



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

**DEBATES
and
PROCEEDINGS
(HANSARD)**

37 Elizabeth II

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



VOL. XXXVII No. 44B - 8 p.m., MONDAY, SEPTEMBER 26, 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	Rupertsland	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
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NEUFELD, Harold, Hon.	Rossmere	PC
OLESON, Charlotte Hon.	Gladstone	PC
ORCHARD, Donald Hon.	Pembina	PC
PANKRATZ, Helmut	La Verendrye	PC
PATTERSON, Allan	Radisson	LIBERAL
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PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren	Lac du Bonnet	PC
ROCAN, Denis, Hon.	Turtle Mountain	PC
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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

Monday, September 26, 1988.

The House met at 8 p.m.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY—GOVERNMENT SERVICES

Mr. Chairman, Harold Gilleshammer: This section of the Committee of Supply will be dealing with the Estimates of the Department of Government Services. We will begin with a statement from the Honourable Minister responsible (Mr. Driedger).

Hon. Albert Driedger (Minister of Government Services): Mr. Chairman, good evening. Before I make my opening remarks, I would like to indicate that, by agreement this afternoon, I think we had agreed that Community Services Estimates would be deferred for tonight and that we would proceed with the Government Services Estimates. I believe there was an agreement but it was not officially announced in the House, so I would like to indicate that to the Members of the committee here now.

I would like to take this opportunity to thank the critics for their cooperation in going into the Estimates of Government Services on short notice. I and my staff will try and accommodate as best we can. If there are questions that we cannot deal with immediately, certainly we will get the information. If there are questions that pop up later, certainly in view of the fact that we have escalated the Estimates prior to what we had expected, we will give opportunity to have the critics bring forward questions later on.

In my remarks, I would like to first of all compliment my Deputy and staff for the patience that they have had over the past months in terms of briefing myself on the process of the Government Services. I found that a very enlightening experience and very enjoyable working with my staff who have, as I have indicated, been very patient with that.

I believe, before we start, that there is very little change in the Estimates from the previous Estimates. As you are well aware, the Department of Government Services is not a very high-profile department, but still plays a major role in the expenditures of Government.

So prior to discussing my department's Estimates, I would like to discuss some of the major thrusts for this fiscal year to assist in clarifying some of our Estimates components. As a service-oriented department, Government Services is faced with the challenge of providing cost-efficient and quality services to other areas of the Government. In order to ensure cost-efficiency and quality, my department has spent the past few years studying various operations and comparing them to similar services offered by the private sector. We are now in the process of implementing several recommendations resulting from these studies. We plan to continue work in this area through further consultation and comparison with the

private sector. One major move toward cost-efficiency and private sector similarity is a new paid employee parking program which will take effect possibly later this fiscal year.

In another move toward operational efficiency, our Materials and Workshop Branches have both recently begun operating on a cost-recovery basis. This approach to service delivery helps ensure cost control by easier comparison to the private sector and also makes user departments more accountable for the money spent on items and services. These cost-recovery programs are in line with some of the charge-back systems we have implemented in past years in areas such as our postal branch.

Another area where private sector comparison is being studied is the operation and management of Government buildings. In an attempt to ensure that we are running our buildings as efficiently as possible, we are studying private management operations and considering a trial test of private management in one of our Government facilities. This would allow us to observe private practices in direct comparison with their own building management operations.

The department is also working with the private sector through participation on a joint public and private sector committee. This committee is developing initiatives which will assist Manitoba firms in identifying and capitalizing on business opportunities with the provincial and federal Governments.

Also in the area of purchasing, I am personally gratified that my western colleagues and I were able to obtain a commitment from the federal Government for increased spending in the western provinces. After many meetings on this issue, the federal Government recently agreed to increase western spending by \$600 million over the next four years while also increasing the share of major purchases made in western Canada.

As part of its service-delivery mandate, my department has continued to plan and provide for long-term Government requirements. Examples of this can be found in a capital budget for this fiscal year with items such as the new Remand Centre, an upgrade to the student residence for Keewatin Community College in The Pas, and major fire and safety upgrade at the Headingley Correctional Institute, Brandon Mental Health Centre nurses' residence and the Winnipeg Youth Centre. Upgrading is also continuing at the Manitoba Developmental Centre nurses' residence, along with maintenance programs such as air-conditioning installation and repainting of the Southgrove building, replacement of the Westgrove and the three cottage roofs, and window replacement in several locations throughout the centre.

* (2010)

Incidentally, arrangements have been made by the critic and myself to go out to the Manitoba

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Developmental Centre tomorrow and have a look first-hand at the situation. I would like to extend that invitation also to the Member for Dauphin (Mr. Plohman) who is a critic. If you would want to come along, we have slated a trip to be leaving at 8:30 in the morning to have a first-hand look at what is going on there.

The Barrier Free Access Program is progressing. Our discussions with the disabled community have proven very beneficial. We are committed to further discussions with them in order to identify priorities for access upgrading projects for this fiscal year and next.

With last year's formation of the Corporate Accommodation Planning Branch, we are continuing our long-range space planning for Government. This planning process is a balanced approach taking into account short-term economies and long-term strategies. This allows my department to provide economical accommodation for our clients and, at the same time, consider the future needs of our overall Government accommodation.

An example of this balanced approach to accommodation planning is the new Walter Weir Building which will officially open in October. The purchase of this building will save the Government an estimated \$1 million to \$3 million in operating costs over the next 10 years. Also allowing for the cancellation of several leases as well as a consolidation of the Attorney-General's Department in the Woodsworth Building, the Walter Weir Building will house Municipal Affairs, Health, the Northern Flood Agreement, and the Manitoba Disaster Assistance Board, which incidentally, I believe, has moved in this year.

In addition to the many new programs we have introduced in the service area, we are also attempting to increase our employee productivity. This is being accomplished through continued emphasis on a positive work environment and through specific programs such as Employee Hearing Conservation. Programs such as these have a direct benefit for our employees while also increasing efficiency and reducing budget costs for items such as Worker Compensation payments.

I am very pleased to introduce these Estimates today because I think they reflect the economical approach my department staff have taken in preparing its annual budget. If you disregard non-discretionary items such as MPI rent payments, final payments from North Portage expropriation, and general salary increases, the Estimates have not increased over last year. I am very proud that the department has been able to hold the line on spending while maintaining services and searching for better ways to economically serve our clients. In closing, I would once again like to thank the employees of Government Services for their hard work in the past year and pledge that together we will work even harder to hold the line on spending, while continuing to increase the quality of our service. Thank you, Mr. Chairman.

Mr. Chairman: We will now have the customary reply by the critic of the Official Opposition.

Mr. Bob Rose (St. Vital): Rather than going into a specific reply, I would like to state that we recognize

this is not a high-profile department. Being that the overall Estimates are running behind, I think that from my own particular standpoint, I think I would like to do a lot of, in the future, what we plan on doing tomorrow and that is to get out and see the specific on-site operations and be able to ask questions there and be able to spend time and get answers from both the administration and the Minister.

I discussed this with the Minister earlier. I am very pleased understandably that there is a great deal of cooperation in that regard in that this is a new experience for myself and especially tonight, having this thrown at me with a few minutes' notice and my study papers are even at home.

One of the things that was suggested by myself, and I received the cooperation from the Minister, was to give an outline, knowing that most of the items in the department are naturally rather static. Any major changes or alterations or adjustments in programs would be outlined. It has been supplied to me by the Minister and I am very, very grateful for that. I think it will make both of our jobs quite a bit easier and perhaps cut down the amount of time required to go through these Estimates.

I wondered in that regard, before we would progress on a line-to-line basis, if perhaps the items that are in this memorandum, the questions that I have presented for clarification, if I would be able to proceed on those now and at a later time go line-to-line on the Estimates on specific issues there, in that I have not had time really to go over the Supplementary Information as yet. Is that acceptable?

Mr. Chairman: We will hear from the critic from the Second Opposition Party (Mr. Plohman), and then have the staff come up to the table before we proceed.

Mr. Rose: Fine, okay.

Mr. Chairman: We will now hear from the critic of the Second Opposition Party.

Mr. John Plohman (Dauphin): Thank you very much, Mr. Chairman. As the Member just said, the Member for St. Vital (Mr. Rose), we have had very short notice on this and we just finished Estimates this afternoon for Industry, Trade and Tourism.

This department, of course, is nothing new as far as familiarity with the various areas for me, having had an opportunity to work with the staff. Mr. Minister, I think that you have a very well-managed department. It is not that high a profile, as the Member just said, but it is very important.

I feel that we have made a lot of improvements in Government efficiency in this department over the last number of years, and we will want to explore with the Minister some additional changes that he might have had an opportunity to be involved with in the short time, including the handicapped access issue, which is one that we had initiated a study on and one on which a report, I think, has been received. Action on that report will be very important to us.

Efforts that are being made in the areas of continued energy efficiency, parking improvements, particularly at the Legislative Building here, security, the whole issue of the vehicle fleets, Government vehicles and operations, lease costs for Government properties, in-house work versus contracting out, leases versus purchasing or building of Government buildings, these are some of the areas that we want to explore into.

Perhaps we will not have to take a long time in this department but certainly some very important discussions. I think that is all I have to say at this point, Mr. Chairman.

Mr. Chairman: I would remind Members of the committee that the debate on the Minister's Salary is deferred until all other items in the Estimates of this department are passed. At this time, we would invite the Minister's staff to take their places at the table by the Minister.

Mr. Albert Driedger: At this time, first of all, I want to thank the critics for their comments and once again, I would like to, as I mentioned before, thank them for their consideration in terms of proceeding with these Estimates on short notice. I was trying to get information to them as fast as possible, and I realize it is going to be a little scambly.

I want to take this opportunity to introduce the staff: my Deputy Minister, Eric Harbottle, Sally Walker, Gerry Berezuk, George Fejes, David Koslowsky, Paul Rochon, John Schwandt, and one of my other people, Stu Ursel, is in Edmonton at the present time. Depending on how long we are here, we might have a chance to meet him yet.

I believe the critic from the Liberal Party had some questions.

* (2020)

Mr. Rose: Just to follow along partially the memorandum that you gave me but before that, in the past, I have seen horror stories about what happens in our national capital in regard to use of facilities that are under lease by the Government. Do we have a similar situation in Manitoba? The specific question to the Minister is, of all the space that we presently have under lease, what percentage of it is actually occupied at the present time by some Government service or another? In other words, is there a vacancy of properties that we are paying leases on in the province?

Mr. Albert Driedger: I would like to indicate that about 40 percent of the properties or the space that we need is owned, and approximately—I can get more specific information on that—60 percent is leased property. I do not believe we have any vacancies at the time. We do have some vacancy space? Okay.

If the critic will give us a little time because, if we are jumping on general questions, I just need a little time to catch up on this.

I can give the total space. I will put down the figures. In March of '86, we had a total space of 8,323,934

square feet. I am giving the figures for March '86. The vacant space at that time was 289,912, which was 3.5 percent vacancy rate. In March of '87, the space we had was 8,371,193 square feet, and 278,161 square feet were vacant, which worked out to 3.3 percent. In July of '88, we had 8,485,671 square feet, and vacancy was 96,350 square feet, which is a 1.1 percent vacancy rate.

Mr. Rose: The numbers that you gave for 1986 and 1987 are for March figures, and then the last figure you gave me is July. Do you have a corresponding figure for March 1988?

Mr. Albert Driedger: Staff has used the latest one here. We can get a comparative figure there. We do not have it here right now, but we are prepared to get that for you. I think what is important though is the fact that our vacancy rate is down to 1.1 percent.

Mr. Rose: What I was trying to establish here is it is well known that in March of '88 we were in the middle of an election campaign. I was wondering if you could be given any credit at all for having a drastic reduction in that period of time.

Mr. Albert Driedger: I will try.

Mr. Rose: I would appreciate getting those figures. We will lay the blame or credit where it is due.

Mr. Chairman, another question I have and it is more of a general question in Government, I might as well get it over with now. What is the approximate percentage, your status of merit increases? I guess it would be pretty general in the Civil Service but, in your department, what percentage of employees in round figures would be due for such an increase in any given year? This is a question the public often asks. Sure they got a 3 percent raise, but what were their merit increases and how many of them got it?

Mr. Albert Driedger: We are having some difficulty getting that precise information. It is a very complex question to answer, depending where they are in the various ranges and their classification, but we will try and get some kind of information after a period of time.

Mr. Rose: I must say that in any question that I give you, especially these that are not in line by line, I have no problem with you bringing them back at a later date rather than spending time going through many, many files. I understand your position and there is no problem there.

I have another question in regard to your leased properties. We are talking here that the overall increase on existing leases and new leases, basic rent rose by 5.3 percent over the 1987-88 Adjusted Vote. Would you give me some explanation as to why, when you are talking of inflation of a lower figure than that, the increases would be 5.3 percent? Are there some unusual situations or what would the relation be in that?

Mr. Albert Driedger: I think that what we are faced with in the department is, as leases come up and

depending on the—when we talk of “average,” I think some increases are substantially more than that. In some cases, we almost feel we are being held up to blackmail because the increases are substantially more than that. When we talk of the average of 5.5 percent versus the inflation rate, it depends on the pressure to some degree. I am informed we also had some additional leases.

Mr. Rose: Yes, I appreciate that answer. I realize there are some additional leases and they probably amount to less than 2 percent anyway. So it really seems a little unusual to me that we stick landlords to an increase of 3 percent and yet our overall commercial space goes up higher. But I guess perhaps he might explain that. Is that just a dictation of the marketplace and the law of supply and demand?

Mr. Albert Driedger: Mr. Chairman, there are a few factors that enter into it. For example, energy costs are higher, hydro costs, all these things are higher and they are reflected in the percentage of increase that is there. It depends on the lease.

Mr. Rose: In the Manitoba Properties Incorporated, you say that there are projects which should be completed in this fiscal year of \$679,000.00. Could you outline what major project would be in there?

Mr. Albert Driedger: If the Member gives me a little bit of time when we cover the waterfront, and not going through it line by line, we will get that information shortly.

The Member asked which projects were involved. I can indicate to him that the Winnipeg Court Complex, Milner Ridge Correctional facility, the Egg Lake Rehabilitation Camp, 800 Portage—the Walter Weir Building, the Portage la Prairie Manitoba Development Centre, Southgrove Building air-conditioning, existing Law Courts, Department of Highways Garage at 5050 Dublin. These were the ones that were completed for occupancy in '88-89.

Mr. Rose: In regard to the one that you mention there, maybe we could zero in on it specifically, and that is the Walter Weir Building. I understand this building was purchased, if I am not mistaken, by the Government of Manitoba after it was commenced, and it was probably a purchase price based on a completed building.

Mr. Albert Driedger: Yes. This purchase, it was felt at the time an offer was made, and the purpose was to purchase the building because it was felt that it would be cheaper in the long run. As I indicated before in my remarks, I think a saving of between \$1 million and \$3 million over a period of 10 years on that one. The cost of the building was \$6.5 million and we are just in the process of moving into that building right now. I think some departments are moving in. I know that the Manitoba Disaster Systems Board moved in this week. I understand Municipal Affairs is going to be moving in this weekend.

Mr. Rose: Having said that this building was partially completed when you bought it, was the building being

built in a way that met the specifications of the Manitoba Government, or did some of the work that was already in progress have to be sort of undone and some retrofitting take place? Would that account for the additional monies that you put in here for this coming year?

* (2030)

Mr. Albert Driedger: Mr. Chairman, this building was not even started. The sale agreement was made prior to the construction of the building and it was built basically for the purpose of utilization. It is not a fancy building, it is a work building, if you might want to call it that. The other question that the Member was asking about, the additional funding, could the Member clarify his second question?

Mr. Rose: What I am really trying to pinpoint is you bought a completed building and yet you say that there are some additional monies in the projects for '88-89 for that building. What specifically are those monies being spent on in the Walter Weir Building?

Mr. Albert Driedger: I am just trying to understand the question properly in terms of additional costs for '88-89. We have payments that we will be making every year on that project which works out to, I believe—

Mr. Rose: Mr. Chairman, it says prorated rent for projects which should be completed in 1988-89, \$679,100.00. In the end there, Mr. Minister, you mentioned that some of that money was to go to the Walter Weir Building.

Mr. Albert Driedger: Mr. Chairman, that figure of \$679,100 is the rent or the payment that is made to MPI for all these projects. That is the combined figure of the projects that I listed with the Member. For example, on the Walter Weir Building, that \$413,400 is the payment for the balance of this year prorated on that building. The balance of them are the payments that are paid to MPI for these projects.

Mr. Rose: Mr. Chairman, on this Walter Weir Building, in that we have it brand-spanking new, could you give me an idea of how many employees we expect to house in that building and how many parking spaces are available for those employees?

