erosion that took place in previous years even though we did not visualize it as a major problem in some of those years, compared with what I would regard as the vulnerability that exists this year.

Can the Minister give us any information as to any programs or plans that are afoot that might make greater utilization or allow farmers to utilize these promotions more than they have in previous years?

Hon. Glen Findlay (Minister of Agriculture): I would like to just address the Member's comments there. Really what we are doing there is putting information out so producers are made aware again of the obvious, that soil erosion can occur when we have small coverage on the land and the barren land is subject then to significant winds that reoccur this fall or next spring.

For the Member's benefit, all I can say is that we are going to put increased emphasis on the education and the extension side to make farmers more aware of the consequences of excessive tillage and leaving the land bare. Some farmers are naturally going to do tillage now that may look like they should not have done it but their idea is to work it early in the year and get a growth on that land and leave that growth on over winter.

(Mr. Deputy Chairman, Harold Gilleshammer, in the Chair.)

I guess there is also another problem that farmers face and they have got to balance the pros and cons. As you drive across the country you see significant weed problems in the stubble fields that we have this fall; very significant weed problems, kochia, thistles, a variety of other broadleaf weeds and many producers are going to be forced to do some tillage particularly for the perennials to try to reduce the impact of weeds next year.

I can tell the Member that we are going to be putting increased emphasis on weed districts in the coming year or years because we have to be able to have the resource people out there to deal with these problems and we have a balancing act right now whether we should till and expose the land to erosion or not till and leave the weeds to grow. Which is the worst? With a good two months left in this season, I think the farmers have got some difficult choices and are hopefully working with staff to make the right decision for their particular kind of soil type. I always think that the majority of farmers are very conservation conscious and will, in the long term, make many of the right decisions. We put this kind of information out to remind them as much as we can and are asking staff, ag reps and other extension staff to keep on top of the fact that there is a serious problem out there, the two problems, and try to give farmers the right advice on the individual situations.

Mr. Evans: Mr. Chairman, I appreciate the Minister's response on that. The only comment I would make is that when you are looking at tillage for the control of perennial weeds, I think what you are faced with is many producers have the equipment and the machinery to go out and do the tillage, where in actual fact they may be better off to have utilized herbicide, a chemical control. I would ask the Minister, do the municipalities have any flexibility at their disposal where they could be of assistance in the procurement of these chemicals and make them available to those growers who would utilize them at a cost price or on the basis of bulk purchasing and maybe be in a better position than the individual producer is to utilize that type of a change in management?

* (1530)

Mr. Findlay: I guess the short answer is, no, the municipalities are not being able to play a role in terms of supplying chemicals at lower cost. The one chemical that might be most appropriate to use is Roundup for particularly twitch grass and any perennial weed, really.

I would just remind the Member that there is going to be an announcement on September 1 for a public meeting for the UMA Engineering Report on the feasibility of producing glyphosate in the Province of Manitoba and producing it as a generic. That report is going to be made public and a number of farm organizations and interested individuals have been invited to that meeting, put on by my department staff, in the Norquay Building two days from now.

There is some interesting information obtained from that study, and hopefully when Roundup comes off

patent in, I think it is November of 1990, not too far down the road, that we are able to get a lower cost material of the Roundup nature that will allow producers to use it effectively to control weeds without having to increase the amount of tillage. It will certainly facilitate the zero tillage or minimum tillage concept, which is a conservation objective for many of the more vulnerable soils in the Province of Manitoba. I guess the probable disappointment is going to be that Roundup will never be as low priced as some people have predicted, like \$6 an acre. It is never going to be that cheap, but surely it will be a lot cheaper than \$18 an acre and \$30 an acre which it use to be.

Mr. Evans: I wonder whether the Minister could give us sort of a brief scenario in terms of the effectiveness of the emergency water services that were provided in the drought-stricken area this year, because going through the Estimates, I see that there is relatively little change as far as the Water Services Board is concerned.

I appreciate that you are looking at not only the Water Services Board, but also The Prairie Farm Rehabilitation Act contributes significantly to that. Many of the water developments are also, through the individual municipalities, in terms of the financing through the mill rate and so on, but without getting into an extremely long dialogue on this, I am just wondering whether the Minister is satisfied that the emergency measures for water services were effective and, in fact, whether there is good movement in terms of droughtproofing should a drought of this magnitude come upon us again in the next year or two. Or are we going to be looking at the same thing where the availability of water to livestock producers and others and small communities, in particular, is a major problem again or is this being rapidly rectified?

Mr. Findlay: Certainly, I will give the Member a brief accounting of what I understand is going on. We can maybe get into a little more discussion when we are in Estimates on this particular topic.

All requests for droughtproofing or water really go through the Water Services Board. Any discussions I have had with the Water Services Board staff in the past couple of months would indicate that all the requests coming to them have been met by the board, in terms of pumping, drilling, finding water, hauling water, that they believe that they have met the demands that have come forward to this point in time. Certainly, the southwestern part of the province is in a serious short situation, are seriously short of water right now for this fall and winter. Really, the only solution down there is a major rain, like a three- or four-inch rain to collect water into dugouts, because they are very low going into the winter. Many livestock producers depend on dugouts as a source of water. Some of the shallow wells down there have gone dry too.

But there has been an active program of community well drilling, where municipalities apply to the Water Services Board for a community well, which is a major well, it is a deep well. It is put in with the large shaft. In some cases they put in two shafts side by side in case the first one breaks down. That program, we promoted it aggressively this spring by writing to the

municipalities and telling them if you believe your area, your municipality is short of water or may be short of water, put in an application for a community well.

A number of them have been drilled over the last number of years and a significant number were drilled this summer. I do not know the exact number to tell the Member. A lot of pumping has gone on. The last I heard, 250 applications were pumping water to dugouts, but in the southwest part of the province, a lot of them have over five miles to have to pump water and that becomes very expensive and producers are really not aggressively requesting pumping in that area right now because I believe it may be a little bit on the expensive side.

We are looking at a number of other projects in areas that are chronically short of water to droughtproof them for the future, not only the farm sites but some of the villages. This involves putting in a well where there is a good supply of water and then piping it to the communities involved. It is a very expensive project. Items like that are being looked at and discussed and money being appropriated where possible. It requires involvement of the municipalities in terms of financial contributions and acceptance of the idea that we are going to do that kind of proposal, but to the best of my knowledge, the immediate needs of water for farm and small communities has been met by the Water Services Board in conjunction with PFRA for this year.

Mr. Evans: Moving on to a different area here—it relates to the Manitoba Agricultural Credit Corporation, and of course there has been a sizeable increase in the amount of money allocated to the doubtful debts—in discussing this with the Minister earlier, I got the impression that part of this was at least a change in accounting, but I would like to ask the Minister whether he anticipates that this level of funding is in fact going to be required because of the bad debts that we are facing with MACC or is this not a major departure from what has occurred in recent past years?

Mr. Findlay: No, there is a change in accounting for doubtful accounts requested by the Department of Finance. If the Member looks on page 12, under item 3, \$11.271 million as allowance for doubtful accounts, if we were using the same accounting practice a year ago, the figure on the left had side would be approximately \$10.5 million. That would be comparing apples and apples. The \$2.5 million is the old accounting procedure. The one on the right is a new accounting procedure. I really should not say any more than that now.

When we get into Estimates, I will give the Member a sheet that details all the mechanisms of making the calculations. It is a very complicated method of accounting, but the new accounting practice keeps the corporation totally current with possible write-offs that they may have to encounter in the coming year. Right now, we are in a down cycle in terms of bad accounts. The price of grain is now up. Some parts of the province have had reasonable crop, other parts have had poor. If we can get a reasonable crop in '89 over all the province, this problem of doubtful accounts will disappear very quickly. Hopefully, that happens in '89.

Mr. Deputy Chairman: Is it the will of the committee to adopt the resolution? Do you wish to have it read?

RESOLVED that towards making good the Supply granted to Her Majesty on account of certain expenditures of the Public Service, for the fiscal year ending the 31st day of March 1989, the sum of \$2,626,074,640, being 70 percent of the total amount voted as set out in The Appropriation Act (1987), be granted out of the Consolidated Fund. (Agreed)

Call in the Speaker.

IN SESSION COMMITTEE REPORT

Mr. Harold Gilleshammer (Deputy Chairman of the Committee of the Whole House): The Committee of Ways and Means has considered certain resolutions, directs me to report progress, and asks leave to sit again.

I move, seconded by the Honourable Member for Swan River (Mr. Burrell), that the report of the committee be received.

MOTION presented and carried.

* (1540)

INTRODUCTION OF BILLS

Hon. Clayton Manness (Minister of Finance) introduced, by leave, Bill No. 7, The Interim Appropriation Act, 1988, and be ordered for second reading immediately.

SECOND READING BILL NO. 7—THE INTERIM APPROPRIATION ACT, 1988

Hon. Clayton Manness (Minister of Finance) presented, by leave, Bill No. 7, The Interim Appropriation Act, 1988, for second reading.

MOTION presented.

Mr. Manness: Bill 7, which is being distributed to Members at this point, The Interim Appropriation Act, 1988, is required to provide interim spending, commitment and borrowing authority for the 1988-89 fiscal year, retroactive to April 1, pending approval of The Appropriation Act, 1988.

The amount of spending authority requested is \$2,626,074,640, being 70 percent of the total sums voted, excluding statutory items, as set forth in The Appropriation Act, 1987, as follows: for a total, general statutory appropriations, \$466,325,100, for total sums voted of \$3,751,535,200, adding to a total Main Estimate of Expenditure in the 1987 year of \$4,217,860,300.00. The Interim Supply calculation is 70 percent of the \$3,751,535,200 sums voted, which equals the amount that we have discussed over the last number of hours, \$2,626,074 billion. This amount is estimated to last approximately until late November, 1988.

The amount of future commitment authority included in this Interim Supply Bill is \$245 million, being 70 percent of the total amount authorized for future commitments, as set out in The Appropriation Act, 1987. The total 1988-89 forward commitment authority to be included in the Main Supply Bill will be \$300 million, as compared to \$350 million provided for in 1987-88.

A borrowing authority clause has again been included in the Interim Supply Bill for 1988-89. Bill 7 will provide the Government with borrowing authority of \$300 million. Bill 7 is required to provide interim spending, commitment and borrowing authority effective April 1, to ensure the continued operation of Government. This Bill replaces spending authority previously provided by way of Special Warrants for Government operations.

To facilitate the Budget Debate, I would like to request the cooperation of Opposition in passing Bill 7 through all phases of consideration. I should reword that, Mr. Speaker. To coordinate the fact that the existing Warrant that is now in place comes due and runs its course as of the end of this month, I would request that Members in the Opposition benches would give speedy passage to the Interim Supply Bill No. 7 before tomorrow, before the end of the business day tomorrow. When Bill 7 reaches the Committee Stage, I will provide Members with a section-by-section explanation. Thank you very much, Mr. Speaker.

