



Fourth Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

41 Elizabeth II

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



VOL. XLII No. 50 - 1:30 p.m., TUESDAY, APRIL 27, 1993

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 27, 1993

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Ms. Jean Friesen (Wolseley): Mr. Speaker, I beg to present the petition of Abegele Aster, Terry Peterson, Karen White and others requesting the Minister of Family Services (Mr. Gilleshammer) to consider restoring funding of the student social allowances program.

READING AND RECEIVING PETITIONS

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

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

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

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

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

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

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

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

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

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

WHEREAS over 1,000 young adults are currently attempting to get off welfare and upgrade their education through the student social allowances program; and

WHEREAS Winnipeg already has the highest number of people on welfare in decades; and

WHEREAS the provincial government has already changed social assistance rules resulting in increased welfare costs for the City of Winnipeg; and

WHEREAS the provincial government is now proposing to eliminate the student social allowances program; and

WHEREAS eliminating the student social allowances program will result in more than a thousand young people being forced onto city welfare with no means of getting further full-time education, resulting in more long-term costs for city taxpayers.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Family Services (Mr. Gilleshammer) to consider restoring funding of the student social allowances program.

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

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

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

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

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

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

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

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Mrs. Louise Dacquay (Chairperson of Committees): Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

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

Motion agreed to.

* * *

Mr. Jack Reimer (Chairperson of the Standing Committee on Public Utilities and Natural Resources): Mr. Speaker, I beg to present the Third Report of the Committee on Public Utilities and Natural Resources.

Mr. Clerk (William Remnant): To the honourable Legislative Assembly of Manitoba:

Your Standing Committee on Public Utilities and Natural Resources presents the following as its Third Report.

Your committee met on Monday, April 26, 1993, at 10 a.m. in Room 255 of the Legislative Building to consider the 1991 Annual Report of the Workers Compensation Board of Manitoba and its respective Five Year Operating Plan, 1992, and the 1992 Annual Report of the Workers Compensation Board

of Manitoba and its respective Five Year Operating Plan, 1993.

Mr. Wally Fox-Decent, Chairperson; Mr. Tom Farrell, Chief Executive Officer; Mr. Alfred Black, Executive Director of Benefits; and Mr. Lorne McMillan, Executive Director of Finance and Administration of the Workers Compensation Board of Manitoba, provided such information as was requested with respect to the Annual Reports, their respective Five Year Operating Plans and business of the Workers Compensation Board of Manitoba.

Your committee has considered the 1991 and 1992 Annual Reports of the Workers Compensation Board of Manitoba and their respective Five Year Operating Plans and has adopted the same as presented.

Mr. Reimer: Mr. Speaker, I move, seconded by the honourable member for St. Norbert (Mr. Laurendeau), that the report of the committee be received.

Motion agreed to.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, may I direct the attention of honourable members to the gallery, where we have with us this afternoon from the John Pritchard School twenty-four Grades 7 to 9 students under the direction of Ms. Joan Duerksen. This school is located in the constituency of the honourable Minister of Culture, Heritage and Citizenship (Mrs. Mitchelson).

Also this afternoon, from the Portugese Cultural Association, we have 12 students under the direction of Ms. Florence Burshtein. This school is located in the constituency of the honourable member for Burrows (Mr. Martindale).

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

ORAL QUESTION PERIOD

Western Grain Transportation Act Government Position

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, my question is to the First Minister.

Last December the federal government unilaterally cut the supports for transportation of grain in western Canada, a cut that was noted by all members from all parties in this Chamber as an

unfair cut to producers and farmers in western Canada and Manitoba.

Yesterday, again, the federal government announced further cuts in the transportation payments to producers and put in a new clause or condition for '95 and then '96, that they would consider changing making these payments now to the producer if the producers went along with the changes and the method of transportation under the Western Grain Transportation Act.

Many farm organizations now today have expressed their concern about the lack of consultation, the lack of consensus on this major change in transportation policy. The federal minister has said that they are acting in accordance with the Province of Alberta and the Province of Ontario, and the Provinces of Saskatchewan and Manitoba are willing to discuss this.

Given the fact that Saskatchewan is opposed to this change, I would like to know from the Premier: What is the position of Manitoba on the change to the Western Grain Transportation Act and the changes the federal government has announced yesterday?

* (1335)

Hon. Gary Filmon (Premier): I find it interesting that all of a sudden the Leader of the Opposition is concerned about the costs of grain transportation for farmers when just a week ago he and his colleagues voted against a reduction of the railway fuel transportation tax, a reduction of 3.5 cents a litre that would save millions of dollars in the costs of grain transportation for Manitoba farmers.

That is the kind of two-faced approach that we have from the Leader of the Opposition, who conveniently finds reasons to say he is a friend of the farmers, but when he has a chance to vote for something that is good for the farmers he votes against it.

Having said that, Mr. Speaker, with respect to the issue of western grain transportation, our Minister of Agriculture (Mr. Findlay) has said before that he is willing to look at all of the issues involved, that he is willing to take an open-minded approach so that he can do what is best for the farmers of Manitoba.

He does not have a preconceived hangup, a blinkered view of this issue. He is willing, on behalf of farmers, to look at all sides of the issue to make sure that we do what is best for farmers.

Mr. Doer: Mr. Speaker, the Premier did not give an answer to the question. He took the same, usual step-aside approach to these very major economic decisions facing Manitoba. You know, no stand is the stand that this Premier takes on the tougher issues facing Manitoba.

Western Grain Transportation Act Impact Rail Industry

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, the government did have a study a couple of years ago dealing with grain transportation, and it did note that a change in payments to the producers would have various impacts on the transportation system in western Canada. Now, Manitoba is a railway centre. We have lost lots of jobs. We have lots of workers who are very concerned about their jobs in our community. In fact, I was with some of them this morning on the plant gate in Transcona.

I would like to ask the Premier: What will the impact of these changes be on the transportation jobs, particularly railway jobs, in Manitoba? Will it result in greater rail line abandonment as predicted in the report that the government commissioned? What will be the actual impact of these changes that the federal Conservative government is unilaterally implementing today?

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, the ability of grain farmers in Manitoba to survive over the next few years, the ability to pay the costs that they have to incur to produce their product, the costs of getting their product to salt water are very serious issues. I am sure the member is not aware that the cost the producer is paying at the farm gate for transportation has basically doubled since 1983 when the WGTA act came into being, whereas, the value of the commodities he is producing has gone down to about half. It is a serious issue.

Mr. Speaker, we are trying to work with the farmers of Manitoba. I formed an advisory council back in May 1989 to look at this overall issue of the impacts of the transportation costs that we are having to pay, the value of the commodity we are getting, and how we can evolve in Manitoba to maximize our ability to produce these basically no-value crops that have high transportation costs. I have mentioned to the member in the past that moving to the United States is not attracting any of these costs now; that is part of the equation.

The advisory council has had numerous studies. I believe there are three by Deloitte and Touche and one by the University of Manitoba Transportation Institute, looking at all the angles on the subject so when we get to the final negotiation table, which it seems we are being pushed to now, we have all the facts in front of us to evolve what is the right position for Manitoba farmers.

* (1340)

Western Grain Transportation Act Impact Highway System

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, the Premier (Mr. Filmon) did not take a position here today with the question. The Minister of Agriculture (Mr. Findlay) unfortunately did not tell us what the impact is on railway jobs.

I would like to ask a third question on this issue, Mr. Speaker. The government's own study on the change in payment going from the railways to the producers also indicated that along with rail line abandonment and the decline in railway jobs in Manitoba there would be an increase in truck traffic in the province of Manitoba and an increased cost to the Manitoba highway system.

I would like to ask the government, the Premier, as head of the Economic Development Committee of Cabinet: What is the cost to our highway system with the change in the transportation policy in Canada unilaterally announced yesterday by the federal government?

Hon. Gary Filmon (Premier): Mr. Speaker, I want to correct the Leader of the Opposition when he says that I did not answer the question. The fact of the matter is, I did answer the question.

I said that unlike the Leader of the Opposition, who will take a position without knowing any of the facts, we are only going to take a position when we know exactly what are the impacts and what are the consequences for the farm community, when we have all the information and we have all the facts at our disposal. We will develop that information base co-operatively with the farmers because ultimately it is their interests that we are here to protect.

Emergency Room Physicians Strike

Mr. Dave Chomlak (Kildonan): Mr. Speaker, emergency rooms at the five community hospitals in Winnipeg have been seriously affected today.

Seven Oaks is closed and the other four are operating under severely reduced circumstances.

Can the minister advise this House today what the status is of those facilities and what impact this will have on patient care?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, as we are speaking, a meeting is commencing at the urban hospital level to assure that contingency plans will provide for the maximum emergency service.

Seven Oaks is not open for any emergency services now; that was contrary to earlier reports. The other four hospitals are accepting 8 a.m. to 8 p.m. red diversions of ambulance. That is the most severe ambulance code. Health Sciences Centre and St. Boniface are operating under normal circumstances—if that is the appropriate phraseology—and are providing backup to the other five community hospitals, Sir.

Later this afternoon I hope to have maybe more information from the meeting that is occurring this afternoon to indicate how patient emergencies can be safely managed to keep the utmost in safety of Manitobans and Winnipeggers in mind.

Mr. Chomlak: Mr. Speaker, I thank the minister for that response. Doctors involved in this dispute have been under the impression that they had a concluded agreement with this government with respect to emergency services and their involvement in it. This agreement was entered into apparently three to four months ago.

How can the minister explain to this House today that it has taken four months to implement an agreement that the doctors thought was in place that would have prevented this situation from occurring in the first place?

Mr. Orchard: Mr. Speaker, the negotiations and the discussions that were undertaken were multifaceted. It was not a simple issue of the compensation level which is, of course, the one issue that gets the most often attention. These are salaried emergency medical officers and the negotiations were around a renewed salary benefit package.

There were other considerations to the discussions in terms of the operation of emergency departments and how those emergency departments can be better operated in today's context of diminishing resources to assure that we are able to provide the utmost in emergency

services at these respective facilities, and not to see, as happens from time to time, the less appropriate use of emergency facilities at hospitals our most acute and expensive access to the hospital system, and to assure that the resources we dedicate there are appropriately meeting needs of the 600,000 Winnipeggers who rely on them.

* (1345)

Mr. Chomlak: Mr. Speaker, my final supplementary to the minister: We had an agreement that was supposedly entered into three to four months ago that doctors believe would be implemented. We have the Moe Lerner task force reporting this summer. We have basically a strike or work-to-rule situation in emergency wards. How is the minister proposing to solve this situation and solve it as soon as possible?

Mr. Orchard: Mr. Speaker, that is exactly the process of discussions and negotiations. It is not, as I mentioned in my earlier answer, that it is not simply an issue of compensation, although that is part of the issue.

My honourable friend referred to Dr. Lerner's report on emergency services which may well be presented to government within the next couple of months. That provides guidance in terms of the better operations that we can achieve with our emergency medical officers in terms of operation of emergencies at our community hospitals, with implications obviously to emergency services in all our hospitals.

Federal Budget Impact on Manitoba

Mr. Reg Alcock (Osborne): Mr. Speaker, federal budgets in the past few years have not treated Manitoba well. We tend to be cut more deeply than other areas and we tend to receive less from national programs. In this budget the federal Finance minister is proposing to cut \$3.8 billion in this fiscal year. On a pro rata basis, if that is applied equally across the country that amounts to a cut of \$152 million in this province.

I would like to ask the Finance minister if he has been advised as to the impact of a cut of this magnitude.

Hon. Clayton Manness (Minister of Finance): The short answer to the question is no, Mr. Speaker, we have not been advised either directly or by internal analysis as to what the impact of the billions

that the member cites will be on the province. Certainly, by our first reading and by all indications by our officials who were in Ottawa yesterday, Manitoba has been treated no more or no less favourably than any other province.

Mr. Alcock: Mr. Speaker, in this instance equal means \$152 million fewer dollars coming into this province in this fiscal year than was in the previous fiscal year. I am surprised that the Minister of Finance has no analysis of this.

Federal Budget Canada Mortgage and Housing Corp.

Mr. Reg Alcock (Osborne): Mr. Speaker, to the Minister of Housing: Winnipeg is the only city from St. John's, Newfoundland to Vancouver that has seen a drop in its new housing price index, the only city in the country.

I would like to ask the minister responsible for Housing what impact the changes to CMHC are going to have on housing in this city.

Hon. Jim Ernst (Minister of Housing): Mr. Speaker, we have no detailed analysis yet, other than the reference in the budget speech yesterday of the potential impact of social housing and the capping of CMHC's overall budget.

It is a very complex formula that deals with both allocation of units to individual provinces and then, Mr. Speaker, following that as to cost-shared opportunities, because obviously the cost of building a house in Winnipeg is considerably less than building a house in, let us say, Toronto or Vancouver.

At the best of times we have difficulty, Mr. Speaker, in determining exactly what unit allocations will apply across the country. This will, no doubt, even complicate the matters more.

Federal Budget Impact Cultural Programs

Mr. Reg Alcock (Osborne): Mr. Speaker, my final question is to the minister responsible for Culture.

We know, from this budget, that ERDA agreements in forestry and mining are not going to be continued. We also heard this morning that other agreements are going to be allowed to lapse and not be continued, including agreements in the area of culture.

Has the Minister of Culture been advised of this?

Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Citizenship): Mr. Speaker, we are still, within the department, trying to determine what the exact impacts of the reductions to culture will be. We will be monitoring the situation extremely closely over the next period of time to try to see what the impacts will be.

Mineral Development Agreement Federal Funding

Mr. Jerry Storie (FIn Flon): Mr. Speaker, my question is to the Minister of Energy and Mines.

Since this government took office, approximately 1,200 miners have lost their jobs. In this government's budget, the Minister of Finance (Mr. Manness) raided the treasury of the Manitoba Mineral Resources, which is a Crown corporation involved in mining in the province, to the tune of some \$16 million, simply to make the minister's deficit look smaller, without any regard for the impact on mining communities in northern Manitoba.

Yesterday, we learned that the federal government is going to discontinue funding to the Mineral Development Agreement in the province of Manitoba.

My question to the Minister of Energy and Mines is simply: Was this minister consulted, and does he approve and agree with the cuts that were announced by the federal Finance minister?

Hon. James Downey (Minister of Energy and Mines): Mr. Speaker, just a response to the preamble, the reason that the province has seen, in this last two or three years, difficulty and a loss in the mining sector is because under the previous administration—[laughter]

Well, they can laugh about it if they like, Mr. Speaker, but under the previous administration their policies and their attitude towards the mining sector drove investment out of this province. I can find many mining individuals who have stated precisely that. Under the old NDP administration, where there was a 50 percent participation by government with the mining sector, it in fact drove investment out of this province. It drove exploration out of this province.

Mr. Speaker, the answer directly to the question—was I consulted?—is no.

*(1350)

Mr. Storie: Mr. Speaker, I am not going to ask the minister whether he is aware of what impact it will be. I think we should tell the minister that it will mean \$28 million fewer for both mining and forestry in the province of Manitoba in terms of our development.

Mining Industry Government Initiatives

Mr. Jerry Storie (FIn Flon): My question to the minister is: Is he prepared now to commit the province to continue the mineral exploration and the geological mapping that is ongoing in the province that is required for the future security of the mining industry in the province? Is he prepared to commit the province to continuing that work?

Hon. James Downey (Minister of Energy and Mines): Mr. Speaker, over the last two budgets, this government has done more in two budgets than he did in the six years that he sat as the minister responsible for the government in new mining incentives, in exploration incentives and prospector grubstaking incentives to find new developments in this province.

We have identified new mine status for several mines. In fact, I think there has been progress made and we will continue to work to support the mining sector to the best of our ability in Manitoba.

Mr. Storie: Mr. Speaker, the minister is spouting nonsense once again.

Forestry Industry Reforestation

Mr. Jerry Storie (FIn Flon): Mr. Speaker, my question is to the Minister of Natural Resources.

Some \$13 million has been pulled out of regional development agreements for forestry, which is the second most important industry in northern Manitoba.

My question is to the minister: Will this government be living up to its commitment, and how will it meet the commitments made under the federal program to reforestation, the supporting of the forest industry in the province of Manitoba, which is also suffering under the auspices of this government?

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, I am pleased to have the opportunity to respond to the honourable member's question, if for no other reason than to remind Manitobans that this government, for the first time in the history of forestry services in this

province, has signed contractual agreements with forestry operators that insist on replacing a living tree with every tree that is harvested.

I will examine very carefully the impact of any reductions with respect to the forestry Manitoba agreement, but I can assure the honourable members and members of this House that the emphasis will be on ensuring that the delivery in the field, that is, reforestation, will receive the highest priority with respect to funds available to us.

Economic Growth Interest Rates

Mr. Leonard Evans (Brandon East): Mr. Speaker, I have a question for the Minister of Finance.

The basis of continuing deficits in this province is the lack of revenue growth, which in turn results from inadequate economic growth. Because of the Bank of Canada's tight monetary policy, inflation has been wrestled to the ground resulting in economic stagnation, massive and chronic unemployment and growing poverty.

Mr. Speaker, I would ask the Minister of Finance: Will the Minister of Finance, when he attends the meeting of Finance ministers being called presumably by Mr. Mazankowski, make a plea for a reduction in real interest rates in this country to help stimulate the economy?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, the member talks about wrestling to the ground. The only thing I know that has been wrestled to the ground is the support of the NDP party across this country.

Mr. Speaker, the member—

Some Honourable Members: Oh, oh.

Mr. Manness: Let it come, let it come.

Mr. Speaker, the member implores the government, when we are meeting with other Ministers of Finance late in May, to call upon the federal Minister of Finance to insist that the Bank of Canada reduce interest rates by a greater amount.

Mr. Speaker, we do that at every meeting. I know the Premier (Mr. Filmon) does that at every meeting of First Ministers. We have called upon the Bank of Canada, through the Minister of Finance now over several years, to reduce the real rate of interest in this country. We will do so again, bearing in mind, I understand the Canadian dollar has dropped

three-quarters of one cent today and that there has been a response upward in the federal bank rate as announced today.

* (1355)

Mr. Leonard Evans: Mr. Speaker, I note that even the IMF has stated yesterday that there is room for a reduction in real interest rates.

Taxation System Corporate Rate

Mr. Leonard Evans (Brandon East): Mr. Speaker, I would ask the minister: Would he be prepared at this meeting to advocate a change in the federal government's regressive tax policies to make the corporations and the wealthy of this country pay their fair share?

There are 60,000 profitable corporations that will pay no taxes in 1992. Our wealthiest have the lowest taxes of any country in the OEC nations, and we have the highest number of billionaires per capita anywhere in the world.

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I would love to engage in debate here. The member talks about regressive taxes versus progressive. I know that he then would like Canada to adopt Manitoba's model, which I still think is amongst the most progressive, even though the members brought in the most regressive tax of all time which was a 2 percent tax on income.

The budget that I brought down, the members attacked us for going back to a regressive tax system. Now I say it is still more progressive than basically the one that is in Canada.

I indicated to the member opposite that we are well aware that there are many Canadians who are deferring income. The reality is, it is coming to be understood. It just is not corporations that are deferring income. The greatest deferrers of income are the individuals, those of us who are sitting here and everywhere who put away money for double RRSPs. We are the greatest ones in not paying maybe our share of taxes, because of the fact we are deferring them.

Mr. Speaker, yes, it is easy to go after those corporations that are not paying their tax. We will. We have, in our country, in our province. That is why we have not provided a payroll tax exemption for every company. Indeed, the larger ones, we said, should have no base figure.

We will continue that approach, and we will also ask for a tax on taxable income, as we have for several years now.

Economic Growth Provincial Comparisons

Mr. Leonard Evans (Brandon East): My final question, Mr. Speaker, to the minister is: There are some more figures that came out from Stats Canada today, and I want to know: Why is Manitoba's economy continuing to falter and lag in this year, 1993?

Housing starts are down by 51.1 percent in the first three months. We are ranking 10th out of 10 of the Canadian provinces. Retail sales are stagnant. We are 10th out of 10 in retail sales the first two months of this year. Manufacturing shipments have declined by 1.9 percent in the first two months, ranking us eighth out of 10.

Why are we doing so poorly?

Hon. Clayton Manness (Minister of Finance): When the member comes up short asking a question, he goes back to the old goody. He finds an individual statistic, Mr. Speaker. He finds one forecaster, and, of course, if the ranking is not so good that is the one we hear about. We never hear about the third rank of the Conference Board for '92. We never hear of any of those ranks.

Mr. Speaker, whereas the NDP government in the past bought their economic growth number by borrowing money—and the legacy of that, of course, is in \$550 million interest costs every year, we have taken a more responsible approach.

Manitobans in the vast majority support this government and the approach it is taking. We are on the right track.

Emergency Room Physicians Strike

Mr. Gulzar Cheema (The Maples): Mr. Speaker, my question is for the Minister of Health.

We are very concerned about the emergency room physicians from five hospitals who are striking this morning. The issue is causing great concern in the community. Also, the issue is not new to this province.

As the doctors are saying, the minister's department has not acted upon an agreement at this time. They had an agreement several months ago.

Can the Minister of Health tell us how long they have known that the strike was going to take place?

* (1400)

Hon. Donald Orchard (Minister of Health): Mr. Speaker, these discussions and difficulties with the salaried emergency physicians has been an ongoing discussion. I think my honourable friend might recall that there was a threat of a strike at one of the community hospitals, I believe in 1990.

That issue has been one that we have been trying to resolve not simply from the monetary approach, as I indicated earlier, but from a complete examination of emergency room operation in our hospitals. So the solution is not simply one which may well be monetary in part, but rather in how we manage and use the expertise that is available to manage our emergency rooms much more effectively for Manitobans. The key players to that, of course, are directors of emergencies and their staff.

So a solution from the monetary side may well be achievable, but without the benefit of some significant input on how we can operate emergency rooms in a more effective fashion, I think would only be a partial solution. We are seeking a complete solution, Sir.

Mr. Cheema: Mr. Speaker, can the Minister of Health tell us what are the major difficulties the emergency room physicians and the emergency services are facing in Manitoba? As he has said, they have the task force. Can he outline some of the difficulties we are facing?

Mr. Orchard: Mr. Speaker, there are a number of challenges at the emergency departments, not the least of which is compensation. There is the stress level. There are the hours, and there is some difference in terms of compensation methods.

As I had indicated earlier, the five hospitals that are affected by this particular bargaining unit, these are salaried emergency medical officers. Other emergencies have services provided by fee-for-service emergency physicians and those seem to be working, at least at this stage of the game, a little more effectively.

Clearly, in terms of utilization of emergency, emergencies are just that, for emergencies. There has to be an opportunity to manage our resource there properly so that we can assure that we meet the emergency medical needs. That is, of course,

what we are trying to achieve in this discussion and the investigations by several task forces.

Mr. Cheema: Mr. Speaker, can the minister assure the public that the patients will not suffer while the strike is on? Can he outline what are the action plans they have put forward to our various hospitals?

Mr. Orchard: Mr. Speaker, currently four of the community hospitals, excluding Seven Oaks, are accepting from 8 a.m. to 8 p.m. the red ambulance services which are the most urgent. There is an arrangement with Health Sciences Centre and St. Boniface currently in which individuals who would normally have presented for service at a community hospital emergency should they be stabilized and need admission, after presenting at either Health Sciences Centre or St. Boniface, they will be transferred back and admitted to any five of the community hospitals. That interim arrangement exists now.