Mr. Albert Driedger: Mr. Chairman, I will start with the last question first. We have approximately 73 parking spots available there and we have the information as to the expected amount of employees who will be working in that building. I do not know whether we can have a definitive answer because we are just in the midst of moving in there. I wonder, to the Member, if I could take that one as notice and try and get back, because not that there is that much confusion in terms of a move, but there is a certain amount of it. We will try and get that specific figure.

Mr. Rose: Mr. Chairman, there is no problem at all, as I stated earlier.

Mr. Chairman, through you to the Minister, on Telecommunications, you mention the decrease in costs

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because of the ongoing conversion to Centrex WATS, and I am pleased to see considerable saving there. Could you give us some idea—I know you will have continuing economies there, but will they be increasing at the same time? In other words, will the rate of economies increase year by year for the foreseeable future?

Mr. Albert Driedger: It is my understanding in going through this that the savings we have accumulated in the last year through the WATS system and getting extra lines under that system was \$266,600.00. I believe we expect to have a continuation of that further decrease. I believe we are expecting, where feasible based on the equipment, that there will be further technical changes taking place that would possibly enhance the cost factor.

Mr. Rose: Mr. Chairman, in Property Management you seem to be making a move to charge employees for parking spaces. I certainly heard about this in regard to Red River Community College which comes under your jurisdiction, I presume. For any of the parking spaces that are given to employees now or delegated to employees, are there any rents being charged for rental of the parking spaces at the present time?

Mr. Albert Driedger: Mr. Chairman, it is my understanding that staff does not pay for parking at the—the Member was talking specifically about Red River Community College, right, or generally?

Mr. Rose: Generally.

Mr. Albert Driedger: Generally? Because staff does not pay for parking but, at Red River Community College, for example, the students have to pay a certain rent.

Mr. Rose: But not the staff. My question, Mr. Chairman, was of a general nature, is any Government buildings, if there is a charge for the employees at the present time for any parking stalls?

Mr. Albert Driedger: Not to the employees. There are in certain areas, I believe, charges where Government departments pay rent for certain spots, but the employees do not pay this. Mr. Chairman, further to that, where the Government supplies the parking spot, they do not have to pay. There are cases where employees on their own rent space or whatever the case may be and then they would have to pay for that, but those that are supplied by Government to employees, there is no charge.

Mr. Rose: Your note here says that they will be charging the Government departments, and the Government departments will in turn recover these costs from their employees whose parking spaces are assigned. Does that mean that starting January 1 or shortly thereafter that all Government parking spaces will be paid by the employees, or will there be some exceptions at some level of employment, or some term of employment, or at some particular location?

Mr. Albert Driedger: Mr. Chairman, I would like to indicate to the Member that we are looking at the aspect

of pay parking. We had hoped to sort of maybe come forward with a definite program at this stage of the game and have an announcement on it. We were sort of caught unawares by what happened to today. I am not quite ready with that, but I would like to indicate that in the initial proposal we are looking at everybody who would be paying and there would be no exemptions, whether they are MLAs or Government employees. That would be the intention at this stage of the game. Unfortunately, we have not got the thing totally completed to make a presentation or an announcement at this stage of the game.

Mr. Rose: Well, Mr. Minister, after some of the stories I heard, both as just a citizen and as a city councillor, but the chaos of parking in the City of Winnipeg caused by Government departments, I am sure pleased to see that some effort is made. I do not know for sure that I would like to face the flak that you will face from employees when you start charging them for parking.

Mr. Albert Driedger: You will be helping me.

* (2040)

Mr. Rose: But it is a move in the right direction, because I know that Kennedy and Edmonton Streets here are a real nightmare and past Governments have certainly not provided for employees. I have certainly heard stories that lots of people have to come here an hour earlier and scramble and then end up with tickets on their cars. In that regard, and I do want to talk about Assiniboine at a later time when my colleague from Fort Rouge (Mr. Carr) is here but, in the meantime, what has been the reaction to the increased spaces on Assiniboine? Has that greatly relieved the situation on the Legislative grounds, or have you seen a substantial improvement, or is it just a drop in the bucket?

Mr. Albert Driedger: First of all, I would like to indicate to the Member that he is well aware and so is my other critic well aware, when he was Minister, that parking around the Legislative Building has always been a major, major problem and a lot of concern. We are hoping, by coming forward with a policy position on parking around the Legislative Building, we will start addressing some of the concerns that are prominent. I mean, everybody raises them. I am sure that when the Member has people coming in to visit him as well as the rest of us, invariably one of the concerns that people express is the lack of parking facilities here. Hopefully, we can address it.

I know that the spaces, with the aspect of the activity that we have done on Assiniboine Avenue where we now have it reversed and we have it open going from west to east, it has taken some of the pressure off. Invariably, if you have free parking somewhere in the city, somebody will pick it up even if they have to walk a mile, I think. Most certainly, I do not know whether it has necessarily eased the pressure off in the time that we have reversed the street to a one-way going from west to east. I had people in just the other day and again the problem was raised. We could not find a place to park. So I do not know whether that has

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necessarily resolved the problem. There is additional space available but it is being eaten up. Hopefully, when we come forward with our policy on parking, this will address some of these concerns and maybe help alleviate the problem.

Mr. Rose: On the bottom of page 3 here, alluding to the fact that you will be tendering the management of one of your buildings, so privatizing it, and as a free enterpriser I have no problem with that at all. I think it might indeed be a step in the right direction. Would you be able to indicate at this time perhaps if you have picked a building and how the transition will be, and if you anticipate any problems with the employees or the unions in such a move?

Mr. Albert Driedger: First of all, as I indicated in my opening remarks, we are looking at doing it on a trial basis. I cannot indicate at this time the exact building where this is going to take place. We want to do that for two reasons, to see exactly whether our system of maintenance on buildings is as efficient as we think it is and as staff thinks it is. By doing this, by possibly tendering on an experimental basis one building on a contract basis for maintenance, we can get a more specific idea as to whether our operations, the way we are running them through the department, are as efficient as they could be. I think it will give us a good way to do a good comparison with the private sector to see which way would be the most economical. Possibly by watching this on an experimental basis, we can also maybe pick up things that would be beneficial to our way of operating the way we do it right now.

I might just add further, that is what Mr. Ursel is doing in Alberta right now, looking at how they are operating out there in terms of maintenance on their buildings.

Mr. Rose: Mr. Chairman, I want to touch briefly on the security of the building here, and I note your invitation to look into it in a little bit of depth in that the system is confidential. I do not want to know anything that is confidential, but I would like to take up your offer today to go over the security of the building.

I presume from this that the security of the building, the manager is an employee of the Manitoba Government. Are all the security people in this building employees of the Government of Manitoba?

Mr. Albert Driedger: All the people involved are employees of the Government except for some traffic commissioners.

Mr. Rose: I just want to touch on Gimli Properties. I was out there a while ago and that was the one that got pretty badly hit in this windstorm. Could you go over the extent of the damage and what kind of insurance, if anything, was on it, and what has been done to put the facilities back in their previous shape, if that was deemed to be the right thing by the Government to put them back in their previous shape? Maybe you decided to pack some of it in or something.

Mr. Albert Driedger: Mr. Chairman, I would like to indicate that, as a Government building, it is self-

insured. I suppose, whatever damage happens we take and fix it up. Okay, I am just trying to find out exactly the extent of the damage. The fire and storm damage was estimated at \$151,000 for repairs to various buildings, and a replacement cost of \$216,000 for the recreation hall. That was on Mr. Matiowski's property there. That is the estimated cost on that.

In Mr. Matiowski's case there, we supplied two staff members to help supervise the temporary repairs and also \$5,000 for materials. There was a lot of volunteer help in the area there, and I think there was a lot of support in his case in terms of trying to get things back on track again to some degree.

Mr. Rose: Was there a sufficient utilization of the facilities that they deem it appropriate to replace all the facilities that were there prior to the storm?

Mr. Albert Driedger: I wonder, is the Member asking specifically for the buildings that Mr. Matiowski was involved in.

Mr. Rose: Yes, that is the specific, Mr. Chairman.

Mr. Albert Driedger: Mr. Chairman, it was felt that it was not feasible to repair a portion of the buildings. The small repairs on some of the roofs and stuff like that of the smaller buildings was done. The major building, it was felt it was not worth replacing that building. At the present time, we are in negotiation with Mr. Matiowski in terms of purchasing the property giving consideration to some of the damage that was done on the property.

Mr. Rose: In purchasing, I am pleased to see that you obtained a commitment from the federal Government with the western provinces for \$600 million in increased spending in the West. Do you have any estimates or ideas, Mr. Minister, of how much we may expect of that in Manitoba, and what particular category of goods we might expect to see an increase in sales to the federal Government?

Mr. Albert Driedger: The \$600 million was the purchases for the four western provinces plus on top of that is the major purchases, so it would be well above the \$600 million in terms of the four provinces. The specific benefit to the individual provinces, for example, I think we have been fortunate in getting a bigger portion of the pie in the western provinces than either Saskatchewan, Alberta or British Columbia. Our percentage, I believe, ran somewhere around 2.7 percent, and it was of the total expenditures relative to our population. We were doing better than the other provinces were doing. Hopefully, with the escalated purchases or procurement in the West, we will relatedly get that much more out of the total pie.

* (2050)

Mr. Rose: You are saying that previous to this commitment we were already getting a higher percentage than our per capita 2.7 percent of the Canadian population, and that will increase in the western provinces proportionately of \$600 million?

Mr. Albert Driedger: Mr. Chairman, first of all, I would like to indicate to the Member that we feel that we were not getting a fair share in the western provinces in terms of total procurement. I think there has been ongoing dialogue with the previous administration as well in terms of trying to get a bigger percentage of the pie. We feel what has happened now is it is a start in the right direction. We still have a long ways to go, in our minds, to be able to get a fair share of the total procurement of the federal Government. That is what we are working on. We feel encouraged by the fact that the federal Minister announced that there was going to be more money available for procurement in the western provinces.

In the meetings that have taken place, we are now looking at trying to make people in our province aware of what the opportunities are in terms of getting involved in the procurement, the federal purchasing arm of it, so that they can get maximum benefits out of it. We have a joint committee with the Chamber of Commerce to try and promote this aspect of it so that our industries and our companies know what it is all about, that they can have a chance at competing for some of these contracts.

Mr. Rose: Maybe it is that you are coming into Government where there are no initiatives at all along this line to encourage the use by other major users of Manitoba goods and services?

Mr. Albert Driedger: I am sorry. Could the Member maybe just clarify that a little bit more for me?

Mr. Rose: The section where you are working with the Chamber of Commerce, presumably, to increase the usage of Manitoba products and services by other large users in the province, in other words, making them aware of what is available in Manitoba, was there no initiative previous to your coming into Government on this sort of a program?

Mr. Albert Driedger: Yes, there was some initiative. What happened is that the federal Government was not necessarily that receptive to allowing competitive bidding from the western portion of the province. That is why there has been ongoing dialogue in that respect. In fact, the western Deputy Ministers are meeting next week to try and streamline and get some of the bugs out of the system even more so. We are encouraged by the fact that it is starting to move in the right direction.

Mr. Rose: If we could, for a minute, go back to 800 Portage Avenue, and you talk about a saving of \$1 million to \$3 million over the life of the building. What is your estimated life of that building?

Mr. Albert Driedger: First of all, the \$1 million to \$3 million saving is estimated to be within a 10-year period.

Mr. Rose: That is the effective life?

Mr. Albert Driedger: No, no. I would expect the effective life would be a lot longer. We just projected

the saving based on approximately 10 years. If I could add to that, the reason why they use a 10-year period in terms of saying that we could possibly save between \$1 million or \$3 million is because that was based against the 10-year lease period. That was why the comparison was there.

Mr. Rose: Your statement here at the bottom of page 8, "In addition, the branch will be evaluating the long . . . requirements for the Fort Osborne complex," is that to do just with renovations and retrofitting of the building, or are there any additions anticipated on the Fort Osborne complex?

Mr. Albert Driedger: I would like to indicate to the Member that first of all the Fort Osborne property is, I think, one of the most valuable properties we have in terms of value wise. We feel it is probably one of the most underutilized properties that we have. What we are looking at, at this stage of the game, is to see whether there is a possibility in terms of going for a proposal development on that project, keeping in mind that there are historical buildings there. We are working with the possibility of trying to get some kind of a development going on it, keeping in mind, as indicated, the aspects of some of the buildings that I think our historical group is very concerned about. I would like to indicate that hopefully I could make an announcement on that within the next few weeks.

Mr. Rose: On the Emergency Measures Organization, for my benefit, do you think you could briefly tell me what the set-up of it is, the number of people employed, what their mandate is and what they are prepared to do? It does not have to be outlined but just something that I can have . . .

Mr. Albert Driedger: Mr. Chairman, we have 13.25 SYs—13.26—13.25 SYs, which is the same as it was in the past. Basically, their mission is the planning, advising, assisting and coordinating, and training, educating, coordinating, advise and assist municipalities in emergency operations, coordinate provincial emergency response. It has been working extremely well.

I am just looking at some of the more major programs that were involved in '86. For example, I will give the Member some indication as to the kind of things that they have been involved in, which is basically the Peguis Indian Reserve flooding. That was in April of '86. The R.M. of Portage La Prairie was flooding as well. Then we have West Lake and Dauphin flooding, a severe windstorm in Somerset. We even had a lost person in the Fort Alexander Reserve and a hydrous ammonia incident in Balduf. These are just some of the things that the Emergency Measures Organization people are doing, plus the big thing of course is working together with municipalities in terms of a preparedness program. That is being very well received at the present time.

Mr. Rose: At some later date, I would like to go into more detail on that, but I will take that as it comes along.

In the design and construction under the Barrier Free Access for renovations, it would appear to me that at

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least the previous administration, from some of the barrier-free-access things that I have seen, was getting the wrong type of advice and consultation as to the proper facilities. I think a good example of that is the handicap ramp leading into the Legislature here on the west side. Have you made any changes in the way you get advice on these various ones that you are putting in here, and do you deal directly with groups such as wheelchair people and the blind to sort of get input before the design is completed and work has commenced?

Mr. Albert Driedger: First of all, I would like to indicate that we work very closely with the handicapped people in terms of discussing their priorities, in terms of very free access. It is an ongoing program that has been initiated for awhile and, as money becomes available, we are trying to set priorities together with the physically handicapped in terms of trying to get the Government buildings gradually to the point where we have very free access for the physically handicapped.

There are certainly some areas where it is a crying need where people need certain services and they cannot get into Government buildings. It is an ongoing program. I will try and be more specific. I think a study was done to indicate that, and this was done by Iko Partnership and was completed on February 20 of the last year. So we have a bit of a program and outline in terms of what direction we are taking with that. I am told that since that report has come out, meetings have been set up and staff will be going through that with the Decade of the Physically Handicapped in terms of responding to that, so that the program can be developed.

* (2100)

Mr. Rose: Who is that who you were meeting with again?

Mr. Albert Driedger: Okay. I am told that the people from Community Services are the ones who are coordinating setting up the meetings with the physically handicapped people, as well as our staffpeople in terms of analyzing the report and developing a strategy program from there.

Mr. Rose: What I am getting at is that, and I am sure you will agree, no sooner had we put this facility in here than we had legitimate complaints from the handicapped community that it was not adequate and, as a matter of fact, created some hazards which people would not even want to use.

It seems to me, Mr. Chairman, that in a lot of our developments in regard to access, we are virtually ignoring the needs of the blind. Indeed some of the things that we do to give access to other groups actually creates barriers to the blind. I refer specifically to our ramps on our curbs, where we eliminate the curb so completely that there is not a place for the blind to bring their cane up against to warn them that they are approaching a curb. How much consultation have you had or do you plan on having on this sort of thing with the blind community?

Mr. Albert Driedger: First of all I would like to—the Member is a little critical, indicating there were some concerns about the access to the Legislative Building here. I had the occasion to be part of the opening ceremonies when it was completed and we did have a lot of compliments on it.

I have had further discussion though with the physically handicapped, as well as with some of the blind people who have expressed concern about trying to work the access, to have Braille in terms of elevators, etc. These things are very complex. I do not know where you ever hit the perfect situation.

The Member is indicating for the physically handicapped with wheelchairs we take away the curbs, and for the blind people they need the curbs to find out where they are walking, so it makes it difficult to find a happy medium. I think what is important is that we meet with them, discuss with them and try within reason to come up with something that is acceptable and will serve the needs of these people.

I am told that at the present time, when we build, we build according to the building code requirements, but then we have a committee set up where we will be looking and consulting with groups to find out what more should be done above the building code, as is required now, to try and address some of these needs.

Mr. Rose: I think that concludes the general questions that I have on this paper. I mentioned before the development on Assiniboine here whereas I have no specific questions. I wonder if my colleague from Fort Rouge (Mr. Carr) could address a couple of questions in regard to that development.

Mr. Plohman: I just wanted to find out where we are going on the Estimates now. Was the intention to go line by line from here on in? If that was the case, I think we should get started on that. The Member for Fort Rouge (Mr. Carr) wanted to go into some of the other areas that were discussed in a general nature and, if that is what the committee wishes to do, that is fine. Otherwise, I am prepared to start on 8.(1)(b).