QUESTION put, MOTION carried.

Mr. Manness: I move, seconded by the Minister of Health (Mr. Orchard), that Mr. Speaker do now leave the Chair, and the House resolve itself into a Committee of the Whole to consider and report of Bill No. 7, The Interim Appropriation Act, 1988.

MOTION presented and carried and the House resolved itself into a Committee of the Whole to consider and report of Bill No. 7, The Interim Appropriation Act, 1988; Loi de 1988 Portant Affectation Anticipée de Crédits for third reading.

**COMMITTEE OF THE WHOLE
REPORT STAGE
BILL NO. 7—THE INTERIM
APPROPRIATION ACT, 1988**

Mr. Deputy Chairman, Harold Gilleshammer: Committee, come to order to consider Bill No. 7, The Interim Appropriation Act, 1988.

Hon. Clayton Manness (Minister of Finance): I will just take a few minutes to give Members some greater depth with respect to the Bill that they have just had an opportunity to peruse over the last few moments.

* (1550)

Bill No. 7, The Interim Appropriation Act, 1988, is required to provide interim spending commitment and borrowing authority for the '88-89 fiscal year, retroactive to April 1, pending approval of The Appropriation Act, 1988.

The amount of interim supply, or spending authority, requested in Section 2 of Bill No. 7 is \$2.626074640 billion, or 70 percent of the sums voted, as set forth in The Appropriation Act of 1987. This amount is expected to last until late November 1988.

Section 3(1) Commitments for future years: Includes \$245 million, compared to \$210 million provided by The Interim Appropriation Act 1987, the second Act, reflecting the anticipated later date of Royal Assent for The Appropriation Act 1988. Expenditures for these commitments cannot be made in the '88-89 fiscal year unless additional spending authority is provided.

Section 3(2) Voting of funds in subsequent years: Mr. Chairman, this Section provides that the estimated amount of expenditures which are committed shall be included in the Estimates of the fiscal year in which the actual expenditures are expected to be made.

Section 4 Limitation on expenditure for items: This Section is self-explanatory and permits expenditures up to the full amount of each individual item to be voted in the Main Estimates, even though total expenditures authorized by Bill No. 7 are only a portion of '88-89 requirements.

Section 5 Effective passing of main appropriations: This Section stipulates that once the main appropriation Act is passed, any funds expended or committed under the authority of this interim Act will be deemed to have been made under the authority of the main Act.

Section 6(1) Transfer of certain funds: This Section allows for the transfer to the appropriate departments of all money to be authorized for expenditure under the Canada-Manitoba Enabling Vote.

Section 6(2) Adjustments in Main Estimates: This Section requires that any transfers of money made under Subsection 1 will be adjusted if necessary in accordance with transfer provisions included in the main or any supplementary appropriation Acts.

Section 7 Expenditure in anticipation of recoveries: This Section provides that departments, in order to render services or provide materials, supplies or property to other departments that are cost-recoverable, may make the required expenditures in anticipation of recovering the cost from the other departments.

Section 8(1) Agreements with Canada: Provides that money authorized under this Act for expenditure in respect of an agreement with the Government of Canada may be expended in anticipation of the agreement being entered into.

Section 8(2) Expenditures in anticipation: Provides authority to expend money on projects for which the Government of Canada will not cost share or will only partially cost share project costs.

Section 9 Abatement of Authority: Provides that expenditures made under Special Warrants issued pursuant to Orders-in-Council shall be deemed to have been made under the authority of this Act and the said Special Warrants shall cease to have effect on the coming into force of this Act.

Section 10 Application of money: A standard Section which requires no further explanation.

Section 11 Power to borrow: Included in this Bill to enable the Government to borrow money in the '88-89 fiscal year, prior to approval of the 1988 Appropriation Act. This Section provides authority to raise money by way of loan or loans up to \$300 million, as may be considered necessary for making any required payments out of the Consolidated Fund.

Mr. Chairman, with these comments, I commend the Bill to the Members of the committee.

Mr. James Carr (Fort Rouge): I would like to ask a couple of questions, if I could, to the Minister of Culture (Mrs. Mitchelson).

Over the last number of years we have seen a tremendous growth in gaming revenues available to the Government of Manitoba. I believe the first year of these revenues was back in 1972 or '73 growing at an astronomical pace, really, until this year when I think the gross figure was something in excess of \$250 million, of which Government keeps something over \$50 million.

I would like to ask the Minister if she has had an opportunity to review the best ways in which these gaming revenues can be spent. To be precise, we noticed in the Estimates that some \$1 million had been taken out of the appropriation for the public library services, so we can only now conclude that these services will now be funded out of Lotteries revenues. I wonder if the Minister could tell us if that is the case.

Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation): Mr. Chairman, I am sure the Member is aware the needs assessment is still going on. I was hoping that you would have the results of that by the middle of August, I believe was the first date that I was given by the consultants. But as a result of some perceived lack of factual information in the Phase 2 report of the Needs Assessment Study, I have asked the consultants and the advisory groups to get together again and straighten out the facts, make sure that the information I am presented with is indeed the facts, because how can I deal with a study that has been done which does not present the true picture?

I am waiting in anticipation for that process to take place. I am sure the Member is aware that there are several different groups, umbrella groups, that the consultants are going to have to meet with again and go over the results of the report and ensure that all the information is correct, and that the final report which is presented will indeed be one that I can work with and make some decisions on, based on fact and full information.

With regard to the libraries funding from Lotteries, I have attempted to explain in the House and I guess maybe I have not been clear enough or the Opposition is not just understanding clearly that, yes, indeed, libraries funding for the City of Winnipeg will be coming out of Lotteries, in the Department of Culture, Heritage and Recreation, and the Member knows that, I am sure, that a certain portion of Lotteries revenue, some \$14.-some-million dollars, is given to the Department of Culture, Heritage and Recreation on a yearly basis for expenditures. So, therefore, part of the Department of

Culture, Heritage and Recreation is being funded out of Lotteries revenues and part of it is being funded out of appropriation.

That has been an ongoing thing for a great period of time and some salaries for the Department of Culture, Heritage and Recreation were in the past being funded out of Lotteries revenues that came to the department and part of the libraries programming for the City of Winnipeg was also coming out of Lotteries revenues in the past. It was a small portion, I have to say, but there was some.

The Provincial Auditor has cautioned the department in the past that operating funding and salaries for the Department of Culture, Heritage and Recreation should all be coming out of one place. Actually, operating funding should not be coming out of the Lotteries revenues, it should be coming out of the appropriation portion of the department.

There were 23 salaries and operating costs that were being funded out of the Lotteries portion and it was a matter of poor accounting. The Auditor wanted to see some semblance of order and some reorganization restructure. So what in fact we have done is taken those 23 salaries and operating costs for the department out of the Lotteries portion which you know is just discussed during the Estimates process at the end of Culture, Heritage and Recreation. There is no combined discussion of Lotteries funding and appropriation funding.

An Honourable Member: No vote on it.

* (1600)

Mrs. Mitchelson: No, and there is no vote on it. So what we have done, in fact, is make a transfer. The salaries have been placed into appropriation and the remainder of the Winnipeg Library's funding has been placed into the Lotteries portion of the Department of Culture, Heritage and Recreation. So it has just been an even trade for purposes of accounting. There is no new money coming out of Lotteries. I am not saying it is the best way to fund anything. I am not saying that half of the department should be funded out of Lotteries and half should be funded through appropriation. I am saying we should have some better method, but in the short term, all we could possibly do is attempt to balance for the Provincial Auditor the books and the operating funding in the salaries so that it could be discussed during the Estimate process in a proper manner and in a proper fashion, and that the programming portion was moved over into Lotteries.

That may sound confusing—that is as simply as I can explain it. So there is no new money; we are not transferring anything more; we are not taking more Lotteries money at this point to fund anything. It is money that has been there. We have got to look at the whole system, the whole set up; but as a result of the needs assessment final report and the full and factual information, we will have to make our decisions as a Government on what we are going to do.

Mr. Carr: The Minister's answer gives rise to at least two very important questions. The first is—and I can

appreciate that the needs assessment review is not yet in hand and we are patient, we are prepared to wait for that. But I gather from her answer that a-million-dollar decision affecting the use of lottery funds was made already in advance of receiving the Needs Assessment Review. If a million dollars is now being spent out of Lotteries on the public library system that was not spent on the public library system last year, then a-million-dollar decision with the use of lottery monies has been made before the Minister has received the assessment review.

The Minister is shaking her head and she will have a chance to respond, or the Minister of Finance (Mr. Manness) will respond. Also I appreciate the Minister's statement that it was considered important to fund ongoing operations of the department out of appropriation and not out of Lotteries. I appreciate the reasons for that, and I think members of the cultural community who now receive their annual operating grant out of lottery monies would appreciate the same kind of reasoning from the Minister. As the Minister well knows, through grants to the Manitoba Arts Council, which in 1974 was funded almost exclusively out of the tax base and which now 14 years later is funded almost exclusively, or at least 70 or 80 percent—the Minister can give me the figure—out of lottery monies means that the Winnipeg Symphony Orchestra, the Royal Winnipeg Ballet, the Winnipeg Art Gallery, and sports organizations across the province rely on their annual operating grant out of lottery monies.

So my question to the Minister is if it is appropriate to fund ongoing departmental activities out of the tax base, is it not equally appropriate to fund major cultural institutions the same way?

Mr. Manness: Mr. Chairman, I rise to answer the specific latter part of the question, but I want to put on the record again the decision that this Government took during the budgeting exercise as to what we are going to do with the problem that we found ourselves having. You must remember for some period of time the former administration in an attempt to show a smaller bottom deficit was beginning to push off certain operations that were legitimately Government into the Lotteries. Let us also remember that \$14 million of lottery money, the Government of Manitoba is ultimately in control of it by the nature of the legislation and was mandated as to how the system was to be in place to have those funds come forward. So let us remember whose responsibility it is to direct those funds in certain directions.

We had to decide what we were going to do with respect to the Auditor's comments over a series of annual reports on his part, as to what he detected was a growing activity of the former Government of removing the wages associated with some of the activities that were undergone by staff in the Department of Culture, Heritage and Recreation, gradually having them paid out of lottery funds. Twenty-three staff years, roughly \$700,000—\$800,000, so close to a million dollars of wages.

All we did was rightfully account for it, but then we had to make a decision. If there then would have been

an additional \$1 million in the \$14 million lottery, what did we do with it? We decided to remove it and direct it to the City of Winnipeg Library Grant by an equivalent amount—nothing more. There was not one less after we had done this, not one less nor one more dollar available within the \$14 million global figure that came over to the Government and which was distributed out to the various community agencies, organizations. Not one extra dollar one way or the other. All we did was consolidate the exercise in accordance with the desire of the Provincial Auditor. So I say to Members opposite, do not look for anything terribly sinister. All we attempted to do was to provide a good open accounting.