As I speak, the urban hospital administrators and staff are meeting to further refine contingency plans so that we can meet medical emergencies for Winnipeggers relying on the hospital system.

Occupational Health and Safety Regulations

Ms. Marianne Cerilli (Radisson): Mr. Speaker, the Minister of Labour's proclamation for today, the day to commemorate and mourn the workers who have lost their lives or been injured on the job, says it is a day to renew approaches to government for tougher occupational health and safety standards and more effective compensation. To me, this suggests that the minister is going to finally after two years implement the regulations for Workplace Safety and Health committees and fulfill his commitment under this proclamation.

Can the Minister of Labour tell us when he is going to fulfill that commitment and implement those regulations?

Hon. Darren Praznik (Minister of Labour): Yes, Mr. Speaker, I would be delighted to comment on this particular matter, because if the member for Radisson had done a little work and research in speaking to members of the Workplace Safety and Health Advisory Committee, with which I have had many discussions over the last number of months—and I should tell her this regulation stems

back over a number of years when her party was in power.

But there were some problems—

An Honourable Member: You changed it.

Mr. Praznik: Well, the Leader of the Opposition says it is changing it. I had discussions with the Manitoba Federation of Labour. There were particular problems with the administrative difficulties in the regulation as it was structured. We have worked through some of those problems with the acceptance of the Federation of Labour, with members of the Workplace Safety and Health Advisory Committee, and I believe the drafting of the legal wording of such a regulation is now underway.

Ms. Cerilli: Mr. Speaker, can the minister tell us who was it that raised those concerns, because this regulation had been passed unanimously by the workers, the employers, and the technical professionals on that committee?

Mr. Praznik: Yes, Mr. Speaker, I would be delighted to tell the member. Those concerns were raised within my own department by the staff who would have to administer that regulation, who are not members of that committee. Part of the whole effort of involving our employees in the work that they have to do, and ensuring that we can act administratively with efficiency in administration, was involving the staff in the Department of Labour in that process.

There were some problems raised, and I say to the member that I met with the Manitoba Federation of Labour Workplace Safety and Health Committee. I discussed these issues with them; they recommended even some changes that could accommodate the matter, and that is what we have worked through the process.

Ms. Cerilli: Mr. Speaker, we have been waiting for two years to have these regulations to make workplaces safer and healthier. When are they going to be implemented?

Mr. Praznik: Mr. Speaker, I say this to the member for Radisson with all sincerity. I think she should try to understand the issue that was really involved, and that is the ability when a particular matter has not been dealt with at the Workplace Safety and Health Committee for three occasions, that there be a mechanism to see it adjudicated at the Labour Board, and the problem we had with some unnecessary administrative steps that were encompassed in the original recommendation that

actually, quite frankly, had no reason to be there. We have worked that through.

I say this to members opposite: We were working through the process with the Department of Justice and I wanted to take the wording back to the people who developed the regulations to ensure they are comfortable with it. It is in that process.

Education System Funding Formula

Mr. John Plohman (Dauphin): Yesterday, at the Seven Oaks rally at the Legislature, the Minister of Education tried to use the same arguments to explain away her government's cuts to education as she uses in the letters that she sends to the public and to concerned citizens.

In a letter to Mr. Hobbs of Flin Flon of April 23, just a few days ago, she said, and I quote: It should be noted that, in total, increases in government funding for elementary and secondary education for the last five years were above the rates of inflation during that period.

Mr. Speaker, just to make certain the minister is correct on her facts, I want to ask the minister in this to tell the House what precisely the inflation rate was during those last five years and what the increase in funding to the public education system was during that same period.

Hon. Rosemary Vodrey (Minister of Education and Training): Mr. Speaker, again, I stand by the commitment of this government to education in the past few years and the position and the priority that this government has placed on education in the past five years of its mandate.

Mr. Plohman: Some commitment, Mr. Speaker.

Mr. Speaker, I want to ask this minister—and I will table this—in light of the fact that inflation over the last five years was a total of 18 percent and the increase in public school support was only 14.2 percent, nearly 4 percent less in five years, will she now correct this misinformation and provide only the truth in her letters to the public?

Mrs. Vodrey: Mr. Speaker, the commitment of this government is evident. I ask that member to look at his government's record and how he funded public school education in the years when his party was in power.

Mr. Plohman: This must be the minister's new—

Mr. Speaker: Order, please.

* (1410)

Mr. Plohman: When the minister meets with the Seven Oaks school board in the near future, as was stated at the rally yesterday by the Seven Oaks school board, will she provide only the facts and proper information and the truth to the people of the Seven Oaks school board and listen to them and—

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

Mrs. Vodrey: Mr. Speaker, as the member knows I do meet regularly with school divisions. The Seven Oaks School Division has asked to have a meeting with me. At that time we will look at the agenda that they present. In all cases I do make every effort to provide school divisions with the information that they need.

Let me just provide some information since the member has just been so concerned about the priority of education funding from this government. Let me just remind the other side, in 1987, what the former Minister of Education, the member for Flin Flon (Mr. Storie) said. They have had so much difficulty discussing our priority of health, education and also considering the deficit. The former member for Flin Flon, Minister of Education at the time, in 1987, said: Education is the province's third priority after paying down the deficit and supporting health care services.

Department of Family Services Funding Transfer

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I seek some clarification from the Minister of Family Services.

Yesterday, in Estimates, he indicated that \$15 million was being shifted over to the Department of Education. Mr. Speaker, the line with the Department of Education has seen \$5 million taken away. I would ask either one of those two ministers to explain that.

Hon. Harold Gilleshammer (Minister of Family Services): Mr. Speaker, I would certainly invite the member for Inkster to join his Leader and others in Estimates and we can discuss this.

What I did indicate was, the training programs that were once housed in Family Services have now been moved over to Education, as well as some other programming from the Department of Labour.

Education Advisory Committees Recommendations

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, we are concerned in terms of the direction that the Department of Education is going, and I would ask the Minister of Education: We had the advisory committee that brought forward a number of ideas, and I am wondering if the minister can give us an update in terms of what it is that she is in fact doing with those advisory committee recommendations.

Hon. Rosemary Vodrey (Minister of Education and Training): Mr. Speaker, we have a number of advisory committees in the Department of Education. I am not sure to which committee the member is referring at this time. We have had the Advisory Committee on Education on our new finance model and that committee has been working actively. We did incorporate their six priority recommendations into the Ed funding formula in this year and that seems to me to have been action based on the recommendations of an advisory committee.

Employment Training Programs Government Initiatives

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, we are very disappointed in the government in terms of being able to deal with the issue of training and retraining, and we are referring to the Skills Advisory Committee in which a number of recommendations were being brought forward.

My question to the minister is: What is this government doing in terms of providing the training and retraining programming that is necessary in order to get Manitobans back into the workforce?

Hon. Rosemary Vodrey (Minister of Education and Training): Mr. Speaker, one of the very most priority recommendations of the Skills Training Advisory Committee was to set up a program like Workforce 2000. This government, in fact, has the program Workforce 2000 operating, and it has trained over 43,000 Manitobans.

Assiniboine Diversion Project Clean Environment Commission Hearings

Mr. Cliff Evans (Interlake): Mr. Speaker, yesterday the Minister of Environment again refused to consider holding hearings outside and downstream of the Assiniboine River water diversion, despite

potential effects upon the city of Winnipeg, Selkirk and the Interlake.

Can the minister tell the House today whether he is willing to at least delay the hearings until the fall so that farmers and people most affected will have a better opportunity to attend these hearings?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, first of all, we have delayed the hearings into June in order to accommodate those who work in a rural setting to be able to finish their main portions of their spring work. This hearing process has been put forward for the last six months, an opportunity for reaction to the original EIA and the subsequent amendments. I think it is appropriate that the hearings proceed.

I said yesterday that the siting of the hearings was largely related to where those who are expressing concern would have the best access, and I believe that is still the case.

Mr. Speaker: The time for Oral Questions has expired.

House Business

Hon. Darren Praznik (Deputy Government House Leader): Mr. Speaker, on House Business, I would like to announce that the Committee of Privileges and Elections, which may have been scheduled to meet at another time, will be called for 5 p.m. this afternoon.

Mr. Speaker: I would like to thank the honourable deputy government House leader for that information.

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

Mr. Speaker: Prior to putting the question to the House, I believe the honourable member for Point Douglas would like a committee change. Is that acceptable to the House? [agreed]

Committee Changes

Mr. George Hickey (Point Douglas): I move, seconded by the member for Wellington (Ms. Barrett), that the composition of the Standing Committee on Privileges and Elections be amended as follows: Thompson (Mr. Ashton) for The Pas (Mr. Lathlin); Wellington (Ms. Barrett) for Broadway (Mr. Santos).

Motion agreed to.

* * *

Mr. Speaker: Order, please. It appears that we have two members who would like to make a nonpolitical statement. Prior to putting the question to the House on going into Committee of Supply, would there be leave to revert to Nonpolitical Statements, if you want to call it that? [agreed]

Nonpolitical Statements

Mr. Speaker: The honourable member for Broadway, does he have leave to make a nonpolitical statement? [agreed]

Mr. Conrad Santos (Broadway): Mr. Speaker, it might have passed unnoticed, but as a member of this Legislative Assembly and as a member of the official opposition, I pay tribute to a humble and great person by the name of Cesar Chavez who died peacefully in his sleep. He was a product of the Depression, being born in Yuma, Arizona on March 31, 1927.

His father's finances were shattered by the Depression and so the family members became migrant workers. He started organizing the poor labourers in 1952 and 10 years later he organized what became known as the United Farm Workers Union. Cesar Chavez achieved international recognition when they struck and he led a boycott for five years against the grape growers in the San Joaquin valley in California. The boycott lasted that long until the grape growers agreed to a contract with the migrant workers.

Mr. Speaker, this person attracted attention to his cause by means of fasting. He fasted three times, the last one being 36 days having only water, resulting, according to the doctor, with damage to his kidney.

Let me pay tribute to this great person and say with Tommy Douglas, if your cause is just and right, it must triumph because it is part of the warp and woof of the universe. No matter how many setbacks there may be along the road, you may be sure that some day the right and the just will prevail. Or, as the psalmist would say, commit your way to the Lord, trust in Him. He will vindicate your cause and will make the righteousness of your cause break forth like the dawn in the night and shine like the noonday sun. Thank you, Mr. Speaker.

* * *

Mr. Speaker: Does the honourable member for Radisson have leave to make a nonpolitical statement? [agreed]

Ms. Marianne Cerilli (Radisson): Mr. Speaker, I would like to make a nonpolitical statement to recognize the national day of mourning for workers who are killed and injured on the job.

Today is an important day to recognize that there are millions of work injuries in Canada, and a compensable injury occurs in Canada every seven seconds of every working day. Deaths from workplace injuries average nearly 1,000 a year. In Canada this means that one worker is killed every two hours.

These deaths often go unreported and uncompensated, and I think that it is serious for all of us to consider, as our work environments change due to technology, that we keep pace with those changes and recognize the new injuries and the new illnesses that are resulting from our increased use of chemicals and technology in the workplace.

I would urge us all to give special recognition to those in Manitoba who are suffering from these illnesses.

* (1420)

Committee Changes

Mr. Speaker: The honourable member for Gimli, with his committee changes.

Mr. Edward Helwer (Gimli): Mr. Speaker, I move, seconded by the member for Niakwa (Mr. Reimer), that the composition of the Standing Committee on Privileges and Elections be amended as follows: the member for Emerson (Mr. Penner) for the member for Portage la Prairie (Mr. Pallister); the member for Turtle Mountain (Mr. Rose) for the member for Rossmere (Mr. Neufeld).

Motion agreed to.**House Business**

Mr. Speaker: Prior to putting the question to go into Supply, I believe we would have to call on the deputy government House leader for a little bit of clarification. The honourable deputy government House leader, under House Business, had informed the House that we would be going into a Committee of Privileges and Elections, but I believe the honourable deputy government House leader would

need leave of the House for that committee to sit while the House is sitting.

Therefore, we will ascertain whether or not there is leave for P and E to sit while the House is sitting. [agreed]

That being agreed, I would also have to ask the deputy government House leader, at this point in time, you did not indicate any location for the said P and E committee and the purpose of the committee. I would simply advise the honourable deputy government House leader, the only room we have available at this point in time is Room 254.

Hon. Darren Praznik (Deputy Government House Leader): I believe, Mr. Speaker, that it will meet in Room 254 for the purposes of considering The Freedom of Information Act and the requirements for a hearing.

Mr. Speaker: I would like to thank the honourable deputy government House leader for that information.

ORDERS OF THE DAY

Mr. Speaker: It has been moved by the honourable deputy government House leader (Mr. Praznik), seconded by the honourable Minister of Finance (Mr. Manness), that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

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

COMMITTEE OF SUPPLY (Concurrent Sections)

FAMILY SERVICES

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

This afternoon this section of the Committee of Supply, meeting in Room 255, will resume consideration of the Estimates of Family Services.

When the committee last sat, it had been considering item 1.(e)(7)(a) on page 55 of the Estimates book.

Hon. Harold Gillieshammer (Minister of Family Services): Mr. Deputy Chairperson, during the review yesterday of the Social Services Advisory Committee, the member for Burrows (Mr. Martindale) requested that I provide him with a copy of the Social Services Advisory Committee procedures, and I am pleased to table copies with the Chair today.

Ms. Becky Barrett (Wellington): Mr. Deputy Chairperson, I would hope that I am not going to reiterate questions that were asked by my colleague the member for Burrows last night. I am sure the minister will let me know if I do that.

We are discussing the work of the Agency Relations Bureau, and in particular as it regards the service and funding agreements that are being established with a number of the agencies, and more particularly still, the process that was undertaken in deliberations between the Department of Family Services and the Manitoba Foster Family Association.

I guess the concern that we have is that, while external agencies undertake these negotiations in good faith and understand that we need to be clear, as a government, as a funder and as a service provider, what funds are being expended for which services, it is incumbent upon both parties to negotiate in good faith. That is a basic fundamental tenet of contract negotiations, whether it is with social service agencies and the government or the collective bargaining process as it is undertaken between management and labour or any kind of transaction that requires two parties to deal with each other.

I guess our concern is that in the case of the Manitoba Foster Family Association, it would appear that somewhere in the process, that good faith bargaining element was, if not broken, certainly attenuated. It was not consistently put together in good faith.

I would like to ask the minister what the status was of the negotiations on January 11, 1993, when a draft Memorandum of Agreement was established between the Department of Family Services and the Manitoba Foster Family Association, in the sense of: What did the Department of Family Services or the minister know about the financial situation facing this government at that time?

Mr. Gillieshammer: Mr. Deputy Chairperson, the member's colleague asked this question yesterday,

and we answered it yesterday. So it is contained in Hansard.

Ms. Barrett: Thank you very much. Mr. Deputy Chairperson, was this in the afternoon session or the evening session that this was answered?

Mr. Gilleshammer: Yesterday was so intense and exciting, I am not sure whether it was the afternoon or the evening. I think it was the evening, though.

Ms. Barrett: Yes, I believe it was the evening session, and that Hansard has not been made available to us at this time.

As I stated to the minister, I knew that I might be going over ground that had been dealt with before. Forgive me, but the minister has also been known on occasion to go over ground that he has gone over before. So if he would indulge me very briefly and answer this question, I would appreciate it and the process can perhaps go on more expeditiously.

Mr. Gilleshammer: Well, negotiations in that period of time were in process, and decisions that were made later on overtook those negotiations. As a result, when the budget announcements were made, those negotiations, of course, were no longer necessary.

Ms. Barrett: Mr. Deputy Chairperson, can the minister tell me if the Manitoba Foster Family Association received a letter from the minister or the Department of Family Services in late fall? I believe November was the month that most external agencies received communications from the minister saying, economic times are difficult and expect no increase or expect a decrease or expect perhaps no funding at all.

Mr. Gilleshammer: We sent a cautionary letter in the fall to all of the agencies that we fund indicating the difficult budgetary deliberations that we saw coming forward. I anticipate that the Foster Family Association would have been included in that, and staff are confirming that.

* (1430)

Ms. Barrett: Mr. Deputy Chairperson, if in November of 1992 the Foster Family Association received this letter that all other external agencies did, saying do not expect any increase and budget accordingly, then can the minister explain why, on January 11, 1993, anywhere from six weeks to two months later, the minister's department has instituted a draft Memorandum of Agreement between the government of Manitoba, as

represented by the Minister of Family Services, and the Manitoba Foster Family Association, which states in item 5: Foster care rates, as set forth in Appendix B, will be increased in accordance with the following schedule: From April 1, 1992, to March 31, 1993, no rate increase; from April 1, 1993, to March 31, 1994, increase based on the cost of living adjustment. Can the minister explain the discrepancy in those two documents which were, at the minimum, six weeks apart?

Mr. Gilleshammer: Mr. Deputy Chairperson, I indicated that negotiations and discussions were going on at the officials level. Subsequent to that, decisions were made around the budget by government which overtook those events, and as a result, we did have to make, as your Leader has acknowledged on a number of occasions, some very difficult, difficult decisions. One of those decisions had some impact on the rates, and another of those decisions had an impact on the grant to the association. Again, I do not know whether you want to pursue this further, but I can detail some of the difficult decisions that we have had to make as government and talk about the fact that this is not unique to Manitoba.

Governments across the land are in that position where they have had to make budgetary decisions which have had a tremendous impact on social services in those provinces. So I think I have answered the member's questions, but if you want to have this amplified a little more, we can do so.

Ms. Barrett: I am sure that the minister will understand my response when I say that that will absolutely, positively not be necessary.

I would, however, like to clarify, or ask for clarification again back specifically to the Manitoba Foster Family Association, where they received the letter saying, do not expect any increases and perhaps expect decreases in November. Six weeks or two months later, they had concluded negotiations or felt that they had concluded negotiations with the minister's own department that it very substantially differed from the information that was given to them in the letter of November. There is no problem there as far as I am concerned.

The letter went out to all the agencies, but Manitoba Foster Family Association was dealing in an individual manner with the Department of Family Services so that is a legitimate process to this point.

My concern is that both parties appeared on January 11 to be dealing in good faith on the need to have a COLA clause in the boiler plate contract with Manitoba Foster Family Association. Then something happened in the next six weeks to make this, not only change, but to be a withdrawal of funding entirely from the Foster Family Association and a decrease in the support that was given to foster families themselves.

Surely the minister must have known most if not all of the problems that he was facing in funding, as determined by Treasury Board or however, what the figures were being defined in November. Why is his department still negotiating for a cost-of-living increase on January 11 if times were so difficult? Again is it not legitimate for the Manitoba Foster Family Association to take as bargaining in good faith the January 11 document as superseding the November document?

Would the minister not agree that the Manitoba Foster Family Association is well within its rights as an organization to be very upset with what appears to be a complete abrogation of the tenets of bargaining in good faith?

Mr. Gilleshammer: I have indicated before that I understand the disappointment of the Foster Family Association. We did send the cautionary letter back in the fall. Yes, at the officials' level, there was discussion going on, but I have indicated subsequent to that budgetary decisions were made which overtook those negotiations, and as a result, we have made those announcements affecting their organization and those rates.

Mr. Doug Martindale (Burrows): Could the minister give us some examples of agencies that relate to the Agency Relations Bureau?

Mr. Gilleshammer: Maybe just a point of clarification, the agencies that we fund do relate to the department within the branch of the department that their activities normally respond to. I think the member understands that there will be a group of them under Income Security, there will be a group of them under child welfare, but some of the ones that we have agreements with are the Children's Home of Winnipeg, Winnipeg Child and Family Services, the Westman Women's Shelter, as some examples.

Mr. Martindale: I have the Report of the Provincial Auditor to the Legislative Assembly for the fiscal year ended March 31, 1992, and there are some

recommendations under the Department of Family Services regarding the Society for Manitobans with Disabilities Inc. I wonder if the minister could update the committee on the recommendations and the status of action. I note that most of them, it says either recommendation implemented or recommendation being implemented. I wonder if the minister could tell us if the department has finished implementing the recommendations that were being worked on. I have a copy, if it would help.

Mr. Gilleshammer: Yes, a number of the recommendations have been implemented, and others are in process. This would fall under the Rehab and Community Living area of our department. Either I can address that when we get to that section of the Estimates, or we could have that information brought back for you the next day.

Mr. Martindale: I will come back to it under Rehabilitation and Community Living.

* (1440)

Mrs. Sharon Carstairs (Leader of the Second Opposition): Can the minister tell us approximately how many contracts would be negotiated by this particular branch in any given year? I do not want an exact number. I mean, are we talking 50 or 75 or 100?

Mr. Gilleshammer: We have about 50 contracts that are either finalized or well on their way, and we have perhaps another 40 or 50 that we will be working with.

Mrs. Carstairs: Of that number, how many were cancelled as a result of budgetary decisions to cut funding to external agencies completely?

Mr. Gilleshammer: The one that was being negotiated was just the one to the MFFA.

Mrs. Carstairs: So there was no contract in the past, for example, with agencies like the Manitoba Anti-Poverty Organization, or it had already been decided so early that this one was never negotiated.

Mr. Gilleshammer: Two years ago we had no contracts with any of the groups that we fund and work with, and we were not in negotiations with the Manitoba Anti-Poverty Organization.

Mrs. Carstairs: If I follow the Detailed Estimates on page 42, it says essentially, procedures and systems to ensure accountability of external agencies receiving public funding. Does that mean that there are certain agencies that receive public

funding from this department for which there are no contracts and therefore no technical accountability?

Mr. Gilleshammer: Mr. Deputy Chairperson, yes, when this department was first formed some three, three and a half years ago, by combining Income Security and Family Services at that time, there were no contracts and no agreements, no documents in force. We have been working on service and funding agreements for the last three years, and the concentration of the efforts have certainly been with those organizations that deliver that front-line service, such as the Child and Family Services agencies.

The grants that were being made to advocacy organizations had not been pursued with the same diligence as the ones that provide that front-line service. Our intention is to have service and funding agreements with all of the groups that get government funding, and we have concluded a number of them. We still have more work to do in that area.

Mrs. Carstairs: Was the breakdown based essentially on dollars, that you decided first of all to tackle those ones which had the largest dollar commitment from government and to leave in abeyance those that had lesser dollar value?

Mr. Gilleshammer: That is partially true. The other thing, the other concern, was the absolute critical work that was being done by a number of those agencies and some of the others, where it was not as critical, the type of work that they were doing, was going to be left until later.

Mrs. Carstairs: What evaluation process at all then did the department, not just under this ministry, but under previous ministries have into place to ensure that government money was being spent on the things that the agency requested funding for?

Mr. Gilleshammer: In the past, before the service and funding agreements were being put into place, the department would receive annual reports. They would receive audit reports. They would work at the officials' level to examine the work that was being done. This certainly is a much more formal step, in any case, the purchase of the service from outside agencies.

Mr. Deputy Chairperson: 1.(e)(7)(a) Salaries.

Mr. Martindale: If it is appropriate, I would like to ask the minister, what kind of analysis was done to decide which of the 56 organizations funding was terminated to? I know that the minister's press

release and his statements in the House have repeatedly referred to advocacy as opposed to service.