Mr. James Carr (Fort Rouge): I would like to ask the Minister some specific questions on the Assiniboine Avenue situation. I will take your instructions as to when the most appropriate time would be.

Mr. Albert Driedger: Right now is fine.

Mr. Carr: Right now is fine? Okay.

Mr. Chairman, the Minister in late July issued a press release that announced the closure of Assiniboine Avenue to vehicular traffic. I would like to ask the Minister what the purpose of that closure was?

Mr. Albert Driedger: I would be pleased to indicate on the record what the purpose was. That question has been asked many times, including by the Member.

The purpose of the closing of Assiniboine Avenue was done in consultation with the people from the city to try and establish the traffic patterns if we closed

the street. The purpose of trying to get that kind of information was that we were looking at a long-term development plan for the development of the Louis Riel Park which is to the south of us here. With the street the way it is at the present time, it seems almost as if that park is not being fully utilized, and we would like to sort of integrate that into the total legislative yard to some degree.

Before we could even think of anything of that nature, it was felt that we should try and gather some information and see what the impact would be on traffic, first of all, by closing it. The next stage—we since that time have opened it because a lot of concern was expressed and there was some concern and some problems that the people, the residents and the business community on Assiniboine Avenue were quite disturbed there for awhile when we closed this street. They felt it had an impact on their business. They also felt concern about the safety aspect, in terms of being serviced by fire trucks, by ambulances. The response time would be limited, take longer by the closing of that. Subsequent to the point where we took and opened the street from west to east as a one-way, we have had virtually no complaints. In fact I understand, Mr. Chairman, that some of the residents to the east of us here are talking about maybe setting up a petition to come and ask us to close it totally again. They certainly enjoyed the fact that there was not the through traffic through their residential area.

What has happened, at the present time we are still having it open going from west to east and we will monitor it. The agreement between our staff and the City of Winnipeg—incidentally there was excellent cooperation in most of the cases, except for one little misunderstanding, I suppose, where there was a little bit of a lag in communications when a street was closed and the monitoring was not done on Osborne at that time. We could have saved two days of agony for a lot of people when the traffic backed up for about 10 minutes on the other side of Osborne Bridge, but that was one of those things that happened.

Even now with having it the one-way the other way there are some problems at Kennedy where people, the way it is set up right now, have to make a U-turn there. What the intention will be is that once we have the information that we will then be able to maybe develop a proposal in terms of how we can maximize the use of the Louis Riel Park. At that time, as I have indicated before, we will be coming forward consulting with Members of the Legislature as well as the members involved, the residents involved, the business community involved and have a look and see what can be done with it.

Mr. Carr: The Minister made reference to consultation with city officials before the street was closed in late July. Were city politicians consulted and were residents and shopkeepers consulted before the street was closed? Those are the people who were most directly affected by it.

Mr. Albert Driedger: I would have to indicate that I had a half-hour interview today by the press specifically about these things where certain comments were made

indicating they were trying to find out whether we were doing that for parking purposes, or whether we were trying to do that to remove some of the prostitution problems around here. I indicated to them that was not the case at all. If we had wanted to address the prostitution problem, we could have hired extra security and removed it in that respect. If we wanted to provide parking space, we could have easily taken and developed some kind of—there is some parking scheme we could have taken and used half the park, put cement in there and used it for parking if we wanted. The idea is still that we are going to try and develop that.

* (2110)

Yes, Mr. Chairman, I want to indicate to the Member that staff consulted with the City of Winnipeg people. I do not know, I do not believe that the politicians were not necessarily consulted because it is not a permanent thing. It was basically an information-gathering process that we went through and, for that same reason, the business community and the residents in the area were not necessarily consulted at that time because we still did not have a proposal. But they came to see me very fast after that, so we had discussion after that, and I gave the commitment that we would be consulting with them once we came forward with a total proposal.

I am told that our staff informed myself and the seniors in terms of what was happening. They had assumed that the staff on the city that they consulted with would have been reporting to their responsible superiors in that regard, and I do not know whether that happened or not.

Mr. Carr: The Minister has told us that the purpose of closing the street was to assess the impact on the traffic flows. What was the impact on traffic flows?

Mr. Albert Driedger: I do not have the detailed information on that because we are not completed with the program yet. We felt it was only proper that we would have the traffic going as a one-way from Osborne to Kennedy as long as we had it going the other way. Once we have that information, I have no difficulty making it available because I think it is going to play a very intricate part in terms of what we propose to do with it. I can assure the Member, as I have in the past, that the city will be consulted and the residents will be consulted as well as the business community once we get to the stage where we can come forward with some kind of proposal.

Mr. Carr: I appreciate the fact that the Minister has realized that it is appropriate that shopkeepers and residents be consulted, because it affects not only their livelihood, but their very lives.

As the Minister knows full well, the movement of street life three blocks east from the Louis Riel Park area to the residential area itself had a profound effect on the lives of people. They have found that at two o'clock in the morning, at three in the morning, at four in the morning, there was tremendous disruption. The reason I asked the question about traffic flows is because we know that in the case of an emergency,

vehicles come from Osborne Street, cross the bridge and, instead of taking the right turn on Assiniboine, we are forced to go to Broadway, to wait at the light, turn right on Broadway, and then to turn right again on one of the side streets to get to the corner of Assiniboine. That meant a two- or a three- or a four-minute increase in response time of emergency vehicles. As the Minister knows full well, those three or four minutes in life-threatening situations can be the difference between a tragedy and something which is not a tragedy.

So when I asked the Minister what the actual effect on traffic flows was, it is not a superficial question. It is an important question, particularly to the people who live there. Will those results be made available so that when the Minister does call the people together to discuss the implications of street closure, all of the information will be made available to them?

Mr. Albert Driedger: I want to indicate most certainly that information will be made available as to the impact on traffic. As the Member well knows, at the time when we did the closing there was some disruption. The people most certainly came and rightfully expressed their concern, and we indicated to them we would try to address this as soon as we could in terms of when we thought we had the information, did the reverse and made provision, especially in the aspect of safety when we talk of fire call response or emergency calls, that the stations are set on the other side of the bridge, this was the easy access to it. We have accommodated that, as well as the business concerns whereby those businesses that claimed that they had suffered some inconvenience because of this. I was very frank and honest with them and indicated that. I apologized, because most certainly the intention was never for any business to suffer any losses because of what we had done.

Hopefully, that portion of it—you know, an apology does not feed anybody, I realize that—but we have addressed that portion of the concern and we will, once we have the basic information-seeking process finished, I have no qualms about bringing that information forward to try and assess. I have no intention of trying to create problems. I have learned from my experience, too. We will consult, first of all, with the Members in this House and then with the members out there.

Mr. Carr: Perhaps if the Minister would have consulted the residents before this street was closed rather than after the street was closed, and if he would have consulted with shop owners before rather than after, he could have anticipated some of the problems that flowed.

I have only one final question, Mr. Chairman. What is the Minister's own preference for the long-term development of Assiniboine Avenue?

Mr. Albert Driedger: I would like to see the Legislative grounds and Louis Riel Park become part of the whole Legislative Building complex so that we could have, if there is further development along the riverbank, where we could possibly envision a dock built, that as the

boats come down they can take and dock there and people can make total use of the beautiful site that we have here. I would also envision in my mind for wintertime when we have skating on the river itself that people could feel free and comfortable and safe in terms of utilizing the building space that we have or the yards, the whole yard that we have here as the Legislative grounds, that people would feel comfortable using it. That is what I would envision in the long term for the grounds here.

Mr. Chairman: Can we move to a line-by-line consideration of these Estimates? The Member for Osborne.

Mr. Reg Alcock (Osborne): If that is a question, Mr. Chairman, the answer is no.

Mr. Chairman: Yes, that was a question.

Mr. Alcock: Yes, I have a question or two. I wonder if the Minister could just help me understand the operation of the Legislative Building and who is responsible for them.

Mr. Albert Driedger: It is my impression that the responsibility of the operations of the building certainly comes under Government Services which is my department. The Speaker is responsible for his office, the Legislative Chamber and the two offices here, and the balance of the responsibility lies with the Minister of Government Services.

Mr. Alcock: So then it is the responsibility of the Minister of Government Services to, say, allocate space in the building?

Mr. Albert Driedger: Yes, it is.

Mr. Alcock: And are there sufficient spaces in the building for all Members to have offices?

Mr. Albert Driedger: I believe that can possibly be arranged. Possibly, without trying to be coy about it, I think I realize what the Member is indicating. I would like to indicate to him that we have been trying to actively pursue the proper accommodations for all the MLAs so that they all have reasonable offices to operate out of.

Mr. Alcock: I wonder if the Minister has something else to add to that. I am sorry, I saw you consulting.

Well, given that this matter was first raised three-and-a-half months ago, I am wondering how long it takes to make a decision on an item like this.

Mr. Albert Driedger: I suppose I have to apologize that it has not moved faster, but numbers changed as well in the meantime and so that is a little bit more confusion again. So I would like to just indicate again that, together with my House Leader (Mr. McCrae), we have been looking at various options and we are going to be trying to accommodate. I myself have indicated to the Member that I would want to meet with him and

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somehow, you know, I take as much responsibility as anybody else in terms of not having accomplished that.

I had hoped to come forward with various proposals. Even in the last few days, we have been spending quite a bit of time on it. It is a matter of trying to make sure that everybody gets accommodated properly. I know this is small comfort but I always feel that the Members could get offices where they could get a certain amount of privacy. I can recall when I got elected in 1977 that all the backbenchers, with the exception of two or three, operated out of the caucus room. So we made a lot of progress but that, suffice to say, is not—I think the request is reasonable, and I can indicate to the Member that even as late as two to three hours ago I was consulting with my Deputy to see if there was some way we could resolve that issue.

* (2120)

Mr. Alcock: When may we anticipate an answer to that?

Mr. Albert Driedger: I would like to indicate to the Member that by next week sometime hopefully I can have this issue resolved. The reason I say next week, I am attending a Ministers' conference in Halifax on Wednesday afternoon and I would not be back in time to resolve it. I can indicate to the Member that I will be talking with him tomorrow. If we can resolve it tomorrow, then fine. If not, then I will give the undertaking that I will try to resolve this problem. It has been as much of a nagging problem for myself as it has been a concern for the Member.

Mr. Alcock: I appreciate that the Minister has given such an undertaking but I am afraid that I would like to simply say that is not satisfactory. This has been going on since late May. I have raised this question over and over and over again and there has been no resolution to it. Can the Minister tell me, how many Members of the Conservative caucus do not have private offices?

Mr. Albert Driedger: It is my belief that every one of the Conservative Members have a private office.

Mr. Alcock: How many of the NDP Members have private offices?

Mr. Albert Driedger: I believe that they also all have private offices.

Mr. Alcock: Now -(Interjection)-

Mr. Chairman: Excuse me, the Member for Osborne.

Mr. Alcock: I can inform the Minister that we have three MLAs sitting in anterooms and sharing office space. I am glad you find it funny. I do not find it funny at all.

An Honourable Member: I did not. I was just laughing. He called me a funny-looking guy.

Some Honourable Members: Oh, oh!

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

Mr. Alcock: It is not one bit funny.

Some Honourable Members: Oh, oh!

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

Mr. Alcock: One gets a little tired of this.

Mr. Albert Driedger: I believe, Mr. Chairman, the Member asked how many of the Liberal people did not have private offices and I understand, when they went to inspect two days ago, that there are some who are sharing offices and sometimes an open area involved. There was some discussion about the possibility of erecting walls. We have estimates on that and, rather than proceed with that at this stage of the game, we were looking to see whether there were some alternate arrangements that could be made instead of doing the renovations there.

That is what has been part of the problem in the last little while, as to exactly how we accommodate that. I do not know what other assurance I can really give the Member. I am not trying to evade the problem. I realize it is a problem and I am going to try and deal with it.

Mr. Alcock: If the Minister is unable to resolve this problem, where does one go after that?

Mr. Albert Driedger: I have confidence that I can resolve it.

Mr. Alcock: By tomorrow?

An Honourable Member: Just put Harbottle on it, and you will have it done tomorrow.

Mr. Alcock: No, that was a month ago.

Mr. Albert Driedger: I do not want to make the commitment to the Member that I will have it resolved by tomorrow. If I do not, then I would feel in an awkward position. I can indicate to the Member that I will dialogue with him tomorrow to the extent that he will understand my problem, and that hopefully I can resolve that to his satisfaction and his caucus' satisfaction.

Mr. Chairman: Can we move to a line-by-line consideration of the Estimates?

No. 1. Administration, (b) Executive Support: (1) Salaries \$158,700.00. Shall the item pass?

Mr. Plohman: I wanted to ask—

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

Mr. Plohman: —the Minister if he could identify the four positions that have been reduced here from the previous year, 7.26 staff to 3.26. There are four vacant positions and are no longer required, it says in the note in Supplementary Estimates. Which four are those? Have they been removed? They are not vacant any

longer if they are not in there. They have been deleted, or have they not?

Mr. Albert Driedger: Those positions have been deleted.

I would like to indicate that because of the amalgamation of the two departments, the position of executive assistant to the Minister, a special assistant to the Minister, administrative secretary to the Minister and administrative secretary. I might also add that I would not mind really getting some of that staff back a little bit. Those are the four positions that basically have been deleted.

Mr. Plozman: That is the only question I have there on that particular matter.

Mr. Chairman: Item 1.(b)(1) Salaries—pass; item 1.(b)(2)—pass; item 1.(c), Management Support (1) Salaries \$261,900—pass; 1.(c)(2) Other expenditures \$18,000—pass; (d) Finance and Budgets (1) Salaries \$674,000.00. Shall the item pass?

Mr. Plozman: The notes indicate \$45,000 payment vouchers of 99.5 percent accuracy was an acceptable turnaround time. Could the Minister indicate what that time is and how has it changed in the last couple of years?

Mr. Albert Driedger: I am told that the turnaround time has been brought down from 43 days to 35 days.

Mr. Plozman: Since May 9? Thank you very much. That is a very good trend. Is that just this last year that we are talking about?

Mr. Albert Driedger: The last quarters, the last two quarters.

Mr. Plozman: The last two quarters, I see, good.

I wanted to ask the Minister about the internal audits. I imagine that is in this section. Have all the branches been subject to Internal Audits since this was implemented, I believe, in 1982 or so? This program now, from six years—I would imagine that every branch has been subjected to an Internal Audit program, and maybe a number of them have been repeated. I would just like to ask the Minister what areas have been focused on in the last couple of years, and have they all been subjected to an Internal Audit at least once over the time?

* (2130)

Mr. Albert Driedger: I believe this is an ongoing process, and I would like to indicate that in '87-88—would the Member want me to read the ones that have been done there, and the ones that are being proposed for '88-89?

Mr. Plozman: I was more interested in those that have not had Internal Audit at all since the inception of this program. If there is none, that is fine. Then what are the major focuses for this coming year?

Mr. Albert Driedger: Mr. Chairman, I am trying to get that information here. I am told that there are some aspects of the department that have not had an Internal Audit done. We have slated various ones. I would like to indicate that Management Support has not been done; Finance and Budgets have not been done; Grounds has not been done; Technical and Energy has not been done; and Physical Plant Administration, Employee Housing. I am told that we basically the department has focused on those departments that are more complex and the simpler ones have been left for the last. I suppose we will be getting around to catching up with them. There is a proposed plan here that sort of addresses that.

Mr. Plozman: Just on that, Mr. Chairman, is the Management Support, Finance and Budget, Technical and Energy, Physical Plant, Employee Housing, and the others that were mentioned that have not been done, are they on the plan for the coming year?

Mr. Albert Driedger: Okay. There are five that are slated for this year plus follow-ups on some of the ones that were done last year, which included EMO and District 4. So there is some follow-up on those and then we have the five that are slated, six actually that are slated, within this year, going into next year.

I understand, that there are two special projects Direct Purchase Orders Review and the Fraud Policy Review as well.

Mr. Plozman: What policy?

Mr. Albert Driedger: Fraud policy.

Mr. Plozman: Frog?

Mr. Albert Driedger: Fraud, fraud, f-r-a-u-d.

Mr. Plozman: Mr. Chairman, just one brief question, I want to ask the Minister whether he can report on some recommendations that have come out of recent audit procedures that have taken place that would be of a significant nature. Perhaps the Minister could get that information for the next time, and we could move along. That would be fine with me.

Mr. Albert Driedger: I thank the Member for that. What I will do, I will get that in written form for him and present it to him, if that is acceptable.

Mr. Plozman: Sure.

Mr. Chairman: Item 1.(d)(1) Salaries—pass; 1.(d)(2) Other Expenditures, \$108,500—pass; 1.(e)(1) Human Resource Services, Salaries, \$479,500.00.

Mr. Plozman: Yes, I just want to ask the Minister if there is any vacancy rate target that has been set for the department? What is the vacancy rate at the present time, the percentage vacancy?