Mr. Carr: Mr. Chairman, I appreciate the Minister of Finance's explanation. He did not deal with the second half of the question. I did not expect him to. The Minister of Culture will.

May I question one or two of the assumptions in his answer though. The first is that the Government of Manitoba has control over the revenue -(Interjection)- is responsible, yes, but there is no way that the Government can accurately predict from one year to the next how much that revenue will be. I would also be interested in knowing the process of the accountability of that money. We know that the Estimate process deals with appropriation. I would be interested in knowing a little bit about the process through which lottery monies are accounted for by the Government and how it can be questioned by the Opposition.

I would like to get back to the Minister of Culture for a moment and ask her to respond to the question of ongoing operating needs of major community organizations being funded by lottery revenues?

Mrs. Mitchelson: Mr. Chairman, I appreciate that question and I know there is ongoing concern out there in the community by arts organizations, sports organizations, concern that over the last several years when previously they were almost 100 percent funded out of appropriation. It has now become almost 100 percent funding out of Lotteries revenues and there is a concern because there is always some uncertainty about what Lotteries revenues will be and whether we are going to be able to fund them at the same level. I share that concern.

I also know too that over the past several years, I believe it is since 1984, since there has been a major windfall, a major increase in Lotteries revenues, that those groups and organizations have received far in excess of what the Department of Health has received, Social Services have received and as a result have been able to expand and do many more things. There is concern there and I think the groups and organizations, the umbrella groups, realize that that kind of thing is not going to continue; that the needs assessment is going to address some of those issues, and we, as a Government, are going to have to look at ways and means of meeting and supporting arts and culture and sports, and all of those things, as we do support health and social services and education. But there is going to have to be a more fair and equitable way of distributing those revenues.

* (1610)

I think that one message I really do want to get out is that Lotteries revenues are Government revenues, no matter how you look at it. We do not receive Lotteries revenues as tax from the tax base of this province, but Lotteries revenues if the the Government runs lotteries and gaming in this province and they are Government revenues. They belong to the Government to disburse and to distribute as they feel best according to their policies and their priorities. We will be addressing that. When we have announcements and decisions to make we will be making those announcements.

Mr. Carr: I appreciate that the Minister shares our concerns on this side of the House with continuing and growing dependency upon the gaming habits of Manitobans. We could get into a long philosophical argument about how these funds are accumulated over time. Many could argue that it is really a tax on the least fortunate in our society, and a transfer of funds from the least fortunate and in some cases to the most fortunate. But that is a debate that I will not engage in here because I realize that Governments are now committed, through the course of 15 years, to continue the Lotteries business, if I can call it that. So the Minister will have to look at long-term solutions to the problem, because we realize that you are not going to fix it in a year because it took 15 years to develop.

I would like to ask the Minister a question about the Manitoba Arts Council, which has traditionally been an agency at arm's length from the Government. At arm's length because it has been believed historically, and this is true of most provinces in Canada, that there has to be some distance between decision making in areas of artistic judgment and politicians in the political process.

I am just wondering if the Minister can give us some indication as to what her own philosophy and her own position on the arm's length relationship between the Arts Council and the Government is, and whether she in fact plans to change that relationship as it is developed over these past 15 or 16 years.

Mrs. Mitchelson: It is quite obvious to me that we do need an organization, a group that is going to look at the arts community from a professional, knowledgeable standpoint and determine how those revenues are going to be distributed. Myself, as Minister of Culture and Heritage, certainly I do not want to become involved in that process. I am not an expert. I am a politician who has a responsibility to Culture, Heritage and Recreation in this province as a result of my responsibility. I want the experts out there to make the decisions on where the funding is going to go. I do not want to become involved as a politician in that process.

Mr. Carr: I am gratified by the Minister's answer, but I would like to continue along the same line for a moment if I could.

The Minister of Finance (Mr. Manness) says that the Government is responsible for those revenues. In theory he is right, but the Manitoba Arts Council itself, as the

Minister just told us, makes those decisions with what—some \$5 million, \$4 million a year. Those decisions are made by men and women who have been appointed by the Government of Manitoba through Order-in-Council.

Now the City of Winnipeg several years ago tried a unique experiment that has become really renowned across Canada for its success. That was that Members of the City of Winnipeg Arts Advisory Council in part were elected by members of the cultural community itself. So while there was a balance between those who were elected and those who were appointed, the cultural community had a direct impact in that decision-making process. The Minister says that she wants those decisions made by experts. Well, who is a better expert than those who actually practice their art in their own community? I wonder if the Minister has given any thought to the possibility of some members of the Manitoba Arts Council being elected by the cultural community itself.

Mrs. Mitchelson: Certainly those thoughts have come to me from members in the arts community and from members in all different communities, organizations, where there are Government appointments to boards. I hope the Member is not indicating that those who are presently on the Arts Council are not experts or people within the community that can make those kinds of decisions. I hope they are and I believe there are some appointments to be made to that board, some that have expired or resigned or whatever has happened. So we will be looking at that in the near future, but it is something that has been brought to my attention. I have not fully looked at it. I know that we are committed as a Government to an arts policy review. The terms of reference will be set up for that and we will be going ahead with that.

I might add that the last time—I am sure the Member does know that the last time—(Interjection)—yes, he indicates that he participated in that review process, and that was back in 1979 under a Conservative administration in this province. I want to commend the last Conservative administration. It has been almost 10 years now and there has been no further review of arts policy. I am sure we all know that things have changed over the last 10 years and it is overdue. We will be proceeding with that and consulting with members of the community, working with them to develop a policy that will suit both Government and the community. I am looking forward to that, to getting that process under way, and maybe there will be some recommendations that come forward as a result of that.

Mr. Carr: Just two more questions to the Minister. We can follow up many of these during the Estimates process. One perhaps the Minister of Finance (Mr. Manness) would like to make some comment on. I will ask that one first.

It has been suggested by many that use of gaming revenues ought to look towards the long term rather than creating dependencies between community organizations and Government on a year-to-year basis. That would it not make a lot of sense if we saved some of these monies. The idea has come forward that the

establishment of endowment funds, which in perpetuity could be used to fund culture and sport in the Province of Manitoba is a worthwhile idea, and that these endowment funds could grow perhaps with the participation of the private sector. We are always looking at ways to forge partnerships between the public and the private sector. The Minister makes reference to the Clare Miller Report in 1979. Well, if my memory serves me correctly, there is a recommendation within that report that said precisely that. If that recommendation would have been followed, if gaming revenues as of 1979 would have been saved through endowment funds, we would have an enormous nest egg, the interest of which could be used in perpetuity to finance and nurture and enhance the cultural and the sporting life of our province.

So perhaps it is a question to the Minister of Finance (Mr. Manness). Would he consider the establishment of endowment funds with the use of Lotteries revenues, so that Manitobans can benefit from these monies, not just today and next year, but for many, many years to come?

Mr. Manness: The Member asks two questions. Firstly, with respect to Government policy, and that is just in the throes of being developed right now, particularly with respect to the needs assessment and how it is we are going to treat these sums of money that have been developed through lottery activities in the future.

* (1620)

I can tell the Member on a personal sense—I share some of his sentiments—I am a saver and I like to think that philosophy has a role in areas of Government and certainly within the area of Lotteries also. But I am also very mindful of what Governments tend to do, particularly free-spending liberal Governments—and I use the small-l liberal—when they identify surpluses when they come into Government. I have watched.

I have watched the former administration and I have watched other political Parties when they come in and see money that has been set aside, allocated and put into trust for meaningful purposes, or even when school divisions have had some surpluses and how it is that the full fury of the Government would attack those surpluses.

So I share the Member's sentiment to some degree, but I am just wondering whether and how it could be so safeguarded that Government of the Day could not at a whim direct it to its own political purposes. So I enter into the realm of philosophical comment, but it is an area that I personally have no problem in looking at in a general sense.

Mr. Carr: With one final question to the Minister of Culture (Mrs. Mitchelson). We have often been accused as a province, as a Government, and as political Parties, of spending too much of our energy, our attention and our time on the City of Winnipeg. I think it is called "Perimeteritis," and I think there is probably some truth to that accusation. It is particularly true in the whole field of cultural development.

Given the fact that the Minister is part of the Government which is widely reflective of rural Manitoba,

what new initiatives does she intend to establish to make sure that opportunities for people who live outside the City of Winnipeg to develop their full potential as painters, as musicians, as sculptors, as poets, as writers, as actors, as musicians, are able to flourish in a rural environment so that it is not necessary to come to the City of Winnipeg, particularly at the level of primary school and through junior and high school, so that we can stimulate teaching of cultural work, so that there are places where people can gather, and teachers where poems can be taught, where the ability to express oneself is encouraged in rural Manitoba?

I would like to know if the Minister has—(Interjection)—The Minister of Finance (Mr. Manness) talks about 4-H public speaking. I regret, often, that I did not have an opportunity as a young lad growing up in Winnipeg to sip deeply enough from the fruits of rural Manitoba, but now that I am an elected politician I have more and more of those opportunities. Sometimes it is even possible to say that those of us on this side of the House who inadequately represent rural Manitoba sometimes overcompensate for that in some of our positions and some of the speeches we make. If I am guilty of that I will accept the accusation and blame, but I would like to know if the Minister does—(Interjection)—The Member for Arthur (Mr. Downey) wants to know if we should consider a two-for-one trade. It depends on which two and which one.

Some Honourable Members: Oh, oh!

Mr. Carr: But I am interested, and those of us on this side of the House are interested in any new initiatives or creative suggestions the Minister may have to stimulate cultural activity outside the City of Winnipeg.

Mrs. Mitchelson: Addressing the arts community in rural Manitoba is just a small portion of the major problem that we have with rural Manitoba and all services that are provided to those that live outside the perimeter when it comes to coordination of complete recreational activities for the rural areas, when you talk about sports and the arts and programs for seniors and craft programs, drama programs, art programs, all of those programs. The arts and the cultural aspect is just one portion of a whole broad area of concern that we have as a Government, that I have as a Minister.

If we are going to follow the national guidelines that indicate that recreation provincially and throughout our country is defined as all leisure time activities, then we have to address the issue of what recreation we are providing for the City of Winnipeg and for our rural areas. There is a great difference, because over half of our population is concentrated right here in the City of Winnipeg and we have the municipal tax base to support a lot of the programs, where they do not have that same opportunity in the rural areas. It is an area that I am very concerned about.

I think we have three different areas; we have the major City of Winnipeg, we have other large centres in rural Manitoba, we have the small towns, we have the villages, and we have the northern and remote communities. They are all areas that have varying and

different needs, according to the population, to the age groups and to the types of services and recreational services that we should be, and have to be, providing as a Government that has concern.