When did the department suddenly decide that advocacy was no longer appropriate? It seems to me that these decisions were made for budgetary reasons and that the word "advocacy" was just a smoke screen, especially when you consider that many of these organizations were providing a service, if you consider organizations like Manitoba Anti-Poverty Organization, that were providing both service to clients who came in their door as well as advocating with various levels of government and other organizations as well. For example, Indian and Metis friendship centres were providing many services in the area of recreation and healing circles, et cetera. So why, all of a sudden, did your department decide that advocacy was no longer a suitable activity for externally funded agencies?

Mr. Gilleshammer: I think you could probably research some comments that I have made in previous years where we have made a distinction between advocacy and service and have said in the past that services is the primary responsibility of many of these organizations and should have the first call on government dollars.

Let me say that the member is absolutely right when he says that these are budgetary decisions, and not surprisingly that is what the budget is all about. I guess we need to be in a position where we do not have to make the decisions that were made in Saskatchewan to close 52 hospitals, and as a result, we have to make decisions now to bring our budget, our deficit, our debt into line. Every year, all departments, the government your leader was a member of, would annually look at the budget requirements and look at the manner in which they could access new income, look at the expenses they had, and I would think it was a rare occasion where they said, well, what did we do last year? We will do exactly the same this year and give everybody more money.

But budgetary decisions are made annually by government, and governments across this country are faced with some very, very difficult decisions. If the member is suggesting that perhaps what we should be doing is cutting service providers instead of advocacy groups, I do not agree with him.

We have to look at what the primary service is that is being provided by the agencies that we fund. In

my mind, that is the first call on the resources that government has. Then we look at some of the secondary responsibilities of these groups and make our decisions accordingly.

Mr. Martindale: I certainly was not suggesting that you make cuts to service organizations. I think what these external agencies would like is a little more honesty from this government or a little more clarity or calling a spade a spade and saying in their press releases, we did this for budgetary reasons specifically to reduce the deficit, rather than saying we are no longer going to fund advocacy organizations, which I think is misleading, given the nature of the services to the public that many of these organizations provided.

* (1450)

So I am just reiterating my original question. I do not think we are going to make any progress here. I think we will have to agree to disagree. But I see the minister wants to reply.

Mr. Gilleshammer: Well, the member still has not answered the question I asked him the first day, and that is: Where would you like to cut in Family Services? You have now said you will not cut advocacy groups, you will not cut service, you will not reassign any money.

These are the difficult decisions governments have to make, and from the luxury of opposition, you can criticize all of these decisions. But I am sure, when the Minister of Finance (Mr. Manness) made his announcement at a press conference in his office about the 56 groups that were being funded by government that were going to receive less funding or no funding, it was not, I am sure, the issue of why we were doing it. It was not being ducked.

The fact is, it is a budgetary decision, that the downsizing of government, the reducing of grants is related to the budget. We have to preserve what is most necessary, most valuable and make these very tough decisions. As I said, governments in all provinces are making decisions on expenditures, and they are making decisions on what revenue generation they feel they can move to. These are the decisions we have made and were supported by this Legislature in passing the budget.

Mr. Deputy Chairperson: 1.(e)(7) Agency Relations Bureau (a) Salaries \$201,100—pass; 1.(e)(7)(b) Other Expenditures \$42,000—pass.

2. Registration and Licensing Services (a) Vital Statistics (1) Salaries \$894,500.

Mrs. Carstairs: Mr. Deputy Chairperson, first of all, I would like just a clarification. Is this the time when the minister would like to talk about the Post-Adoption Registry, or would you like to leave that to a later time?

Mr. Gilleshammer: It would be better if we covered it under Child and Family Services and we had the appropriate staff here.

Mrs. Carstairs: Okay, that is fine. I have no difficulty with that at all.

Can the minister tell the committee when the move to Dauphin is likely to take place or has that been put on permanent hold?

Mr. Gilleshammer: Well, that is not easy to answer at this time in that we are awaiting some decisions to be made on automating this particular branch of government. I would have hoped that those decisions would have been made by now, but it does involve a number of other departments of government, and whereas a year ago I thought we had a solution to that, some of those negotiations that have been taking place, I think, between I, T & T and another government department have not materialized to the point where we can say that we are proceeding with that. So this whole idea of moving this unit has been put on hold pending the resolution of that issue.

Mrs. Carstairs: I understand that one of the difficulties is a technology difficulty, that in order to move this department to a location such as Dauphin you would need to have major computer equipment and other technological equipment. Has this department purchased any of that equipment, or is this at this point still on standby?

Mr. Gilleshammer: The answer is that we have not purchased equipment that would be used in direct service. There has been work done on a plan of what would be needed for automation in this area.

Mrs. Carstairs: Of the number of certificates, and I think they list some 33,000 registrations and 74,000 issuants of certificates, how many of those would be given to people who literally come to an office and pick them up?

Mr. Gilleshammer: Only a small portion, I am told, of the requests are dealt with on a face-to-face basis, around 15 percent. A lot of the requests come in by mail or by a telephone call.

Mrs. Carstairs: Can the minister tell this Chamber if the expected date of arrival in Dauphin has now

been set, or is it anticipated that this may be, if at any time, a 1994 endeavour?

Mr. Gilleshammer: I am sure no target dates have been set, and I am firm in my belief that it will not happen during this budget year.

Mr. Martindale: Mr. Deputy Chairperson, I would like to commend the staff at Vital Statistics for the excellent job that they do. It is one department I relate to. They license me. I have a certificate of registration to solemnize marriages, No. 8187, and the staff there are always very co-operative. In fact, they probably wish that people like me were more co-operative because I do not always mail in my registration of marriage within 48 hours or whatever the limit is. I usually wait until Monday and then send it interdepartmental mail.

I notice that on the bottom of my certificate of registration that the acting director is M. J. Zyluk. Is that person still an acting director or now the director?

Mr. Gilleshammer: She is the director, and she is the woman who is seated at the table here with us.

Mr. Martindale: Well, I would just like to congratulate her on being appointed director.

Mr. Deputy Chairperson: Item 2.(a) Vital Statistics (1) Salaries \$894,500—pass; (2) Other Expenditures \$419,900—pass.

2.(b) Residential Care Licensing (1) Salaries \$271,500.

Mrs. Carstairs: Mr. Deputy Chairperson, in terms of residential, I have had some communication with a Mrs. Lynn Clark, and I know that the minister has as well. She was making an application for establishing a seniors daycare. The director of Residential Care Licensing quite correctly wrote and said that there was in fact no licensing process for this particular type of facility that she was wanting to establish.

In fact, what she wanted to do was to open basically a family daycare situation, but in this case, for seniors as opposed to children with the idea that, as we have an aging population, people are going to be looking at all kinds of alternative options available to seniors in the community. Has the department given any consideration to examining a need for such a facility at this point in time?

Mr. Gilleshammer: I think it is fair to say that this an issue that is on the horizon. I noted in Question Period one day that there was a group visiting that

I believe the Speaker introduced as a seniors daycare.

There have been some discussions within the department, and I guess this would also involve some other departments as well: the department of Seniors, the Department of Health. I would think it is an issue that is going to gain more prominence as the need presents itself.

* (1500)

At the present time, we have had some discussions, and I think that is probably as far as it has gone at this time. I would think that if there is a need there that develops, government will be certainly having to take a leadership role in that as it turns into a business or it turns into a service, and there would be a cost factor involved. There would be some, I think, need for government to be concerned that this is done appropriately.

Our Residential Care Licensing branch is only responsible for residential care. That is where, of course, people live within those facilities, but I would see this as an emerging issue and one that I would be interested to see what other provinces are doing at this time.

Mrs. Carstairs: The particular individual who made contact with me is presently a licensed practical nurse working in a nursing home situation. Her concern was that she can technically go ahead and open such a facility now.

She did not want to do that without having some set of guidelines available to her so that she would know that she was doing it appropriately and with the interests of the particular seniors in mind. She felt that there should be some requirements for the space required in such a facility, the worker-client ratio as there is, for example, in a child daycare situation. Even the establishment of fees might be an appropriate thing for the government to establish, although she did not see, in her particular case, any need for the government to provide funding. She was only interested in them establishing the protocols, if you will, so that she could clearly say, this is the way it has to be run so that they have this guarantee.

I hope that the minister, after the Estimates process, will take this kind of request under consideration, because I know now of at least three similar situations that have been established. I have real concerns as to whether they are being monitored and whether they are being properly run

with appropriate protocols for those seniors that are in their care.

Mr. Gilleshammer: The member raises an excellent point, and I can assure you that we will direct our attention to that. One of the situations that I am aware of is seniors housing and personal care homes in my own constituency. I know, when there is programming at the personal care home on certain days, that other members of the community are brought there to participate in the programming and participate in the entertainment.

I know that is not exactly what the member is saying, but I think it is happening informally, probably not just in small communities but all communities where there is a need to do some socializing. What it is doing is putting a bit of an extra burden on the staff at the personal care home. If the community is going to bring large numbers of people out, of course, they are not adequately staffed. I know, in the care homes that I am aware of, it has not become a problem yet. Probably, it is a service they are providing that is good both for the residents of the care home but also good for the community. Some of the wonderful programs that happen around the Christmas season and other times of the year is just a great reaching out to the community and partially takes care of the issue of day programming.

Mrs. Carstairs: I think that what is in view here, though, is people who would require that kind of programming every single day and not just on special occasions. I think also the minister might find that kind of thing is done more frequently in rural communities than it is done in the city of Winnipeg, partly because of the way in which the facilities were built in rural Manitoba as opposed to the way in which they tended to be built in the city of Winnipeg.

But into Residential Care Licensing itself, can the minister tell us how many facilities this department is now responsible for and how often they are inspected?

Mr. Gilleshammer: I am told that we are responsible for the licensing of 726 facilities, and they are inspected twice a year.

Mrs. Carstairs: I would like to just ask the minister how that is possible with six staff; 726 facilities, two times a year, I mean, rough arithmetic would be 1,452 by six staff. How does that happen?

Mr. Gilleshammer: I am told that the facilities fall into two categories: The licensed, there are 233

facilities, and for 493 of them, they have a letter of approval. The first group is inspected by the six staff that the member references. The other 493 are the responsibility of our regional offices, and we have regional staff members who do that.

Mrs. Carstairs: That makes me feel a little better.

That is interesting because I asked that question some years ago and I never could get an explanation for exactly how these inspections were conducted. I thank the minister for that.

In terms of this particular unit, I have just one comment I want to make. That is that I have had, over the years that I have been around here, three or four complaints. I have always gone to this particular branch. They have always taken the issue seriously, and they have conducted the appropriate inspection and have always reported back to me. I want to congratulate them because I think they are not particularly a well-heralded branch of this particular department.

Mr. Martindale: Part of the expected results of Residential Care Licensing is the processing of approximately 15 to 20 new applications for licenses. I would be interested in knowing where the residents come from into newly licensed facilities. Are they coming from institutions or from homes in the community or—where are they coming from?

Mr. Gilleshammer: Both of the above.

Mr. Martindale: Does this mean that the number of residents who in the past have been in institutions are continuing to decline?

Mr. Gilleshammer: There is a very small change in the numbers we have in the institutions. The member can well appreciate, when you deinstitutionalize, you take those who are most ready to move into the community, and as a result, it is more difficult to deinstitutionalize those who are presently there.

At the same time, we do have other clients that, for whatever reason, are moved into institutions as well. So our numbers at places like St. Amant and Pelican Lake Training Centre and the Developmental Centre in Portage have not shown a lot of change in terms of total numbers.

* (1510)

Mr. Martindale: Is there a goal of putting more people into the community, or is that an ongoing goal of residential care licensing? What is the

objective? Is it to maintain the status quo or to shift the balance? Where are we at in that?

Mr. Gilleshammer: Yes, it is a goal to move more people into the community, but there is a balance there, too. The other factor is aging caregivers, whether it be parents or family, and the fact that there is a need at various times for people to leave their current circumstances and go into a group home or an institution. So there is always a balance there and each of those cases has to be judged on their individual merits.

Mr. Deputy Chairperson: 2.(b) Residential Care Licensing (1) Salaries \$271,500—pass; (2) Other Expenditures \$27,300—pass.

Resolution 9.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,613,200 for Family Services, Registration and Licensing Services, for the fiscal year ending the 31st day of March, 1994—pass.

We will now move on to 3. Income Security and Regional Operations. Provides financial assistance to Manitobans in need and the field resources to deliver a range of social services programs.

3.(a) Central Directorate (1) Salaries \$1,073,300.

The honourable minister to introduce his staff.

Mr. Gilleshammer: I am sorry I have not been paying more attention to this, but I would like to introduce the staff who have joined us here. Doug Sexsmith is the assistant deputy minister of Income Security. Joan Roch is part of the senior management of this particular branch of the department, and Kim Sharman maybe was here before, but I do not think I introduced her.

Mr. Martindale: Mr. Deputy Chairperson, I think I know what the Central Directorate is. However, if it is appropriate, I would like to begin asking a series of questions here about social assistance if that is okay with the minister.

Mr. Gilleshammer: Rather than go line by line, you just want to talk about social assistance.

Mr. Martindale: Well, my questions are about work incentives, social assistance, 55 Plus, CRISP, HROC, et cetera.

Mr. Gilleshammer: Well, the Income Supplements are (c) which is the 55 Plus and CRISP.

Mr. Martindale: Okay, we will wait until (c) then.

Mr. Gilleshammer: It does not matter to me if you want to just go generally.

Mr. Martindale: Mr. Deputy Chairperson, I had occasion to talk to several people who were wanting to take advantage of the work incentives, since they were on, I believe, provincial social assistance.

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

My understanding of the current program is that recipients can earn up to \$50 a month under the work incentive, and they can actually earn more than that, but after the \$50 a month, it is deducted dollar for dollar.

I also learned from talking to several individuals something I did not know before, and that is that people who are considered self-employed do not qualify for some of the benefits under the work incentive program.

I was particularly surprised to learn that if one works as an enumerator for Elections Canada, you receive compensation, but you cannot keep more than the \$50 a month and, I believe, are ineligible for some benefits because it is considered self-employment. So I have a number of questions around that. First of all, why would working for Elections Canada be considered self-employment?

Mr. Gilleshammer: I would like to go back further and talk about the work incentive program because some of the information the member put on the record is not correct, and I think, if we can give you a better understanding of the work incentive program, it may clear up some of these things.

You are right that the work incentive program is designed to increase the employment incentive for long-term social allowance recipients. They are included in the work incentive program if they have been enrolled 30 days or longer and if their source of earned income is not self-employment. Self-employed persons include those with an independent livelihood, and we can come back to that later.

Eligibility for assistance was granted as a sole-support parent, senior citizen, disabled person or a general assistance case. The point that I wanted to make with the member is that recipients on the work incentive program are allowed to keep a portion of their earnings representing the greater of \$50 per month, 70 cents for each hour worked or 30 percent of gross monthly earnings.

I point out to the member, it is the greater of those. I think that in essence contradicts what the member said in the first part of his preamble.

Mr. Martindale: I was aware of the 70 cents an hour, 30 percent of gross. Could the minister explain why some kinds of employment are deemed self-employment, particularly enumerating for Elections Canada?

Mr. Gilleshammer: Our definition of self-employment would be a small-business man, farmers, fishermen, trappers. The example that the member gives is not an example of self-employment. We are not aware of dealing with it in those terms, and we would be pleased to review that.

Mr. Martindale: I understand the minister has agreed to review it. I appreciate that offer. I have been looking at statistics for 55 Plus and CRISP and notice that every year there are, I believe, both fewer people and less money going into 55 Plus and CRISP. I understand that these are targeted programs and that people need to apply in order to get the money. It does not come automatically.

My concern is the take-up rate, and I wonder, first of all, if the department knows approximately what the take-up rate is. For example, are 75 percent of those who are eligible participating in these programs, or is it more or is it less? Does the department have any idea what the take-up rate is?

Mr. Gilleshammer: Yes, we have some statistics that we can give you on the people who are accessing that program.

What is happening, though, particularly with the 55 Plus program, is that you have a population now that is accessing more benefits that were not in place when this program was designed back, I think, in the 1970s. As a result of enhanced pension plans, as a result of CPP kicking in—I see my colleague, the former critic, has arrived with her newspaper readings—as a result of changes in the circumstances of an aging population, they are no longer eligible and no longer require that program.

But I can tell you that the caseload probably is stabilizing in both the senior component and the junior component. The estimated caseload for '92-93 is slightly higher for the senior component than it was last year; similarly, the caseload for the junior component, we are estimating at slightly higher. So that reduction that we have seen from, say, the mid-'80s, a significant reduction in

particularly the senior component, has probably stabilized around the 14,000 or 15,000 number.

The CRISP caseload has also levelled off. We are anticipating about 7,535 cases this coming year, which is very similar to last year. The advertising that we do for these income supplements has not changed in terms of making the information available, and again, the changes probably reflect the fact, particularly with the 55 Plus, that those people are accessing more income from other sources.

*(1520)

Mr. Martindale: Does the minister have any estimates of the take-up rate for 55 Plus and CRISP, that is, the number of people who are accessing the program as, say, a percentage of those who are estimated to be eligible?

Mr. Gilleshammer: I am told that for the senior component of 55 Plus, the information is taken off the federal information of the Guaranteed Income Supplement, so we are reasonably sure we have 100 percent take-up with that senior component.

Now, with the junior component, we do not have any statistics about the numbers who might be eligible who are not applying.

Mr. Martindale: Does the minister have any data on take-up rates for CRISP?

Mr. Gilleshammer: No, we do not have information on that.

Mr. Martindale: I have a suggestion and a question. The suggestion is that you talk to the Minister of Finance (Mr. Manness) and see if the income tax return can be programmed so that people who fall below a certain income level could be notified on their return, when they get their refund cheque or notice of taxes owing, saying, based on your income information, you may be eligible for 55 Plus or you may be eligible for CRISP. I have talked to a number of people who are familiar with computer programming who have said that technically it would be possible to do that. I am wondering if the minister would offer to talk to the Minister of Finance, or if your staff would talk to his staff and see if that is a practical idea. I think it is practical.

The reason I am suggesting it is that I think, when I see a declining take-up rate in CRISP, for example, because it is not a universal program, because people have to learn about it in order to apply and if

you do not apply, you do not get it, I would like to see some other method implemented so that many more people find out that they are eligible. I am interested in knowing the minister's response to this suggestion.

Mr. Gilleshammer: As I indicated yesterday at the end of the Estimates process, the staff spend considerable time going through the dialogue that has occurred here in the committee room to list the ideas and recommendations that have been brought forward. I am confident that at the end of the process, when we turn our attention to that, that idea will be brought forward.

Mr. Martindale: Would the minister be willing to get back to me on this particular idea and, indeed, on all the other things that the minister has promised that his staff will follow up on? It is a good process. I am pleased to be aware that the minister and his staff do this, but I am wondering if he could share the results with both opposition critics.

Mr. Gilleshammer: I would say that we have followed up on requests for information that I tabled today for the members and the information that I tabled the other day, yesterday, for the members. If there is specific documentation that you want, then we do provide that. As far as reporting back on departmental activities after the Estimates, if there is specific information that the member would like to follow up on, I would encourage him to give me a call, and we will make an appointment and deal with that.

Mr. Martindale: Could the minister tell us if the Central Directorate staff are involved with the Human Resources Opportunity Centres?

Mr. Gilleshammer: Yes, in the past there has been that contact between the staff that report up to the ADM. The member is possibly aware that we have transferred our training programs out of Family Services now to Education so that all of the training programs that were in this department and some that were in Labour are now part of the Education and Training department of government.

Mr. Martindale: Mr. Acting Deputy Chairperson, I realize that a number of programs were transferred out. Was your department involved in the decision to close the Dauphin centre before the transfer was made?

Mr. Gilleshammer: Those decisions were budget decisions, and the staff that worked in that area of the department at that time reported up through the

process to senior staff, and the transfer of those was a subject of discussions that have been going on for a fair length of time. I have spoken on a number of occasions, and I think publicly as well, the need to be able to give more focus to the training programs that are offered in this province rather than have them splintered through a number of departments. Now they are all going to be lodged within one department, the Department of Education and Training.

Mr. Martindale: I think the focus in Education and Training probably makes sense. I guess I was asking for clarification so that I know whether we should ask our questions here or in Education and Training Estimates. I would not want our critic to enter Education and Training and ask questions about the closure of the Dauphin centre and find out that their minister was not involved in the decision to do it. So I think it is probably best to ask the questions here.

Could the minister tell us what the rationale was and what analysis or studies were done before the decision was made to close the Dauphin centre?

Mr. Gilleshammer: Mr. Acting Deputy Chairperson, certainly the staff that were part of the training programs are the staff that have been transferred to the Department of Education, but I do not mind answering questions on the training programs. It was, again, a budgetary decision where we, as your Leader has said, had to make some very, very tough decisions to do some downsizing within government. The previous year, as the member is aware, we made a decision on one of the training centres in Selkirk, and this year there was a decision to close the Dauphin centre.

We are aware that there are some other training opportunities that are available in Dauphin through some Distance Ed and through Assiniboine Community College. The Minister of Education (Mrs. Vodrey) has answered some questions in the House about serving that area from existing programming in the Brandon area. Again, there were discussions that went on within our department from the time that the budgeting process began back in August, and as initiatives were brought forward in areas where perhaps we could make some changes and also a discussion of areas where we expected that we would be spending additional funds in the coming year. So that discussion went on within that particular branch of government when it was a part of Family Services

and then, of course, was transferred as part of the budgetary process.

* (1530)

Mr. Martindale: Well, I specifically asked the minister if there was an analysis or a study made before the decision to close the centre was taken. In his reply the minister talks about discussions, so I would like to repeat the question and ask the minister: Was there an analysis or study taken of whether or not to close the centre, what the pros and cons are, or were, and if so, what did that analysis show?

Mr. Gilleshammer: Well, part of those discussions, of course, that take place within this branch of government discuss the services that were available and analyze those services and requirements. One of the decisions we had to make was that we would downsize this area of the department and, as part of the transfer, focus that training within the Department of Education and Training to provide training options in that particular area.

Mr. Martindale: This feels like Question Period because, once again, the minister did not answer my question.

A number of years ago, I had the opportunity to tour the King Edward Human Resource Opportunity Centre when Mr. Evans was the minister for Income Security, and it was a very informative and worthwhile tour and—would the minister prefer that I said the member for Brandon East (Mr. Leonard Evans)?

Mr. Gilleshammer: No, I do not want to put words—I was just wondering aloud here which Mr. Evans that was, and that is fine.

Mr. Martindale: One of the things that I learned on the tour, in answer to a question, was the number of people who were employed six months after they took the training. If memory serves me correctly, I believe about 62 percent of the people were still employed six months after they graduated from the Human Resource Opportunity Centre.

I am wondering if the minister has statistics on the Dauphin centre, and if so, what they are.

Mr. Gilleshammer: Mr. Acting Deputy Chairperson, we have general statistics on the programming that was offered through this area of the department, and they would indicate probably an across-the-board 50 percent success rate in

people accessing long-term employment. We have tried to analyze what is the most appropriate type of training to offer those who have certain disadvantages in accessing skills within the labour market and have to try and make a decision where the best place to spend our money is.

So now that the programs are a part of Education and Training, I think that the staff in that department will have to make some determination of where the dollars can be spent in the best possible way, knowing that there has to be various levels of training to accommodate people who are unemployed and who have very weak educational skills.