Mr. Albert Driedger: The target has been set for 5 percent, and I believe we are at 4.9 percent at the present time.

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Mr. Plohman: Is that about average for the last number of years, or is that a higher vacancy than normal?

Mr. Albert Driedger: I am told that this has varied from 3 percent to 4 percent to as high as 7 percent, so I do not know whether we have necessarily a norm in there. The target that was indicated for my department, Government Services, was 5 percent and we are just about right there at 4.9 percent.

Mr. Plohman: Does this represent a problem in any areas? Is it a blanket percentage or are some branches exempt from that vacancy rate?

Mr. Albert Driedger: The power engineers are exempt from this, and we will be trying to get further exemptions from Treasury. We will be making a presentation to them because of the certain aspects, with the maintenance, security and these kind of things. That application will be going forward shortly to see whether we can get an exemption in that regard from the vacancy rate.

Mr. Plohman: With regard to the Affirmative Action Program, a lot has been said about it in the Legislature in questions about affirmative action, allegations that it was not very successful. I would like to ask the Minister whether—I notice that there are target groups, there are probably target numbers—whether the department has met the targets, what those targets are, and how are they meeting those targets at the present time?

Mr. Albert Driedger: To the Member, under the Affirmative Action Program, the targets: females to underrepresented vocation classification, we have a target of three; for Natives, we have a target of three; for the physically disabled, we have a target of three; and visible minorities, we have a target of three.

I understand that last year all the targets were met except one, I believe. The physically disabled one was not met. This year we have exceeded it.

Mr. Plohman: Mr. Chairman, there are long-term targets as well. Are they still in place as to where we would like to be over a 10-year period, I would imagine? I cannot recall exactly, and I want to know if those have been changed in any way, if there is a long-term target, and how are we proceeding with regard to meeting that target?

Mr. Albert Driedger: Mr. Chairman, my understanding is that there is a long-term target and that, by and large, we are reaching those targets. My understanding is that there is a 20-year program and that this has been discussed and is registered with the MGEA and the Civil Service Commission. We are basically on target in terms of what our objective is with the targets as indicated here.

Mr. Plohman: Just to get a little more specific, what year are we in on the 20-year program, and we are moving from what percentage of affirmative action groups employed at the beginning of that period to what percentage at the end?

Mr. Albert Driedger: My understanding is this is year two or three. We are in the early stages of year three in terms of the 20-year program, and the staff is looking at possibly revising the figures even higher than has been projected in the 20-year program. We feel that within this department, at least, we are accomplishing and reaching the objectives that have been set out. So I want to compliment staff for that.

Mr. Plohman: That still does not give us what those targets are. How significant will they be where we are moving from a very small percentage of, say, Natives or disabled people? What was the percentage and where do we want to end up?

* (2140)

Mr. Albert Driedger: It is my understanding that the 20-year objective is to have female representation at 50 percent, that the Native percentage objective is 7 percent, the physically disabled percentage is 5 percent and the visible minorities is at 7 percent. That is the long-range objective of which the Member is probably just as aware as I am. He probably helped set them up.

Mr. Plohman: I cannot recall what those figures were. I am not asking to confuse the Minister in any way. I am asking because I think that those figures are important, particularly in light of the fact that there has been some attack on the program as not being effective. I felt—and I was Minister in this department—and others that it was effective, that we were moving in the right direction, however, maybe not as fast as we should in some people's eyes.

I wanted to ask the Minister one more question in this area, dealing with the workplace accidents and injuries, what the experience has been or the trend is at the present time with regard to the number of accidents and injuries in the workplace in Government Services.

Mr. Albert Driedger: It is my understanding that departments have been working very extensively to try and reduce the accident rate and we have, through this kind of a program, seen marked decreases in accidents. I am just looking at some of the figures here now. I am told that 344 accident claims were processed last year, of which 48 of them accounted for 819 lost work days.

Mr. Plohman: Just the trend is what I wanted to know—we are moving up or down?

Mr. Albert Driedger: I am told that it is improving reasonably well, satisfactorily, based on the efforts that are made in terms of being safety conscious.

Mr. Plohman: The reason I asked that question, of course, is that there are references to the programs that are in place to develop and ensure a safer work environment. I just wanted to know how successful we have been in doing that. You are indicating that we are meeting our expectations in that regard, I would guess.

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Mr. Albert Driedger: I would like to indicate that I certainly have not changed anything in terms of the program that was in place. Obviously, it is a very satisfactory program. I intend to try and encourage it as much as possible. If it is working well, do not fix it.

Mr. Rose: I have one question in here. The Suggestion Work Program, I would imagine that this is a new program brought about by this Government. Could you give us some details of what that program is?

Mr. Albert Driedger: The Member asked a question where actually I am not quite ready to give a full answer yet. We are working on a program that will be presented to Cabinet to make a decision on. I have had an initial look at it and I am excited about it. I think it is a worthwhile program and, hopefully, we will get approval on it. I will indicate to the Member that as soon we have approval, I will let him know exactly the details of the incentive program.

Mr. Rose: I would appreciate that very much, Mr. Minister. My first part of the question, was this a program that was initiated or developed by the present administration, by the present Government?

Mr. Albert Driedger: No. I would like to take credit for all the good things that happened but, unfortunately, I think this one was started somewhere in 1986. We are going to get it cracking now, you see.

Mr. Rose: That is the first good thing. If I had known that, I would not have asked the question. Thank you.

Mr. Chairman: Item 1.(e)(1) Salaries—pass; 1.(e)(2) Other Expenditures \$77,400—pass; item 1.(f) Systems (1) Salaries \$261,200—pass.

Item 1.(f)(2) Other Expenditures \$65,400, shall the item pass? The Member for Dauphin.

Mr. Plohman: Mr. Chairman, to the Minister, could he indicate, have most of the areas been automated? What areas are being targeted this year for automation completed and new areas this year?

Mr. Albert Driedger: The Plan Systems Development Projects are development of an antiquated information system for the Administration Division, completion of a requirement study of the Fleet Vehicle Branch, completion of a requirement study for the Telecommunications Branch, implementation of the recommended computer hardware and software for the Land Acquisition Branch, completion of requirements study and implementation of a computer hardware and software for the Project Management Branch.

In addition to these development projects, systems will continue to provide analysis and computer programming services for the ongoing maintenance and enhancement of operational computer systems.

Mr. Plohman: Those are all very important areas. The Fleet Vehicle Branch, of course, has been under this system for perhaps five years already. What is happening there? Is there being an evaluation being done on that program, Mr. Minister?

Mr. Albert Driedger: Staff tells me that we are just reviewing. I think it was done five years ago, and we are just reviewing whether we should do it again.

Mr. Plohman: I am sorry, Mr. Chairman, I was not clear on the Minister's answer. In terms of doing it again, does he mean upgrading the system or changing it?

Mr. Albert Driedger: Upgrading the system.

Mr. Plohman: I see, thank you.

Mr. Chairman: Shall the item pass—pass.

Mr. Albert Driedger: Mr. Chairman, I have to apologize. I had the Supplementary Estimates here and, because of the rush today, I gave them to the two critics but I had not given them to the rest of the Members. So if any of the other Members want the Supplementary Estimates, feel free. Maybe we can circulate them to the Members here and we will try and do the proper tabling in the House tomorrow as well.

Mr. Chairman: Moving to item 2. Property Management: Provides operational, maintenance and security services for all Government departments and agencies occupying space in Government-owned or leased buildings as well as employee housing units. Provides for a comprehensive Energy Management Program in all Government buildings. (a) Executive Administration: (1) Salaries, \$345,700—pass; item 2.(a)(2) Other Expenditures, \$92,900—pass.

2.(b) Physical Plant: No. (1) Salaries, \$17,423,300.00. Shall the item pass? The Member for Dauphin (Mr. Plohman).

* (2150)

Mr. Plohman: I wanted to ask the Minister a few questions in this area. First of all, dealing with the maintenance of Government buildings, I would like to get a report from his staff as to whether we are keeping up with the preventative maintenance that is necessary to avoid long-term major expenditures. Are we falling behind with the current allocation of dollars in this area or are we meeting the ideal situation?

Mr. Albert Driedger: I think staff could always use more money. It is an ongoing thing, but I think the preventative maintenance staff is doing a pretty darn good job. There are situations, I suppose, where we would like to move a little faster in some of these things, but most certainly the efforts are there, and I think they are doing a pretty good job.

Mr. Plohman: I am aware that there were times when items were cut in this area in the past because it was an easy area to target. You could not necessarily see the results or the impact of that. I felt, as the Minister, that we were falling behind a bit on it, and I wanted to know whether the Minister concurs with that or whether he has made any special effort or has been advised of that by his staff?

Mr. Albert Driedger: I would like to indicate to the Member that he is right, as he indicated, that you fall

behind maybe to some degree. It is my understanding that approximately \$900,000 was moved from Capital last year into the Maintenance aspect of it to try and cover some of those concerns. So SNAP was using that approach to try and bring the maintenance up to a higher level on that scale.

Mr. Plohman: Well, it is an area that needs to be looked at, Mr. Minister, because there are a lot of Government-owned buildings that need constant maintenance, as the Minister knows, and if they are not carried out, can lead to much more costly repairs later on, such as a leaky roof and so on. I would urge the Minister to carefully look at this area and consider doing whatever he can to ensure that there is sufficient expenditures there to avoid longer-term major costs.

I wanted to ask, as well, does this involve the contracting out, the experiment that he talks about, to get a comparative analysis of whether the Government Services Department is as efficient as they believe they are, I believe the Minister said, as compared to a private sector. Exactly what would be involved in the contracting out of the maintenance? Is he just talking about the cleaning and so on of these, as opposed to using civil servants, which is a reversal of where we moved a number of years ago, where we actually discontinued a number of contracted services and added civil servants for cleaning and security? Is that a move in the opposite direction or does it involve more than that? Does it involve actually looking after the building as if it was their own building, whatever maintenance is required?

Mr. Albert Driedger: Mr. Chairman, it is my understanding that the intent would be on an experimental basis to have them do not just the cleaning but the total maintenance of the building. As I indicated, it is a trial project and that would involve sort of a building management-type of concept, not just the cleaning but the total management of the building.

Mr. Plohman: I would caution the Minister to ensure that this analysis is done over sufficient number of years so that, as the Minister well knows, a contractor could give very low prices initially to get his foot in the door and to demonstrate that he is much more efficient and then escalate later on those contract costs. So I would ask the Minister how long a period this analysis will take place?

Mr. Albert Driedger: Mr. Chairman, we are still in the discussion stage about this and this is why Mr. Ursel is in Alberta right now trying to get information as to the exact process which is apparently being used out there. Once he comes back with the information, we will be looking then to see how we can apply that on a trial basis. I respect the comments the Member is making that we should walk before we run type of thing, and I would expect that we would have to look at it over a period of two years before we could probably do a proper assessment on that and a comparison. That is what the plans are apparently.

Mr. Plohman: I think that it is important that the Minister also ensures that there is a fair comparison

in terms of the initiatives that have been taken by the department. I note the references to selective cleaning, day cleaning, split staff years and so on. Some of these things have made a significant reduction, including changes in security where there are mobile security efforts that are being made to cover a number of buildings, more new technology and so on that has resulted in reduced costs, I believe, and yet just as good a service. Those are rather innovative and I think should be recognized before comparisons are made, not on the most costly side of the department's operations but on some of its more efficient and new innovations to reduce cost.

Mr. Albert Driedger: In order to make this trial work properly, we will come back to that, we will be picking a building I think where it can be reasonably demonstrated, the pros and cons. I assume, depending on the type of the building you pick, you could run to complex ways of comparing it. I think we want to do it with something that is relatively simple so that we have a good understanding of what is going with it, so there are no gray areas in it when we do make a decision.

Mr. Plohman: Yes, Mr. Chairman, it would have to be a rather typical building, I guess, as opposed to a new building which would not have those costs. I was just going to ask about 800 Portage in Milner Ridge, whether there is any contracting out of services there, or whether this is all going to be done by staff.

Mr. Albert Driedger: I would like to indicate to the Member that those two projects certainly are not the ones that would be chosen for this kind of a project. We have enough staff, I understand, to do the maintenance. The intention is, wherever this project takes place, that we will take and try and transfer staff to whatever other buildings we have to try to make sure that nobody loses a job while this is going on. I think there is room for this kind of accommodation and we will certainly try and make sure that we do not create any hardship on any of the individuals affected.

Mr. Plohman: Just a last comment on that, I think it is important that analysis be done over, as the Minister said, a couple of years period at least and a comparison made to a number of years previous in terms of cost and innovations that have been put in place. I think that is the way—I would ask the Minister, is that the way the comparison will be done on the basis of an average operating cost over the number of years previous to this experiment taking place, or is there going to be some formula used to try to determine whether it is more efficient to do it that way than with the Government doing it.

Mr. Albert Driedger: I am told that we are going to be using previous data that we have on the building as part of the project.

* (2200)

Mr. Plohman: Mr. Chairman, we are almost getting close to ten o'clock, but I would like to finish with a

couple of questions here if we have an opportunity to do that. The vacancy rate—the Member for St. Vital (Mr. Rose) asked a question about the vacancy rate of Government property in terms of number of percentage of square footage that was vacant. It has been reduced a great deal in the last year from what was said earlier, from some 3.5 percent to just over 1 percent, which is highly unusual it seems. Can the Minister give some account of how this has come about? What caused that major reduction in vacant space?

Mr. Albert Driedger: I am told that the old Law Courts Building during the changes was considered a vacant building and that was 87,000 square feet. We can pass this if they are going to go another five minutes. We can continue, right? If there is no objection, we do not have to quit at ten o'clock . . .

The old Law Courts Building has made that improvement. That makes a big difference in there.

Mr. Plohman: Mr. Chairman, I wanted to also get some comments from the Minister on the no-smoking policy and its impact it will have on Government building operations, maintenance costs and so on. Will there be a reduction in costs because of that no-smoking policy, or will there be an increase to ensure that smoking areas are properly ventilated? What impact will there be?

Mr. Albert Driedger: Is the Member talking about this building or the policy—

Mr. Plohman: All Government buildings.

Mr. Albert Driedger: All Government buildings. I am told that there are going to be some savings through lack of cigarette burns, ventilation problems, etc., etc. So there are some benefits by the no-smoking policy. I have to indicate to the Member, I have great difficulty with some of my staff in my office, mainly myself, I guess.

Mr. Plohman: I think that is the other side to it in terms of lost productivity because people now who might have taken their coffee breaks right at their desk while they are having a cigarette now will ensure that they will go for their coffee break, so perhaps there will be some loss in productivity on that side of it. But I was wondering more from the point of view of the operations of the buildings and renovations.

Mr. Albert Driedger: I would just like to indicate that I will probably be asking the Members who managed to quit smoking, I will probably have to ask for some private courses as to how they accomplished that.

Mr. Plohman: It has been two and a half years now. One last question regarding the grant to the LGD of Churchill, some \$850,000, a reduction of \$150,000, does that reflect any changes there in efficiencies, moving to electric heat from the new transmission line, or is that just an estimate and not necessarily an accurate figure?

Mr. Albert Driedger: Mr. Chairman, to the Member, that is the conversion from oil to electric. The project

is tendered and under way, so that is what makes the difference. There is about a \$150,000 saving on that.

Mr. Plohman: We can expect that this figure will now be fairly level at \$850,000 for the next number of years or as long as the Government is involved in providing that grant, rather than a million or a million and one or whatever it used to be over the last number of years.

Mr. Albert Driedger: It is my understanding that should be the case unless hydro rates dramatically rise when it would impact it but, other than that, I would assume that saving is there for a long period of time.

Mr. Plohman: One last question, the Energy Management Program has cumulatively, according to the information, resulted in a cost avoidance of \$11 million since 1979-80. This last year, we see a cost avoidance of about 1 percent. It seems that is maybe somewhat low now. Are we reaching the saturation point as to where we can actually accomplish cost-effective savings in energy consumption through changes in operations of our buildings, or are there still significant targets that the department is desiring to meet in this area?

Mr. Albert Driedger: I am told, Mr. Chairman, that we have ongoing targets but for the future of the targets there is going to be a higher cost involved, capital costs involved in terms of the conversion aspect of it, right?

Mr. Plohman: So the cost-effectiveness is not going to be as great on those as it has been in the past? The payback might be over a five-year period or longer in many cases.

Mr. Albert Driedger: Yes, that is my understanding that the benefit is going to be not as dramatic on the projects that are targeted now.

Mr. Rose: I just have a couple of brief questions. In regard to—and it is pleasing to see the saving on the electrification going from oil to gas in Churchill. On the Energy Management Program, does that entail in any of our Government buildings in Manitoba further electrification of them? In other words, are there any of our buildings being converted to electricity other than the Churchill projects?