Leisure time activities, if we have good programs that provide any type of leisure time activity—whether it be sports, whether it be the arts, whether it be museums, whether it be libraries, swimming pools, all of those things, whether it be programs for seniors that organize bus trips or tours or just programs that are going to provide entertainment for them during the day, whether it be those crafts or programs, photography programs—any type of program that is going to contribute to the quality of life of people in rural Manitoba is something that we are going to have to look at.

I have serious concerns about whether we are addressing those areas in the best possible way so that we are getting the best possible use of our tax dollars out in rural Manitoba. It is an area I am very concerned about, something I have thought about an awful lot, and we are going to be moving to address those issues in the very near future.

Mr. Carr: I would like to ask a question of the Premier (Mr. Filmon) if I could. We have appreciated the First Minister's (Mr. Filmon's) references to open Government and we believe it is a noble goal. My question to the First Minister is very simple. Can he inform committee how much money has been put aside to fund the public hearings on the 1987 Constitutional Accord?

Hon. Gary Filmon (Premier): I am not aware of any specific amount in the Estimates for that matter. Suffice it to say, there is a Budget for the Legislative Assembly and if that Budget is not sufficient then it will be augmented, because our commitment is to have the fullest, most complete and thorough public hearings that will be necessary to satisfy the needs of the Legislature and the people of Manitoba to have a thorough review of the Meech Lake Accord. That figure, if it is not available through the normal funding for committees of this Legislature, then it will be augmented to ensure that the process is carried out.

* (1630)

Mr. Steve Ashton (Thompson): I have some questions also for the Minister of Cultural, Heritage and Recreation. They follow up from concerns I have expressed already in the House, and involve some specific policy directions that this Government has taken in regard to the Community Places Program.

I want to begin by stating that the Minister, I know, is aware of the concerns of a number of organizations in my own constituency and throughout the province related to the cuts in funding that had been tentatively approved by the previous Government and were reviewed by the current administration in June. She has received a letter I know from an organization in Thompson—the Thompson Museum and Historical Society—which has documented the combination of the cuts and the delay in their receiving indication of

when they would be getting their funding has resulted in a total loss to them of revenue of \$31,000.00. The actual cut in funding from the \$75,000 it requested and the amount that had been tentatively approved was a cut to \$56,250.00. The remainder of the amount came from various delays that took place because of the fact that the announcements were not received in June.

I raise this and I am going to raise some specific policy questions which I feel could be addressed in a way which could meet the concerns of this organization and others. I would also like to indicate my concern that the fact that I have raised this issue—I have raised it in the House and I have raised it in correspondence with the Minister—I would just like to correct some misinformation that I believe the Minister is suffering under. It was certainly indicated in the letter I received in response to the concerns I had expressed related to the Thompson Museum and other organizations.

I was quite disappointed, for example, that in the letter she had suggested the tentative approval process was unethical and “designed to buy votes prior to an election day.” I want to indicate to the Minister that certainly, in my own situation, I did not give any indication to my local press, even though I was aware of the tentative approvals until after the election. In fact, I stated after the election that I did so because I wanted to make it clear on the record that the applications from the Thompson organizations were ones which should be supported on merit and should have nothing to do with an election campaign.

So I certainly resent any implication in the response to the letter “of buying votes.” I think that is a very serious charge and I would hope that the Minister would—if the Minister of Northern Affairs wants to put something on the record, let him put it on the record now. If he is accusing me of buying votes, let him put it on the record, Mr. Chairperson, if he has the guts to do so.

As I have said, I made it very clear to the groups in Thompson, I made it very clear in the local press, and I made it clear just a few minutes ago that there was no announcement of any of the two groups I am referring to here until after the election in Thompson. How that is buying votes, I do not know. I can tell you that there is also a resentment by the groups of the suggestion that they are somehow involved in that sort of process because they want their applications to be dealt with on the basis of the merit of the applications.

I also want to indicate why I have expressed my concern in the House about the situation in northern Manitoba. I want to indicate that the change in policies that had been announced by the Minister in June affected the North most significantly. I noticed in her letter that she said that reductions experienced by the North were proportionate to other regions in the province. I would just like to indicate to the Minister and ask her if she is not aware of the fact that in June, the cuts from the original tentative approved amounts in the North were \$303,756; in north central region was just over \$19,000; in the Parklands it was \$26,000; in the south central area it was 21,000 and some-odd dollars; and the southeast was just over \$53,000; and the southwest was close to \$40,000; in the Interlake it was \$115,000; and in Winnipeg it was \$329,000.00.

Let us put that in proportion. The only cuts that were of any magnitude of a similar amount to the amounts that were experienced in the North was in Winnipeg. Winnipeg is, correct me if I am wrong, 10 or 12 times the size, yet the amount of cuts in Winnipeg is only just barely greater than the amount in Thompson and in the North. In fact, those cuts came from the change in policy—a number of changes in policy, but in particular from the change in policy that was in place previously which allowed for 100 percent funding of projects in Northern Affairs communities, communities where I might add there is high levels of unemployment, there is not a tax base, where there often is not the revenue to allow these organizations to follow the same 50 percent formula that applies in other communities.

I also want to indicate too, because the Minister stated in her letter, "I do not know of any commitment by the Government to confirm the tentative Manitoba Community Places Program grant approval." She is referring to her Government and the fact that I had mentioned in a letter that Progressive Conservative Party candidates had indicated that Community Places Program funding commitments would be honoured. I would like to indicate that I am quite willing to obtain a copy of the video tape with the All Candidates Forum in Thompson at which the Conservative candidate in Thompson was asked specifically about the Community Places Program, and indicated that existing commitments would be met.

If that statement was not an accurate reflection of the Conservative Party policy, if it is another one of those misstatements and confused wording that we have heard about from the Premier and the Minister of Health, I would appreciate if the Minister could put that on the record because I think that is something that the people of my constituency would like to know, whether the Conservative candidate was speaking for the Conservative Party or whether he was confused or not expressing the position of the Conservative Party.

I want to get some specific policy questions, as I said, that are important in regard to the case of groups such as the Thompson Museum and Historical Society. I would like to ask the Minister if she is willing to look at the change in policy she announced in June, which as I understand it does not allow for groups to apply for funding if they have already received funding from the Community Places Program.

I raise that because I know of a number of cases in the past where organizations have received funding on several occasions. I know of one in my own constituency. The YWCA, for example, received funding for the first stage of its building renovations in one intake of the program and then subsequently reapplied for the amount that it had not received for the second stage and received funding for the second stage. I know there are other organizations such as the West End Cultural Centre, I believe, which has received funding—and the Minister can correct me if I am wrong on that—three times.

The reason I am raising that is because the cutbacks in funding and the delays have caused problems to the organizations such as the Museum and the Historical Society. I would like to ask her if she would be willing

to consider allowing groups such as the Museum and the Historical Society to re-apply for, in this case, the \$31,000 that they have lost in revenue because of the combination of circumstances?

Mrs. Mitchelson: I hope I address all of the issues the Member for Thompson has raised; there has been several. I have tried to write them down. If I miss any, it is not that I am not willing to answer them, it is just that you will have to ask them again because I have missed somewhere along the way.

Let me first of all start off by indicating that when this program was first announced by the previous administration, it was a \$40 million program over four years—\$10 million per year to be distributed to communities for community projects with community involvement. Well, Mr. Chairman, the first year of the program was \$10 million. As a matter of fact, there was only authorization for \$10 million to be approved. The former administration approved \$10.5 million worth of applications. They did not have the authority for the extra \$500,000.00. As a matter of fact, there is still monies from that program that this administration is going to have to pick up as a result of over approvals. To add insult to injury, the second year of their \$10 million program was cut, before the Government fell, to \$8.5 million. So they cut the program back by \$1.5 million to the people of Manitoba. The NDP administration cut the program back. There was \$1.5 million less available to the people of Manitoba for a program that they implemented and ranted and raved about.

* (1640)

That is the first thing I wanted to put on the record because we have to go back in history and point out where the cuts actually came. Secondly, during the election campaign when there was absolutely no authority to approve any funding after the Government had fallen, the Minister then responsible for the Community Places Program sent letters out to the people of Manitoba telling them that she had tentatively approved all of these projects.—(Interjection)— Just a minute now, Mr. Chairman, because I have to explain fully so all Members of the House understand and are aware. Okay? During that year when the NDP cut the program back to \$8.5 million and they were going to have five approval processes during that year, on the very first approval they approved \$4 million in the first approval process and there were four more approvals to go through out of the year on a program that had already been cut back by their administration.

The year before that kind of thing did not happen, and they left half of the program, some \$4.5 million, for four more approvals throughout the year. The only conclusion that I can come to, that it was purely political posturing on behalf of the NDP defeated Government to send out letters approving far more than should have ever been approved on a program that they had cut back. When a new Government was elected and there was a new Minister appointed and some decisions had to be made on the program, we had to look at what—let me go back too because I forgot, something that the Member for Thompson (Mr. Ashton) said, that

the people at Thompson were very upset with the administration that cut back their approvals.

The only people the constituents in Thompson can blame is that defeated Government that had no authority to approve anything, approving a grant of \$75,000 and there was no money there to approve, so how could they approve it? Then all of a sudden they are saying we cut back. There was nothing to cut back because there was nothing there approved; there was no money there approved. I think the people of Thompson have only to blame the former administration for anything that. It upsets me greatly, Mr. Chairman, to think that these gentlemen can sit over here and heckle when they had absolutely no authority. It was unethical for a Government that had been defeated already, going to the people of Manitoba for support which they did not get, and no wonder they did not get that support when they used the tactics that they use to try to win votes and gain votes. Obviously it does not work and, Mr. Chairman, I just want to say to you that we as a Government are not going to use those tactics. If those were the type of tactics that worked, they would not have lost the election. They would not be sitting here now with only 12 seats in this House.

I do not know if I have clarified some points for the Member for Thompson (Mr. Ashton) but let me get back on to the questions that he did ask because there are still some things that I want to clear up and ensure that the whole House understands.

I think I got somewhat carried away, Mr. Chairman, because I did want to get my points across. I may have forgotten a couple of things, as I indicated to the Member for Thompson, that I will be quite willing to share and to answer any questions, any questions that he wants to ask.

I just want to put on the record what has happened thus far under the Community Places Program. In 1987—just let me tell you what happened in 1987 before the Government was defeated—from the NDP constituencies throughout the province, the number of applications that were received by the department, almost 48 percent of the applications came from NDP constituencies, and yet 59 percent of the applications from NDP constituencies were approved. In 1987, also in those NDP constituencies, the applications that came in requested 57 percent of the funding; 57 percent of the funding was requested from those NDP constituencies. Do you know what percentage of the funds the NDP constituencies got under the NDP Government? 73.5 percent of the funding, of the total funding. Out of \$10 million, \$7.5 million was approved in NDP constituencies under an NDP Government. Now is that not wonderful?