(Mr. Deputy Chairperson in the Chair)

I too have visited some of the centres in Winnipeg. I attended a graduation of the COPE program, I think it was last year, where 40 single women were graduating, and if my memory serves me correctly, only three of them were anticipating going into the world of work. The main thrust of the program was to build up the self-esteem and self-confidence of those individuals, many of whom had never worked before, most of whom had dropped out of high school, but they were still going to have to take further training before they reached a stage where they were going to be able to start applying for work.

I think, as the Minister of Education (Mrs. Vodrey) and the Department of Education look at this broad spectrum of people that they have to serve and this continuum of service, they have to make decisions within there to decide where the dollars are best placed, but knowing that they will have to serve all manner of people who are seeking training and retraining in Education.

Mr. Martindale: Can the minister tell us the relative success rate of the Dauphin centre compared to other centres? It seems to me that if they had a very low rate of job placement after training, that might be a rationale for closing it, but unless we know how Dauphin compares, we do not have any way of evaluating whether the government made a wise choice or not.

Mr. Gilleshammer: Well, the success rate of the various HROCs were relatively similar, and that tended to vary from class to class. What the department did was a three-month follow-up survey of clients after they have left the programming that indicated, for instance, in 1990-91 that of those clients, 35 percent were employed either full time or

part time, and an additional 15 percent enrolled in further training or education and upgrading, for an overall impact rate of about 50 percent.

This tended to vary from year to year based on the skills that the class brought forward and the client group that was being served. We also had to look at the other services that were able to be offered through other community groups in that area, so again, a very difficult decision to downsize in this area, but there was a feeling that there were services that could be offered by other groups within that community and services that could be offered from the City of Brandon.

Mr. Martindale: I believe it was the Minister of Education (Mrs. Vodrey) who defended the government's policy in the House. If I am wrong, correct me. I believe that the rationale that was used was that clients could go to Brandon for similar training and that it was in the same region. I have difficulty with that. I always thought that Brandon was on the plains and Dauphin was in the Parkland. I do not think it really is the same region, and I think there are barriers to social assistance clients going from the Parkland to Brandon for training.

For example, what are these individuals supposed to do? Are they supposed to commute to Brandon every day? If they are on social assistance, I do not think they are going to have automobiles or gas to commute. Are they supposed to move to Brandon for training? If so, does the department pay for their moving costs. When they finish the training and get a job, if the job is back in the Parkland, does the department help them to relocate to employment? How does this minister expect people from the Parkland to access a centre in Brandon?

Mr. Gilleshammer: The HROP staff, which is the programming staff, will be able to serve clients in the Dauphin area. The HROC, which is the centre, is located in Brandon. Of course, we also have one located in The Pas. So there may be a variety of solutions to that. If it is a staff component, these staff from the program will work in the Dauphin area. If a client wants to be part of a program offered by the centre, then they would have to pursue that either in Brandon or The Pas.

Mr. Martindale: Would the client be given any assistance in moving to Brandon or The Pas?

Mr. Gilleshammer: Clients will be able to access whatever resources are available through the

current programming. We have not set up any special fund to do that.

Mr. Martindale: Can the minister tell us what he means by accessing funds available through current programming? Is he talking about the \$150 a year special needs fund, or what is he referring to?

* (1540)

Mr. Gilleshammer: I am referring to any of the regulations that we have that apply to social allowance recipients. There are times when they do relocate, as the member knows, and there may be certain funds that they may be able to access that in some way would assist them.

Mrs. Carstairs: According to the Activity Identification of Central Directorate, one of their activities is to provide policy direction and program analysis.

Can the minister tell us just what kind of program analysis has been done in areas such as student social allowance or the use of food banks?

Mr. Gilleshammer: I will address the food bank issue first. The assistant deputy minister and I recently visited Winnipeg Harvest when they relocated into their new facilities and had an opportunity to spend the better part of an hour visiting with the director of Winnipeg Harvest and gathering information on any of the statistics that they would share with us.

There is information that Winnipeg Harvest, as the member maybe is aware, will not share in terms of the number of locations that they service here in Winnipeg and the statistics that revolve around those particular locations.

What they did share with us was names and phone numbers of community groups outside the city of Winnipeg. That they would give us, but they would not give us the same information inside the city of Winnipeg. So we have to rely on the information that is given to us by Winnipeg Harvest and by various community groups that are participating as part of their program. I have met on a regular basis with some of the church groups that are satellite distributing points for the Winnipeg Harvest programming. So we rely almost entirely on the numbers that are provided to us by the food bank.

As far as information on student social allowances, we do have up-to-date information on the caseload. We do have up-to-date information

on the area of the province that they come from and we do have information on some of the profiles and backgrounds that exist on those particular cases.

Mrs. Carstairs: Presumably Winnipeg Harvest shared with the minister the statistic that between March '92 and March '93, the number of people per month went from 17,126 to 32,767, a 91 percent increase, and that the percentage of those people on social assistance, either city or province, was 82.5, which leads one to believe that someone should be doing some analysis as to why 82.5 percent of social assistance recipients are turning to food banks. Can the minister tell us if any of that kind of analysis has been done by the Central Directorate?

Mr. Gilleshammer: The analysis that we do is an analysis of rates, and we do an analysis of the rates that we have in Manitoba relative to the rates in other provinces. We do an analysis of the cost of rental accommodations. We do an analysis of the cost of living information that is available. We look at Agriculture Canada's food basket, which is a measurement of what it requires for individuals and families to put food on the table, and consistently the amount of money that is devoted within the rates in Manitoba compares favourably with Agriculture Canada's food basket.

I would say that the food banks have provided an alternative for recipients to supplement their food needs and allow them more flexibility with the disposal of the funding that they get. The information that is provided to us by Winnipeg Harvest, of course, we have to accept it at face value. We have no other statistics to compare them to.

Mrs. Carstairs: I am pleased to hear the minister uses other provinces as his basis of comparison because one of the statistics that the government likes to deny is the fact that Manitoba has the highest poverty rate in the country done by a comparison with those same other provinces with whom apparently he is quite prepared to be compared to with regard to assistance rates. Has this department done any analysis as to the reasons for the high poverty rate in the province of Manitoba, and what relationship that has to the proliferation of people turning to food banks to supplement their diet?

Mr. Gilleshammer: Well, we do certainly compare ourselves to other provinces. The rates are an easy

comparison to make because that is a fixed target. The rate for social assistance in Manitoba is about the seventh highest in the country. We also look at the incidence of social allowance recipients in all of the provinces. According to Statistics Canada, April 1, 1992—this is about a year old—the percentage of people on social allowances in Manitoba was 7.4 percent. That equates to the same level in Alberta. The Province of Saskatchewan has the lowest incidence of social assistance at 6.1 percent; after that, B.C., Prince Edward Island, Quebec, Nova Scotia, Newfoundland, New Brunswick and, finally, Ontario with about a 12 percent of its population on social allowances.

So we look at those comparisons and say, well, Manitoba certainly has fewer people on social allowances than almost all of the other provinces in this country. Then we look at the rates and we say: How do our rates compare with other provinces? I have indicated we are about sixth or seventh highest in terms of rates.

So if our incidence is low and our rates are comparable, then we have to ask: Why does Statistics Canada indicate that we have the highest poverty rate? Well, one of the things that Statistics Canada does is take cities of 500,000 or more and lumps them in together so the rate that is set for that poverty line is set in places like Toronto and Vancouver, where we clearly know that the cost of living is much higher. We are saying that arbitrary line that is drawn by Statistics Canada is not a completely accurate one.

* (1550)

By saying that, I am not denying that there is poverty. I am not denying that part of that poverty affects children. What I am saying is that poverty line perhaps does not reflect the Manitoba situation as accurately as it should.

Now one other factor in Manitoba is that we have a very high incidence of native population in Canada, in Manitoba rather, where the unemployment rate is exceedingly high.

You know, I served on a panel not that long ago with Chief Jerry Fontaine, where he made the same point that the native people in Manitoba are a growing portion of the population. It is estimated now that it may consist of 10 or 12 percent of the Manitoba population, which is the highest percentage of any province.

He makes the point that they are not only overrepresented in hospitals and penal institutions and underrepresented in higher education institutions, but they are also a high percentage of the poverty figure that is factored into Manitoba.

These statistics can be misleading as they are drawn by Statistics Canada. Without indicating that there are issues here, I am saying that I think you have to look at how these statistics are generated. The current Statistics Canada measure of poverty, we believe, overstates the amount of poverty in Winnipeg, because the poverty line for Winnipeg is set with reference to large Canadian cities where there is a higher cost of living. I would reference particularly Toronto and Vancouver because, again, Winnipeg is lumped in with them, having a population of over 500,000.

These are all indicators that we look at. Some of them we have more confidence in, some of them are easier to make direct comparisons, but for sure we are concerned with our rates. This is one of the reasons that we have been able to bring in a number of enhancements over the last few years, which I referenced yesterday.

Mrs. Carstairs: There are two points that I would like to make, and then I will ask a question. One, of course, is that we are also lumped in with Montreal which has one of the highest urban poverty rates in the country. We are also lumped in with Ottawa and Quebec City and several other cities. It is not just Toronto and Vancouver. The other thing is it was my understanding that the aboriginal people were discounted from this particular study and, therefore, the basis would not be included in that particular estimate of poverty in the poverty profile.

Mr. Gilleshammer: Can I just respond to that? On the first point, the cost of living in those other provinces, we believe, is higher than the rate in Manitoba. Secondly, on the aboriginal population, the off-reserve population is counted as part of the statistics.

Mrs. Carstairs: Yes, but it is fair to say that the high unemployment rate is even higher in reserve populations than it is in urban populations.

In terms, however, of the food bank usage, it has doubled in the past year. That has to be of concern to this particular department that so many are turning to the food bank to supply their food. Surely some analysis has been done in the department as to why these individuals cannot live on what has, by

the department's estimation, presumably been adequate amounts of money from social assistance.

Mr. Gilleshammer: There is no question that the rates are one of the reasons for the usage of food banks in that it does mean that clients can free up some of that income to become more disposable income in other areas and that they can use their food money to purchase other goods or services. I would indicate one of the things that our research has shown is that the usage now seems to be spread equally among municipal assistance clients, provincial clients and what we call the underemployed or other low-income people. There are individuals other than recipients who are accessing the food bank. I know the member would be aware of that.

I think it also points out the fact that, more and more, some of the community groups are feeling that they would like to take a part in tackling what is seen as a community problem. Service clubs, churches and other community groups, as part of what they perceive to be their mandate, are getting more and more involved in some of the poverty issues that exist out there.

I would say again that we do compare our rates to other jurisdictions. We know that Canada is regarded as the most favoured nation in the world to live. We think we have the most comprehensive safety net of any country in the world and Manitoba is placed appropriately in comparison to other provinces. The rates are something that we address on an annual basis. We have been able to adjust those rates at the cost-of-living level and at the same time bring in all of those other enhancements that I mentioned yesterday.

Government, unfortunately, has limitations in this day and age as to how much more it can expend in this area. Again, I will not go into the pressures we have because of the deficit and the debt, but clearly we are making decisions within this budget that will be able to preserve programmings in Health, Education and Family Services where we do not have to take the route that some other provinces have taken. I readily admit that we will have to monitor the incidence of social allowance. We will have to monitor our rates and make the adjustments as we are able to do so.

Mrs. Carstairs: I am surprised at the minister's comments. Maybe he does not have the same statistics that I have, because he seemed to imply

that somehow or other the people going to food banks were split—he did not say equal; I admit that—among those on social assistance and those who were working, the so-called, sometimes referred to, working poor.

However, the Winnipeg Harvest statistics will show that those who are working, their rate of usage of food banks has declined and the rate of people on social assistance has increased. They show in March of '92 that 78.7 percent of the people using food banks were on some form of social assistance and 21.3 had some form of work. A year later, that had gone up to 82.5 for those on social assistance and had declined to 17.5 for those who were working.

That concerns me and I would have thought concerned the department, because there seems to be a real trend here. More and more people on social assistance are looking toward the food bank to supplement.

I am somewhat surprised that the government was not involved in some kind of analysis to discover why. Is it just because this is a way to supplement? Is it because clients actually feel they have inadequate amounts of money on social assistance? I do not know what the answer is, but I would assume that that was the function of this directorate when it was supposed to be doing this kind of analysis.

Mr. Gilleshammer: Well, I can assure you that we do this kind of analysis and the clients who are accessing the food bank are probably—if they are now measured as part of the client base as opposed to the working poor—may well be one and the same person. As people who were working at low-level jobs have lost their positions and moved onto social assistance, they have continued the usage and the call on the food banks.

* (1600)

We accept whatever statistics that Winnipeg Harvest will provide us. We are aware of some of the broad numbers that the director of that food bank makes available in the press, but by and large it is difficult to get into a detailed analysis of the people who access that because that information is not made available to us. But we have had an opportunity on a regular basis to meet with the director who, in broad terms, brings us up to date on their activities. We have not been made aware of all of the sights, for instance, where there are

drop-offs for some of the products from the food bank.

It was only about a year ago that I was made aware that a small number of daycares were used as a drop-off and distribution centre by Winnipeg Harvest. The names of those are not given to us. I suspect they are inner-city ones, but I respect their desire to have privacy on that matter, and we have not done any sort of investigation to further intrude on their business.

Mrs. Carstairs: Can the minister tell me what kind of analysis was done by this Central Directorate with regard to their anticipated costs involved in those who would go off a student social allowances program and go on straight social assistance?

Mr. Gilleshammer: We are aware that at the beginning of the school year, there were in the neighbourhood of 1,600 individuals, students, who were drawing on this program. At the present time, that is down to 1,100. Those students are still in the system until the end of June unless they cease attending in the meantime.

We know, as I indicated yesterday, that there are a number of options that are in front of them. Some will seek part-time employment and attend school on a part-time basis come September; some will seek and find full-time employment and attend night school or receive education by correspondence; some will receive some on-the-job training; some will return home and rely on family support to continue their education; some will explore the mature student status at the post-secondary level; and others will take the GED test.

So those students are currently in the process of making decisions on their future whether it is to continue till the end of this school year and make decisions for next year.

We know that our budget in this area, I believe, was \$4.5 million and that a portion of that may well become a cost to government through the social allowance program, but we have not been able to refine that to give a real figure that we are completely comfortable with.

The majority of the students that we are talking about, of course, 95 percent of this group are in high school studies. There are school divisions that have mature student programs so that, for instance, if a student had dropped out at the Grade 9 level, that they may achieve their high school equivalency either through the GED process or through

programming that school divisions are able to implement to take a number of credits and say, yes, you have achieved your high school equivalency.

Of the group, we know that 78 percent of that caseload is in Winnipeg and that some 90 percent of that caseload is single.

Mrs. Carstairs: The minister, obviously with the help of this department, made a decision to cut student social allowances—1,600 people reduced to 1,200 people—but in one point in any given academic year, presumably up to 16 and at some time down to 11, but somewhere in that range, were receiving social allowances in the way of a student social allowance from the minister.

When the decision was made to cut the program, did the minister seek advice as to how many of these people, in the best advice of the Central Directorate, would now turn to the social assistance system for support, and if he asked that question, which I would presume any reasonable manager would ask, what was the answer he got?

Mr. Gilleshammer: We are aware of the fact that there are many, many variables that are at play in trying to come up with a figure. We anticipate that the majority of these will be able to either access the job market or continue their education by accessing or making some of the decisions that I have referenced. I am reluctant to give a hard figure, because we do not have the comfort level around that number that I would want before I start using a figure. We know that of the current caseload, we have some 400, for instance, who are living with parents or relatives and anticipate that the majority of them will be able to continue either their education or have the ability to access a job.

* (1610)

Again, the majority of these, as I have indicated, are here in the city of Winnipeg. It depends, too, on the recession and the job stimulation that is going to occur in the next few months. It is going to depend on, in some cases, the ability of the private sector to provide jobs. So I would say that we feel that the majority of those who are currently on the system will access one of the decisions that I referenced earlier, but there may well be a number who become part of the social allowance system, that is the regular system that we have within the province.

Mr. Martindale: Mr. Deputy Chairperson, at the end of the Third Session of the Legislature, we passed Bill 70, I believe it was, the legislation that

standardized social assistance rates. Now that that has taken effect, we can see the results of that provincial government action. I believe there was an improvement for single adult males on City of Winnipeg social assistance, and I think there were some improvements in some rural Manitoba municipalities.

However, many other people have suffered losses of income, particularly families on city social assistance. They used to be eligible for CRISP; I believe they have lost their CRISP. Some people used to be eligible for 55 Plus; I am told that is gone May 1. Also, due to changes, there is almost no exempt income which means that people have nothing to fall back on if they run out of their social assistance. So what happened was that whereas in the past the city benefits were more generous, due to changes by this minister and his government that is no longer true.

Now I commend the City of Winnipeg councillors and administration for negotiating with the federal government to cost-share under CAP some rates over and above the standardized provincial rates, but there is one category that still concerns me, and I commend the member for River Heights (Mrs. Carstairs) for raising this in Question Period several times, and that has to do with the infant rates. I would like to begin with a question to see if there is still a difference between the provincial rate for infants and the City of Winnipeg rates.

Mr. Gilleshammer: Let me just comment on some of the preamble of the member who first referenced the CRISP program and the 55 Plus program. The CRISP is the Child Related Income Support Program. The purpose of that was to provide additional funding for what we call the working poor. It was not designed to be part of the social allowances program, and most municipalities respected that decision. Now we have standardized that and said this is what that program is for, this is what it should be used for, and that was part of the decision that was encompassed in Bill 70.

Exempt income, the member says there is no exempt income. That is not correct. There is exempt income in the federal transfer of what was called the children's benefit. We have exempted that. That was a decision that all governments in Canada had to make within the last few months. I think they have all now made that decision. Manitoba passes that benefit through to individuals. The Province of Saskatchewan does not, and so

there are decisions that have to be made surrounding those exemptions.

The GST is another one of the exemptions that recipients receive, GST money. The government regards that as exempted income, and it is not deducted from their allotted sum.

There are a number of the tax credits which are exempted income, so I know the member would not want to have on the record a comment that said that we now have no exempt income because those things in fact have not changed.

The member has raised a question about some of the rates. Yes, the city is currently formulating their rates and I think made it part of their budgetary decision to give higher rates in certain areas of the social allowances program.

Mr. Martindale: Could the minister tell us if there is still a difference between the city rate for infants and the provincial rate for infants?

Mr. Gillehammer: Mr. Deputy Chairperson, their rates for children are different than the provincial rate, and it varies with the age of the child.

Mr. Martindale: Could the minister read into the record the rates for infants for food costs?

Mr. Gillehammer: We do not have a breakdown of food costs. It is part of the overall rate.

Mr. Martindale: I think the minister will recall the questions in Question Period from the member for River Heights (Mrs. Carstairs), who pointed out that there is quite a significant difference.

I know the minister has received a brief called Action Plan for Food Security for Manitobans, I believe written by the Nutrition Network, in which they point out—[interjection] The Nutrition Network is made up of people who have expertise in nutrition, including home economists and others.

One of their recommendations is to increase social allowance rates to meet actual feeding costs of infants. I would like to ask the minister if that is something he is willing to do. I think this is one of the largest anomalies or differences between city rates and provincial rates. This is an area that Nutrition Network has drawn to our attention as critics. We believe it is a very important area that could be and should be improved. I would like to ask the minister if he has any plans to do that.

Mr. Gillehammer: No, we have set the rates for the current budget year. The member knows that we have made mid-year adjustments in a number of

the enhancements that we have brought in. I think I gave him the date that we brought in such things as the head of the household, the liquid assets exemption, the new supplement for the disabled. There are times that we look at those enhancements, but we do annually set the rates, and we have done that for the current budget year.

I would also point out a comment that I made earlier. We do use Agriculture Canada's food basket as a guideline. As I indicated there, the Manitoba rate makes a favourable comparison with Agriculture Canada's nutritious food basket.

Mr. Martindale: Will the minister agree to ask his staff to examine the food allowance for infants and make improvements when the new rates are announced? Normally, I think, new rates are announced in the fall to take effect January 1, because it is my understanding that there is still quite a gap and that the city rates are considerably higher than the provincial.

Mr. Gillehammer: Again, I would point out that Agriculture Canada's food basket has what they call the thrifty food basket and the nutritious food basket. We use those statistics that come from Agriculture Canada when we compare our rates.

I would agree with the member that this branch of the department will, on an ongoing basis, monitor the trends that are taking place across the country. We will look at the rates in other provinces. We will analyze information that is brought forward to us. It will not be long. We are almost into the fifth month of this year to the point where we have to start thinking in terms of rate-setting for the next year.

* (1620)

Mr. Martindale: There is part of the analysis of rates that I agree with. I have been following these issues for quite a number of years now. I am aware that, by and large, I think with the exception of infants, the food rates do compare favourably with Agriculture Canada recommendations. I think the biggest problem in rates has to do with rent. I know surveys conducted by the Social Planning Council of Winnipeg show that the rental allowance is insufficient for people to buy decent affordable housing, particularly in the inner city.

I think there is a problem here, and that is that if you raise the rental allowance, there is always the danger that landlords are going to capture that increased amount of rent that is available to social assistance recipients without necessarily providing

better accommodation for people. We have seen this kind of money grab on the part of landlords when City of Winnipeg rental rates went up and landlords were moving people down the hall and painting suites in an attempt to capture that new revenue that they saw there. The city went public very quickly and said we are not going to approve anything above the provincial rent guideline. Landlords are not going to get away with this.

I would like to ask the minister if he thinks that the rental allowance rates are adequate. If not, what could be done to improve the rates without landlords capturing the extra revenue, but instead clients being able to purchase better accommodation in the rental market?

Mr. Gilleshammer: Well, I agree with the member for much of what he said here. I think it is an area that I have given direction to the department on very recently, that we take a serious look at this. I think the city is prepared to look at it as well, because I think what the member is saying is that there is housing out there that recipients are going to live in, and the market remains pretty stable no matter what the rates are, that it is still the same area of the city, the same type of housing they live in.

It is an area that I think is, in some ways, crying out for reform and one that I know, in the almost three years that I have been here, we have not paid as much attention to as some of the other rates and enhancements that we have brought into the program. I assure the member that it is an area that we want to spend some time on in the next short while.

Mr. Martindale: The minister stated that organizations like Winnipeg Harvest provide people an alternative and some flexibility with their budget, which I think is one of the ways that food bank outlets are used. However, when the minister says that church and community groups voluntarily want to help out with handing out free food from Winnipeg Harvest and that they see it as their mandate, I would have to disagree.

Perhaps there are organizations that voluntarily want to do this as part of their mandate, but from my conversations with many groups, it is not something that they want to do. It is something that they feel that they have to do or are obliged to do out of a sense of either a Christian charity or service, and it is because those people are showing up on their doorstep. Those people are coming through their

doors. They are amongst the groups that lobby this minister to provide solutions which have to do with justice, which have to do with redistributing income in our society more fairly as opposed to charity solutions.

I have given examples of the inadequacy of the charity solutions in speeches in the House. I will repeat one of the examples, and that is that at North End Community Ministry, the Sunday after Grey Cup Sunday last fall, what they had to hand out from Winnipeg Harvest was bread, doughnuts, cakes that said "Go Blue Bombers Go" and limes. That is the kind of inadequate food that is available frequently. We know that the food that is available is not the most nutritious. We know that it is very high in starch and carbohydrates and sugar, that the largest bulk of the food is bread and doughnuts and that canned goods are always in short supply.

So I would have to say to the minister that I do not think food banks are a solution to the problem of poverty, nor do I think that groups are there always voluntarily handing out the food. They are there out of a sense of community service or obligation, and they are the ones that are pushing alternatives to food banks.