Mr. Albert Driedger: Mr. Chairman, to the Member, I understand that in some cases we have moved to propane which is cheaper. In the Churchill case, it was conversion from oil to electric. In other cases we have changed to gas, so it varies depending on where the situation is. The analysis of the technical people indicate which is the most economical project to use whether it is hydro, gas, etc.

Mr. Rose: In regard to the new building at 800 Portage, for instance, would there have been an economy there to use electric heat rather than probably a gas if you had it in there?

Mr. Albert Driedger: I am told that it is a heat pump so it is electricity that we are using there at 800 Portage, yes.

Mr. Rose: One last question here, would you be able to—and, if it is difficult to get right now, we can certainly get it in the future—could you tell me a percentage of the landscaping of plants that we buy in groundskeeping that is done by our own people and what is contracted by the outside?

Mr. Albert Driedger: I am told—and I had the privilege of going and seeing our hothouse here right now, which is supplying most of the plants for all our buildings. There are some plants that are being brought from outside operators but most of the work is done and the plants are being raised right here. It is quite something to see. They do a tremendous job.

Mr. Rose: Just an addition to that, Mr. Chairman, have studies been made to see if that is cost-effective and that we should not be privatizing? Is it cost-effective to have the greenhouse here? I agree with you they do a really fantastic job, especially you see in the drought here right now. Have studies been made to see if those services could be provided by private industry at lower cost with the same degree of efficiency?

Mr. Albert Driedger: I am led to understand that there has been some looking at it, but the staff who we use in the summertime are the ones that we use for grounds, snow clearing, etc., so it is actually working out well that way. In wintertime, they do the snow clearing and maintenance and then in the summertime they do the yard work so it is working out well that way.

Mr. Rose: Mr. Chairman, so there is an ancillary benefit besides that so it is not just a matter of cost.

In regard that this is a major tourist attraction, Winnipeg, and we should keep it in good shape, and that private landowners in the City of Winnipeg would contact the City of Winnipeg when their boulevards are not kept up to snuff, is there some responsibility here to keep jogging the memory of the City of Winnipeg to make sure that the boulevards in and around the legislative grounds could be kept in a lot better shape than they have in this current year?

* (2010)

Mr. Albert Driedger: We certainly will undertake to jog their memory. As far as the grounds are concerned, I think staff are doing a very good job. The grounds are looking well. As the Member indicated, tourism is a very strong part of it here and we like to have the grounds looking well and enjoy the compliments we get from tourists.

Mr. Chairman: Item 2.(b)(1) Salaries—the Member for St. Vital.

Mr. Rose: I agree with you that they do a fantastic job. I am just saying that if the city can do as well on the boulevard that your staff do on the grounds . . .

An Honourable Member: Hear, hear!

Mr. Speaker: Item 2.(b)(1), Salaries—pass; 2.(b)(2)—pass; 2.(b)(3)—pass.

The hour being 10:10 p.m., committee rise.

* (2000)

SUPPLY—AGRICULTURE

Mr. Chairman, Mark Minenko: Order, please. I call this section of the Committee of Supply to order to consider the Estimates of the Department of Agriculture. I recognize the Minister of Agriculture, with his opening remarks.

Hon. Glen Findlay (Minister of Agriculture): I would like to make a few opening remarks. Then I presume that the critic will make some opening remarks, and then we will have staff in.

Mr. Chairman, I am very pleased to have the opportunity to present to the Members of the Legislative Assembly the Department of Agriculture's Estimates for the period 1988-89. I am particularly pleased to present these Estimates because it gives me my first opportunity to discuss in some detail with the Members of this Assembly the province's plans to assist and support and promote the agriculture industry of this province, which I can say has been strong and viable for many years. It has been weakened a little bit by events of the last three or four years but it is still basically very strong and healthy.

The provincial Government is committed to working with farmers to build a stronger and more dynamic agriculture industry in this province. The agriculture programs of this administration will reflect our commitment to achieve a number of specific objectives, including the following:

- (1) to enhance and stabilize farm incomes by reducing economic risks for farmers;
- (2) to preserve family farms and enhance the viability of existing farm enterprises;
- (3) to provide an opportunity for farmers, including younger and beginning farmers, to enter agriculture and develop viable farming operations;
- (4) to maintain and expand production of agricultural commodities, particularly those which lend themselves to further processing in this Province of Manitoba;
- (5) to seek export markets and secure access to these markets for the high-quality commodities that we produce in Manitoba;
- (6) to conserve and improve Manitoba's soil resources and preserve the environment; and
- (7) because of the events of this year, to improve water supplies and do what we can to drought-proof this province for the future.

In viewing my existing programs and developing new ones, my colleagues and I intend to work cooperatively with the farmers and with all levels of Government, municipal and federal, the one above and the one below us.

The Department of Agriculture, in the current fiscal year, plans to expend some \$115 million on its programs

and services. This represents an increase of approximately \$29 million or 33.5 percent over the Adjusted Vote of '87-88, and some \$44 million or 62 percent over the amount actually expended in the fiscal year '87-88.

In preparing these expenditure Estimates, the department has maintained all the major programs dealing with agriculture production, marketing and extension. These are programs and services aimed at assisting farmers to enhance their productivity and marketings, to strengthen their financial management skills, and to conserve their soil resources.

In addition, important services will be extended to farm families and youth by the department's Home Economics and 4-H and Youth staff divisions. Accordingly, there will be no significant changes in expenditures in the current fiscal year, relative to the preceding one, with respect to Administration and Finance, Manitoba Crop Insurance, Agriculture Development and Marketing, Farm and Rural Development, Policy and Economics and federal-provincial agreements.

Members will note that expenditures on the drug and semen purchases will be \$7.9 million in the current fiscal year, an increase of some \$1.8 million over the previous year. These purchases are required to operate our Veterinary Drug and Semen Distribution Programs. In its support to agriculture research, the province will allocate \$875,000 to the University of Manitoba to conduct research in a number of fields, including crop and animal science, entomology, engineering, soil and water management, and ag economics.

In addition, \$100,000 will be directed to the University of Brandon to assist and establish a Rural Development Institute. This institute will carry out a broad range of studies in rural development issues.

The provincial Government is deeply concerned about the severe drought conditions which exist in many parts of Manitoba. To address this problem, the province, in conjunction with the federal Government, has initiated two major drought relief programs.

The Greenfeed Program has been established to provide an incentive for the production of greenfeed crops to be used to maintain Manitoba's livestock population and to assist in soil conservation. To support this initiative, the department has budgeted \$9 million, of which \$4.5 million will be recovered from the federal Government.

I am pleased to advise that at this point in time, we have about 5,800 producers who signed up, with a deadline of July 29, and applied for assistance under the program. The total registered acres is around 630,000 and the program is being administered by the Crop Insurance Corporation.

The Livestock Assistance Program has been set up to provide financial assistance to livestock producers to enable them to maintain their basic breeding herds despite these drought conditions. To finance this program, the provincial and federal Governments have each contributed \$8.5 million, for a total of \$17 million. Producers may apply for this program for its benefits

up to December 15 and this program is being administered by PFRA.

In addition to these initiatives, the province will provide an extra \$700,000 in capital grants to the Ag-Water Program to finance construction of community tank-loading facilities in agricultural area water pipelines in drought-stricken areas. The department will spend over \$11 million to fund its contribution to stabilization programs for beef, hogs, sugar beets and dry edible beans.

As Members are aware, Manitoba has participated in a national Tripartite Stabilization Plan for hogs and sugar beets. Our contribution to the hog plan for 1988-89 is \$4.8 million and the sugar beet plan is \$348,000.00. In May of this year, the province entered into the national Tripartite Plan for dry edible beans. The department has budgeted \$495,000, which will cover the provincial share of premiums for the 1987 crop and 80 percent of 1988 crop.

The department intends, as well, to extend approximately \$5.4 million of beef income stabilization. Since taking office earlier this year, the provincial Government has introduced a number of changes to the provincial Beef Stabilization Program. These include the removal of the mandatory central marketing requirement which will allow individual producers to market whatever way they choose with their animals and, secondly, the removal of the five-day pooling concept which will allow more prompt settlements for producers' cheques.

My view is that Manitoba producers would benefit by participating in a national Tripartite Stabilization Program for beef. Accordingly, the province is currently exploring the possibility of entering the national plan. We are examining a number of issues and problems pertaining to the national plan, including the need to reduce provincial stabilization of beef. The establishment of a level playingfield will be to the benefit of Manitoba producers.

It is my belief that we can no longer continue to hit one provincial treasury against another in trying to attract the beef business. We have to have stabilization on a level playing field in the beef industry the same as we have in the hog industry.

Members will note that expenditures of the Manitoba Agricultural Corporation will increase this fiscal year relative to the preceding year. Expenditures under the subappropriation "Special Farm Assistance" will be \$3.5 million. I would like to have Members note that in the previous two budgets \$6.5 million was allocated on this line and very little, if any, of that money was spent in either of the two fiscal years prior to this one.

Funds for Special Farm Assistance Programs are available through the Manitoba Mediation Board to work out settlements between farmers in financial difficulty and their lenders. An efficient working relationship is being developed between the Manitoba Beef Mediation Board and the federal Farm Debt Review Board. Some very skilled mediators have emerged over the past two years and, unfortunately, their services are going to be needed in the coming months.

* (2010)

The combined efforts between the two levels of Government in terms of dealing with these boards is designed to reduce the duplication and streamline the efficiency of the operation of getting the most money and doing the most good in terms of the mediation process.

The department will allocate \$12 million to reduce school taxes on farm land. As Members are aware, the province has introduced the Manitoba Education Tax Reduction Program for farmers, which replaces the former Special Farm School Assistance Program. This program supports the commitment of this administration to reduce and, if finances permit, totally eliminate school taxes from farm land some time in the future.

The new program will reduce school taxes payable on farm land by 25 percent and all owners of farm land, with the exception of financial institutions, will be entitled to receive program benefits. Benefits will be directly proportional to the school taxes payable on their farm land by individuals, husbands, wives and farming corporations. Crown land leases will also be eligible, and they will receive their 25 percent reduction of school taxes directly from the Crown Lands Branch.

In brief, these represent the highlights of this Department of Agriculture's proposed Estimates for the current year, 1988-89. I believe the department's programs and services will provide effective support to the farm community during these difficult economic times.

I look forward to discussing these Estimates with all Members in the House, but we always must keep in mind that the Department of Agriculture has been around for a long period of time. It has some very, very credible members in its department who are doing their very best as professionals to deliver the service to our farm community in a way that meets the needs of the farm community. Thank you.

Mr. Laurie Evans (Fort Garry): First of all, I want to thank the Minister for his comments because I think they add quite a bit of clarification to some of the things that are in the Estimates. I also want to commend him on what I feel is getting on this drought issue in a hurry this fall, and I certainly appreciate the fact that I am sure he has had a pretty tough task coming in this spring and finding himself in the midst of a drought. I am sure that he would like nothing better than to see us go through these Estimates rather expeditiously so that he can get on to some of the areas that he feels are probably more critical than discussing some of these things.

I am hoping that we can discuss the Estimates in a very timely and effective fashion and that we can get on with the important thing, which is really supporting the agriculture industry in Manitoba and making sure that they are getting the type of support that is necessary to maintain what we hear so frequently is the No. 1 industry here in Manitoba. I think, without much doubt, all of us in the House this evening would certainly support that concept that as agriculture goes,

so goes the Province of Manitoba, and I am certainly a firm believer of that.

I think we have an unusual situation here. It is probably not the first time that it has happened, but we have now a Minister of Agriculture (Mr. Findlay) who has served as the critic in Opposition for at least a couple of years, and the critic for the New Democratic Party, of course, was the past Minister of Agriculture. So I would think that those two must have a pretty good background in the intricacies of the day-to-day operation of the Manitoba Department of Agriculture. So in some respects, I may be identified as the odd person out.

I think, on the other hand, it may be fair to say that I may know more of the individuals who have worked professionally within the Manitoba Department of Agriculture than perhaps the Minister or the critic for the New Democratic Party because, while I sometimes hate to admit it, I am now in my 31st year as a staff member in the Faculty of Agriculture and have certainly seen a large number of Ministers come and go. I am also pleased to say that I have also seen a large number of very competent and I think sincere Deputy Ministers of Agriculture, and the Minister may recall the name of Dr. Bell. He was the Deputy Minister of Agriculture when I first arrived here in Manitoba in 1954. In that period of time, we have certainly seen a lot of well-known Deputy Ministers, which include such people as Murray Cormack, Esmond Jarvis, Bill Janzen, Rod Bailey, Jerry Gartner, and so on. I, having worked with them on various occasions, have certainly been satisfied that while I may not have always agreed with their philosophical approach to agriculture, I certainly was satisfied that they were sincere in that their main concern was the betterment of the Manitoba agricultural economy.

Occasionally I got the impression that they might have done a better job had there not been so much political intervention, but there may be an opportunity to go into that at some later time. I see my colleague to my left may not agree with that but there will be an opportunity, I am sure, to get into a little side play on that as we are going along.

I am also pleased to note that there has been a lot of long-term continuity within the Manitoba Department of Agriculture, and in many cases the promotion has been within, which I think is a good indicator that there is good harmony within the department and that these individuals have felt secure and certainly have been doing their utmost to provide the type of service that Manitoba expects and deserves.

I find it difficult to be overly critical because in many cases they are either colleagues or in some cases students of mine, so I have to assume that if they went through our alumni or are graduates of the University of Manitoba, if they have not done a good job and it was not because of the training, it must have been because of the leadership that they were given at a later date. So I am satisfied that we have excellent support within the department as far as that is concerned.

Over the years I have served on quite a few different committees, including having sat for many years as the

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member of the Advisory Committee to the Manitoba Crop Insurance Corporation. Although I was not sure that it was the right thing to do, I did sit for quite a few years as the Manitoba representative on the Canada Committee on Crop Production Services, and this is an area that I may have an opportunity to bring up later on. I felt awkward at times, Mr. Chairperson, representing as I did on some occasions an NDP Government when I was expected to extoll such things as being negative on plant breeders' rights and so on, that I would pass. Certainly I am sure that if the Minister at that time had heard some of my comments he would have been a little concerned that I was actually representing the province on some of those occasions. This is type of thing that you occasionally run into in these situations.

One thing that I do want to point out though is that Manitoba is the envy of quite a few provinces in Canada when it comes to the cooperation that exists between the Manitoba Department of Agriculture, Agriculture Canada and the Faculty of Agriculture at the university. I think it is a situation where those three institutions have worked very cooperatively on many, many occasions here in Manitoba. I think this is due, certainly in part, to the personalities of the people involved, but I think it is also due to the individuals who have provided the direction over the years. This is something that is certainly the envy of many other provinces and sometimes they wonder just how we are able to get along as well as we do when there are so many philosophical things that sometimes—one thing that has bothered me for many years, and I think it is fair to say it is one of the things that prompted me to get involved in politics, and that is that I have felt for many years that the Minister of Agriculture—and it did not matter which political stripe he was—had a sincere interest in attempting to do the best they could for agriculture. In the NDP regime, I always got the feeling that the Minister certainly wanted to do the most he could for agriculture but probably did not have sufficient clout within his own caucus to get the fair share of the budget that he deserved.

Now, when you get into the Conservative caucus where you see so many rural Members, I would have to assume that we will see a major change in philosophy come the next Budget when there is more time put into it. I would expect the Minister will be able to convince his colleagues that there should be a lot more money put into agriculture.

Just to highlight this, there was a brief report in the *Globe and Mail*. I think the date was back in December of 1987 so it is, I think, quite relevant to today. It indicated that Manitoba, of all the provinces in Canada, is the one that puts the least percent of its farm revenue back into agriculture.

* (2020)

I will just quote, if I may, Mr. Chairman, a little excerpt from that. It says: "Manitoba, Saskatchewan and Alberta are generally similar in their agricultural base, but the farmers are treated very differently by their provincial Governments. Manitoba, for instance, spent only \$70 million this year on agriculture, the least of

any provincial Government at 3.5 percent of gross farm revenue. Saskatchewan, however, spent \$241 million or 6 percent, and Alberta \$609 million or 16 percent. The extremes were Manitoba at 3.5 percent of its gross farm revenue and Newfoundland at 25 percent."

I think it is critical that this should be looked upon as the level of input that one puts as an investment into that industry. I think it is critical that, while we may say that the pie or the total Budget stays the same, I think we have to argue that agriculture deserves more than the 1.7 percent which they got last year, which was \$71 million that was actually spent out of the total Budget. This year if you subtract, and I think it is legitimate to do so, the drought assistance, which really is not a program in terms of support of the industry, it is hopefully a one-shot-in-the-arm situation, and some of the other things that are not direct inputs into programs, you are looking at about 1.9 percent of the Budget going into agriculture as support of the industry. I think that that has to be increased substantially and certainly I would support that move whether it is the current Government or some other one that is in power.

As I said before in this House, should there ever be a situation where the current Leader of the Opposition (Mrs. Carstairs) became Premier of the province and she tried to impose on us less than 2 percent for agriculture, to put it very bluntly, she would have a tremendous fight on her hands because I think that it is critical that agriculture get a lot more than that.