Mr. Chairman, in 1987, the Conservatives, the applications from Conservative constituencies was 52 percent of the total applications. Do you know how much funding they received in Conservative constituencies? 40 percent of the total amount. That is right; that is right. I will have to indicate too, in 1987, from the Liberal constituency there was only .9 percent applications and that was because there was only one Liberal constituency at that time. They received .2

percent of the funding. So although even in that one application that came from that one Liberal constituency, they did not get the full funding that they requested, they did get some money. So what I am trying to say as an overall result, Mr. Chairman—let me try and find my figures here.

I have to say in all fairness that the NDP administration obviously did favour their own constituencies and did attempt to buy votes in their constituencies.

Mr. Gary Doer (Leader of the Second Opposition): I believe the Minister's comments are totally inappropriate. It is impugning illegal motives against the Criminal Code. In fact, Mr. Chairperson, I believe that the comments made are much more directly impugning criminal activity than the comments that have been made previous in this House which have necessitated complete and total withdrawal of those comments, and I would ask that you would rule in that respect.

* (1650)

Mrs. Mitchelson: I am very sorry if I did impugn motives here. I did not mean to at all and whatever I have said I withdraw unequivocally, but I would like to say that the ND Party was encouraging people to support them by encouraging voter support by looking favourably upon applications that were presented to them. I have to say that if in fact that system does work, the NDP would be sitting here on this side of the House today and they are not. So obviously what was happening in the past does not have to happen now. We want to treat the program as fairly as we can treat it. We treat all Manitobans as fairly and equally as we possibly can through this program.

I do want to make one comment about the Community Places Program, and it seems to me that there was not a lot of thought that went into the program before it was implemented, because it treated different parts of the province and different communities different from other parts of the province. When you have a program that is supposed to provide equitable funding and provide incentive for communities to work together with Government to promote and enhance lifestyle out there in the constituencies and the communities, it should treat everyone fairly and equitably. If we cannot devise a program that is going to do that, I do not think it is a terribly worthwhile program. So we are going to be looking at ways and means of making that program more equitable.

I do want to say that there were some areas that fell through the cracks with the change in guidelines and we have addressed those issues. We have looked at the northern communities, and I do agree with Members I am sure on all sides of the House that those communities that fall under the jurisdiction of Northern Affairs do have considerably more problems with the high unemployment rate than some other communities have, and I agree.

When I sat with those staff members who work for the Department of Northern Affairs and looked at the applications that came in from some of those

communities and asked the department staff for recommendations on whether they felt those applications should be pursued or should not be pursued. I will tell you that I had tears in my eyes sometimes when there was a very small remote community that was applying—some of us will have difficulty relating to this, I have to say—for a Community Places grant so that they could have indoor washrooms. The Department of Northern Affairs staff indicated that there should not be support for that type of program because—

Hon. James Downey (Minister of Northern Affairs): Be careful of my staff.

Mrs. Mitchelson: No, no. I could see where they were coming from and it was terribly upsetting for me to have to believe that those kinds of situations and circumstances—(Interjection)—No, the reason it was not overruled, for the Member for Concordia's (Mr. Doer) information, was because if they had indoor washroom facilities, that building or facility would have to be heated year round. That community would not be able to afford the operating costs to heat that building, so it was not something that we felt was a good project to be funded through the Community Places Program. That presents a whole bigger issue, that there are parts of our province that need more support than what they presently have.

I have to say that I know that my colleague, the Member for Arthur (Mr. Downey), the Minister of Northern and Native Affairs, has been up there, has looked at the northern communities and is going to be attempting to address some of the issues. It is not a problem that we can solve overnight, Mr. Chairman. There are a lot of inequities and a lot of problems. A lot of those are situations that were there under the former administration. There are things that we are not going to be able to solve in the immediate future, but there is going to have to be long-range planning. We are going to have to address the issue as a Government. I know that we on this side of the House are very concerned and really want to get ahead with trying to make things a little easier. I do have to say that we have looked at those Northern Affairs communities, for the Member for Thompson's (Mr. Ashton) information, and we have come up with an interim solution until we come up with a different program.

An Honourable Member: Hear, hear!

Mrs. Mitchelson: I want to say with pleasure right now that we have come up with a joint proposal from the Department of Culture, Heritage and Recreation, and the Department of Northern Affairs and set up a remote Community Recreation Fund to address the issues of those Northern Affairs communities under the Community Places Program that will address those needs of the northern communities.

I do want to say and I do want to indicate at this point in time, too, that anyone that is applying, whether it is a remote community or whether it is any community throughout the province, a community places type of program should provide or should encourage communities to participate in some way. I think I have

said that before. I think that most Members of the House would agree that there should be some community participation. Even though those northern remote communities may not be able to fund-raise or participate by contributing funds, they should have a real desire to want to have a new facility of some sort there. They should contribute whether it be with materials or labour or whatever they can contribute, so that we know, as a Government, that there is a genuine interest in wanting to enhance and improve their community and their quality of life. That is all we are asking. Those are some of the issues that we are going to be addressing with our new policy.

I do not know at this point whether I have answered all of the concerns of the Member for Thompson (Mr. Ashton), but I did want to put on the record once and for all that the cutbacks in the program initially were made by the NDP Government. When they cut the program back from \$10 million to \$8.5 million, that is where the major cut was made. Any of those communities out there that did not receive the full funding that they had requested received what we as a Government could give them. There was no one that received the full amount that they requested. Not one application across the province received the full amount, because we had to look at the overall picture and how much money we had to spend for the first round and make those decisions. I think we made wise decisions. I think the majority of Manitobans agree that we have made the right decisions and we are working towards a more fair and equitable program that will take some of the partisan politics out of it and provide better quality recreational facilities throughout the Province of Manitoba.

* (1700)

Mr. Ashton: Mr. Chairman, I find it absolutely incredible that the Minister could accuse the New Democratic Party of affecting the cutbacks in northern Manitoba. The people of northern Manitoba know that the New Democratic Party had committed itself to \$627,000 in Community Places funding for the North and that the Conservatives cut it back to \$324,000, a cut of nearly 50 percent, the largest single cut of any region in this province. So for the Minister to blame that on the New Democratic Party when it was her as Minister and her Government that cut back the North is absolutely and fundamentally incredible.

Mr. Chairman: Order, please.

Mrs. Mitchelson: On a point of order.

An Honourable Member: You cannot have a point of order in committee.

An Honourable Member: Yes, you can.

Mrs. Mitchelson: I am not that new at this game. Mr. Chairman, the Member was just reading from a piece of paper and I would ask that, seeing he was reading from it, maybe he would table that piece of paper and—I was not reading from my book, but he was holding

up a piece of paper and reading from it, and if I had been holding up a piece of paper I would have tabled that piece of paper. Mr. Chairman, I just want to indicate to you that the Member for Thompson can talk about—

Mr. Chairman: Order.

Mrs. Mitchelson: Let me finish and then let the Chairman decide.

Mr. Chairman: The Honourable Minister does not have a point of order.

Mr. Ashton: Mr. Chairperson, I am surprised that the Minister does not have these figures. Perhaps if she would care to check with her department she would find out that she did in fact cut back the North by close to 50 percent in funding between the April 22 grants and June 3.

I want to indicate once again that I asked her some specific questions based on a group in Thompson. I did not receive an answer. I would like to know if the Minister will consider second applications and perhaps, since we are going to be breaking right now, if she could also look at the situation in Northern Affairs communities because it is not fair to consider Northern Affairs communities in the same way as other communities in Manitoba are treated. That is not equity. Treating people the same when the needs are different is totally unfair.

I would also like to know if she will consider the other aspects of some policy changes she made which are also affecting groups which I will get to next time we meet in committee.

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

Committee rise.

Call in the Speaker.

IN SESSION COMMITTEE REPORT

Mr. Harold Gilleshammer (Deputy Chairman of the Committee of the Whole House): Mr. Speaker, the Committee of the Whole has been considering Bill No. 7, The Interim Supply Bill, directs me to report progress and asks leave to sit again.

I move, seconded by the Honourable Member for Swan River (Mr. Burrell), that the report of the committee be received.

MOTION presented and carried.

PRIVATE MEMBERS' BUSINESS ADJOURNED DEBATE ON SECOND READING PRIVATE BILLS BILL NO. 18—THE MANITOBA MOTOR LEAGUE

Mr. Speaker: On the proposed motion of the Honourable Member for Gimli (Mr. Helwer), Bill No. 18,

An Act to amend an Act to Incorporate the Manitoba Motor League; Loi modifiant la Loi intitulée, "An Act to Incorporate the Manitoba Motor League" standing in the name of the Honourable Member for The Pas (Mr. Harapiak).

The Honourable Member for the Pas.

Mr. Harry Harapiak (The Pas): I am pleased to stand and say a few words on Bill No. 18, An Act to amend An Act to Incorporate the Manitoba Motor League. I have been a member of the Manitoba Motor League on previous occasions and prior to that I had been a member of the Ontario Motor League and I know that they provide many worthwhile services to the travelling public. If you are a member of the Manitoba Motor League at this time, you are joining a force that exceeds 100,000 Manitoba motorists. Some of the assistance they offer to the travelling public is, in the event that you meet with some difficulty while you are travelling, they supply you with assistance along the way.

Some of the difficulties of northern members and people in the North are that service stations which are members in the Manitoba Motor League are so far apart that they exceed the limit where we can get the benefits of utilizing the services that the Manitoba Motor League offers.

And I know, speaking to the Bill, they are removing the limits that were previously in place of the limits where they can write business for the Manitoba Motor League. I know when this Act was first brought in, in 1918, and was amended in 1956. I think maybe in 1956 it made sense to have a limit of \$250,000 but I think the way inflation has affected all of us in society, I am sure that the Manitoba Motor League is also being hindered by having that restriction in the Act. So I think this is an appropriate time to remove the limits that apply to them under Section 1.8(a) of the Act and also on Section 4.2(a) of the Act, and I believe it is timely that we would be removing those restrictions, so I would certainly be supporting this. We would be taking this forward to our caucus. Some of our other Members want to speak on this Bill, so from my personal perspective I would support Bill No. 18.

Mr. John Plohman (Dauphin): I move, seconded by the Honourable Member for Flin Flon (Mr. Storie), that debate be adjourned.

MOTION presented and carried.