I am not sure that I have a question resulting from that because I can anticipate what the minister's answer is, but I will let the minister respond.

Mr. Gilleshammer: Well, I do not mind responding even if there was not a question. I think, historically, churches and community groups have been there to help many of the disadvantaged in society, and that is their historical mandate, or part of their mandate.

I think what had happened during the '70s and '80s particularly is that there were governments that said, listen, this is government's responsibility. You can get out of this work. You can get out of this responsibility. You no longer have to do this because we are going to fund organizations which do this. As a result, many of the groups that wanted to be involved were in fact backed off by government who said government can do it better.

Well, I think history has shown that the government cannot do these things better and that many of these groups are more than pleased to once again play this community role where they are pleased to assist and help their fellow man.

I agree with the member that food banks are not the answer. There are those who would argue, if

the food bank disappeared, that maybe the answer would be found sooner. I do not know. I know in Ontario, one of the solutions was for the provincial government to start funding the food bank, and I think the member indicated to me once last year that he did not agree with that solution because what you were doing then was institutionalizing the food bank and guaranteeing that they were going to be there forever, that all of a sudden it became job creation and a mission for some and that the systemic problems were not going to be solved, that the people were then going to be making more and more demands on the food bank and expect more of the food bank.

So I do not think the Ontario solution is the answer either, and it does seem to me, though, that once you create the food banks, there is not a short-term solution which is going to eliminate them, but I do believe that others who were involved in Christian charity or service feel that they want to be there and want to assist and that they, as part of the community, will be part of the solution.

Mr. Martindale: Going back to some of the minister's previous remarks, I would like to just correct my record and say that I acknowledge what the minister said about exempt income with one observation. That is that GST is not really exempt income; it is a rebate. It is government money that is paid out to reimburse people for money that they have already spent. So I do not really see it as income; I see it as a rebate.

I have a couple of questions around that. The first has to do with the policy of your department and the staff, especially front-line staff who, when people approach them for emergency assistance, the staff apparently tell people, well, use your GST rebate, use the child benefit. I would like to suggest that those monies are for particular purposes. First of all, the GST rebate is to reimburse people for money that they have already spent out of pocket and, secondly, that the child benefit is intended to be spent on children.

In fact, we phoned the federal government office in Ottawa and asked them what the money was intended for and if they thought it was appropriate that provincial social assistance workers were advising their clients to use this money for purposes other than children. They were quite surprised to find out that that was happening in Manitoba and disagreed with that policy.

So I would like to ask the minister: What is your policy around instructions or guidelines to staff on what they advise people to use the child benefit for, particularly if it is for anything other than being spent on children?

Mr. Gilleshammer: Mr. Deputy Chairperson, the GST rebate is exempted income. If you are going to make that argument that the money that flows from the federal government or the provincial government is an income, that is really their money, I mean you can say that about any program, and I think the member is really splitting hairs. We regard the GST as exempted income, but it is income that is put into the hands of the recipient.

* (1630)

One of the reasons we adjusted the liquid asset exemptions is so that recipients would be able to accumulate money through exempted sources or through whatever earnings and savings they were able to have. So the social allowances program is the program of last resort. When people are asking for additional money, in dealing with them because these are taxpayers' dollars that flow as social allowances and exempted income, it is our responsibility to say: Well, do you have any other money that you can use for special needs?

There are times when they do have other money and they say, well, we choose not to spend it. Then they have a decision to make whether that special need is significant and important and they do have the money and they do not choose to spend it. So the special needs is given out only on certain occasions.

Now, if the member is saying we should monitor clients to be sure that all money is spent appropriately, then the state, big brother, would have to go in and say, now be sure you spend this much on clothing; be sure you spend this much on other supplies; be sure you spend this much on food. I do not think that is what the member wants us to do. We are certainly not going to say, well, be sure you sit down and your GST rebate is applied to purchases. This is the money that you must spend for that, that the child benefit can only be spent on certain things. I do not think the member would want the government, the state, to be that intrusive and dictate to people exactly what that money should be spent on.

From time to time we get letters from municipal corporations who want us to give them authority to

designate money for certain things. We have landlords who want us to pay the rent directly. We have other suppliers who want us to pay direct.

I think people who are accessing this program of last resort have significant problems with their identity, significant problems with their feelings of self-worth. I think if government is going to pigeonhole every dollar that they give to those recipients and say, you must spend it in this way, we will be doing them a disservice.

So as a result recipients have flexibility to spend whatever money they want on various things. When they want additional resources, we have to ask them whether they have, as part of their liquid assets, enough money to cover that before we will agree to say, well, this person has no liquid assets, no other resources and, yes, they can have a special needs grant.

Mrs. Carstairs: I have several questions and several comments. I think we are still on the Central Directorate or do we seem to be moving away from that—for just a minute? Is it this particular unit of this department that deals with other departments in similar issues?

Mr. Deputy Chairperson: Order, please. Could I have you speak into the mike?

Mrs. Carstairs: With respect, for example, to the infant and the nutritional needs of an infant, would there be any co-ordination through the Central Directorate, for example, with the implications of poor nutrition on future education prospects of that particular child?

Let me just let the minister know exactly where I am coming from. When I first realized there was this tremendous difference between what the province paid for infants and what the city paid, I went to the city to say, why did you do this?—because it is so much higher that it was startling. I mean most of the other figures were a dollar here, a dollar more, or a dollar less, but this one was a very dramatic difference between the two figures.

They indicated to me that the reason they had done that was because of the analysis that had been given to them on the direct relationship between school performance and academic achievement and nutrition, both prenatally and between birth and age one. That is why they had set this particular rate. Would this be the branch of government that would co-ordinate that information, for example, with the Department of Education and come up with

a policy that would reflect the needs of both departments?

Mr. Gilleshammer: I would say to the member that we do have interdepartmental committees that work on a number of different aspects of issues that cross departments. I know at the ministerial level we have a committee that is composed of those ministries that work in basically the social services area.

The deputy ministers, similarly, are part of an envelope group in terms of budgeting where there is considerable discussion about programs that cross over from one department to another. Similarly, at other levels of the department there are staff who are in dialogue with departmental staff in other departments.

At the same time, the Policy and Planning branch, as well, do some dialogue with other departments on certain issues. Certainly, within the Central Directorate here there is some sharing of information with other departments.

Mrs. Carstairs: The other area that I think is one that needs some co-ordination between departments is the aspect of housing. I am sure the minister in his previous life was aware of the fact that children whose parents are social assistance recipients tend to move much more frequently than children whose parents have steady incomes and are not social assistance recipients.

In the city of Winnipeg, it is alarming. Many social assistance children can move up to six times in one school year. That would be an extreme case, but there is an average of two or three times in a school year. There is a direct relationship between that and school performance, because each time they go into a classroom situation, the teacher has to adjust to the new child, the child has to adjust to a new school, and on and on, and the minister is well aware of that, as I said, in his former life.

Is there any co-ordination that is done between this department and the Department of Education and the Department of Housing with respect to how to initiate a policy that would try and keep these children within one living arrangement for an academic school year?

Mr. Gilleshammer: Well, I would quite frankly say that not enough work and very little work is done in that area. I certainly acknowledge the problem.

I recall, almost 20 years ago, talking to a staff member who moved from Minnedosa to work in an core-area school here. We had the opportunity to

come in for the SAG conferences in October, and already half of her class had turned over once and that there was a constant revolving door with students who seemed to come in for a very short period of time and then move to another school.

It reminded me of my first years of teaching when we had a military base near Rivers and we had students who had been educated all over the world—gone to school in Germany, in France, Ottawa and Alberta and, finally, in Manitoba. In that case, what a tremendous asset that was to the school because they brought such different perspectives which had a positive influence.

I am aware of what the member is saying that with clients of this department who frequently move, it has to be very upsetting for the children. It has to affect their education, and the lack of that constancy in their life, I am sure, has very much a detrimental effect on their ability to get a good education.

* (1640)

That not only happens within the city of Winnipeg but in other areas as well. I know teachers, when they have a transfer in in the middle of the year, often expect the worst unless it is a corporate transfer of some sort. You know, why are people moving during the school year? Because usually they make arrangements to move in the summer months or they leave their family there, whether it is the RCMP or the bank or whatever.

Often when you get transfers in and you say, well, there are four or five members of this family and they want to know where they have been before. The same thing spills over into the child welfare, and one of the reasons I spoke on the importance of the SIS system there to track these people is because agencies were going through the same thing, where the children were being reported in six or seven different agencies in a very short period of time. Again, it is that transient population that have the social problems that the child welfare agencies are involved with.

But we do have an interdepartmental committee consisting of the Department of Education, the Department of Justice, the Department of Health and the Department of Family Services which is looking at special needs children and looking particularly at the report that the trustees association, the business officials association and the superintendents association tabled with government over a year ago.

Mrs. Carstairs: Just one final suggestion, and that is that every now and then we look at a pilot project. I have always thought it would be interesting to try a pilot project with a group of maybe 20 children on social assistance to ensure, even by bussing, that they remained in the same school for a given year and to evaluate just what kind of effect that would have.

Now, obviously they would have to remain in the same city. Many of these just move around within the core, but they move from school to school to school. If somehow or other we could try it to see if in fact this would have a change for the better in terms of their academic success—I think we move kids around for French immersion and for Ukrainian bilingual and Hebrew bilingual and all kinds of other programs, all of which I support. I think it might be interesting to try such a program with some social assistance children.

Mr. Gilleshammer: That is a valid suggestion, and I will direct staff to bring that up at the next meeting of the interdepartmental committee and see if we can work towards that pilot perhaps for the next school year.

Mr. Deputy Chairperson: 3.(a) Central Directorate (1) Salaries \$1,073,300—pass; (2) Other Expenditures \$694,400—pass.

3.(b) Income Maintenance Programs (1) Social Allowances \$236,802,000.

Mr. Martindale: I would like to talk about one particular group of recipients of social allowances, and that is sole-support parents and, in particular, sole-support women, because we know that the poverty rate for single-parent women is climbing. It is approximately 60 percent now. The fact that it is increasing is known as the feminization of poverty, so I have a number of questions on this.

First of all, can the minister tell us how many cases we are talking about in terms of single-parent families? I presume it is in the report under sole-support parents.

Mr. Gilleshammer: Yes, we are at about 12,500 in that particular category. This is certainly a target group that we had in mind when we made the change on the health card, because you may have read, you know, the stories of some clients that find their way into the newspaper or you may have knowledge of some clients whose only reason for maintaining their eligibility for allowances is the fact that they are a sole-support parent, and that has

given them some comfort and assurance in life that they will remain at that level and continue to access income without job expectations put on them.

I do feel that is a group that we must encourage in every way possible to improve their training, improve their job prospects and encourage them to find employment. I think it is pretty sad. I am trying to think of a case that was referenced in the paper. I cannot tell you the names and the circumstances, but it does not matter. Someone who was growing older and the last child was turning 18 no longer would be eligible under that category. They would then be deemed to be employable and would have to look to the municipal program for assistance. I think we have some 12,000 cases there that we must make every effort to encourage them to get on to training programs and find employment.

Mr. Martindale: I thank the minister for that answer.

I am wondering if the minister is willing to treat this as a target group and if there is some way that either special programs or special income can be provided. I presume that we are not talking about a large number of families.

In fact, it would be helpful if the minister could give us a breakdown, if he could tell us how many families we are talking about here. The 12,500 surely must include a lot of children. Maybe we will start with the breakdown.

Mr. Gillieshammer: The number that I referenced, 12,500, is the number of cases. The number here of individuals who are on this would, of course, be greater. So in terms of sole-support parents, we have 12,500.

Mr. Martindale: Are there other ways in which this is a target group besides being able to keep the health card that the minister referred to?

Mr. Gillieshammer: I guess they are a target group in that it is the group that we encourage in every way to find appropriate training and education programs so that they can in fact get into the workforce.

We are very interested in the pilot projects in New Brunswick and British Columbia that the federal government is currently assisting with, and the one in New Brunswick in particular offers a type of wage subsidy to enable the private sector to employ these people. Again, there is a cost to this, and as I have indicated in previous days, if you have listened, and I am sure you have, to some of the announcements that are being made by the new minister in Alberta,

the Premier of Ontario, the President of the United States, we have to find new ways of dealing with this.

I know the member for Brandon East (Mr. Leonard Evans) was promoting the workfare idea in the last session, and we know that is not allowed by the Canadian Assistance Plan. I think we have to find a way of using some of those dollars to in some way encourage people to get into the workforce, to encourage the private sector to create more jobs, if in fact they are able to do that, but I think there is universal agreement that the status quo is not going to work as we participate in, what appears to be in some areas, a jobless recovery. We have to help the private sector create more of these jobs and find innovative ways of using those hundreds of millions of dollars that the chairperson just referenced in this particular budget line to have these people gainfully and meaningfully employed.

Mr. Martindale: I am very surprised to hear that the minister thinks that the member for Brandon East believes in workfare. To the best of my knowledge, the New Democratic Party has always been opposed to compulsory work for people on social assistance. We have advocated more job creation, training and job placements for people on social assistance, but as far as I know, it has always been on a voluntary basis. So I guess I will have to check the member's comments on the record and see what he actually said, and see if the minister is accurate.

* (1650)

Mr. Gillieshammer: Certainly you should do that. I recall in Question Period last year comments that he made in that direction, and I suspect even the NDP is changing their thinking on that, because Premier Bob Rae has been on record in recent weeks and recent months with saying that in Ontario, they can no longer afford to pay people to sit at home. He is in the same conundrum as we are in government, searching for new solutions. I recognize that this is a major change in NDP policy in Ontario, and one that I am sure members here have a difficult time accepting, but that is the reality that is out there that new thinking has to take place in this area.

I would be very interested in the member's views or his colleague from Wellington who may have some ideas on how we can make those changes. I am not sure exactly what Bob Rae had in mind, and

I know that other people are questioning it, too. I would be willing to give the member an opportunity to explain his comments, but I mean it is significant that leaders, ministers, Premiers, Prime Ministers and Presidents are all saying that the present system is not working, and we have to find a new way of doing it.

Mr. Martindale: The one thing that we are sure of is that this government has actually budgeted more money for people who are staying home on social assistance instead of budgeting more money for job creation. I think that the taxpayers would rather see people employed, even if it means government money being spent on job creation than budgeting more money every year for people to stay home and collect social assistance.

I am sorry that I do not have the Senate report on Children in Poverty here, but I remember much of what they said and their recommendations. I believe it was an all-party report, and one of the things that they point out is that it is more expensive in the long run to have children living in poverty than to raise people's incomes in the short term. They actually put a multibillion-dollar figure on that because they calculated the future costs of increased unemployment insurance, social assistance, prison costs, et cetera. So I think that we all have a monetary incentive as well as a social obligation to help to lift families, particularly children, out of poverty.

I would like to ask this minister if there is an attempt to co-ordinate programs between the federal and provincial level when it comes to job creation and training, particularly pre-employment training. The reason I ask is that there was an excellent pre-employment training program located on Selkirk Avenue. I was a guest of the students and staff there one day, and I had a chance to find out what they were doing and how successful they were.

All of the students were placed in employment situations. Some of them, for example, were in banks, and regrettably, the funding for that program was withdrawn by Canada Employment. One of the reasons was that their success rate was not good enough. One of the reasons for that was that frequently, after being in a job placement, the students decided that they would continue in school rather than accept job offers which many of them had accepted. So, consequently, we saw that particular centre, which was sponsored by R.B.

Russell school, shut down, but other organizations get funding to start up new pre-employment training programs.

I would like to know if this minister's department is in dialogue with Canada Employment regarding employment training programs.

Mr. Gilleshammer: The member talks about government job creation. I recall just a few months ago a major, major press conference held by the member for Brandon East (Mr. Leonard Evans) and the member for Flin Flon (Mr. Storie). After they got through their distortion of the situation they were asked: What is your solution?

One solution was to call a major conference between government and labour and the private sector. That conference had just already been held, and members of the New Democratic Party, of course, chose not to participate in it, yet this is what they were calling for.

When pushed to say, well, what is your next solution? It was the creation of a Jobs Fund, and I remind the member that in the mid-1980s, the government of Howard Pawley spent hundreds of millions of dollars putting up these green signs all over the province and not one lasting job remains—not one. In fact, what does remain is the tremendous debt that we have to address in the budgets year after year after year. So this is the solution of New Democratic governments.

I remind the member that his Leader was one of the most critical members of that Jobs Fund during the mid-'80s. He criticized the Pawley government for the exorbitant expenditure on signs and talked about hiring individuals and students and people out of work to count flowers along the ditch, to paint fences.

I remind him that not one lasting job has remained from that. So the member is simply talking about spending hundreds of millions of dollars more to transfer these funds to people who need this assistance, and all you are going to do is create a tremendous additional debt which has to be addressed down the line.

I have asked the member if he has looked at what is happening in other provinces, and he has yet to acknowledge that the reason they are hiking the sales tax in British Columbia is because of the debt from previous years. He has not acknowledged that the reason they are closing 52 hospitals in

Saskatchewan is because of expenditures in previous years.

We are fortunate here in Manitoba that we are in a position to manage our finances at a much better level, where we can do some reduction of programming without having to close schools and hospitals.

I was just in Vancouver meeting with my western colleagues, and there are signs all over the city: Save Shaughnessy Hospital. I mean, that is a decision that the B.C. government has had to make.

So this whole idea of simply dumping more money into the system for job creation is not on. What we need to do is establish sustainable jobs in the private sector, and the best way of doing that is to keep our expenditures and our taxes down. We must be sure that the sales tax does not rise. We must be sure that personal income taxes do not go up. We must be sure that the corporations remain healthy and create jobs here. Bob Rae recognized that when he lowered the corporate tax in Ontario.

So there are not simple solutions to this, but getting to the question about the co-ordination of federal-provincial job creation, yes, the members of the province of Manitoba, members of this government do relate to the federal programs—

Mr. Deputy Chairperson: Order, please. The hour being 5 p.m., time for private members' hour.

Committee rise.

HIGHWAYS AND TRANSPORTATION

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

This section of the Committee of Supply is dealing with the Estimates for the Department of Highways and Transportation. We are on item 5. Transportation Policy and Research, page 91 of the Estimates manual.

Will the minister's staff please enter the Chamber.

Mr. Daryl Reid (Transcona): I would like to pick up where we left off yesterday in the Estimates, Madam Chairperson.

I have this morning drawn to the minister's attention by dropping off a copy of the CN press release that I had promised that I would get to the minister to let him have a look at that articulated hopper car that was under construction and has, I am informed, been built in the Transcona Shops and has now been put into service on a test basis.

Can the minister advise, has he had any communications with CN and CP to find out the purpose and the intent of building these cars? Will he confirm that there is indeed a competition that is ongoing and the possibility that one of those two firms could build rail cars for potash transportation and possibly maybe some of that work could come to Manitoba?

Hon. Albert Driedger (Minister of Highways and Transportation): Madam Chairperson, before I respond there, I had undertaken to supply certain information related to the transport compliance statistics, which I think the critic from the Liberals asked for at that time. I have copies for each one of the critics on that. I also have the information of the impact of regionalization on staffing which I want to present to both critics, one for each, just in keeping with the tradition of trying to provide information as best we can to the member.

Madam Chairperson: Shall item 5.(a) Salaries pass?

Mr. Driedger: Madam Chairperson, I like your attitude. I am impressed.

The member raised a question of the articulated hopper car. The information I have here re the possible purchase of new articulated hopper cars to haul potash, Canpotex of Saskatchewan is testing two different types of hopper cars to determine their suitability to operate efficiently within the Canpotex transportation system. A decision will be made after the tests regarding the purchase and manufacturing of these cars. The two different cars are from the two major railway companies. CN is using the articulated hopper car designed and manufactured in Transcona. Canadian Pacific Railway is testing a tripack, three solid hopper cars joined together. The tests are currently being carried out and a decision will be made in late summer. We will continue to monitor this issue and will report any further developments as to whether we have a role that we can play in terms of the manufacturing of that.

* (1430)

Mr. Reid: Can the minister indicate—and it was one of the questions that I asked a few minutes ago—whether or not there is a possibility that some of that construction work by—because it is my understanding that those cars will be constructed by someone. Has the minister or his department had any communication with the railways or by

Canpotex, if they are involved in this, to find out if that construction work for those rail cars, whoever the successful party is, can have some of that work undertaken in the province of Manitoba to create jobs in this province?

Mr. Driedger: Madam Chairperson, that is why we are monitoring, and it is our objective to see whether we can play a role to somewhere along the line get that manufacturing to take place in Manitoba. Staff is very much aware of it. We are trying to keep on top of it, and if there is an opportunity we will certainly capitalize on it.

Mr. Reid: It is good to hear that the minister says he is going to keep on top of it, or his staff will for him. Have we taken or done any correspondence or made any communications with CN, CP, Canpotex or any of the other parties that may be involved? Have we informed them of the interest of this government in having that type of work come to Manitoba, and have we had any consultations to determine what role we might play in that process?

Mr. Driedger: Madam Chairperson, discussions are taking place. We have nothing official on record that I can table in terms of correspondence, but conferring with staff they have indicated that they are checking into it and that we will be corresponding with the necessary parties to see whether we can influence the decision to have some of that work take place in Manitoba.

Mr. Reid: I would like to ask the minister this as a request, and maybe he can indicate whether or not staff would be available. Some of my colleagues are interested in asking questions with respect to the highway construction and maintenance programs, and I am wondering if any of the minister's staff would be available this afternoon to answer some of those questions.

Mr. Driedger: Madam Chairperson, my assistant deputy minister of construction is not here. He is tied up with a meeting because we had not anticipated doing that. I am flexible on that. The members can ask what they want, and if I do not have the immediate information I will undertake to get it for you, whether later today or whether it is at the next sitting when we deal with the Estimates. So I am flexible in that regard.

Mr. Reid: My colleagues have indicated that they think it is important that the policy or advice that the minister would need should be at his disposal, and in that sense we are prepared then to wait till

Thursday to ask those questions when we move to the Capital section.

Mr. Driedger: It would have been my intention to have my assistant deputy minister responsible for construction to be here for the Capital portion of the program anyway. It is not that I am trying to keep him away. So if they have anything that they want to put on the record at the present time for us to make sure that we have that, if there is some particular information that we might not have immediately, if they want to put it on the record, I will make very sure that we have the necessary information at that time. But on a general basis of what the program is, et cetera, then we can—

An Honourable Member: Be very specific.

Mr. Driedger: Lots of it. We will deal with it.

Mr. Reid: I thank the minister for that. I look forward to asking those questions under the capital portion of the Estimates.

I would like to turn my questions now to an issue that has been seriously affecting a Manitoba construction firm, in the sense that they build steel boats, tugs and ferries and they do repairing of these pieces of equipment as well, and I am referring to the Riverton Boat Works. Riverton Boat Works had constructed a ship-berthing tug under the agreement to upgrade the Port of Churchill for the Canada Ports Corporation a number of years ago.

Since that time, of course, there have been some difficulties that have been encountered by this firm to the point now where they feel that they were not fully compensated for the work that they had performed in the construction of this ship-berthing tug and have since had to declare bankruptcy, as a result of what they term lack of payment for the expenses and the costs that they incurred in the performance of this contract.