As I have said, we are now sitting at less than 2 percent and I do not think that is adequate. While we have had a drought this year, a financial drought to agriculture is nothing new, and we have learned to cope with that. I guess, if you do not expect too much, then you are not usually too seriously surprised, but I think we should expect much better.

I am very concerned also that agriculture is being let down, not only by the provincial Government in some respects but also by the federal Government. The federal Government has backed away from many of the things that they traditionally were responsible for up until recently. I am referring to such things as the cost recovery programs that they are attempting to move in, where you now have costs for field inspections for germination tests for a whole range of things that used to be the responsibility of the federal Government and were not at a cost to the producer.

I think we should be putting pressure on to make sure that we revert to that type of thing, because many of these things are actually consumer protection more than they are a service to the producer. I think that we have to be tough on the federal Government and make sure that they do not back off on their responsibilities.

I was pleased that the Minister appears to have taken a pretty firm stand when it comes to some of the tripartite arrangements and I hope that he will dig in his heels, because the federal Minister has been quite adamant that he wants to see the provinces pick up a much larger share of the premiums for such things as crop insurance. I think that it is legitimate that the federal Government maintain the share that they

currently have and not that the provinces get sucked into paying more and more, because I do not think we have the wherewithal to do that.

The other area that I am very concerned about within the responsibility of the federal Government is the whole area of agricultural research. I am just going to use a couple of examples. Twenty years ago in Manitoba, we had four barley breeders. As of January of this coming year, we will be down to one barley breeder in Canada, and that will be one barley breeder located at the Brandon Experimental Station. Likewise with corn, 15-20 years ago, there were three breeders of corn. As of now, we have one corn breeder stationed at Brandon. So there has been a downsizing.

The other thing that is happening is that Agriculture Canada now has changed its approach to the availability of research funds to come to universities and to other research institutions. It has all been swayed to the concept of getting the private sector more heavily involved. It is quite nice to say that you are going to get the private sector involved when you are sitting in the area around Toronto and Hamilton and so on, where you have tremendous industrial potential and private involvement.

When you start as a scientist in western Canada knocking on doors, here in Winnipeg, and attempting to convince the Cargill's and the Pools and the UGG and so on to come up with the bucks to match the federal Government to undertake research, you do not have a very good reception when you are going in there on a dry day in July when the crops are about three inches tall. They are not very keen on coming up with the type of bucks that are necessary to support the programs. Therefore, I think it is critical that we keep the pressure on the federal Government.

While we are knocking the feds a little bit, I am also very concerned when it comes to what is happening with their support for the drought as far as grain farmers are concerned. While others may speculate, I certainly can speculate on the fact that the former Minister of Agriculture has stepped down very recently, after saying two or three weeks ago that he was going to run and to have Mazankowski identified now as the Agriculture Minister. I only assume that this is an attempt to have the biggest fish of all and make the biggest splash by announcing a big payout for drought deficiency payments probably coincident with the day in which the election is called. This, to me, is a crass political move which, I think, is something that certainly should not be tolerated.

Hon. Donald Orchard (Minister of Health): No, no, no.

Mr. Laurie Evans: The Minister of Health (Mr. Orchard) says no, no, no, but his comment is not very convincing because he, like myself, has seen this occur on many occasions before. I suspect that the Liberals - (Interjection)- they learnt it from somewhere. Whoever is doing it now is certainly giving them a great deal of respect by showing that they are copying, if that is the case. But the money that has been spread around recently, I would think, would tell us that the election is certainly coming very close.

Getting on, Mr. Chairperson, I want to get into a few of the specifics. Here again, while it may sound like a bit of a love-in I want to congratulate the Minister on the appointment of many of the boards. He, I think, probably made an odd mistake there because I think there probably are the odd Liberal card-carrying members on some of those boards. But certainly I would say that of those who I know that have been appointed to boards, I think they will do an excellent job. I want to commend him on the fact that he certainly has had reasonable representation from the women, in terms of at least having one or two named to every board. I think he has gone out, and I am sure he would agree, that there are many women in the farm communities who are equal partners on the farm operation. I think their input will certainly justify their appointment to the board as time goes on. While I would like to stand up and be overly critical, I think he has probably done as good a job as anyone could do in finding competent people to serve on these boards. Some of them, of course, are colleagues of mine at the university. I just pass on to him, if some day that I am not in the House and he still is, I would be available type-of-thing.

Within these boards I have some concern when you are looking at some of these specific units, particularly things like the Manitoba Crop Insurance Corporation. We certainly will get into a lot more detail in that later on. But I am sure the Minister shares my concern when you are looking at a situation with only 47 percent of the acreage covered. Now that we have a situation where it is very clear that the federal Minister of Agriculture, or the past one at least, is making it very clear that they feel the major source of support should be through the insurance programs, then obviously these programs have to be sufficiently attractive that the majority of producers feel that it is to their advantage to join them. I am sure the acting director and the others on the board will be looking at that. Here again I know the majority of the people who work within the corporation and I have talked to some of them, and I know that they share the concern and are certainly looking at what can and should be done in the near future.

I think within that context it is also important to look at the feasibility of something which, for want of a better term, may be referred to as disaster coverage, because I think you will always have a situation where there will be a small percentage of producers who, for some philosophical reason, do not want to be insured through the Crop Insurance Corporation. But they may feel that there is some merit in having a disaster insurance where they pay in a relatively small amount, which would perhaps kick in when there is what you would call a disaster, which is beyond the so-called norms that one would expect in say, over a 20- or 30-year period here in Manitoba as far as drought is concerned. So this is a possibility.

* (2030)

I think it is also imperative, and the Minister has mentioned this, that if we do have a normal season in 1989, which I hope we will, that we do not forget about the fact that we have had a drought in 1988 and that the drought-proofing is not sort of lost and forgotten

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about, because right now I would say that there are more calls coming into my office that are concerned about wells going dry, dugouts that are no longer serviceable and the fact that there just is not a source of water to go to alleviate these situations.

This is something that certainly I would not try to blame anyone on because I am sure that the Water Services Board and the PFRA are doing as much as they possibly can within the financial and time constraints that they are faced with. I think it fair to say that anyone who is short of moisture at this time of the year has to assume that they are going to be short of moisture right through until at least the spring. If you are hauling water for livestock and you have to haul it from any distance, particularly when it is 30 below zero in January, this is no fun. It is not surprising that many of those farmers have decided that even though there has been the Greenfeed Program and the Herd Retention Program, they still have no alternative but to offload some of their livestock because of the deficiencies or the lack of water availability.

In the same context, the whole area of soil and water conservation—and I think we are all familiar with the book and the other pronouncements that Herb Sparrow and his committee have released over the years. While I hope he is not quite right on, I suspect that when he says that if we do not correct our ways within 10 years, we could be in a situation where we are no longer able to provide for ourselves, I hope that is a little extreme. But I think we certainly have to take warning from those comments and make sure that we are moving in a direction to try and do something about that in the short term. There are some areas that seem to dictate against that.

* (2030)

I am sure the Minister is aware of some of the concerns that have been expressed when it comes to the price of farm chemicals, the implications of the product's specific registration requirements and the extra work that has to be done by any company that wants to produce a generic, because in actual fact the requirements there essentially give the company that has the patent on the commodity an extra few years beyond the 17 years that they normally would get because of the patent protection.

In addition to that, we are looking at situations where there is land being depleted very rapidly for such things as urban sprawl, the right of ways on roads and whatnot that sometime are questioned as to the validity of using so much productive land. I think it is startling to realize that in southern Ontario, which is one of the most productive areas in Canada, since 1931, we have lost 26 percent of the land in southern Ontario in terms of that used to be for agricultural production. It is now within the concrete jungle. Something like 6 percent of that land has been lost since 1981.

Out here on the Prairies we do not seem to get quite as excited about it, but every time I drive around the periphery of the city and see the sprawl that is occurring and knowing that five years ago it produced excellent crops and so on, then you wonder whether there should

not be the establishment of a land commission or something of that nature that takes a look at all of these plans for expansion and makes sure that it is at least done in what you would regard as a rational time frame with a look to just what the implications are in terms of crop production and so on.

Certainly, prime agricultural land, once it is put under concrete, is not likely to ever come back again. I do not think it is realistic to assume the producer should be the one who has to bear the brunt for conservation, be it land or water conservation. I think it is something that has to be looked upon as being a national resource and obviously therefore should be the responsibility of taxpayers in total.

We are certainly concerned with what is happening to our rural communities and in 1987 it was estimated that 24,000 prairie workers left the farms in Saskatchewan, Manitoba and Alberta. Something like 17,000 left in Saskatchewan, estimated that 4,000 left here in Manitoba. We have heard already such things as the concerns regarding rail line abandonment, the post offices and all the rest of it.

Anyone who is familiar with rural Manitoba 15 or 20 years ago knows that there were towns that were on the map at that time that are no longer there. This is something that I think has to be turned around. I think it is unrealistic to assume that we are going to be able to save all of these things but, in the Throne Speech, mention was made of the necessity for rural diversification and the establishment of a rural economic development committee.

I think it is urgent that these things get established and that they have something to work on so that they can go out there and start looking at the whole concept of value added, and attempt to get some secondary industry established in these rural communities. We have had examples of some of them where it is already working, but there are many communities in Manitoba where we need something if we are going to maintain the population, keep those young people out there.

We are not going to be able to keep them all on the farm. We know that we are looking at a situation of our farm population being down in the range of probably less than 4 percent. I do not think you can keep a viable rural community with that small percentage of the population. You have got to find other ways to keep these people out in the rural areas, and certainly diversification, value-added concepts and all the rest are part of it. There is no simple answer to it, but I think it has to be a concerted effort and the cooperation from everybody at all levels of Government to get out there and say, this is what has to be done, and come up with a firm program of how it is going to be done.

It is urgent because, with the rate that people left in 1987 and with the drought that we are facing right now, I think it is reasonable to assume that rather than slow down that movement off the farms might be increasing. So it is getting to be a critical situation.

The Minister mentioned the move towards tripartite and particularly in the red meats area, and I certainly support that concept, but I am a little bit dubious as

to whether or not we can see that so-called level playing field in the short term because we have a situation as I see it that either we convince our neighbouring provinces to reduce their level of support or we have to increase ours.

Here this year we have the whole thing confounded by the drought, which I think gives us a distorted picture as far as the movement of calves off of the prairie farms to eastern Canada and so on. Certainly we are not looking at the typical situation, but I think it is going to take an awful lot of effort on the part of the Minister and his colleagues in order to come up with a tripartite beef program that is going to be acceptable to all the provinces.

Farm finance is another area we will be getting into and I am just going to mention it very briefly, but we have the whole business of the MACC, the Manitoba Mediation Board, the Farmlands Ownership Board. These things all have to work together, and hopefully MACC will not be taking the same route that FCC has where FCC now is no longer identified as sort of the source of last resort to farmers who need help. They seem to have reverted more to the point where they are just about totally competitive with the traditional funding agencies and are more concerned with breaking even in their operation than they are taking a little bit of additional risk. I think that if we are going to try and provide the support to our farm community that is needed, somebody has to be prepared to take and go a little beyond what the traditional financing agencies are willing to do in the retention of what appear to be young, competent managers who for no fault of their own are in some sort of trouble.

The other area I want to mention briefly is the income stabilization and we have had a couple of Manitobans—Bob Hopley, Syd Gordon, and another colleague—looking at a concept which gets into income stabilization as opposed to the stabilization of independent commodities. I think this is another area, while I have not researched it sufficiently to make a decision on it myself, I think it certainly needs a lot of study but it appears to have some attractive components.

I am sure that before we are finish with the agricultural Estimates, we may have to come to the decision that we agree to disagree, because certainly I am sure that the Minister and myself have different philosophical approaches to the free trade issue. I am satisfied that free trade is not going to be a major problem with commodities such as the grains and red meats, but I do feel very strongly that the supply-management areas are in deep trouble in terms of the Free Trade Agreement.

As I have said before, I suspect that the supply-management commodities in western Canada will go down the tubes within a matter of a decade or less if free trade comes in because, in reading over the Free Trade Agreement, there certainly is not anything in it that convinces me that the level of protection for supply management is adequate. It is a case of being asked to take a leap of faith and, as I have said before, one can only leap so far.

Finally, I want to dwell for a minute or two on some of the research areas that have been mentioned very

briefly, I think areas that we have to start to be concerned that we are not on the leading edge. Right now, for example, there is virtually no significant research going on in agricultural biotechnology in this province. There are driblets and drabs but, when you realize that you can go down to Dupont, Monsanto or any of the major chemical companies in the United States and find that they have a battery of scientists which is larger than the total number of scientists in Canada working in those areas, you have to realize that we are not leading in terms of some of that biotechnology-type of work.

Here, I have to be critical of the past regime because I think that, had they taken the bit in their teeth and said that plant breeders' rights is something that is essential if we are going to get the private sector involved, then we would have some incentive for the private sector to get in there and start to pick up some of the research that has to be done. We are now looking at the necessity of having some legislation as far as gene patenting is concerned.

So the companies that are into the real heavy biotechnology work are not interested in doing it in Canada because there is no protection for them. They are going to be doing it elsewhere, and we are going to have sit here and depend on the work that is done elsewhere to provide the technology that we need here in Manitoba.

* (2040)

We have heard a great deal about the greenhouse effect. Here again, one can be immediately accused of saying, well it is a scare tactic. It is not going to happen. But when you realize that we have just gone through the hottest year ever recorded and that the five hottest years that have been recorded in history all occurred in the 1980s, then one has to assume that this may not just be a blip on a curve, that we will revert back to normal. I think everyone hopes that we will revert back to something close to normal but, if we do not and if we have done nothing to try and counteract this and to do the things that are necessary to maintain our productivity, if in fact the greenhouse effect is here, then I think we are subject to some real criticism and I think that criticism is justified.

With that, I hopefully have identified some of the areas that we feel are of concern within the agricultural area and, hopefully, these can be dealt with in a meaningful fashion as we go through the Estimates. Thank you very much.

Mr. Bill Uruski (Interlake): I want to indicate that I did not hear the Minister's opening comments because I was not here right at eight o'clock. In listening to my colleague to my right, and I am assuming he is on my right, I can clearly indicate that philosophically there is very little difference in the speech that is being made by the Member for Fort Garry (Mr. Evans) and the Minister of Agriculture (Mr. Findlay) here this evening. In some of the fundamental areas affecting food production in this nation, both the Liberals and Conservatives are together very closely aligned and so closely in fact that you can not tell the two of you apart.

My remarks will not be very long. I want to indicate to the Minister I would have hoped that he would have made an announcement this evening on an appointment of a new Deputy. Clearly he has been in office a number of months and the selection process was well there for him when he took office and, I do not know, he may have started the process over. If he has intentions of announcing the Acting Minister who is there right now as Deputy Minister, I want to say to him that clearly he would be making a good choice of an individual who has served agriculture and the administration of agriculture in this province for many years and served very well. I have known Greg Lacomby for many years, practically all my life in this Legislature. I want to say that he has the interests of the department, the farming community and his political master at heart. There is just no doubt about it, a dedicated civil servant. I am hoping that the Minister will be making an announcement of an appointment very soon whoever that choice might be.

In terms of priority, I believe that this Legislature and this Government and this Minister ought to have and ought to state very clearly their preference and their priority in terms of the need for a national income stabilization program and a national disaster program that everyone is speculating about and has been for the last virtually two months as to what is going to happen.

I have tried in Question Period, as you know, to get some inkling as to this Government's position on the area of disaster assistance and where are they leaning in terms of support to the grain industry. We have had the announcement, which I am sure most cattle producers and some grain producers but I venture to say that the majority of the benefactors would be the cattle industry in terms of the disaster plan of both the Greenfeed Program and the Herd Retention Program. It was, and I want to indicate, welcome news I am sure right across the country. I know that the Minister here does take the industry seriously and has attempted to do the best within the financial means of the province and Ottawa.

I think that announcement has been well received and I want to pay tribute to the Government in that respect. But I am at a loss as to where he and his department and his Government stand on the issue of support to the grain industry.

We played cat and mouse here during Question Period last week about whether he supports the notion that I put forward six weeks ago about enhancing the initial cost or the initial coverage, bushel or per tonne coverage, under Crop Insurance. He said it could not be done and I agree, from a formal point of view, it is probably a problem but it is a problem in the sense that it is a bit of a political problem. It is a political problem because of the fact that if you are going to pay out huge sums of money you want to at least give the impression that these are new monies. So, rather than enhancing an already long-term established program, as you would have had to do with grain, you really say let us leave that one alone and we will basically use the program that is there, because you are going to have to use the information that you will gather

through Crop Insurance if you are going to make a targeted payment, and pay it out in an enhanced way to whatever level you decide.