PUBLIC BILLS

Mr. Speaker: On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 2, The Business Names Registration Amendment Act; Loi modifiant la Loi sur l'Enregistrement des noms commerciaux, standing in the name of the Honourable Attorney-General (Mr. McCrae). (Stand)

On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 3, The Corporations Amendment Act; Loi modifiant la Loi sur les

corporations, standing in the name of the Honourable Attorney-General (Mr. McCrae). (Stand)

On the proposed motion of the Honourable Member for Flin Flon (Mr. Storie), Bill No. 13, The Manitoba Hydro Amendment Act; Loi modifiant la Loi sur l'Hydro-Manitoba, standing in the name of the Honourable Member for Lakeside (Mr. Enns). (Stand)

On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 16, The Real Property Amendment Act; Loi modifiant la loi sur les biens réels, standing in the name of the Honourable Attorney-General. (Stand)

PROPOSED RESOLUTIONS

RES. NO. 5—RAIL ABANDONMENT

Mr. Speaker: On the proposed resolution of the Honourable Member for Dauphin (Mr. Plohman), Resolution No. 5.

The Honourable Member for Dauphin.

Mr. John Plohman (Dauphin): I move, seconded by the Member for The Pas (Mr. Harapiak):

WHEREAS Canadian National and Canadian Pacific Railways are continuing their plans of abandoning half of the nation's branch line network; and

WHEREAS the indiscriminate abandonment of our branch line network threatens the future existence of many of our rural communities; and

WHEREAS some Prairie branch lines, which were thought to be guaranteed to the year 2000, are now having their protection lifted by the federal Minister of Transport; and

WHEREAS the federal Government, through the Senior Grain Transportation Committee (SGTC) studied high cost branch lines on the Prairies, including the Cowan and Winnipeg Beach subdivisions in Manitoba; and

WHEREAS the SGTC studies claimed total abandonment to be the lowest cost option for both the Cowan and Winnipeg Beach subdivisions; and

WHEREAS the SGTC studies were found to be incomplete because they did not consider all costs and benefits of the branch lines, such as the exclusion of non-grain commodities, municipal tax losses and socio-economic impacts; and

WHEREAS the SGTC has recommended to the federal Government that only producers should be compensated when a branch line is abandoned and other losers, such as provinces and municipalities, who are faced with higher road costs, should not be compensated; and

WHEREAS despite assurances several times in the past, the federal Government recently reversed its longstanding commitment to the railway in Newfoundland and said the railway would be abandoned with a compensation package of over \$800 million; and

WHEREAS large portions of Western Canada are currently facing the worst drought in over one hundred years; and

WHEREAS due to this drought, the grain crop this year will be at least one third less than last year and likely closer to half of last year and in some areas much less; and

WHEREAS the drought has already caused higher grain prices, the layoff of hundreds of grainhandlers and grainship workers and threatens Canadian exports this year; and

WHEREAS the disastrous crop will result in many branch lines having little grain available for shipping and as such the railways will likely use this fact as a reason for increasing branch line abandonment; and

WHEREAS the current rail abandonment process is extremely adversarial and overlooks all the social and economic costs of indiscriminate branch line abandonment.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the Government of Canada to prohibit any further branch line abandonment in Western Canada this year; and

BE IT FURTHER RESOLVED that this Assembly urge the Government of Canada to prohibit indiscriminate branch line abandonment in future years and instead, introduce a responsible rail rationalization process that will consider all cost and benefits, including socio-economic costs; and

BE IT FURTHER RESOLVED that this process be non-adversarial and that it encourage all affected parties to participate in the determination of the lowest total cost system; and

BE IT FURTHER RESOLVED that this Assembly strongly urge the Government of Canada to provide compensation to offset all costs borne by affected parties in the event of future abandonment and that the Government of Canada sponsor the development of optional services where required; and

BE IT FURTHER RESOLVED that this Assembly direct the Clerk to forward a copy of this resolution to the federal Minister of Transport.

MOTION presented.

* (1710)

Mr. Plohman: I note that the Member for Arthur (Mr. Downey) from his seat said did I sit down and read it? I stood up and read it, as a matter of fact.

When you have a long resolution like this, there are many, many factors that are considered in putting them forward, and therefore sometimes they do not all relate together in a very nice, uniform package, but they are all there and they are all relevant. I encourage the Members opposite, both from the Conservative Party and from the Liberals, to consider supporting this resolution.

For some 20 years in this province, Governments have protested the abandonment of branch lines throughout the province. The system in place that we have seen over the years has encouraged conflict and

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the development of adversarial positions. Consequently, after a number of groups such as farmers, community representatives such as reeves and mayors, development corporations, rail retention committees, MLAs, MPs and provincial Government representatives, in some cases Ministers, have gone head to head with the railways in front of the old CTC, the Canadian Transport Commission. Significant numbers of branch lines had been abandoned in this province, using only railway costs as the basis for abandonment. In some cases they have been granted a stay of execution until the year 2000. That year of 2000, I might remind Members, is fast approaching. It is not far off. As a matter of fact, their protection, even if it were to be guaranteed to the year 2000, is not very much protection at this time.

As a matter of fact, I think history will show that the protection that they have been given in those lines, when it occurred, was a little bit of a breathing space. The pressure for abandonment by the railways has continued on those lines. As a matter of fact, several branch lines have not been rehabilitated or upgraded even though they were placed in the protected network by the CTC decisions of the day.

I want to reference a few of those. For example, Mr. Speaker, there have been several branch lines that were placed in the protected network and yet they have never been rehabilitated. They include the CN Ste. Rose subdivision in the Member for Ste. Rose's (Mr. Cummings) constituency, in the CN Cowan subdivision which is nearly 100 miles long and runs through most of the constituency of the Member for Swan River (Mr. Burrell), the CN Winnipegosis subdivision which is located my own constituency, the CN Irwood subdivision, the CN Rossburn subdivision.

On the CP side, there has been the CP Lac du Bonnet, the CP Winnipeg Beach, the CP Carman spur and the CP Russell subdivision, which have all been included in the protected network, yet they have not been rehabilitated as they should have been. In other words, Mr. Speaker, the Senior Grain Transportation Committee, in conjunction with the railways, have decided in their wisdom that the CTC made a mistake when they granted a stay of execution on those railways, that the CTC was wrong, and that they, the railways and the SGTC, the Senior Grain Transportation Committee, will doom those lines to abandonment, to oblivion, even though the Government of the Day, through the CTC decision, in fact said they should remain to serve those communities. This has created a great deal of uncertainty in the communities that are affected in those areas and has resulted in an artificially imposed reduction in the traffic on that line. It has also resulted in greater costs to the highway system, and to the producers, costs to the provincial Government and the municipalities. The abandonment of the line has really become a self-fulfilling prophecy in those cases where they have, because of the uncertainty, doomed those lines to oblivion.

This dilemma continues today and is one which we seek on the New Democratic side of this House to stop, with this resolution, and one for which we seek the support of the other Parties in this House to contribute

to a solution, to show leadership in solving a very difficult problem. By abandoning many rail lines in this province and dooming many others to abandonment through neglect and uncertainty we do not necessarily end up with the most efficient transportation system, particularly for most of us, the grain transportation system in this province.

We have a system instead that suits the railways just fine. They want to get rid of anything that is not making as much for them as they would like to see. As a matter of fact, I think both of the major railways would agree that really they would like to see two major ribbons of steel across this province, and that is about it. They do not want to be bothered with all of these minor little branches that they have attached to their main lines, so they are quite happy with it. As a matter of fact, in several cases, the grain companies are quite happy with this as well, because in many cases it complements their rationalization process that they have undertaken, in many cases in isolation from each other, many of those grain companies. It complements it in that the abandonment is precisely what they would like to see for their elevators in those areas as well.

The problem is, of course, that the costs of the alternative services that can be put in place, that must be put in place to transport grain, the alternative services to the railways, such as trucking, as well as the social and economic costs to communities have never been considered in the abandonment process. There has been no weight given, no consideration given to those costs that are very real. Instead the provinces, the municipalities, the producers and the communities themselves have simply been left to pick those additional costs. There are a great deal of additional costs, road costs to municipalities and to the provinces, the loss in tax revenue by communities, and the lost sales for businesses as business turns down because of the reduction in activity in that area.

I do not believe that is a fair system, that kind of adversarial abandonment system that we have had over the years. It is not responsible, and worst of all, it is very ironic, it is not efficient. In many cases it is more expensive overall to put in place those alternative means of transportation that it would have been to keep that railway open. It is simply a case that the costs have been shifted from the federal jurisdiction and the railways to the provincial and municipal jurisdiction through the highway systems and to the rural communities who have lost because of the elimination of those rail lines.

With this resolution in the Legislature today, we hope to gain the support of all Members to send a strong message to the federal Government, and to the Minister of Transport in particular, that quick passage in this Legislature will ensure that the federal Government is aware of our determination not to allow indiscriminate branch line abandonment in this province. It will also ensure that our message gets to Ottawa that we believe the federal Government should treat Manitoba and Saskatchewan fairly when it comes to abandonment of its responsibility in the rail transportation business, just as it treated Newfoundland when they offered a compensation package for roads and lost economic

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activity of some \$800 million when they abandoned their responsibilities for the Newfoundland railway.

We believe that there should be that same treatment here in Manitoba, and I think Members of the Conservative Government here in Manitoba should be demanding that from their counterparts in Ottawa and should not sit idly by as the Minister, John Crosbie, is able to deliver for his province some \$800 million while our regional Minister Jake Epp has not been able to deliver in the same way. We should not sit idly by.

Passing this resolution in a very quick way in this House, I think also, Mr. Speaker, will ensure that the federal Minister is aware that until a reasonable and rational system of rationalizing our transportation system in this province, rationalizing our rail system has been developed and put in place, that we collectively in this House will not stand for further abandonments of our branch lines throughout rural Manitoba.

* (1720)

Very importantly, all Party support for this resolution will ensure that the drought which has already exacted a tremendous toll on rural areas in our province, and in particular Saskatchewan, will not be used as a cruel excuse to abandon our rural areas even further. It will demand that statistics for grain movements during the drought years will not be used in the long-term averages, in the five-to-ten-year averages that are used to determine the average volumes for those lines in a particular area, so that those drought years will not be used to skew the facts to lower those averages and skew the facts about actual line usage and actual line importance to those producers and to those communities.

I am also concerned, Mr. Speaker, about a couple of other issues that are related to this. One I raised in Question Period today that had to do with the abandonment of elevators in our province, as well, and one particularly as it relates to Pine River, which is as I mentioned the Cowan subdivision which is in the Member for Swan River's (Mr. Burrell) constituency. What I find very troubling about that situation is that only this past year, the CN and the Senior Grain Transportation Committee have been reviewing the possibility of abandoning that line, because it is deemed to be a high-cost line.

We see that their efforts have been thwarted by a number of initiatives that have been undertaken by the local people to ensure that the true message gets out about the importance of that line and by consultants, Dr. Jim Leibfried, for example, who has indicated that it is premature to abandon that line, that there are many other things that have to be considered. So they have been thwarted in their efforts to abandon that line.