Can the minister provide any information that would lend some support or provide us with some information that would clarify why this firm has had to declare bankruptcy, since they, from my understanding and looking at the file information on this, performed this contract to the best of their abilities, and at no time have I seen any information to the contrary?

Mr. Driedger: Madam Chairperson, I have in my office a file about yay thick, meaning many inches thick, on the Riverton boat company. I have had meetings with them at various times, tried to intervene on their behalf with the federal minister,

discussed it with Ports Canada, with the representatives of the board for Ports Canada and asked them to appeal it at the political level to see whether we could get consideration to get the thing resolved.

The member is probably aware of the status, where it is at right now, where Riverton Boat Works have basically gone broke, lost their property and a lot of assets, I suppose, and have been trying to get some consideration through the federal Minister of Transport. I have personally raised the issue with the federal Minister of Transport on a number of occasions, including by way of correspondence, asking him to review the matter and see whether we could come to some kind of resolve.

The federal minister continually maintains that the matter is before the courts, and that he is not prepared to intervene. I have asked consideration from Ports Canada, talking to Mr. Tessier, who is the chairman of Ports Canada, and including Mr. Bob Vandewater, and in checking on these things and asking them to do a review, to maybe bring it up before Ports Canada to try and get this matter resolved.

It is very complex. There is money owing on both sides. I know the agony of the individuals involved, and we have been trying to do everything we can in terms of seeing if we could help alleviate the problem. My understanding is that the people from Ports Canada have at various times made presentation on behalf of Riverton Boat Works to see whether something could be resolved. The financial department federally has indicated, because it is in the courts, that they are not prepared to change their position.

Knowing the fact that Riverton Boat Works does not have the financial wherewithal to take this thing to court properly, it has been one frustrating experience after another for ourselves, as well as for the people involved with Riverton Boat Works. In fact, just as late as within the last 10 days, I met with staff to discuss it further again, and what we have done now is taken and turned it over to our legal people to give us an interpretation of whether there is a legal position that can be, well, asking it from our people to give us some advice as to whether there is some way that this thing can be resolved.

That is the status in a nutshell of what has happened there. Endless communications and

conversations have taken place on this issue and it is something that we would have liked to have resolved, certainly, going back to when the initial agreement was made, when this contract was let and the specs were not proper. The individual that built the company that built the boat and had to change the specs had to take the unit apart and to haul it down because there had been—whose fault it is really is a matter of question, I suppose, whether the company itself should have been more cognizant of what was involved in terms of moving the unit down there, because they assembled the whole thing here and then found out they could not ship it on the rail line down there. As a result, they had to disassemble it and then take it out there again, and some of the specs that were changed on it. It is a long, complex story.

One thing I just want to assure the member is that—and I have met with members of the opposition as well when they have come in with the individual to discuss it—his colleague from Interlake (Mr. Cliff Evans) as well as the member for Dauphin (Mr. Plohman) were in my office when we discussed this at times. I have always indicated our willingness to see whether we could help resolve it and that commitment is still there. We will see what comes forward from our legal department in terms of what—is there a possibility that this thing can be pursued further or not, knowing the financial difficulty that the individuals have. What we would try and do is give them some advice.

I have tried the political route, which has not been successful, and so now, we are trying to establish whether there is a legal way that it can be done.

Mr. Reid: I think it can send an important signal to Manitoba firms that may wish to bid on other contracts, whether they be provincial or federal, in the future, that where there is a firm in the province that appears to have been unjustly treated for whatever reason that the government of the province defends the interest of those particular businesses that have been either maligned or mistreated by others, including the federal government and/or its agencies.

This firm has sent just recently, the Riverton Boat Works has sent another letter to the Premier (Mr. Filmon) dated March 24, 1993, and it is without prejudice, so this is trying to open up the lines of communication to involve the Premier as well. This firm, from my understanding, very much wants to settle this matter out of court. They do not want to

pursue it through the courts if they can resolve this matter out of the courts.

Yet, it appears to me, at least, from my reading of the information that the federal government and Ports Canada want to drive this issue to the courts to tie the hands of the provincial government and any other advocates that may wish to act on behalf of this firm.

* (1440)

Has the Premier been notified of the contents of the minister's extensive file? Has he taken a position and has he taken the opportunity to contact either the federal Minister of Transport and/or the Prime Minister or his staff to find out whether or not this matter can be resolved outside of the courts so that we can once and for all bring some stability back into the lives of the people that own the Riverton Boat Works?

Mr. Driedger: Madam Chairperson, that is exactly what I was telling the member, that we have worked at this thing from every angle that we conceivably can, including the political route, including trying to influence the federal Minister of Transport to sit down and see if this can be resolved. Obviously, from the federal Finance department, they are very adamant about it so that is why we were trying the political route.

I do not want to allow the member to leave the wrong impression that if anybody deals with the federal government, they cannot do successful business with them, because this is one of the things that we are pushing for is to allow Manitoba manufacturers and industries to be involved in a lot of the business that basically comes out of the federal government.

So the fact that we have a specific, unique situation before us here which we are desperately trying to resolve should not deter our people in Manitoba, our companies, to say that they cannot, they should not do business with the federal government. I would never want to leave that impression. I encourage them to do business with them wherever possible.

However, this is a very unique situation that developed before my time, in terms of having the contract under the—was it the ERDA agreement?—Canada-Manitoba subsidiary agreement. That is where this whole thing has been resolved from.

The member asks whether I have been in touch with the federal minister and I replied, by writing.

An Honourable Member: The Premier?

Mr. Driedger: The Premier (Mr. Filmon) has been aware. We have briefed the Premier as to what is going on. He is well aware of the circumstances, has encouraged the activities that we have tried to undertake from my department's perspective to try and assist this individual. We are, like I say, still at it. We are waiting for legal opinion. We will take further action on that.

I might add that at one stage of the game, the federal Minister of Transport said that if Riverton Boat Works will withdraw their court action, that he might be prepared to sit down and talk with them.

My discussion with the Riverton Boat Works, I do not know, I am trying to recall whether I encouraged it or not. I encouraged that maybe that is the route to go. However, once they withdraw the court action, then they are pretty well at the mercy of the federal Minister of Transport. They have some reservations on that.

We have looked at this from every angle possible and I continue to do so. That is why we are trying to get a legal opinion from our government legal beagles, and if there is some avenue that we can look at through there to help address the situation, we will follow it through.

Mr. Reid: I do not mean to say that the Minister of Transport is ineffective on this, because that is not my intent, but when we run across matters with this seriousness, I think it is important that the Leader of the province—I am talking about the Premier (Mr. Filmon) here—play some type of a role to protect the welfare and the interests of the citizens of the province as is his or her responsibility, whoever happens to be in that office.

That is why I asked that possibly the Premier could take some role in this to find out—even if he attempted by sending a letter to the Prime Minister asking that this matter be resolved and that the parties can sit down, even in a without-prejudice basis—to find out if there is some room to move on this by both parties.

Failing that, the provincial Ministers of Finance may have an opportunity to meet with the federal Minister of Finance in the near future. Is there any likelihood of any possibility of the Minister of Transport asking his colleague the Minister of Finance (Mr. Manness) to raise this issue with the federal Minister of Finance? I know there are a lot of pressing issues that need to be discussed at

those type of meetings, but I think that this is one of those issues that could possibly be addressed either in a private meeting between the two or at the general meeting between all of the Finance ministers.

Mr. Driedger: Madam Chairperson, the Riverton Boat Works components or people wrote to the Premier (Mr. Filmon) raising the issue with him, and invariably the Premier's office has sent it down to my department and asked what action has been taken. We basically let them know. He is briefed in terms of exactly all activities that have taken place within the department, and is supportive in terms of efforts that we are making on behalf of Riverton Boat Works. That will continue to take place.

Whether the Premier is going to take and raise the issue with the Prime Minister—the federal people have their legal advisers as well that are playing their game, so we get into a harangue that is ongoing as it has been for many years now.

I want to inform the critic as well as the member for Interlake (Mr. Clif Evans), who has been a champion for Riverton Boat Works, that once we have further information from the legal department, I am prepared to share that information.

This is not a political issue between the two parties here. It is something that we try to resolve on behalf of a resident of Manitoba. As information comes down, I am prepared to share that and see whether we can strategize some other way of doing it. We have pretty well done every angle that we can basically look at in terms of doing it, but we have not given up.

Mr. Reid: I agree with the minister when he says that this is a nonpolitical issue. It is very important that we pull together on this one and try and resolve this.

One last question on this then, can we anticipate when the minister might expect to receive a legal opinion back from his legal advisers on this matter so that the owners of Riverton Boat Works might expect that we would see some movement or some advice coming forward?

Mr. Driedger: Madam Chairperson, in my initial response to the member I indicated that just as recently as within the last 10 days that staff and myself took the issue up when the decision was made that probably the most logical channel of activity left open to us was to refer to our legal people. Basically that has just happened. We are

in the process of doing it. It could take a month until we have a legal response back.

All I can say is that once you have that response, I am prepared to share that information and to see whether we can strategize some way of getting this thing resolved once and for all. I would like to get that file off my desk.

Mr. Reid: I thank the minister for that, and we look forward to seeing what opinions are brought forward by his legal advisers on this matter.

I am sure that the member for the Interlake (Mr. Clif Evans) will convey the minister's sentiments to the member for Interlake's constituents.

I would like to turn—which is a part of this topic we have been discussing here because the equipment that was being constructed by Riverton Boat Works eventually went into service at serving the Port of Churchill—my comments now to the Port of Churchill and the community of Churchill.

Of course, the minister has indicated in the House here—since I was appointed as the critic—his frustration at the lack of support by the federal government with grain exports through the Port of Churchill. He says that he has been working diligently to try and bring some increased export traffic through Churchill. Of course, that has not materialized over the course of the two and a half, three years that I have been here. That is unfortunate for the port.

Yet last year we saw that there was a statement that came out that there was going to be a significant amount of grain shipped through the Port of Churchill during the year, and then we were quite disappointed by the volumes, the low level of volumes that eventually did end up going through the port.

There were at that time some extenuating circumstances in the past where there was some strike action by parties outside of this province, and yet the federal minister, the Minister of Grains and Oilseeds, chose not to utilize the Port of Churchill which was open and ready for business, something that we thought was a bad decision on the part of that federal minister.

* (1450)

Then we saw that the province, when it came forward, we thought was for the first time some excitement, something positive for the future of the Port of Churchill with the agreement with Russia on

economic co-operation. There seemed to be some good initiatives in the government's news release, the press release that went out, because it looked like there was going to be improved air service, increased use of the Port of Churchill, sustainable development, ecological research, all kinds of things, tourism, cultural exchanges.

I do not see, and the residents of Churchill have not seen any of that information, those programs materialize to this point. This press release came out in September 13, 1991, saying these good things were going to happen to Churchill, and here we are in April of 1993, a year and a half later, and none of this has materialized. Is there some reason that the minister can explain that we have seen no changes in any of these areas to this point?

Mr. Driedger: Well, Madam Chairperson, I do not even know where to start with this whole issue. I will try to just go back a little ways in terms of what has happened to Churchill and the frustration I have expressed many times in terms of not just the federal government, because the Wheat Board in my view is the main component, and our discussion with the Wheat Board has always been, you know, to try and move grain through Churchill for export purposes because it should be cheaper.

What has happened is that continually we have been shipping less than the desired amount which has kept the port viable, so we come to the point where over the years now, because we are not shipping to the point where the port can be viable, the port itself is losing money, and any accumulated money that they had has all been used up and it is now being subsidized. The operation of the Port of Churchill is going to be subsidized right now by other ports who are also not very happy with that. That is one element of it.

I could maybe go through a whole scenario of the CN's position in terms of trying to offload that line, the Ports Canada who say they cannot continue to operate without having a certain amount of grain through there, the Wheat Board saying that their customers dictate where they take their grain from. Last year was possibly the most active role that this government has ever taken in terms of trying to push and promote because of what has happened in the Soviet Union. We thought there were windows of opportunity for using the Port of Churchill for that, to the point where the Premier himself got very actively involved, writing the minister responsible for the Wheat Board. We probably lobbied more

extensively than we ever have in terms of being very serious and pushing very hard, with again very disappointing results.

I, in my own mind, envisioned that if there was not going to be a change taking place in this coming year, that could be the beginning of the end for the Port of Churchill and the activity taking place through there.

The member is well aware of the difficulties we are having with resupply going through there. The Northwest Territories are now looking at trying to get the best price and are taking some of their resupply through Montreal. I had the occasion to meet with the minister of transport for the Northwest Territories prior to Christmas, raised these issues with him, indicated that there had to be a liaison and co-operation between the Northwest Territories and Churchill in terms of the health facilities that are being provided, the resupply that is being provided. It is a natural link, and ask them to continue to give consideration.

Part of the problem of the resupply being cheaper coming through Montreal, for example, is that the rates of shipping down there are such that, because it is a grain-dependent line I sometimes fault CN and say, well, they have been doing everything they can to gradually—maybe I should be careful how I put this—but they have not been friends of that line and of the activities of Churchill. Where at one time we used to have two-way traffic, there is virtually—it is a one-way thing going on there right now. I am just giving a bit of an overview of where it is at.

I had the occasion to take Shirley Martin out a little over a year ago, down to Churchill. At that time she gave me the undertaking that she, because she is a junior Minister of State for Transport responsible for grain transportation and the Port of Churchill under Corbeil, would get all the accurate information because there was so much information floating around. You would have CN saying these figures. You would have grain companies using the figure in terms of what it cost. There was so much varied information as to what it cost to ship grain through the Port of Churchill. She indicated to me and gave me the undertaking that she would get all the precise information before any decisions would be made, that we would be able to sit down and have consultation. That was to have taken place before Christmas. Nothing has happened. So I had the occasion to meet her just a little while ago.

I am approaching this from a two-pronged approach. I am confident that the federal government is not going to close down the Port of Churchill this year during an election year. That is a political statement. I am confident they will not undertake that at this time. I mean, they would not dare do that during that time when they are going to the polls. So what that does is it gives us an opportunity for one more year to fight for this.

Now on the bright side, I anticipate that if nothing happens, that after the election, irregardless who is there, there is going to be great pressure to close it unless—and now I am going to the other chapter which is a more positive one.

Earlier on last year our Premier (Mr. Filmon) signed an agreement of understanding with the Russian people which was sort of a very vague document, but it basically suggested that there be dialogue and discussion taking place with the Russians in terms of some trade. Subsequent to that, our Minister of I, T and T, Mr. Stefanson, and Mr. Findlay were in Russia and then signed a subsequent agreement to further bring this thing on stream.

Then one of the most positive things that happened not that long ago is when we had a delegation from Russia, Minister Kuramin who is responsible for northern Russia in the Murmansk area, his deputy and the individual who is running the port out there, three very astute and aggressive individuals, came down here. While I was not involved in the actual negotiations that much, I had the occasion to take them to Churchill to meet with the people there, to show them everything that was out there.

The mayor and his people were very receptive and wanted to take him on a grand tour of Churchill, and I compliment them for that. But I have to say that Minister Kuramin was more interested in sitting down and talking business. He was not here for sightseeing, he came here for business purposes. A series of meetings took place between representatives, our representatives together with this group, and subsequent to that an agreement was signed.

Now I want to get to the more specifics of it. The Arctic Bridge concept had been developed. This is basically what we are talking about with Russia, which is between Murmansk and Churchill, the potential trading there. The agreement that was

signed based on recommendations by the Russian minister and his people, Caribou consultants has been hired to do a study in terms of what could be two-way trade through there. The reason why they recommended Caribou Consultants is because from the private sector they had had some business activities with these individuals and they felt comfortable with them.

Aside from that, we also established an interdepartmental government organization that basically was working with part of the Russian group as well prior to the signing of the agreement, an interdepartmental committee. We have two people that are co-chairing it; Mike Bessey and Dave Tomasson are co-chairing it with other people from all departments participating in this thing.

We think we have the framework there that basically could develop into positive things for Churchill. In my view, if we can make this thing fly somewhere along the line, because that report from Caribou consultants is supposed to be available by the end of June, if there are positive recommendations, this involves a potential of phosphate coming in, other things that they are looking at. If this can be developed, I think then we can have two-way traffic going through. I think there are many exciting potential things in the wind.

* (1500)

If we cannot make this fly, I think we have major, major problems. I see nothing but doom and gloom on the horizon. I am very optimistic that this is going to sort of be the one potential in terms of a positive thing. It is not just pie in the sky. It is a very positive thing in my view, or can be a positive thing.

I have to tell the member that at the time when this Arctic Bridge agreement was signed when the Russians were here, it was like throwing a cat among a whole bunch of canaries in terms of the federal government and CN and everybody else. They came off the wall on that one because this was certainly not in their long-range plans. We have, in my view, something that can develop into a positive thing, and we are doing everything we can from the government perspective in terms of encouraging this kind of thing.

Ironically, Minister Kuramin with his people was very positive. He had no qualms about it. You have to understand what is happening in Murmansk; since the military perspective in Murmansk has diminished dramatically, they have all kinds of

facilities in their port there. They have dramatic equipment. They know now to deal with the North. He claimed that they could probably come into Churchill almost 12 months of the year. I would not expect him to do that because the bay itself basically freezes solid. I am sure that we could extend—if we had the wherewithall and the trade to do it, we could probably extend the season by three, four months.

It looks positive in that respect. Without looking for all kinds of outside help from federal governments or anybody else, if we can make this Arctic Bridge concept work I think we have something that is going to make it very difficult for people like CN or Ports Canada or the federal government not to be co-operative in this regard.

Ironically, when this whole consultation process with the Russian delegation had taken place and the signing took place, during the press release Mr. Kuramin made the announcement that they were prepared to take 500,000 bushels of grain through there for cash and then they would be prepared to barter beyond that.

I was very encouraged. Incidentally, the Russian delegation also met with the Wheat Board themselves privately. It was on their own because the member is well aware of the fact that the Russians had been failing to pay for their wheat and shipments had ceased but, since the devolution of the Soviet Union, every country is basically dealing on their own. In spite of what they said, some of our eastern people were trying to give the impression that Mr. Kuramin did not have the authority to speak the way he did. That is not the case because under their devolution and the system that you work under right now in Russia, I am confident. I have a lot of respect for the individual, a very shrewd individual, that he was not blowing smoke, that he was talking for real and that he could produce. He is apparently authorized to take and purchase a certain amount of wheat for the northern part of Russia. That was my understanding.

I am putting a lot on the record here in terms that I am trying to just update everybody just where it is at. This information I also relayed to the transportation symposium that was put on by The Pas-Port of Churchill Promotion Committee a couple of weeks ago. I have tried to give as much information as I can to groups of that nature, whom I want to compliment for their ongoing support and pushing, which is in keeping with what my views are on the matter. The Premier (Mr. Filmon) certainly

has mandated me to continue to fight as hard as I can for the retention of activities in Churchill.

Now that is on the port's and the rail-line component end of it. I could spend hours talking about what is happening with the line, the rehabilitation of the line, whether we can use cry-anchors on it, and the cost of it. When CN does an estimate, they use a figure of \$100 million to \$125 million. When we have a consultant that has actually undertaken the work, he is looking at \$35 million. I mean, there are so many balls in the air on this thing and different information, so that is why I say, I could keep on rolling for a long time in terms of all the issues.

The member raised a number of things. In the news release of September 1991, there was reference made to certain other developments out there. I want to just say that the spaceport activities, which the Minister of I, T and T (Mr. Stefanson) has been actively involved with, are still on the burner somewhere. It is having difficulties. I could go into what the difficulties are, but it is still being talked about.

We have the National Wilderness Park that the Department of Natural Resources has been working together with the feds to establish. I think we are very close in terms of resolving the concerns of the users in the area of the park itself.

So there is, in my view, possibly more positive activities in the mix than there has been for a long time. I might tell the member that earlier on in my tenure as Minister of Highways and Transportation, I sometimes felt as if I were all alone in this issue; and, when things did not go well, I took the abuse for it. I want to assure members that the government's position is very positive in terms of approaching it from whatever angle we can in making sure that we have a continuation of activities in the Port of Churchill. But, again, I want to take and qualify that to some degree, saying that if this Arctic Bridge development with Russia does not happen, if we are going to rely on the Wheat Board, CN and Ports Canada to maintain the operations there, we are fighting a losing battle on that. So there has to be a new injection somewhere along the line, a new issue, and we think we have that potential issue there right now. We will do everything we can to take and move that forward so that we can come up with a positive position. So it is going to very hard for the enemies of Churchill to take and say no to the activities there.

Mr. Reid: The minister's words were very encouraging there. I was somewhat dismayed by what I had heard the Liberal critic for St. James (Mr. Edwards) say, when he did not want to continue this debate too long today, that we had—I sensed that there were other more important matters on his mind that he wanted to get to outside of Churchill. So I hope that was not his intent by the comments that he had made to the minister.

This matter is very important to the residents of Churchill and the communities along the bayline. The minister had indicated—and I thank him for the comments that he made with respect to many of the issues here. The minister had made reference to Caribou consultants. That is a new one to me. Can he explain who Caribou consultants are if he has knowledge of that?

*(1510)

Mr. Driedger: Madam Chairperson, I am not quite sure of the names. One name comes to mind; Caribou Ventures is the name of the company. They have been acting as the business agents for the Russians for three or four years. That is why they have a comfort level, you know, and recommended that those were the people that we would be hiring as consultants.

So they are working in conjunction with what the Russians feel that they could trade, ironically, and what we could trade with them, aside from grain as well. Interestingly enough, they made some comments saying that they even talked about exporting nickel into here, which created the hair on everybody in Thompson's area to stand right on end.

But they basically are challenged to look at all the options in terms of what would make good financial economical sense to move activities through Churchill to Murmansk and back.

Mr. Reid: The minister made reference to an agreement that was struck with the Russian representatives when they were here, the commitment for 500,000 metric tonnes of grain to be shipped. Now, maybe the minister could elaborate on that a bit for me so that I could get a better understanding.

Mr. Driedger: Madam Chairperson, I want to be very cautious. The agreement that was signed between government representatives, namely the Minister of Northern Affairs and responsible for Native Affairs (Mr. Downey), and the minister from

Russia, Mr. Kuramin, that agreement was the hiring of the consultants, Caribou Ventures. That was what that agreement was about.

The announcement that the Russian minister made in terms of being prepared to take 500,000 bushels of wheat through the Port of Churchill, that came out of the blue. In fact, everything was working through interpreters, and when the cameras were on and he was positive about this agreement that they had signed, he made that announcement as well. I was sitting there listening to the interpreter and I nearly jumped up and applauded right away. So we will be pursuing that, and I do not regard that as just smoke or wind and rabbit tracks. I think there is substance behind that kind of statement and we will be pursuing that.

Now, his ports manager had said that, by and large—and this is a thing we have to clarify a little bit. There is some confusion out there, at least in my mind, because the ports manager when we were at Churchill said that he had committed ships for most of this year's activities going through other ports. Now, whether they are going to reverse that or not, this is a thing we have to work in terms of clarification, but he felt that for the future they would automatically be able to take all this grain through there.

Now, you know, there is some vagueness here in terms of that grain movement itself, and that is why I come back to the Arctic Bridge concept, that has to develop the whole thing. We cannot just bank on the fact that there is going to be a one-shot deal in terms of the 500 million bushels of grain. There has to be a much longer term plan in place, because if we just operate on the one year, that is what I have been doing for five years, fighting and struggling—not alone necessarily, because the support of the opposition has been there as well—but we have been struggling and pushing to continue to have fair treatment with the Port of Churchill, and that has not happened. So this is, in my view at least, an element that we can take and develop and have something that could be of a long-lasting nature.