So I do not want the Minister to play cat and mouse with this Legislature and with the farmers of this province. Come out and say, look, here is what I favour, here is where I think we should be going in terms of disaster payments, and this is what we have recommended to the federal Government. We have not got that from this Minister and so I hope that as we go through the Estimates he will basically say, yes, this is what we have been saying, here is what we have been recommending, and he will come forward and basically come clean with Manitobans.

I believe that what is really necessary goes beyond the present needs of the farming community. What is necessary in terms of a national program is a support scheme for all Canadian farmers, regardless of where they farm, of a basic amount that we as Canadians say is necessary to sustain agriculture at least at a minimal level and then, beyond that, have the ability to enhance that program as we do now with the multiplicity of programs, whether it is Western Grain, whether it is tripartite. Let us set one basic policy across this country and have farmers, if they want to insure more, contribute into the plan to a maximum level or let the premiums dictate. As the risk rises, the premiums will either attract or distract participants into a national disaster program, rather than the kind of—and it is unfortunate—but the kind of posturing that we have had to go through in terms of assistance to the grain industry over the last number of years.

* (2050)

The Minister was in Opposition trying to fight for farmers and I give him full marks, but we were all posturing for position as to who was going to do more with fairly empty pockets. I have just heard the Member for Fort Garry (Mr. Evans) who is a Member of the Opposition now and likely will be there for a long time indicating that, look, I am willing to spend an awful lot of money. So he wants to paint a picture as to who supports whom in Government. I, quite frankly, am not sure they will have that chance, but I know the Minister of Agriculture (Mr. Findlay) knows that it really does not work that way in terms of Cabinet solidarity and governmental thrust. You basically do sit and you look at the overall situation and say, all right, agriculture is a priority and we will bump it up, as they have done in terms of the disaster program, and we will see what happens next year.

I know that the farm community—I guess this is maybe a political commentary on sort of the philosophical approach of the farm community—when there is a Conservative Government in power, the farm -(Interjection)- the Minister of Finance (Mr. Manness), goes uh! The farm community generally says, okay, we know that conservatism is tightening up and tightening the belt so we cannot expect very much so we sit back. We basically grumble but we do not say very much. The reverse is the labour community. Labour gets after the Conservative Minister of Labour and they make sure that he walks the line very well. This one knows

where he has had to apologize, he has had to do a lot of back-peddling across this province, so he has learnt very quick that he does not step on people. When an NDP Government is in office, you find the farm community knows that the NDP has in fact committed itself to a policy of financial support, and the demands are continuous and great. We have not been able to deliver.

Mr. Helmut Pankratz (La Verendrye): Come on.

Mr. Uruski: The Member for La Verendrye (Mr. Pankratz) says come on. I mean, talk about someone of the farm community who has benefited as much if not more from governmental programs than the Member for La Verendrye through the stabilization of sugar beets, I do not think he has much to say in this debate.

I want to indicate, in the reverse side, the labour community says we kind of think they are supporters so we walk a tight line and our demands are somewhat less when there is an NDP Government. It is interesting as the chairs change as to the way things go.

I will want to and I will be raising questions about election commitments that were made to the beef industry, to the Brandon University, for example. The rural development centre that we committed ourselves to was echoed, I believe, by the Conservative Party. I will be waiting for statements to be made, although they may have been made in the Minister's comments. I will read them tomorrow.

As well, it will be interesting to hear the Minister explain the entry into tripartite beef and the scheduling and how he proposes to move into national tripartite in this fiscal year. Clearly, the feedlot industry had a commitment of a provincial stabilization plan for family-operated feedlots. We do not see anything in this Budget. I do not believe that there is any money there. It will be interesting to hear the Minister explain how they intend to make that shift and how they move into national tripartite.

As well, the question of inputs and costs of inputs and the whole area of chemicals in which we attempted to try and support some of the entrepreneurs, and I really believe that Manitoba has a number of entrepreneurs in the area of, for example, chemical production. A constituent of the Minister of Finance (Mr. Manness) and his work with the parent company that he worked for—I just do not recall—(Interjection)—Eianco, yes, Mr. Manikel, I am sure he will not mind me using his name. I mean, if it was not for him, for Barry, I say that the cost of trifluralin across western Canada, across Canada, would not be at its present level. The pressure and the continued determination that he made to try and get a farmers' cooperative or a conglomerate of sorts of small shareholders, basically of the farming community, the price—and it is so close to being. I am so close to accusing the companies of price fixing, but I am sure it cannot be proven but basically maintaining a price knowing that they had the 17-year hold, patent, on that chemical, they are basically—it is home free.

Now we began the work as a result of meetings with farmers from Manitoba and Saskatchewan and the

atomic research centre out of Pinawa, AECL. We began the process of doing the preliminary work of what would be required if we were able to move into, as soon as that patent expires, production. The first phase of the study the Minister has in his department, and we will want to know where he is moving in that whole area because I believe, if anything—and I think it has already had some modifying impact on the price of Roundup, not as much as I would like to see because I believe that price could be cut in half.

I will tell the Minister and, in a few years from now he may say he did not know what he was talking about, I believe Roundup could sell at a reasonable profit at \$6 a litre on the marketplace and there will still be a good return to the manufacturer, whoever makes it, and so the cost today which is—what?—running around \$16, \$18, okay \$16 to \$18 a litre is totally outrageous in terms of the cost of this post-emergent herbicide that is on the marketplace. Monsanto has the stranglehold on this market, and I certainly want to urge this Minister to proceed with all they can do to work with the farm community and with localized industry to entice and work with someone who can manufacture it.

It was not my intent or our intent that Government be the manufacturer, but Government should be the catalyst to bring these people together and try and break the stranglehold on the marketplace that Monsanto has.

I want to indicate to the Minister that I was disappointed, and I will be dealing with that later, in the way he handled his appointments and disappointments to board. I will say very clearly in this House, Mr. Chairman, that I recognize the prerogative of the Government in power, the right to make changes to boards and commissions. It is in the way that they make those changes that I quarrel with. I do not, as one Minister—and I know we have had this debate in the House before. I believe the Minister has the right to appoint his people who he feels comfortable with, who he feels are Manitobans who will give him as good advice as any. I have no difficulty with that because I will not quarrel with the Ministerial appointments that he makes. He has that right to make those changes.

* (2100)

But what I believe that if he would have had some sensitivity and some, I think, competence because there is a question of competence in this whole area. In disappointing some of the board without checking where they are in the process of either files, hearings—and I am referring specifically to The Family Farm Protection Act. I believe that board was in the middle—and I talked to some of the Members and I will tell the Minister that—of a number of cases, when he made those changes, for the next number of weeks that did send a negative signal to the financial institutions, negative in the sense that they were seeing that maybe this group would be abolishing this board.

I know they initially said they would, and then they backed off those statements during the election, abolish this group and the banks, both private and public

institutions, could take a harder line, and that is what was occurring, Mr. Chairman.

A number of farm families called me. I did not call the Minister. I called the administration and they said, look, we are getting the new group together and we are going to try and work it out. But it did leave people in limbo for a number of weeks before the new board got on stream. It is clearly a matter of sensitivity and competence on behalf of the Minister and his staff in the way he made those changes. So I say to him I will be raising some of those changes and testing his work in those areas.

Mr. Chairman, the farm community continues to be in a very precarious financial position. Clearly, with hog prices down, grain prices just on the upswing and the massive drought across southern Manitoba, many farmers continue to be faced with severe pressures for cash flow and interest payments that they have to make.

The monetary policy of our national Government has been—and I think it has been acknowledged by his Premier—to try and slow down what can only be considered an overheated economy in the Toronto and Montreal area. When that happens, the rest of the country bleeds. There is no doubt that the farming community, small business, homeowners, when interest rates are now hitting the 12 percent mark and above in some cases, there is great uncertainty and great concern about what decisions are to be made, whether to continue, whether to pack it in.

I recognize that a province can have little impact in this whole area, but there is some impact they can have because this Minister has an ally now in the Premier of Saskatchewan. He was Minister of Agriculture when I was Minister of Agriculture and some of the suggestions I made of pulling in both private and public institutions, I guess, into a room and sitting down and saying, how far and how many do we allow to go down in agriculture, or do we pick them off one by one as they go bankrupt, and we allow the erosion of rural Canada and the continued depopulation of rural Canada.

That suggestion at that time, which is about three to four years ago, seemed radical, but I want to say that the Premier of Saskatchewan just this spring started making those same kind of statements, recognizing the massive impact that the drought is having on his own province, and it is massive. I do not think that we in Manitoba really appreciate the full impact of the drought as it hits the farmers in Saskatchewan. There is no doubt there are a lot of farmers in southern Manitoba who are in a disaster situation. It is very sad, but what has occurred in the Province of Saskatchewan goes far beyond what we have ever experienced.

I ask this Minister to step out and say, let us call everybody in and set a national objective that there should be no more rural depopulation in this country because the snowballing affect on our rural communities and small businesses is devastating. The Minister knows—he lives in a small community as I do—that you do not need to lose many farmers in your area when somebody in town closes their doors. The high

interest rate policy that is now being pushed by the federal Minister of Finance in order to settle an overheated economy is a wrong policy for the rest of Canada, both east and west, and we should be making some very strong statements in support of small business, notwithstanding that they happen to be of your kin.

We will be asking and I will be asking for policy statements in areas that the Minister intends to bring forward, and I look forward to what I believe will be a productive discussion in the Estimates of the Department of Agriculture.

Mr. Chairman: Order, please. Item 1.(a) is deferred. Item 1.(b)(1), Executive Support: Salaries.

Mr. Findlay: Mr. Chairman, maybe just ask the critics just to wait a few minutes as the staff come down. Certainly I appreciate the comments of both critics. They covered quite a bit of territory and I thank them for the compliments here and there. I know we will have some points of disagreement as time goes on and we will have a healthy discussion. Certainly we are dealing with an industry that we all know has had difficulty over the last two or three years because of the price of the commodity we were producing for export and more recently because of the drought. There is no assurance that 1989 will not have one of those two problems or a combination thereof and further problems will occur.

Certainly the livestock industry, for many producers, has been the cushion to keep them going, but we have no guarantee that will continue. I see staff coming in here now and I look forward to a good healthy discussion. Time will tell how long it takes. Hopefully we do get some movement in some positive directions.

I would just like to introduce the three Members who have just come in. I am sure most people know but maybe some of the Liberals would not know: Acting Deputy Minister, Greg Lacomby; Acting ADM, Les Baseraba; and Greg Fearn, Acting Program Analyst. These three staff members have brought lots of paper with them, so fire away.

Mr. Laurie Evans: Looking at the Executive Support, I guess the most notable thing is the reduction of three staff members, the Assistant Deputy Minister in one case and two administrative support were within the Communications area. I would just wonder whether the Minister would comment on whether this is detrimental in terms of the support or whether these appear to have been somewhat superfluous positions and that the efficiency has not deteriorated with the reduction in the staff.

* (2110)

Mr. Findlay: To the critic, I will say that of the three positions you are referring to, one is an Assistant Deputy Minister position. We have gone from four down to three.

The other two positions are as a result of the other responsibilities I have as Minister responsible for

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Telecommunications and Telephones. What happened was the three staff positions were in a Telecommunications Policy office in Culture, Heritage and Recreation. They were shifted over to Agriculture. Really, all we shifted was one staff position. The two support staff positions were abolished so that the support staff that the individual is getting are out of the Department of Agriculture now. So those are the two positions plus the ADM position.

Mr. Laurie Evans: The other area that caught my eye was the Supplies and Services where you have identified the fact that your policy studies—I wonder if you could elaborate on the nature of those policy studies that were ongoing, and whether in fact any of that policy study material or work was being contracted out or is it all internal work that makes up the major part of that cost?

Mr. Findlay: Some of the policy studies that were done in 1987 and '88, just to give you some idea of what made up the total in that area, there was the Farm Lands lawsuit, Milk Lab lawsuit, Family Farm Income Survey, an Omnibus Survey, the glyphosate study, and some money spent on plant breeders' rights. That was in '87 and '88. In this fiscal year, we are going to have some more costs in the Milk Lab suit that is ongoing. It has been ongoing for a long time. I see the previous Minister laughing. He knows what is involved in that one.— (Interjection)— Guess who, eh?

We certainly are going to be looking at a number of areas this coming year and certainly in the marketing area, diversification area, some things that we believe need to be done to look at new opportunities in the agricultural industry and certainly the trade area. I think we need to be looking very aggressively at increasing our opportunities in trade all over the world. Some of those areas will be looked at in some studies coming up.

Mr. Laurie Evans: One concern that I have had for quite some time is that the Department of Agriculture, because of its nature, is spread out and you have the decentralization, which I do not argue with but it seems to me that it is something like trying to turn a battleship in a bathtub. I just wonder if the Minister could give me some idea of how he goes about or how he plans to go about the change of policy that may be necessary as we are moving into a totally different agricultural regime, particularly under the free trade.

I certainly got the impression in past years that there was a tendency for the Manitoba Department of Agriculture to concentrate more on support to what they might call the small operator, with the assumption, rightly or wrongly, that the big guy could more or less get along on his own. I feel very strongly that as we move towards the free trade we are going to have to be looking at those who can do the best job the most efficiently, and I am wondering whether the Minister visualizes any necessity for a major policy change in this direction. If so, how he would contemplate going about getting that shift of this big operation to occur in a reasonable period of time? It seems like a tremendous task to me.

Mr. Findlay: I guess just in response to the Member, I would say that it is my belief that the Department of Agriculture is not set up to look after any specific category of producer, that they are there to serve the large producer, the medium producer, the small, the big producer and really to promote efficiency at all levels. Different farmers have different horizons that they are looking towards. Some believe in staying in a small position and following the example of others.

There are other producers who like to get out there and lead. They are innovative, they try new things, and I have sort of indicated to my staff that I would like to maybe move a little more and work with the very aggressive entrepreneurial-type producer because efficiency is going to be what determines our ability to compete on the world marketplace in the coming years. I think, if anything, the Free Trade Agreement with the United States that we talked about is an attitudinal response that we have in Canada towards whether we want to be part of the major players in the world, as agricultural exporters, or do we want to back off and be hidden and hide behind barriers and say, no, we do not want to compete.

It is my attitude that the producers of Manitoba have always been very effective competitors on the world scale. We produce high-quality produce very efficiently here. If you look at the production of pork and eggs and many things, you look at the comparative advantage in Canada. We have it here in Manitoba in most of those commodities. I think we should take advantage of that and be aggressive in the way we pursue the future. Our lifestyle has been changed, changed, changed, and moving towards a more efficient, more effective method of production. I do not see how we can get away from that. We must continue in that direction. The U.S. agreement is going to sharpen our attention on ability to compete worldwide.

I can tell the Member there are lots of opportunities, particularly in the Pacific Rim areas, for us to sell the high-quality produce we have. We have producers who are prepared to go out there and aggressively pursue it, and I want my department to be aggressively helping them seek those opportunities. Once we open some doors, we will have opportunities from many more producers to market their commodities into those markets.

Mr. Laurie Evans: One particular issue that I wanted to bring up and I think it is relevant to the discussion here, and that is I can recall a few years ago where we were operating or doing a research project which was looking at the range of vegetables that are grown in Manitoba, looking at such things as garden peas, corn, and various other things from a freezing standpoint. What alarmed me at that time is the research was done, the evidence was there that we could grow these crops very efficiently and then, when the report went into the department, what surprised me was a comment coming back saying, well, what are you people going to do in terms of commercialization of this.

As a scientist, I was quite disturbed at that time to see that the research could be done, but there did not

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seem to be anybody to pick up the ball and run with it within the Manitoba Department of Agriculture in terms of looking at the feasibility of moving to the commercialization. Maybe it was not economically sound, I do not know. Maybe a freezer industry for vegetables is not sound in Manitoba, but it would seem to me that this is something that should have been looked at and -(Interjection)- well, if there was a lot work done, it certainly was not well communicated. I am just wondering where the gap in this communication is.

Mr. Findlay: Certainly, the Member identifies an area where the Department of Agriculture has to be responsible. The basic research is done at the university level, at the federal Government level. That information must be communicated by the department back to the producers in a form that the producers can work with. I do not know if it is the department's responsibility to always decide what is economically feasible or whether it should not be done in conjunction with the department and the producers. Sometimes ideas get off the ground quickly; other times, they are fairly slow to develop.

I also have to say that I think over the years, in my experience, I have seen an awful lot of the research come at the farm level. It gets started there, the department can pick it up and work with the producers to expand their opportunity and seek markets. I very strongly believe in the value of research and, as I look around at the various commodities we are producing, research has played a very important role.

I think the department staff over the years have done a pretty good job of working with producers at the one-on-one level. I would like maybe to say that I would like to see a little more intensified focus in the area of market development and taking what research we have gotten in the past and put it to work to produce the product and get it into the world market, because we are a major exporting province. We cannot consume anything near what we produce and never will be able to. We have a strong ability to utilize research. We just have got to build on it. I think the department is going to like the challenge of pushing in that direction very aggressively.