But here we see less than a year later, Cargill, with very little notice to the producers, and I have had a number of those people come forward and complain about the fact that Cargill was just pulling out of Pine River—an elevator that was so important to that community in that area. Doing that, shortly after, the CN has indicated their continued desire to have that

line abandoned troubles me because I believe that in fact there may be some joint efforts by the grain company in this case and the railway to abandon that service.

That distresses me a great deal because I do not think that kind of thing should be happening. We would like to see that there are some collisions with these groups in the future and I would be willing to lead the charge to ensure that the railways and the grain companies in this case are forced to back down on their decisions, that they are so callous and have such a tragic effect and tragic consequences for a small community like Pine River with very little notice and consultation. I think that is wrong and that is why I called for an inquiry today to ask the Government to look into the whole process of abandonment of elevators across this province, to find out on a case-by-case basis if indeed each of those is warranted on an economic basis and if all of the other costs have been taken into consideration when they abandon those elevator services in the particular area; and whether there is sufficient notice given to those people in the areas; and whether they have considered the true cost to the communities and to the producers.

I would like to see all of those things considered. I would like to see us support a rationalization process for our branch lines in this province to ensure that all of the costs are considered when a service is abandoned or is proposed to be abandoned.

We have proposed that in Government. We had received some support from western provinces during that time, from Saskatchewan, from Alberta, from British Columbia, and now I would like to see the whole Legislature of Manitoba, all parties approve this and send this resolution to Ottawa because Ottawa and the federal Ministers and the federal Government have not approved this process. They have not accepted it, they have not implemented it. Even though a number of sources are now coming forward with recommendations that this kind of nonadversarial process be adopted, they have not adopted it yet, and we need more pressure to ensure that happens. I would ask that all Members of this House support us in this effort to ensure fairness and a reasonable process for the farmers in rural areas of this province.

Hon. Albert Driedger (Minister of Highways and Transportation): Mr. Speaker, I have no great difficulty with the generalities of what the Member has brought forward in this resolution. I think it is almost like parenthood and apple pie, making sure that we do not forget. I find it a mite interesting that the Member for Dauphin, who has just spoken, was the Minister of Highways and Transportation for six years.

An Honourable Member: Be nice to him. It was only four.

Mr. Driedger: Maybe it should have only been four, but I find it interesting that he gets up—I do not find fault with some of the things he is laying on the record here and has concerns, and I will be nice. I just feel that in the time that he was there that he had ample

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opportunity in many cases to really bring forward his case and I think in many cases he has done that. He has done it in many cases with a bit of an aggressive attitude at a time when maybe that was not the route to go.

He is indicating in this resolution that we should be making the federal Minister aware of what is happening in terms of the rail line abandonment within this province and across western Canada. I would like to indicate to him that the federal Minister is fully aware of it. This resolution makes for nice politics and, as I indicated, he asked for fast passage. I think fast passage is not necessarily the answer. The information is already before the federal Minister. We will try and re-enhance the situation and I have no arguments with the basic components of what is involved here because it does affect Manitoba and it does affect rural Manitoba dramatically.

I would just indicate to him that he gets up with a very positive and aggressive attitude and I just want to draw to the attention of the Members in this House that this is the Minister of Highways and Transportation for six years, I believe it was six years. Four, he says four, and he had ample opportunity—and I want to be fair—the previous Minister of Highways and Transportation played an active role in the terms of the Port of Churchill. I think he brought some of these concerns forward as well. The only thing that I can criticize him with is that he was not very effective at it. Now being a Member of the Opposition he is putting the pressure down and saying, now you have to do it.

I will tell you something, we are prepared to try and do that. We have already raised the awareness of many of these issues with the federal Minister of Transport. In fact, there are ongoing discussions and as I indicated, I am prepared to give credit where credit is due. This Minister, along with the other western Ministers of Transportation, have been working over a period of time to try and bring the concerns forward. That is why I say the concerns have been brought forward. It does not hurt to repeat that. In that respect, I have no problems. As I indicated, he covers the whole waterfront. Being a Member of the Opposition, he would like to get his lick into the federal Government. That is fair game too.

* (1730)

I think over the years the western provinces have vigorously opposed rail line abandonment the way it is taking place. Basically, part of the reason is—and I am not necessarily faulting totally the railways, we expect the railways to be accountable and responsible in terms of their economic performance. They have lines out there that basically are economically not viable. In my particular constituency where I live there was a whole line abandoned from the Town of Emerson all the way down to the southeast. We have no rail service available at all. That was done years ago because it just was not viable. So we have those areas where it is not viable to run a rail line at this stage of the game. When we put the pressure on our Crown corporations or CP, Canadian Pacific, in terms of being responsible and economically responsible that these kind of things

have to be looked at, I am not necessarily totally faulting them—the railways.

Initially, when we go back into history when the rail lines were built, they were there to service the communities, to haul the products. The road system was very negligible at that time. There has been a dramatic change to the point where, in many cases, trucking is taking over. The rail lines are concerned about the business that they are losing in that aspect. I think if it was viable they would much rather keep these lines open if they could make money at it. Using that process, they have gradually starting contracting it and it is escalating. The more rail lines they abandon, the faster it seems to go.

The concern that I think that has not been addressed and I think this is where I agree, that we have to take this again to our federal Government, is the fact that certain issues have not been addressed—increased road costs caused by the diversion of traffic from railway to highway. Who has been bearing the brunt of it? It has been the province and the municipalities, increased trucking costs to the grain producers caused by the need to access more distant elevators and then of course the community loss of trade and employment as well as elevator and rail taxes. These are all things that affect the rural areas when you have an abandonment taking place.

I get sensitive with that to some degree. I relayed this information to the federal Minister of Transport, Benoit Bouchard, indicating to him—I would like to maybe put on the record the episode that happened not that long ago when 547 kilometres of rail line were abandoned in Newfoundland. The federal Government compensated them to the tune of \$800 million. Maybe that is fair. I would consider it probably fair because they probably took all kinds of things into consideration. What bothers me, Mr. Speaker, is the fact that we have lost 1,170 kilometres of rail line in this province and we have not had a dime of compensation for that.

If we use the equivalent ratio that Newfoundland got, we would have had a lot of money that we could have put into roads to compensate for some of the things that the rural communities have lost to this kind of a program. That is the area where I feel sensitive about. I think, as I indicated, I have raised that. I think it has been raised by others. I feel optimistic at this point of the discussions that these things are being considered.

I had the privilege as new Minister to attend a conference the other time in terms of rail line abandonment and the rationalization. Everybody basically talks from the same direction. Everybody agrees that there should be consideration given to the impact of all Parties involved. Certainly from the Government point of view, we have not had compensation for the roads. The municipalities have not had the compensation for that aspect of it. The economic and social impact on communities has not been addressed. The common subject that was being discussed is that if there is going to be further rail line abandonment taking place, that these things be taken into consideration, that we make provisions somewhere along the line before further abandonment takes place, that the federal Government does have a responsibility

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to give us compensation in that direction. I am not necessarily arguing with my federal counterparts. I am trying to negotiate with our federal Government in terms of giving fair consideration.

I think our counterparts, the Premiers from other provinces and Transportation Ministers, have the same feeling. It is difficult, but all we ask for basically is fair consideration. I think that possibly my reception by and large with the federal Transportation Minister has been a positive one. I think there is sympathy to follow through on something like this. As I indicated before, possibly the attitude and aggressiveness of the previous Minister of Highways and Transportation, the Member for Dauphin, I think probably played a role in the fact that there was not a very positive response coming, because I feel in my mind right now that there is response, that these things are being given consideration to some degree.

Hopefully, as the process develops, we will be able to look at these kind of things for compensation. At the present time, we are looking at the possibility of a federal election taking place within maybe a short time—we do not know. I would hope that there would be some commitment made even before that happened, but I have no assurance of that.

I have to say that when the western Ministers met, that Manitoba came forward with a recommendation to develop a responsible rail rationalization program that would basically consider the impact on all commodities, utilize the cooperative and consultive framework to avoid present destruction and the adversarial process. Also I think the western Ministers agreed to consider all economic and social costs associated with rail abandonment and the provision of rail services options.

The big thing that is important is that I think all parties should be involved in these discussions. I think the farmers should be involved, the municipalities should be involved, the province should play a major role in it. In terms of the discussions, there should be a system set up that is a fair system in terms of making sure that proper compensation is paid. As I indicated, I do not think it is realistic to jump on the railways and tell them not to abandon any more rail lines because we have lines that are virtually out—a total write-off. They are not economically feasible to operate, but I think at one time they did. The impact of removing those is dramatic.

I would like to relate again to my constituency where a major line was removed years ago. We have already sold the land back to the farmers, the tracks have been taken out. This has happened years ago. At the present time, some of my people who are grain producers have to haul grain up to 70 miles to the closest elevator. That has an impact on the provincial highways, on the municipal roads. I cannot stress that strongly enough, the impact that it does have in terms of cost factors.

I certainly intend to raise this issue again as the Minister responsible for Highways and Transportation, intend to raise it with my federal counterparts, with the federal Minister. I have no difficulty in that respect in terms of—we are supportive in that direction. I think

everybody can feel that there should be a proper compensation. I think it is important that the system that we develop in terms of doing that—I want to repeat again, I think there has to be proper involvement at all levels so that all the people that are affected adversely have an input into the matter. How we develop that—I do not know whether this resolution will necessarily do that. We have enough whereas there to cover a lot of ground I suppose. But I think the consultive approach that we have to have, together with our federally-elected Members—it affects them as well, it affects their constituencies as well. In that respect, Mr. Speaker, I do not have much of an argument with the general approach that is being taken with this and—moratorium. The Member is asking about moratorium.

The one thing that I had some difficulty with is the fact that the Member who introduced the resolution is indicating that the drought has a big impact on what has happened. This has been taking place for many, many years and I do not know whether necessarily the drought will escalate it or not. That argument, in my mind, is not necessarily a justified argument.

He raised the questions with me in the House today about why elevators were closing down, and I have to indicate—as I tried to do in Question Period, and I maybe have more time now—that many of these grain companies are farmer-owned, and it is the farmers themselves who are making that decision. You cannot necessarily fault the grain companies and say you are closing down and doing the farmers harm when the farmers themselves are the board of directors making the decisions, because they are making economic decisions for their own pocketbooks at a time when things are tough.

I have some information here where in 1933 we had 5,758 elevators in the province, in 1971 we had 3,423, and in 1985 we had 1,885 elevators. It has been a normal process. What is happening right now is not something that is very dramatic because of drought itself. Because many of these operations, elevators are old, they have to either replace them at substantial cost. Some of the rationale is there in terms of the rail line abandonment as well as the elevator closings.

What I am suggesting and supporting is the fact that there should be compensation when we do this kind of thing. I think that is only a reasonable approach I think everybody could support. We are not at loggerheads in that respect. Let the Member who introduced this resolution not necessarily get all pure and indicate to us that he has found a new answer as to how this could be resolved. He had that opportunity many years.