Mr. Reid: I agree with the minister when he says that we should be looking at a long-range goal or plan more than just the one year, with respect to Churchill's future. I think it is important for us and for the port to have that sense of security so that they too can plan their futures.

The Russian government, from my understanding, has indicated that they are going to utilize a portion of their ice-breaking fleet, which I understand is amongst the best in the world. If my understanding is correct, they have some 700 icebreakers. Is that figure accurate? It is my understanding as well that some of those icebreakers will be moving through the Arctic this coming summer, which we are pretty close to now, to try and see whether or not it is feasible for them to move some of their traffic through the Arctic passage.

Can the minister elaborate? Does he have any information with respect to the use of icebreakers in the Arctic?

Mr. Driedger: Madam Chairperson, I think the member is wrong when he says that the Russians have 700 icebreakers. That number has never been up for discussion somewhere along the line. What the Russian people told us at the time when we were at Churchill, he said how many metres of ice that they could break without using icebreakers. [interjection] How many metres was it? Three metres, which is nine feet of ice, something like that. He felt that if they really wanted to, they could virtually come in there at any given time at Churchill. So I think maybe there was a little bit of an exaggeration there, because I do not think it would be feasible to do that in the long run.

We know, with the kind of equipment that they have, which is sophisticated equipment, they have been operating in the northern parts of the continent over the many years, probably much more efficiently than anybody else. They know how to deal with the situation in the North, and I feel confident that the short season we by and large always outline as to being safe for insurance purposes, et cetera, could be expanded to a considerable degree with these people with their equipment.

Mr. Reid: Now that I think of it, the number 700 seems to be fairly high as an exaggeration. That seemed to be the number that came to mind of what I recalled. I do not have the document here that showed that.

Even if they have a significant number of icebreakers, is there any possibility, with the commitment to move 500,000 metric tonnes or an interest in moving 500,000 metric tonnes through Churchill, and with the fleet of icebreakers the Russian government says they have, that we can

put the two together for this coming shipping season, which is not far away, that we could bring icebreakers in sometime possibly at the beginning of June and start moving the exports through that port at an earlier time, utilizing the equipment that is available.

Mr. Driedger: Madam Chairperson, that is where the Caribou Ventures and our in-house committee with the two co-chairmen—these are the people that are working together, communicating with a lot of people as well, but communicating with the Russians in terms of trying to package all this. So I do not have a current status exactly where they are at right now. I just know that they have a timetable that they have to by and large meet, which is a report that has to come forward by the end of June which I would hope at that time would encompass some grain movement.

The member should be aware though that the Wheat Board is still a player in this whole process, and they have not necessarily changed their position that much. There would have to be, in my view, a request from the Russian people to take the grain through there. If we relied on—I am trying to be nice to them—the Wheat Board to be an instigator in this case, I do not think it would happen. So that was putting it in a very nice way.

Mr. Reid: Sometimes I think the minister is too nice when it comes to dealing with some of the federal agencies on this matter. Sometimes it is better, I think, to speak our minds. God knows that we have been listening to their line for a number of years now and it has gotten us nowhere while we have waited for them to take action on this issue.

Has the minister received any kind of indication then from the minister responsible for the Wheat Board or from the federal Minister for Grains and Oilseeds that we would look at—or the minister responsible for the Wheat Board, I should say—exporting set volumes of grain through the port this year?

I would think that by the end of April, which we are at right now, only some little over two months from the start of the new shipping season, that we would have some kind of an indication from the federal government what we might expect for this coming shipping season.

Mr. Driedger: Madam Chairperson, the indication that we have, a commitment is that the port will not close this year. We also have an indication there is

going to be good movement of grain through there, but to what extent—I mean, if we are going to do the same thing as we have done in the last few years.

I want to take a little exception to the remark that the member mentioned, that in spite of what we have done nothing has happened. Well, let him look even beyond my five years. The trend was established 15 years ago where it started sliding down. So it is not something that developed in the last five years. There was never a plan in place that was really constructive during their administration time, and we finally, hopefully, after much frustration, maybe do have a plan that could maybe be the salvation of it. Whether they had been government for the last five years or myself, I can assure you that I do not think anything would have changed. It could have maybe even gotten worse, because I would like to think that we put a very strong case forward many times.

Aside from that, we are working on the aspect of trying to get more grain—not just more grain, substantive grain moving through the port so that we can make the port itself viable. Just to ship some grain through there is not adequate again, and that is why I, maybe wrongfully, but I am hanging my hat on the fact of the willingness of the Russian people to take grain through there. If we can get that all tidied up—and that is what is all in the mix at the present time and I cannot make a concrete statement in terms of how much is going to go through there. I cannot do that at any given time, because the Wheat Board only gives us that information when they finally reach a contract somewhere along the line. But certainly the pressure has never been, I think, stronger, potentially, in coming down in support of movement of grain through the Port of Churchill than it is at the present time.

Mr. Reid: Maybe we have not said this before, but I think we would like nothing better than to be able to join with the minister in this House, with an announcement that the minister might bring forward indicating that we have a long-term agreement to export product through Churchill and to bring imports in for the consumers of western Canada.

I am sure that if the minister could come forward with an announcement like that, utilizing on a long-term commitment the Port of Churchill and finally recognizing—and not this minister but others finally recognizing the importance and the significance of this port, we would join with the

minister and we would congratulate him upon that accomplishment. I would like nothing better than to be able to do that.

* (1620)

I am sure that the residents of Churchill and the people living along the bayline would feel the same way, but we have not reached that point yet where we can congratulate the minister. That is one of the reasons why we are asking questions here to find out what progress has been made, because since the agreement was signed in 1991 we have not seen—maybe the wheels are turning very slowly on this—but we have not seen any significant progress or movement in any positive direction.

Mr. Driedger: I suppose I should have a warm, fuzzy feeling with the comments made by the member that if there was something good to announce that we would sort of, you know, hug each other and share the announcement. I have taken the abuse for five years for everything that has gone wrong with Churchill. If there is going to be something positive, I do not know whether I would jump up and necessarily want to share it with the member, jointly. I would be very pleased to make that announcement and I know that he would be supportive in terms of doing—you know, supporting that announcement.

The other thing that I have promoted continually is the province of Saskatchewan. Basically, when I first took office, left us in the lurch where they would do their funding for the Churchill activities as well as Alberta. I have encouraged very strongly The Pas-Port of Churchill committee to take and work together with the Saskatchewan government to try and make sure that they are solidly on side and support so that it is not just Manitoba. The member is fully aware that the catchment area for grain for the Port of Churchill is by and large out of northern Saskatchewan and partly into Alberta. So we need them on side as well, and the producers I think generally are supportive.

However, the member must also realize that you have the individual private grain companies—we have membership there who are basically trying to be not supportive of it. See, that is the danger we have here. We have the private grain companies that by and large ship and market their grain through the Wheat Board, move their grain through either the East Coast—through the St. Lawrence Seaway. There is nobody that really, pardon the expression,

gives a darn about the Churchill end of it except maybe the member from The Pas, myself and a few others.

There is support out there, but we have never managed to harness it to the point where we should have, and that is why I encourage that Saskatchewan—you know, our lobby people should embrace Saskatchewan to come with us on this thing to raise their concerns. I think it has more clout than if we just try and do it on our own.

Mr. Reid: The minister mentioned just a short time ago that there were two members of the government staff, Mr. Bessey and one other person, Mr. Tomasson, who were working on this issue. Is that an interdepartmental committee that is working on this, or what departments does it include that are included under the jurisdiction of this committee? Can the minister give me an understanding of that?

Mr. Driedger: It is an interdepartmental committee that has been established, and by and large we feel that, next to the minister, is a very high level. That is why we have Mr. Bessey, who is with the Economic Development Board; we have Mr. Tomasson, who is with the deputy minister of native and northern affairs, Deputy Minister of Energy and Mines, and the I, T and T, Mr. Stefanson's department. We have representatives from my department, we have representatives from all the departments that basically have a vested interest with Churchill. So it is a pretty encompassing group and I feel comfortable that we finally—I think this should have happened before—but we finally have a group that has a very dedicated interest in terms of moving things forward.

Mr. Reid: I might have missed it, but maybe the minister can indicate to me, was there a member from the Minister of Agriculture's (Mr. Findlay) department sitting on that committee as an adviser as well?

Mr. Driedger: No, Madam Chairperson. Agriculture does not have a representative on there, but the committee is set in such a way that there is enough flexibility where there is a vested interest that could be brought forward under that umbrella group that anybody can be pulled in to participate from any department.

Mr. Reid: It strikes me as funny that Churchill has been primarily a grain exporting port outside of the 37,000 metric tonnes of resupply, I think it is, that goes to the Northwest Territories, and Churchill has

been basically a grain port. Why would we not have a member of the Department of Agriculture sitting on that advisory body?

It strikes me as odd that there seems to be a vested interest here for Manitoba's grain farm producers and yet the Department of Ag does not seem to represent those interests on the committee.

Mr. Driedger: I might inform the member, maybe to his surprise, that the Manitoba grain, the majority of it, moves through the St. Lawrence Seaway. Some of it moves through the west coast. The grain that is going through the Port of Churchill is predominantly Saskatchewan grain.

I mean, if there was anything that the Department of Agriculture could add to the vested interest and the people we have on this board—you know, there is no hidden agenda here in terms of why they are not on there. It is just that we wanted people who had a vested interest, like I, T and T, Department of Northern Affairs, Department of Highways, Department of Rural Development. These are the ones that basically are working with the area, including, I think, Government Services who have activities out there in Churchill. So it was addressed to basically deal with the issues that are Churchill oriented.

* (1530)

Mr. Reid: Then, as the minister says, the grain producers of Saskatchewan have a greater interest in the Churchill port than the Manitoba grain producers—the minister's words. Then has the minister or his department had any consultation with the government of Saskatchewan on this matter and have we included any members of the government of Saskatchewan, various departments, including Agriculture, on this working committee or this group to try and better utilize the Port of Churchill.

Mr. Driedger: There have been realms of correspondence that have moved between our province, my department and the government of Saskatchewan. If they would quit switching their ministers like I change my socks, you know, it would be a little bit more consistent in terms of—

An Honourable Member: What change?

Mr. Driedger: No, no. We changed government and then we had Mr. Wiens, and I had a good working relationship with Mr. Wiens. I had occasion to meet with Mr. Koskie the other day. You know, the ministers, the last few that I have talked to and certainly the last three that I have been involved with

in my short tenure—In fact it was four, but three that I have been working with that basically were supportive in terms of the activities at Churchill.

Also, at the western ministers meeting, all four ministers agreed that there should be a position put forward in support of the Port of Churchill.

I mean, it is getting the high profile from the government that it basically requires. We have a little bit of a deafness problem when we go east and that is sometimes—we have a local expression that sometimes you need a two-by-four to get somebody's attention. I think we are almost to the two-by-four stage at the present time.

Mr. Reid: Maybe that situation with deaf parties east of us will be remedied when we have the federal election and maybe will hopefully result in some positive significant change for the future of Churchill.

There has been discussion, I know the minister alluded to a bit earlier in his comments, with the resupply. Churchill has historically been providers of resupply transportation services to the Northwest Territories communities as well as providing, I believe, much-needed medical services to the Churchill medical health facility.

Does the minister have any background information or any information that is current that would provide us with a better understanding why the communities in the Northwest Territories are looking at moving their product around from the St. Lawrence, from the Montreal-area ports to the Northwest Territories?

Are there some economies of scale there that those ports are indicating to the Northwest Territories that by a one-time large shipment it would be more economical for the Northwest Territories to move in that direction, even though knowing that they would have to do all of their ordering for that one shipment?

Mr. Driedger: Madam Chairperson, in my discussions with the minister from the Northwest Territories, he gave moral support for Churchill because we had talked about long-term, long-range plans in terms of a hydro line going up ultimately to Rankin Inlet, maybe a winter road. We looked at various discussions. He spoke supportively of their position for Churchill. However, he claimed that they were coming under the same kind of pressure that all governments are. They have to be cost efficient, and instead of carte blanche in just accepting the resupply through here, they were

using a tendering system to get the most efficient cost.

That is what I found so disturbing is the fact that the resupply of fuel could be done cheaper through Montreal than through from here when you consider where the fuel sources come from. Again, in my mind, it relates to the fact that as regards our rail cost from here to Churchill for resupply to the Northwest communities, there is something out of whack here. Hopefully, as we evolve with some of these things, these things can be addressed in terms of maybe getting more efficient rates.

I think we have continually put forward the position—I am looking at Dennis here—in terms of saying it is a grain-dependent line, which basically gives CN a subsidy under the Western Grain Transportation Act. Before the payments, the subsidies go to the rail lines, there is a component that is addressed to CN for the Churchill line because it is a grain-dependent line which is paid for by the producers out of their money, by and large. These are all the other arguments, endless ones that I could bring forward as we go through some of the frustrations.

My feeling would be that if it would not be a grain-dependent line—it comes down to the point where we feel that as a grain-dependent line 60 percent of the activity has to be grain. That is what they say they are putting the argument on.

We feel that, if that grain dependency was removed, they would be more aggressively marketing their line because they really are not marketing, in my view, the line to any degree. Surely to heck there must be things coming out of the Thompson nickel mines that could probably be used, like our ore transportation, timber transportation. There are many aspects of it that I think could be tied into that if they were actively marketing it. That is part of the whole problem that we have been going through, and we can regurgitate that forever, I guess, and not really accomplish anything.

What I would rather look at right now for the members is the position we are in right now, the possible opportunity of having something long range develop. If there ever, in my view, were held a positive ray of hope other than running around trying to lobby to the decision makers, we can probably come up with something positive. I feel that this is the opportunity that we need.

Mr. Reid: I do not mean to put the minister on the spot with what I am going to say here, but I think it needs to be said. Is there a likelihood, since my understanding is that the Northwest Territories receives a significant amount of its revenue from the federal government, that the federal government is being extensively lobbied by business interests in and about the St. Lawrence ports to encourage the federal government to put pressure on the Northwest Territories government to look at moving some of their product through the port? In other words, there is political pressure being brought to bear by the lobbying efforts on the federal government and, in turn, indirectly upon the government of the Northwest Territories.

Mr. Driedger: Madam Chairperson, the Northwest Territories, after my discussion with Mr. Todd, indicated that they would buy what was most economical to buy. They do not care about the politics that we play out here to any degree. They are looking after their own financial requirements in spite of the fact that the federal government maybe funds it, but they get the same pressures that we get in terms of cost sharing and funding.

I could get into the whole realm of the St. Lawrence Seaway and the lobbying that takes place over a system that I think is gradually decreasing, and our grain from Manitoba basically moves through that system. We have concerns that have to be addressed as well to make sure that system stays there, so that we are not a captive market to ship to the West Coast. There are realms of this stuff in discussions taking place.

I sometimes feel that, if I got paid by the hour and got paid for the time I have spent on Churchill issues, possibly I would—

An Honourable Member: Watch it, Albert. You will attract another Free Press headline story.

Mr. Driedger: Cancel my comments. I was alerted by my colleague that this could create further problems. We will leave that discussion alone. I do not want to get paid by the hour. I just wanted to illustrate the amount of time and efforts that my department and I have spent in working on Churchill issues and will continue to do that with a real vigour and dedication.

Mr. Reid: I do not know if I ended up getting a real answer out of that or not.

One gets the sense, I guess, by the comments and the actions of the federal Minister responsible

for Grains and Oilseeds and the Wheat Board, one and the same person, actions to deny any opportunities to the Port of Churchill, that we would not expect much more than what we have seen out of this current government. I am not sure if there is any commitment from any parties other than our own that have, over a long period of time, expressed our commitment to the Port of Churchill.

Communications with the Wheat Board, of course, are important. I know they receive direction from the minister of the Wheat Board, but have they expressed to this minister any difficulties with meeting that 500,000 metric tonnes—what we hope is a commitment for this coming grain-shipping season? Has the Wheat Board indicated that there are any problems with moving that volume through the port this year?

Mr. Driedger: Madam Chairperson, that is another can of worms because there was the agreement between the federal and provincial governments years back when they rehabilitated the boxcars, a fleet of boxcars specifically for the movement of grain to the Port of Churchill. This was at the time when we got back to the articulated hopper car specifically for Churchill. That fleet has been depreciated to the point where the rumblings that I hear are that they would not be able to deliver 500,000 tonnes there.

I personally do not consider that at all. If the commitment is there that somebody wants to take 500,000 or 800,000 tonnes of wheat or grain through the Port of Churchill, I will chase them and we will get out the baseball bats and we will get them to move it down there. I do not care how we do it.

The arguments that I have used time and time again, and we have debates up and down, I maintain that they can use the hopper cars at the present time to move grain through the Port of Churchill. We used the hopper cars to move cement, et cetera, down to Gillam and that area there. I see absolutely no reason why we should not, at least on an experimental basis, do it already. I think it can be done. Engineers I have talked to, qualified people that are retired from CN, say they feel there are ways of doing it, but CN engineers, by and large, do not really care—I want to phrase my words carefully—could not really care whether the thing lives or dies. I am talking about the line to Churchill.

So I have been pushing, saying, if we have the commitment for a certain amount of grain that we

would continue to escalate our pushing for the use of having the hopper cars go all the way down to Churchill. Talking with the port's manager, Mr. Johnson at Churchill, he feels confident that he can handle it. My staff just indicated to me that actually if there was that desire we could put 140,000 tonnes into storage in Churchill right now. The Wheat Board always has said, well, we do not want to store it, because it weakens our bargaining position because we have the grain there.

An Honourable Member: The same argument for St. Lawrence and Vancouver.

* (1540)

Mr. Driedger: Yes. I mean, these are all the things that we have been up against all the time.

I would welcome the challenge. If we had a commitment of grain to the tune of 500,000 tonnes or better going to Churchill and if the rail line would say they could not handle it because of lack of boxcars or stuff like that, I would be prepared to take that fight on very, very actively. I still think that our line is strong enough.

They tell me that the concern is with the hopper cars that you start having an oscillating effect and ultimately could cause derailment. We have suggested that, in order to offset it, you have maybe 10 hopper cars and have one boxcar. We said experiment with something to see whether it can work, but to date we have not been successful in that regard. They can lease cars. If there is going to be a commitment for grain to move to there, I am confident that CN will deliver. They will take and utilize what they have to in order to actually get the grain down there.

Mr. Reid: This brings me back to a point about rail cars when we first started talking about this at this sitting. Maybe I should ask this question first, does the minister have an understanding through the Wheat Board or through the railways what the replacement ratio or numbers would be for grain transportation cars, the cylindrical hoppers or the other cars that are used in the fleet outside of the boxcar fleet, the grain boxes? What would be the replacement numbers of the articulated hoppers—not the articulated—but the cylindrical hoppers that are used to transport grain in the Canadian system?

The reason why I asked that, I will explain, is that if there is going to be a replacement required for cars in the fleet on a regular and ongoing basis, is there

any likelihood that we can have through some kind of agreement with the federal government or the other governments, Alberta, Saskatchewan, that are involved in the construction where we could move to a car that would have a lower centre of gravity or an articulated car that would be able to be utilized on all of the lines in the country?

Mr. Driedger: Madam Chairperson, I suppose it is regarded partly hypothetical in all that could be done. Lots of things could be done. First of all, we have to establish a rationale for doing it. If we have the requirements for movement of grain through there, then I think, ultimately, we would address it by whatever means, either by an articulated hopper car or by using the regular hopper cars and trying that. Once we can put the pressure on that we need to have it done, then I think that would fall into place.

I could speculate and say, well, we could do this, we could do that. We need some reason to put the pressure on for some of these things to happen, and with 290,000 tonnes going through there, that is not—it is pretty hard to put pressure on that. So we have to develop the case first of the need for it; then I think that automatically once you have that that these other things will fall into place. Certainly, whether we look at a lower-gravity hopper car or articulated one specifically for that line, these are things that we have to build a case for, and I hope it can come to that point where we have to put pressure on somebody to come up with some option on it.

I would welcome that challenge whether we talk of using the existing hopper cars on an experimental basis, whether we should be pushing for an articulated hopper car. I welcome the challenge of pushing at the railways and working with them to see how they will deliver because if we have the product to deliver, I think they would be receptive to it at that stage of the game. Let them play ball.

Mr. Reid: I thought that, with the competition that is ongoing between CN and CP now for their articulated hopper car used for potash, it would be a perfect opportunity for us not only to construct some of those new cars in the province, but at the same time, if that type of car is going to be good enough for the potash transportation, which is a fairly heavy commodity, why we could not have a portion of that fleet constructed for the sole purpose or the purpose of utilization for the transport of grain products.

That is one of the reasons why I raised that. Maybe the minister would like to comment on whether or not he has had any communications with the federal government, the government of Saskatchewan, government of Alberta, of changing over any portion of their fleet that they may choose to upgrade or to replace as the pieces of equipment either are destroyed through wrecks or accidents, or deteriorate through aging.

Mr. Driedger: Madam Chairperson, I do not know whether there are any more cars being manufactured at the present time either by Alberta, Saskatchewan. I think a fleet that is in existence right now is probably the one that is being used, but at the time when the articulated hopper car was being considered for the potash, I immediately wrote the federal minister, raised some concerns about it: first of all, for involvement in terms of construction of the hopper car, and also the fact that we had promoted that idea for the articulated hopper car for the use in Churchill. So we raised our concerns with him; we will continue to do so.

Over the years now, I certainly have not been shy with raising Churchill issues with anybody that will listen, but sometimes when I attend some of the meetings like Westarc, some of them already throw up their hands in consternation that I am going to be raising the Churchill issues again. So I have been doing that at every possible opportunity where somebody could have a role to play in this thing. I raise it continually, and will continue to do so much stronger if it looks like we have some things developing under the Arctic Bridge.

Mr. Reid: So that we do not fall down on what will, hopefully, be our end of the bargain, is the minister aware through his colleague the Minister of Industry, Trade and Tourism (Mr. Stefanson) whether or not we have looked at securing markets inside Canada, or maybe even in the northern U.S. states for what will, hopefully, be imports of phosphate product that may be coming in as an import so that we would be able to then utilize that bayline in two-way traffic? Is the minister aware of any development on any of those issues with respect to distribution and sales of that product?

Mr. Driedger: Madam Chairperson, that is basically what the agreement with Caribou Ventures is undertaking in conjunction with the internal committee that we have set up with the two co-chairmen, namely, Bessey and Tomasson. These are the things that they are working at jointly

together with Caribou Ventures in establishing the potential of markets. I know of certain studies that have already been in process or have been completed in terms of the potential of phosphate going into Saskatchewan for fertilizer production or Brandon maybe or down into the States. We still think that the potential access from Churchill into the central states, that corridor, should have all kinds of potential, and these are the things that are being looked at to maybe see whether we can use that.

We feel there is more and more trend towards north-south activity taking place. Why not tie this into the whole, what we call, Red River corridor which puts us right into the guts of the States, into the central states? We have great potential there. So these are all the things that are in the mix at the present time, and I sure hope that something fruitful will come out of that.

Mr. Reid: It almost sounds like the minister does not want to give a firm indication of any progress on that, or am I misreading his comments on any of the progress that he has indicated here?