Mr. Laurie Evans: A final question on this particular area, that is the Grants and Transfer Payments that are identified as \$18,000.00. I was just wondering whether the Minister could clarify exactly what that is intended for and who is actually getting these grants and for what purpose, or are they in fact transfer payments rather than grants.

Mr. Findlay: Could the Member identify just what he is referring to?

Mr. Laurie Evans: Page 20 under Other Expenditures, the first item there is Grants and Transfer of Payments of \$18,000.00.

Mr. Findlay: In the Supplementary?

Mr. Laurie Evans: Yes.

* (2120)

Mr. Findlay: Yes, that is for the Hospitality Grants that are given out each year. Just for the Member's knowledge, in '87-88, the Canadian National Herb Association received \$1,250; the Canadian Agriculture Research Council, \$625; Manitoba's Free Trade Association, \$2,600.00.

Just to run down the rest of the list quickly: Jersey Club, Sheep Council, Charolais Association, Marquis Project, Canadian Federation of Agriculture, Flax Growers of Canada, Western Canada Wheat Growers Association, Manitoba Milk Producers' Marketing Board. All those organizations received a hospitality grant of varying amounts, anywhere from \$375 up to \$3,400.00. It is an ongoing thing. This year we have given out about half a dozen and they are always coming in.

Mr. Uruski: The Minister in his comments about the changes in staff, and there is a reduction of four as I understand it, one in—three?—or in this area, in the whole administration of Finance, I guess there are four, three in Executive Support. Could he explain for me, from last year's amount of Executive Support?—we had a budget of \$580,583; that has been redone for a figure of \$717,000.00. For this year, it is at \$593,100.00. I am wondering whether the Minister can clarify those figures. The numbers that I am using were the Budget that was presented this spring. For the year ending March 31, 1988, we had in Executive Support a total amount of \$580,300 for the period ending March 31, 1988. That has been upgraded to \$717,200 and, of course, the '89 figures are there. Can the Minister indicate how those are broken out?

Mr. Findlay: The explanation that we have here is that when those three staff positions from Telecommunications office were transferred over, the revenue that was on that side last year was added to '87-88 Adjusted Vote and now that is taken out. The difference makes up the three staff positions. We are going from 12 to nine. If the Member looks halfway up page 20, we are going down three, not four at the time of March 31, 1988. No, they were not in the department at March 31, 1988.

Mr. Uruski: Then why would you include their salaries in the recapitulation in the new budget book if it was not to—I will get into that later.

Mr. Findlay: The explanation is that it is simply an accounting reconciliation that has to show up somewhere. It is not going to show up in Culture and Heritage. It shows up here for that period of time.

Mr. Uruski: Then the Minister is indicating that there is more of a change in terms of salaries and cost of Executive Support then really is the case or was the case.

Mr. Findlay: The answer simply is no. Other than what you see there, the three staff positions gone, there are no other changes involved in terms of staff.

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Mr. Chairman: Item 1.(b)(1)—pass; item 1.(b)(2) Other Expenditures—the Member for the Interlake.

Mr. Uruski: On item 3., has he any ongoing studies at the present time that he has contracted with anyone in the policy studies area?

Mr. Findlay: Really, the only thing that is ongoing right now is the milk lab suit which, as the previous Minister probably knows, is close to going to trial. It is scheduled to trial about January of '89. They are in the final stages of Examination for Discovery. I do not know if the Members want to get into that discussion. It is a long and difficult discussion which I think the department did not need, does not need and has a good defence in.

Mr. Uruski: There is no doubt about it that it was neither needed, wanted or desired by the department. Clearly, I believe it is unfortunate that it has gone on this long. Ultimately, it is a major cost burden on producers and indirectly again on producers through Government, because there is no doubt that the suit is very expensive with a lot of technical information having to be acquired and amassed. I thought maybe with a new face in that job that—maybe it was the old face that brought people to going to trial or going to court. But I am not sure that it has changed very much. I regret that. We did attempt to try and resolve the issue without court. Seeing that is where it is headed, I do not think anybody can change that at this point in time.

I should ask the Minister, do you want to make some more comments?

Mr. Findlay: Maybe a bit more there on that particular issue. Over the last four years and then adding what we think we are probably going to spend this year on that trial, it is going to be in the vicinity of \$200,000 it has cost us directly, and then the Attorney-General's office costs are on top of that. We believe that the milk producers have probably spent a half-million dollars on the suit already. Going to trial is probably going to cost each of us \$400,000 or \$500,000 and nobody comes out a winner in it. I can assure the Members that I have attempted to make them realize what damage that does to the ability of the department and the Minister to work cooperatively with that organization in doing some progressive things for the industry rather than try to defend ourselves from a suit that certainly is difficult to understand.

* (2130)

Mr. Chairman: Is there agreement to pass item 1.(b)(2) Other Expenditures—pass; item 1.(b)(3) Policy Studies—pass.

Item 1.(c)(1) Communications: Salaries—the Honourable Member for Fort Garry.

Mr. Laurie Evans: Mr. Chairperson, looking at the flow chart that is presented in the front of the Supplementary Estimates, I would just ask the Minister if he could outline just how the Communications section liaises,

whose responsibility it is to make sure that liaison across the different sections of the department occurs? It looks as though it is sort of sitting out there by itself only directly responsible to the Assistant Deputy Minister, I believe.

Mr. Findlay: The Communications people report directly to the Deputy Minister in the flow chart there.

Mr. Laurie Evans: I am more concerned as to just the relationship between the Communications department and all the other groups there. Is there someone in each of those other areas who has a direct responsibility to the Communications group? I just see it as being problematic in terms of how the Communications is effective as it goes up and down from that Communications group there.

Mr. Findlay: I think it is sufficient to say that all branches of the department have access to the Communications Branch. There is no restriction on access to Communications.

Mr. Laurie Evans: I am just interested then in terms of the personnel in the Communications Branch. Then they are all together in one group, are they, or are they actually dispersed among different branches and divisions?

Mr. Findlay: One is located in the northwest region, one in Brandon serving the southwest region and the rest are in Winnipeg.

Mr. Uruski: It is shown that there is a reduction of one in the Professional/Technical area in Communications. Can the Minister indicate, was that a vacancy that has not been filled and has been reduced or can he fill us in?

Mr. Findlay: Yes, one position has been deleted and at this point in time there are two vacancies right in that area, that of an information writer.

Mr. Uruski: Mr. Chairman, can I ask the Minister whether he has a Communications person on his personal staff?

Mr. Findlay: No.

Mr. Laurie Evans: This is a very minor point, but I assume that the salary differential from one year to the next is primarily under Government contractual arrangements. So is it safe to infer from that that the four identified under Administrative Support are not the same four in the current budget as last year because you are looking at four persons with something like a \$1,200 increase in salary? I would assume if it was the same four people involved, the total salary increase would have been more than that. This may sound a very minor point but there must be a new person to account for that.

Mr. Findlay: One of them appears to have been hired at a lower level during the course of the year, in terms of a turnover.

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Mr. Chairman: Is it the will of this section of the Committee of Supply to pass item 1.(c)(1) Salaries?

Mr. Uruski: If we could move from Communications, can the Minister indicate whether he intends on changing the role of the Communications Branch somewhat from what it has been historically?

Mr. Findlay: I will tell the Member we do not have major plans of changing. Their job is to communicate the department information out to producers, and I do not see any reason why that role would change.

Mr. Chairman: Item 1.(c)(1) Communications Branch: Salaries—pass. Item 1.(c)(2) Other Expenditures.

Mr. Laurie Evans: Under the Other Expenditures here, obviously the largest item by far is the Supplies and Services. I would just ask the Minister if he could give us a rundown of the major publications that are included in that. Does it include such things as the field crop recommendation bulletins, or do they come into some other location here, because the amount seems large and yet it seems small when you look at that type of publication and the distribution that there is of it.

Mr. Findlay: We do not have an exact list for the Member of all the publications but January's news releases, Country Comment, some radio, TV, 200 print publications handled per year, press kits. There is just a variety of publications that go out.

Mr. Laurie Evans: I was looking specifically at such things as the Weed Guide. I cannot see those being included in—that just does not seem to be enough money to provide that level of publication. I am wondering whether there is—just where else in the Estimates that would appear.

Mr. Findlay: The Weed Guide is under Soils and Crops. That is where it is covered.

* (2140)

Mr. Chairman: Is it the will of the section to pass item 1.(c)(2)?

Mr. Uruski: Mr. Chairman, in the Reconciliation Statement transferred from Culture, Heritage and Recreation, as the Minister knows, the Communications Branch was going to be centralized under our administration for Government. It has moved back into the department. However, there is an additional amount of \$136,900 being transferred from Culture, Heritage and Recreation. Is that to do with the staff, the two positions of the Telecommunications staff, or does it have to do with communications for the department, that additional amount of money?

Mr. Findlay: That is strictly the Telecommunications office.

Mr. Uruski: That is the \$136,900.00?

Mr. Findlay: Yes.

Mr. Uruski: So then the budget of 415 to 420 relatively remains the same that was there in the branch previously. Thank you.

Mr. Chairman: Item 1.(c)(2) Other Expenditures—pass.

Item 1.(d)(1) Financial and Administrative Services: Salaries.

Mr. Laurie Evans: In this particular section, it is identified that one of the responsibilities is the preparation of the Agri-Food Agreements and all that goes with it in terms of the annual reports and the reviews and all the rest of it. My question is to the Minister in terms of how much duplication actually occurs between the federal and the provincial Government in this. Because it is a cost-shared agreement, I sometimes get the impression that there is a fair amount of duplication in terms of providing these reports to the two levels of Government. I wonder whether that is the case.

Mr. Findlay: There is a joint management committee between the province and the federal Government whose job it is to try to reduce that duplication to the greatest possible extent, and minimize the loss of money through that duplication.

Mr. Laurie Evans: Can the Minister give us any estimate of what percentage of the Agri-Food projects or the overall contract goes to overhead? How expensive is the administration of these many contracts within the Agri-Food Agreement?

Mr. Findlay: The Agri-Food contract has no overhead but, with the university, we use a 35 percent overhead.

Mr. Laurie Evans: I am not sure you got my point. I was more concerned about how much of the total money available within this Agri-Food Agreement goes to the administration component, as opposed to that which goes out for contracts and actually is used for the research projects or whatever the Agri-Food Agreement subcontract happens to be. Is it a major component, or is it something in the range of 2 percent or 3 percent or 5 percent?

Mr. Findlay: With that component, we have assigned one staff member and maybe a third or a half of a secretarial position, and that would be the cost of administering the program, the Agri-Food Program.

Mr. Laurie Evans: So it is not really an overhead charge against the agreement per se.

Mr. Uruski: The increase in the salary component, has there been any staff turnover in the whole area of Financial Administration, or is that strictly a salary increase, the major one being from 407 for the administrative support staff or the total amount from 719 to 787?

Mr. Findlay: It is just a general salary increase, plus one assistant auditor who we pay a greater portion of his salary this year than the year before. So it is just

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a general salary increase plus a component of the assistant auditor.

Mr. Chairman: Is it the will of this section of the Committee of Supply to pass item 1.(d)(1)—pass.

Item 1.(d)(2) Other Expenditures—the Honourable Member for Fort Garry.

Mr. Laurie Evans: The only comment or question there is, could the Minister give us an outline of the type of expenditure that falls under the Other Operating? It seems as though it is pretty well broken down as far as all the other things are concerned but, I am just wondering, this appears to be a catch-all. What is in it?

Mr. Findlay: It includes such things as hotels, meals, computer-related charges, losses, damages, insurance and extraordinary costs, publications, employee education assistance, relocation and transfer costs and any other.

Mr. Laurie Evans: Is there a provision within the Manitoba department—and you have used, I think, education as one of the components there. Is there a program within Agriculture for training of individuals who are hired and who want to go on to advanced training? Is there any support system within the MDA for that?

* (2150)

Mr. Findlay: It is handled within each branch on a case-by-case basis for those who are away for a period of time. We have one individual from Brandon who is presently, I believe, half salary as he works towards an advanced degree, and his holidays too are involved.

Mr. Laurie Evans: That would not necessarily show up in the budget. It would be sort of an ad hoc arrangement as the time arrives, would it?

Mr. Findlay: It would not show up as a separate item. That is right.

Mr. Chairman: Item 1.(d)(2)—pass.

Item 1.(e) Computer Services: (1) Salaries.

Mr. Laurie Evans: Here again, under the Salaries item, I would assume that there has to have been a change in personnel in that group of five under Professional/Technical. Otherwise, the increase from 182 to 203 seems to be -(Interjection)- well, something, a similar term at least.

Mr. Findlay: The same as the previous explanation. There is a general salary increase for most of it and the other is one individual who was only on for a portion of the previous year—I think about three months or something like that—and is on for the full 12 months this year. So his salary is all picked up this year. He had one-quarter of his salary last year and full salary this year.

Mr. Uruski: In the whole area of Computer Services, can the Minister give us an update on where we are with departmental computerization and any new ventures that we are into?

Mr. Findlay: I will just tell the Member that computers are used quite extensively by the departments all over the place. In fact, we have 55 in the region, six in Crop Insurance, 31 in MACC and 47 in the department. Computers are heavily used and are spread all over. If he wants a further breakdown, it is quite extensive.

Mr. Uruski: Mr. Chairman, I know there was work going on at Crop Insurance and at that services lab to computerize. Where are we in terms of projects in the whole area of computers within the department? I know, for example, and it may have been done by now, we were scheduling services. There were bottlenecks created in shipments and in terms of inventory control and the like because we were still behind time in terms of modernization and holding the number of staff at previous levels. That did create some problems. Where are we in terms of moving the various stages of computerization through the department?

Mr. Findlay: Certainly at Crop Insurance, the on-line system is basically going to become operational this fiscal year. I think, if the Member wants any more discussion on it, maybe ask it when Crop Insurance is here.

As far as the Vet Services Lab, they are still working on getting everything on the computer in terms of inventory control and accounts receivable and things like that. Again, when the Vet Services is in, we can get some more specifics on how close they are to getting everything on line.

Mr. Uruski: Are there other projects, since those old ones that the branch is involved in right now, either in a developmental stage or in the process of actually doing the software?

Mr. Findlay: There are no major changes, or I could say no major improvements, just ongoing, updating department by department, branch by branch.

Mr. Chairman: Item 1.(e) Computer Services (1) Salaries—pass; item 1.(e)(2) Other Expenditures.

Mr. Laurie Evans: This may sound a little facetious but, when you look at the total for the two years, \$78,400 and \$78,400, one gets the impression that the Other Operating is just sort of a fiddle factor that is in there. Would this be fair to say that there is not a lot of precision in the determination of the Other Operating component there?

Mr. Findlay: I think the Member's assessment is reasonably accurate. It is just a catch-all figure for all the other expenditures that occur.

Mr. Chairman: Item 1.(e)(2) Other Expenditures—pass.

Item 1.(f)(1) Personnel Services: Salaries.

Mr. Uruski: I would like to know, from the Minister, the departmental staff component is at 712 last year

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and 708.35. Can he tell me how many vacancies there are within the department at the present time?

Mr. Findlay: 39 vacancies as of September 19.

Mr. Uruski: Of those 39 vacancies, can the Minister indicate where are those vacancies in the various branches? Can he provide us that information?

Mr. Findlay: We can do one of two things. We can either give him a breakdown tomorrow, which will take staff a bit of time, or we can go, as each branch we go through, we can say there are two vacancies, one vacancy, whichever way the Member would like it.

Mr. Uruski: Mr. Chairman, I think I will leave that to the Minister's preference. If he wants to do it on a branch-by-branch basis, as long as it is put on the record, I will be well satisfied with that.

Mr. Chairman, while I am up on my feet—

Mr. Harry Enns (Lakeside): What are you usually up on?

* (2200)

Mr. Uruski: I see the Member for Lakeside (Mr. Enns) is back and I am very pleased. He has been to Australia so I will not answer the question of where someone might be up on. I could ask him the question: "Where has he been and what has he been up to while he was away?"

I spoke earlier in my remarks about the position of the Deputy. Can the Minister indicate where they are,

in terms of recruitment and selection, and is there any change in the department contemplated in the entire executive structure? The one ADM position, when the retirement occurred, we did not fill it and we have shrunken it. Is there any further reorganization in the department that the Minister is contemplating?

Mr. Findlay: I guess I can tell the Member that the ADM position was readvertised after the election and a number of—

An Honourable Member: DM.

Mr. Findlay: I am sorry, DM was readvertised and a number of applications came in and, to this point in time, no further action has been taken until after we are through Estimates.

I guess I obviously felt that the Estimates process would have occurred before this because we have a very capable man sitting in the position at this point in time and everything is going very well. That is where it is at.

In terms of organization, no major changes of any great consequence are contemplated.

Mr. Chairman: Committee rise. Call in the Speaker.

IN SESSION

Mr. Speaker: The hour being 10 p.m., this House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).