I am prepared to work with him, as well as with other Members in this House, to try and get this thing resolved and bring that attention forward to the federal Government. I will certainly do my best, and in a negotiable type of attitude, not an aggressive attitude, to try and see whether we can get fair compensation for all the people who are affected by rail abandonment. Thank you.

Mr. Laurie Evans (Fort Garry): It is a pleasure to have this opportunity to speak on this particular resolution.

As has been said by the Honourable Minister of Highways (Mr. Driedger), it is a very difficult issue not to support in principle.

Being old enough to remember the time when grain was still hauled by horses, then we still recall the necessity of having the railway lines close enough so that the points for delivery were within a reasonable time frame, as far as someone delivering grain to these elevators was concerned.

* (1740)

Unfortunately, it is impossible to turn back the clock and I think we have to realize that the rationale for having all of these branch lines and the number of elevators that were on them no longer can be justified. As has been ably pointed out several times this afternoon, many of these elevators have reached the point where they are no longer usable. The cost of maintenance is beyond what is realistically acceptable to the companies and, as has been mentioned before, many of these elevators are owned by the various pools, United Grain Growers and so on, so you do have the complication of many of the decisions having been made by producers who have rationalized the fact that some of these elevators have to go, and in order to make the ones that are left efficient, then the costs that would ordinarily go into the small elevators are transferred over to the maintenance and upkeep and the modernization of the large ones.

I think the key issues here, Mr. Speaker, are the whole concept of rationalization and consultation. This has been going on for years and years and I think it is always the same situation. It is similar to a bus stop in the city. Everyone wants to have it close, but nobody wants to have it next door, so nobody gets too uptight about rail line abandonment until it is their own area that is being abandoned, and then there is this great hue and cry. Then it is too late. By the time that decision is made, it is, in fact, too late.

I think there are many cases where the decision has been made without the proper consultation with the producers, with the other people that are involved in those areas, and I think we have to realize that there is a tremendous socioeconomic aspect to the abandonment of the rail line—

An Honourable Member: That is what John was talking about.

Mr. Laurie Evans: —and it is what John has pointed out, but unfortunately the line and the movement of grain are totally tied together. One is entirely dependent on the other, and if they are not rationalized, you find that the elevator is abandoned, the line is still operative, but there is no reason to keep the line after the elevator is gone, and obviously the reverse cannot happen because without a line the elevators cannot function under normal circumstances. So you are in this situation.

I would agree with the Mover (Mr. Plohman) of this resolution that that consultation is essential. I would also agree with the Mover of the resolution that there

should be no way in which the current drought situation is allowed to have a major impact on the decision as to which rail lines are abandoned in the short term, because hopefully this drought is a one-year situation and we will be back to normal in the 1989 growing season and we will be looking at the normal movement of grain over the existing line. So I would think it would be very short-sighted, and I do not think either the railway or the grain companies would utilize the lower production in 1988 as a rationale for speeding up the abandonment of elevators or rail lines for that matter.

The question then becomes one of compensation, and I get the feeling here in western Canada that we have always gotten the short end of the stick when it comes to compensation from the federal Government, regardless of what stripe the political party happens to be that is in power in Ottawa. There always seems to be a tendency for other provinces to get a better deal than we do in western Canada when it comes to any form of compensation. So I would certainly think that we should be making every effort to make sure that the federal Government is aware of the concern that we have about the lack of adequate compensation for the abandonment of rail lines.

The other point that I wanted to make is that we are rapidly moving in the grain industry to new technology within the grain elevators. Some of that technology is extremely expensive. We are looking at such things as automated grading and other forms of automation when a producer brings his product to market, and the cost of that move towards automation, in my view, is going to rule out the possibility of having that level of sophistication in all the country elevators. So once again we are forced into this rationalization of a realistic number of elevators that can effectively do the job and maintain our competitive status as far as other producing countries are concerned. We have to balance that, I think, between the convenience and the economics of having a sufficient number of delivery points with the whole concept of what it costs to maintain those delivery points and maintain the level of sophistication that we need in order to be able to service the producer effectively.

It brings me right back to the full circle, and that is the necessity of consultation, rationalization, and the necessity for compensation when these decisions have been made.

I can agree with all aspects of the resolution. The only part that bothers me here is the concept of a moratorium. I cannot see any need for a moratorium if we are satisfied that making decisions on abandonment would be done on the basis of an abnormal year in terms of grain productivity, and I do not think anyone would take that point of view that because we are down in grain shipments in 1988, that it is rational to abandon a line that has been meaningful and effective in previous years. Thank you, Mr. Speaker.

Mr. Edward Helwer (Gimli): Mr. Speaker, it is indeed an honour for me to be able to speak on the branch line rail abandonment. Certainly, as the Member for Gimli and as a businessman from the Interlake area, this topic is of great importance to me and to my constituents.

I have no problem in supporting the resolution in principle. I think, over the years, this country was built on the railway. The railway was very instrumental in building this country—and to the small towns, whether it be in the Interlake area where there is a proposed line for abandonment or whether it be in the Cowan area of the southwestern part of Manitoba, I do not think it matters. I think the branch lines are important to the farmers, the business people, the towns, to all the people of Manitoba. I do not think we want to see any rash abandonment of any branch lines.

Certainly, the Winnipeg Beach branch line, which was mentioned by the Honourable Member for Dauphin (Mr. Plohman), which is recommended for abandonment, is the part from Gimli to Riverton. In this particular case, Riverton has an elevator, but I believe the federal Government or the Canadian Transport Commission should compensate farmers if they have to haul their grain to Arborg or have to find another delivery point. I think they should be compensated.

I think one of the options available to the elevator companies, such as the Manitoba Pool in the Riverton area, is a similar situation that has taken place at Fisher Branch whereby they have a trucker hauling the grain from the elevator to an elevator on another branch line. This may work for some time, but I believe that is not the long-term solution. I think once they abandon that section of rail line, certainly, that community eventually is going to lose that elevator and eventually that town is going to disappear as many towns in southwestern Manitoba have in the last number of years.

It is not only a case of the drought. I do not think drought plays a major part in the abandonment of any branch line. I think especially in the Interlake area there is grain to haul. I do not think that is a factor at all.

Back in 1976, the Interlake Development Corporation, I had a branch line committee at that time to try to protect the branch lines in the Interlake area. At that particular time, we had four branch lines leading up in the Interlake area. Since then, one has been abandoned—the one through Inwood, Argyle, Fisher Branch, through that area. That branch line has been abandoned now and the elevator at Fisher Branch, the grain is hauled from there into Arborg. Certainly, those towns have been hurt by the abandonment of the branch line and especially a town such as Fisher Branch.

I believe there is also potential for an increase in agriculture north of Fisher Branch that could be exploited if it was not quite so far to haul their grain to a delivery point. Also, at one time, a town such as Argyle had a fuel dealer, farm machinery dealer. At one time, they received everything by rail. They got rail cars of fuel, rail cars of farm machinery. Wood was shipped out of these areas. The branch lines were at that time used. That seems to have gone by the wayside now and trucks have taken over, especially on the short haul.

The other branch line, of course, in the Interlake area is the one through the centre and that runs through Stonewall, through on Arborg, and that is the main line serving the Interlake area, it has been for many years and still is, and that one is also protected to the year 2000.

* (1750)

Actually I should mention that in 1976 when these branch lines hearings were held, out of the four lines throughout the Interlake area, three lines were protected until the year 2000. If the federal Government or the Canadian Transport Commission wants to abandon the line to Riverton, or the Winnipeg Beach line up through Gimli and Riverton, certainly there would have to be some sort of compensation made because they have a commitment I believe to maintain this line until the year 2000.

Certainly along this line there are four elevators—I believe Selkirk, Netley, Riverton and there was one at Clandeboye. The elevator is closed there, but also we have at Gimli a Seagram's distillery which uses the branch line or the rail line to a great extent by bringing in rye and corn and shipping some of the distilled products to the U.S. and to other parts of Canada.

Also, along that branch line there are a number of farmers who do use the producer car system and this is an outlet for farmers if there are not any elevators, that the producer car system is used throughout the Interlake and quite extensively and certainly quite a benefit to farmers. I think without the branch line, this will take away another option of marketing the grain and I certainly would not want to see this.

There is another factor, I believe through the branch lines, whether it be in the Interlake or in southwestern Manitoba, or in any parts of Manitoba, is the industry. If we are looking at an aluminum smelter somewhere in Manitoba and hopefully in the Interlake area in the Balmoral area, this would be between two branch lines served by two railroads, the CN and the CP lines. This would give us an option. If it is the intent of the Canadian Transport Commission to eventually abandon some of these lines, I think we would have to fight this thing very hard because I certainly support it. We must diversify and get some industries into the rural areas, such as aluminum smelters or any other type of industries, that may require the rail. Certainly I think in the case of the Balmoral area, it is situated in an area where it is between two branch lines, it could be served by both companies and would be an ideal location for an industry such as aluminum smelter or any other type.

Just getting back to the Fisher Branch situation again, which was at one time served by a branch line, is now closed; the elevator is open. The grain is hauled from there to Arborg. There needs to be a road built. There is no full-weight highway between Arborg and Fisher Branch. I think our federal people should have some commitment to help the Department of Highways in Manitoba to maintain these roads and to build highways and roads where these branch lines are lifted and where these elevators are maintained where they have to haul this grain by truck. Certainly we need an option and we need highways and a road that is going to be able to withstand the weight of the large semi-trailers of today.

I think an option there would be for the federal Government to help the province offset some of the costs in building these roads and maintaining the roads

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so that they can carry the large trucks. Also, over the years, the weight restrictions have been increased and now they are something like 130,000 pounds. Certainly our roads today that were built 25 years ago are not built to the standards to haul these kinds of loads and to allow these trucks, so certainly we have to increase the quality of these roads.

When we talk about branch lines, we are really talking about communities. I think when you take a branch line out of a community, certainly, eventually you are going to lose your elevator, your fuel dealer, possibly your farm machinery dealer, all these things. When you take them out of a community, the community is going to die. I think these things are very important to many communities in Manitoba and the Interlake area or southwestern Manitoba. I do not think that we can afford to allow anybody to remove branch lines and cause these towns to die. Certainly, we have an interest in

the communities. They serve a very useful purpose to the citizens who live there and are service centres to many farmers and I think these things have to be maintained.

Certainly in the cases where there has to be branch line abandonment, in the case of Fisher Branch, and it has already happened, there has to be compensation. Is my time up, Mr. Speaker?

Mr. Speaker: Order, please. The Honourable Member has four minutes remaining when this matter is again before the House.

The hour being 6 p.m., this House is now adjourned and stands adjourned till 1:30 p.m. tomorrow (Wednesday). I just want to wish all you guys good luck at your baseball game tonight.