Mr. Driedger: Madam Chairperson, the member is totally erroneous when he makes that kind of a suggestion. I do not have the details in front of me of exactly where they are at, but I know that there are various components that are working extensively in terms of meeting a June deadline to come up with all these options. A lot of that has to do with the phosphate and with as to who would be the end-users for phosphate out here so that we can get this two-way trade going.

* (1550)

So I cannot specifically say that they are at stage two out of stage five now in terms of almost having an understanding, or that these are the requirements. If I had the time, I would be pleased to undertake that myself. That is why we have Caribou Ventures doing it, and why we have the interdepartmental committee that basically is working on these things at the present time. If there is going to be anything that we can announce on the positive side, believe me, I will not hesitate. I will be standing on the top of my desk there making the announcements. So it is not that I am holding anything back. Any information that I have I basically put on the table as frankly and honestly as I know how to do it before the member here today in our discussions.

Mr. Reid: I look forward to the minister's June announcement to give us some kind of a progress report and what we might expect for the coming shipping season and hopefully beyond.

The rocket range was also very, and is, hopefully, still very important to the technological change that we hope to see in this province, where we move into maybe a high-tech type of industry. Can the minister give me some background on what has taken place over the course of the last year with respect to the rocket range and what progress we have seen on that front?

Mr. Driedger: Madam Chairperson, there was a group established that has been working hard to establish the spaceport at Churchill. There has been elation at times, positive feelings and also negative reaction from time to time of the key players that are involved, because in order to make that thing effective you have to have a user of the facility. With my having limited knowledge, this question would probably be better addressed to the Minister for I, T and T (Mr. Stefanson), who has been actively involved through his department with that.

All I can say is, from my observations, that the community has been pushing very hard. However, some of the people that were going to be the users of this—apparently, conditions are ideal for using it as a rocket range, and we only have a few cases that like throughout the world.

There is one also in Alaska apparently, which is a similar type of condition, and one of the key pooh-bahs, if I could be so blunt as to use that expression, or one of the key people that is involved in the some of the decision making in the States with these companies that would be utilizing this, is apparently a senator or elected official from Alaska. You know that all of a sudden changes the perspective a little bit, so these are frustrating things that happen sometimes in a decision-making role.

I certainly want to compliment the people of Churchill for their enthusiasm and continued pushing and digging to try and have this thing move forward. However, their enthusiasm and even our support are not going to be enough to do it unless we have the users that basically will use it to feel comfortable doing it. Those decisions get made outside of our realm.

I know that lobbying has been taking place, and the details of it, as I say, would be better addressed to I, T and T. But this is my perspective of what I

understand is taking place, and there are still things in the mix at the present time.

Mr. Reid: I just thought that the minister might have some background knowledge of it, possibly through cabinet discussions or private discussions he might have had with his colleague. That is why I asked.

We on this side view the spaceport as being a key component to moving Manitoba into the 21st Century technologically because of what that type of operation would mean to this province. We also sensed, or were informed, that there seemed to be a bit of stalling on this matter with respect to the Canadian government's space agency. We are quite concerned, if that is the case, that there is that stalling on that decision making for the reactivation of the rocket range there.

Does the minister have even preliminary background information on that that he might be able to provide us with?

Mr. Driedger: Madam Chairperson, I would do injustice to trying to address this situation by trying to give an impression that I have the knowledge of the total implications of it. I think it would not be fair if I start speculating.

On the areas where I am involved, I have much more comfort in terms of dealing with that. By making commitments, I just give him the overall view of what basically are some of the components that are out there.

Again, I repeat that the community, the organization that is out there and the support of the provincial government, and even if the federal government is supportive of it—and I cannot assure him whether that is the case or not—but the main players, the investors that are basically involved, are the ones that ultimately have to be courted and encouraged to give them a positive package that it is worthwhile for them to put big money into there.

Madam Chairperson, I have been out there. In fact, I can walk through what we call the spaceport area there right now—the structures that are out there and the rocket launches are out there. I could actually do that with my eyes closed really. I have been there that often looking at it.

There is going to have to be a tremendous investment that has to be put into that, and whoever is going to do that has to have the comfort that this is for long-term plans.

My understanding is that it was communication satellites that were going to be launched out of that spaceport, but I have limited knowledge. I think it would not be fair for me to take and try and answer questions on the details of that.

* (1600)

Mr. Reid: Since the rail line, the bayline plays such a critical role, it is a key component of any reactivation of the rocket range and, hopefully, for the utilization of the port for two-way traffic, phosphate imports and grain and other exports. I believe the minister has had meetings not that long ago with members of The Pas-Port of Churchill Promotion Committee and possibly even the Hudson Bay Route Association. My understanding was that there were some people that were knowledgeable, some experts from the firm that did the installation of the cryo-anchors on the rail line.

Can the minister give me an update or an understanding of the position of the people that were in attendance at that meeting, whether or not there is any feasibility in upgrading that line, whether there is any change in the costs that might be anticipated to upgrade the line?

I know we have had disagreements in the past on who should undertake those repairs, but I would like to get a better understanding on what the position was of the companies that were involved in the actual installation.

Mr. Driedger: Madam Chairperson, in my earlier comments, I did a sort of summarization of the Churchill situation with reference to the fact that CN felt the rehabilitation of the line would cost anywhere from \$100 million to \$125 million. We have a private company that is basically working with the cryo-anchors over the years who—Arctic Foundations, I believe, is the name of the organization—who feel very confident that they can come up with figures that would be in the \$40 million bracket to stabilize the line.

Once we have the rationale and justification that all of this will happen, instead of just marking time to try and close the whole thing. I think that in these things we would play a role in terms of saying, hey, listen, it can be done for a lot less money. But these are some of the arguments that have been created at the eastern end of the decision-making process, that the cost of rehabilitation is too high, as part of the whole problem that they have psychologically developed.

I think once we get down to the point where we have the cause and determination to continue operating on a longer-term plan that these are things that are going to come into play at that time. I have the confidence that Arctic Foundations, whom we met with and talked with, are very qualified in terms of doing the rehabilitation at a fraction of the cost.

Mr. Reid: I had the opportunity to have a brief discussion with the firm that had done the original installation. I have looked at the IBI Study; I have looked at the Saskatchewan government's study that was done. Looking at those two studies and talking with the people that were involved in the original installation, I agree with the minister that the costs would be significantly less. I think the cost was in the range of approximately \$25 million to \$35 million, everything in for the cost of rehabilitating that line, to stabilize the permafrost on the bayline.

I know that the minister and I have disagreed about the role that we can play as a province on this. When I suggested last year that we have a four-way partnership involving the governments of Manitoba, Saskatchewan, federal government and CN Rail to split the costs of upgrading this line so that we would have something permanent in place to totally remove all the railway's arguments for utilizing the standard hopper car fleet on the line. I see the railway is continuing to use the instability of that line in their estimation as their basis of their argument, and that is one of the reasons why I thought that that was a proposal to put forward to do that.

Now the minister may see that, from a philosophical point of view, that is not appropriate because he has said many times that it is a federal government responsibility. I do not disagree that it is a federal government responsibility. I think very much it is, and CN has a role as an agency of the federal government to upgrade that line, to provide that service, the best possible service. They have not chosen to do that for various reasons that they have put forward because basically they want to abandon that line.

We are not sure what is going to happen with VIA Rail now with the announcement yesterday in the federal budget where VIA Rail is, from my understanding, going to see their financial support from the federal government cut back by \$50 million this year. They are going to cut back, I believe, \$100 million per year every year thereafter until the financial support is totally eliminated.

Now the questions are here: What happens to the remote mandate of the services as we see on the bayline? What position does this put the province in with respect to that line? What can we expect, and what information has the minister received from the federal Minister of Transport or through the Minister of Finance that would indicate we are going to see a retention of the remote-mandated services for the bayline?

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

Mr. Driedger: Mr. Acting Chairperson, first of all, the federal budget came down yesterday. We do not have the details. During Question Period, even the Minister of Finance (Mr. Manness) was saying that we do not have the details of the impact of many of the decisions, but I want to just touch on the VIA Rail aspect of it.

I had occasion just a little while ago to meet with representatives from VIA Rail, who stopped at my office, informed me, and basically updated me as to what was happening. At the time, when the major decision was made to basically cut VIA Rail in half, since that time they feel confident that they are gradually making a recovery and would be less dependent on subsidies from the federal government.

In fact, they gave an indication that the area in Alberta, between Banff and Vancouver, was booked for July and August. You could not even get a seat on there anymore. I say, well, hey, you know, put more cars on it, whatever the case may be if you are that booked. They gave me the indication that they feel that VIA Rail is making positive progress. They gave me employment figures.

The one scary part that was raised is the fact that the Winnipeg component in terms of the maintenance base for VIA Rail here in Winnipeg basically deals with the line through remote communities. They say that is an element that is not—I raise a personal concern now. I do not have the justification. I have not even read my briefing note here from my letter, but I have some concern with this cut that they could again possibly target our services to remote communities. I do not have any further information on that. We will be pursuing that to see whether the budget impact is going to reflect on our services to remote communities.

Maybe just for the member's edification, the estimated subsidy requirements for '95-96 were

anticipated at \$350 million, and a \$50 million cut at that time would bring it down to a \$300 million subsidy. In '96-97 there is a further \$50 million cut projected with the expected subsidy requirements for that year then being at \$250 million. These are the cuts that are being projected by the budgetary process out of a capital budget which in 1991 was \$541 million, and in '92 the capital budget for VIA was \$531.6 million. So I put these figures on the record for the member's edification, just to get a feel for where it is at.

I felt encouraged that the silver bullet, because they have refurbished the units, is doing well, and I feel that they were promoting very strongly the Silver and Blue Class—I think they call it Silver and Blue Class unit—that is where they have restored it. Apparently they are getting rave reviews from people that have used it and are doing their own promotion in terms of expanding the use of that. [interjection]

The Acting Chairperson (Mr. Sveinson): Order, please. The honourable Minister of Highways to finish.

Mr. Driedger: Whatever you want. I am here to answer.

Mr. Paul Edwards (St. James): Mr. Acting Chairperson, for the minister, I want to talk briefly—we have been speaking, I understand, about VIA Rail, but I want to talk briefly about the airline industry and the minister's involvement in that in respect to some of the things that have happened here.

The recent decision by the transport agency on the Gemini transportation, deciding that they did not have—perhaps I could have order, Mr. Acting Chairperson. I think the minister is having a hard time hearing my question. [interjection]

The Acting Chairperson (Mr. Sveinson): The honourable member for St. James to finish his question.

Mr. Edwards: Thank you, Mr. Acting Chairperson.

The recent decision by the National Transportation Agency, I believe, was that they did not have jurisdiction to deal with the dispute between Gemini and Canadian Airlines. I wonder if the minister can indicate what discussions he has had with Gemini, what discussions he has had with Air Canada since that decision, and what the impact of that will be on Manitoba's operation in respect of Gemini.

Mr. Driedger: Mr. Acting Chairperson, I do not see this as a criticism necessarily of the member. We spent, I think, something like an hour and a half on the issue last night dealing exactly with why Manitoba has taken the position that they did in terms of not taking a firm position before the competition tribunal, which was doing the hearings on the application by Canadian with their affiliation with American. Ultimately, after the hearings, they finally decided that it was not within their jurisdiction to make a decision on it.

The reason, I rationalized yesterday, why Manitoba had not put forward a position there—because we have been meeting with Air Canada, not only myself, but the Premier (Mr. Filmon) and I, T and T. Everybody has been having meetings with Canadian, with Air Canada, with the Gemini people. We have tried to look at this thing objectively.

I got some criticism from a critic yesterday saying, why have you not taken a position? In return I said, what would you suggest we do? If we come down on the side of Canadian, then Air Canada which is a major employer—and I put the employment figures on the record that are there. If we come down on the side of Canadian, what happens with Gemini? If we come down opposing the merger to some degree, what does that do with our Canadian component here?

* (1610)

I also raised the issue of Air Canada having affiliated, or buying out the bankrupt Continental. As a result of that, we have already a commitment of \$5 million worth of 727s that are going to be repaired in Winnipeg.

Like I say, I am prepared to answer as many questions as I can with the member, though I probably did most of them yesterday. I am not being flippant by that. I am just saying, we covered the waterfront pretty well on that, but I am prepared to do that again.

Mr. Edwards: I appreciate that there was some discussion last night on that, and I appreciate the minister's comments.

That was not a response to the question that was asked. The question that was asked was: In view of the decision, what will be the impact on Gemini, and has the minister had discussions with Gemini and Air Canada as to what the job loss will be if in fact the Sabre deal goes through and Canadian is

allowed to pull out of the Gemini Reservation System.

What is going to be the impact of that in Manitoba?

Mr. Driedger: Mr. Acting Chairperson, when Gemini came and lobbied the government and myself to not support the Canadian application to merge with American, the percentage that is in there—I went through the case history of where it started, where both airlines were dramatically losing money and where there was talk of merger between Canadian, Air Canada and the potential impact and job losses at that time. We were very concerned at that time that a merger of that nature and creating a monopolistic position for one carrier, that there would be dramatic job losses and probably it would not be beneficial for the general public if we had that.

At the same time as this thing progressed and we had the various options developing, first of all the merger was on, then it was off, then Canadian moved to the American scenario, Air Canada moved to the Continental one and Gemini, of course, playing a role in this as well. There is a total I think of 720 jobs that are involved with Gemini, 171 in Manitoba.

If a merger proceeds with Canadian and American and the booking component—the hosting component from Canadian is removed from Gemini, which is approximately 25 percent, maybe even a little less, of the Gemini business—if we removed that one component from there then we felt there would be a job loss in Gemini to the extent of maybe 30, 40 jobs but out of the 170 jobs in Manitoba that Gemini would still be able to function.

I still feel in my mind confident, in spite of the fact that if that moves ahead that way, that the posting portion from Canadian is removed from Gemini which is part of the condition that by and large American has put on there that they join Sabre, that Gemini could still continue to function. That is a personal view I have.

Maybe I will just make a few further comments without having taken an official position on this. If we, for example, allow Canadian to fold, we would lose approximately 400 jobs. So we basically have been viewing this and watching it from the sidelines saying that the least economic and job impact for Manitoba is the position that we would basically support. A thing, for example, like the Continental-Air Canada deal, with having \$5-million worth of

repairs from the 727s that Continental has being done here in Winnipeg, I think is a positive thing.

I think that if we can, without getting ourselves into a committed corner somewhere along the line, that if we watch ourselves, maybe there are components that we can pick up that are going to be beneficial economically to us, because I think we are an aeronautic central community where a lot of this kind of activity can take place. So we want to be cognizant of that and see whether we can capitalize further on these activities without experiencing the potential anticipated job loss that would have been there had the two lines amalgamated.

The Acting Chairperson (Mr. Sveinsson): 5.(a) Salaries \$518,400—pass; (b) Other Expenditures \$272,800—pass.

Resolution 15.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$791,200 for Highways and Transportation, Transportation Policy and Research for the fiscal year ending the 31st day of March, 1994—pass.

6. Driver and Vehicle Licensing (a) Management Services (1) Salaries \$2,582,300—pass; (2) Other Expenditures \$2,592,900—pass.

6.(b) Licensing (1) Salaries \$1,576,000—pass; (2) Other Expenditures \$1,600,700—pass.

6.(c) Safety (1) Salaries \$4,567,000—pass; (2) Other Expenditures \$1,211,400—pass.

6.(d) Manitoba Public Insurance Corporation Cost-Sharing Agreement \$3,427,700—pass.

6.(e) Transport, Safety and Regulation (1) Salaries \$792,000—pass; (2) Other Expenditures \$271,500—pass.

Resolution 15.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$18,621,500 for Highways and Transportation, Driver and Vehicle Licensing, for the fiscal year ending the 31st day of March, 1994—pass.

7. Boards and Committees (a) Motor Transport Board (1) Salaries \$513,100—pass; (2) Other Expenditures \$183,200—pass.

7.(b) Highway Traffic Board (1) Salaries \$188,700—pass; (2) Other Expenditures \$88,600—pass.

7.(c) Licence Suspension Appeal Board and Medical Review Committee (1) Salaries \$191,600—pass; (2) Other Expenditures \$93,000—pass.

7.(d) Taxicab Board (1) Salaries \$245,000—pass; (2) Other Expenditures \$87,100.

Mr. Edwards: Mr. Acting Chairperson, I do have a question with respect to the Taxicab Board, and I want to speak briefly about the act that has come forward, about the changes. I want to ask the minister what process of consultation he went through leading up to that, and perhaps I have not been diligent enough to have read the remarks that were given. I do not know if he has spoken yet on this bill, but I would like to understand at this point what process of consultation he went through to come up with the changes which he has.

Mr. Driedger: Mr. Acting Chairperson, since 1988 there has been ongoing consultation with the industry, and as a result of many applications and hearings that took place before the board, this document was basically, Winnipeg taxicab service and regulations, brought to my attention in 1990. Based on all the activities, ongoing concerns that have been brought forward, and the activities that have taken place, as a result of that, we developed the legislation.

By and large, the legislation is intended to take and allow for the Taxicab Board to be self-sufficient. At the present time it is being subsidized to the tune of 50 percent and this will allow us to change—there are certain regulations that allow increases in rates, but we feel that we want to expand that, and we had to do that with legislative changes. Beyond that, while we were bringing forward the act which initially was passed in 1935, there were some changes that we are adjusting in terms of—I do not know whether the member has looked at the bill itself, there are four components to it—so basically we tried to do some of those things as well.

* (1620)

In spite of the comments that were made by people speaking to the bill the other day after I introduced it to second reading, individuals attacked the whole concept of what was happening in the taxicab industry more so than what was basically in the bill, because I still think that the majority of that bill, aside from the cost recovery component, is positive for the industry. Under the bill itself, it will also make provision for any increased cost to the industry. There is going to be an increase in fares due to offsets, so that the cab operators are not going to be out that money.

However, I have also indicated that if there are further concerns, and the member's colleague, the member for The Maples (Mr. Cheema) and one of my colleagues are meeting tomorrow on specifics of some of the concerns. The one position that I put forward in the House was that I am prepared to take and look at concerns that they have, if there is anything that is very offensive or is not in keeping with what we try to do for the industry, realizing that you have the users as well as the suppliers. You have to have a blend between those two, but the one component I will not compromise on is the cost recovery end of it. We want to make sure that it is totally self-supporting. That was basically what triggered the bringing forward of the bill.

Mr. Edwards: Was there specifically—I guess what I am interested in, was there consultation, either through the minister or through the board, with representatives of the cab drivers themselves? I do not know if they have an association beyond their association through the cab companies. Was there a consultation with the cab drivers themselves in the process of coming up with this legislation?

Mr. Driedger: Mr. Acting Chairperson, because that question was raised and because the Taxicab Board is a quasi-judicial board, initially I started to interfere early on in my tenure as Minister of Highways and Transportation, sort of almost interfered with the activities of the Taxicab Board and circumvented some of their responsibilities to some degree. I gradually smartened up and allowed them to do what they have to basically do, and if I did not like it, I could change the members on the board. That is the position that I have taken.

The briefing note that I received from my Taxicab Board says that consultations have been ongoing with the taxicab industry in many issues virtually continuously since 1988. The board has conducted the most thorough hearings and consultations ever with all interested parties.

Now, this is what has come forward to me in terms of from the board itself, and I am prepared to—based on the legislation that I brought forward and that some of the concerns that have been raised, I am prepared because I am the minister bringing the bill forward, to have further consultation to see whether there are areas that are offensive that we maybe have to look at changing.

(Madam Chairperson in the Chair)

So aside from what has taken place from the board's perspective, I am prepared to conduct some of that at the present time as we move the bill forward. So I am quite flexible, and I have given that assurance.

Madam Chairperson: 7.(d)(2) Other Expenditures \$87,100.

Mr. Edwards: Madam Chairperson, with respect to the indication in this Activity Identification, "Conducts public hearings on matters relating to industry and users," in the past calendar year, what hearings were held and by whom? Can we get any details on what that line means?

Mr. Driedger: First of all, the Taxicab Board had made the decision that they felt—first of all, let me give a little bit of background. We have 400 cab licences in the city and that has been that way for many, many years. Just statistically, but I want to embellish on that, there were 40 board meetings; there were 19 public meetings; there were 12 in-camera meetings; there were 29 dockets, show-cause hearings; and there was special meetings, seven. That was sort of the activity of the board itself, but the board had made a decision. As we have been trying to get the taxicab industry updated, there were difficulties there. It has been difficult for the board and for myself from time to time.

They were looking at establishing and allowing, instead of expanding the licences to 400, establish in the hearings that they had, where there was public input, and establish maybe an elite, a special category of licences. That was vehemently opposed by the industry. As this thing moved forward, further hearings were held. Ultimately, it was challenged in court not once, but twice.

So there has been ongoing communication with them. The difficulty and the responsibility that I have, I suppose, is that I want to see a healthy taxicab industry out there. At the same time, I have to be cognizant of the user end of it as well. It cannot just be a one-way street, and we have tried to do that in the fairest way possible. I have to say that I have—and repeat again, I have said this many times—the confidence in my chairman, Mr. Don Norquay, in spite of the calls for his resignation. He has been relatively conscientious in trying to address both sides in being fair to the industry. It has been a real challenge for him as well as myself.

Mr. Edwards: I appreciate that it is not a difficult—it is not an easy, I am sorry, area to administer. Whatever one says about the particular chairperson of the day, I think it is a difficult job. There are competing interests at work and many people who get very upset and agitated about things that occur.

I think the recent introduction of this legislation proves that. All the more reason that there needs to be a very thorough consultation process prior to coming forward with legislation, which, of course, even if people are not completely happy with what comes forward, it tends to obviously at least make sure that it does not reach fever pitch.

Madam Chairperson, my question for the minister, he mentions the number 400 cabs, licences. Does that mean that currently there are 400 operating cabs in the city of Winnipeg? I guess what I would be interested to know is what percentage of those are luxury cabs of the 400, and what number of those are equipped or able to handle handicapped people.

I understand that there are certain cabs that have—[interjection] I see that the Minister of Urban Affairs (Mr. Ernst) is Johnny-on-the-spot here. Maybe the Minister of Transportation can confirm those answers.

What number are available for disabled Manitobans? Does the minister have any information on that?

Mr. Driedger: I do not have the precise details here. I will see if I can find it. We have 83 handicapped van business licences, 83 out there. Madam Chairperson, I want to make sure that I give precise information to the member. We have 83 licences that basically deal with the handivan licences. Also, under the new proposal for that elite group that was there, there was supposed to be so many licences; I think we talked about 40 elite cars. A portion of those were supposed to be elite handivans for the transportation of handicapped people.

Aside from that, we still have the handivan transit system that is out there providing this service as well. In fact, I think we have come a long way. We have a fellow by the name of Paul Murphy out there who is handicapped himself who does the design of a new type of a handicapped van that we had demonstrated before the Leg here last year. Many of them are using that type of a van.

* (1630)

In spite of the concern that has been raised by the industry that feels threatened by the suggestion of the Taxicab Board to have that elite group up there, certain licences would have to charge more. So it was not a direct competition to them.

They feel threatened by this, and there is some justification because when the trading takes place of licences between individuals, they paid as high as \$60,000, which was a capital investment, actually almost like a retirement fund. Any movement in that direction they felt threatened. So we have tried to address it as much as we can.

I want to say, though, in compliment to the taxicab industry, that over the last number of years there has been, in my view, a substantial improvement in the quality of the vehicles in terms of how the industry is being run—I suppose to some degree feeling the threat of the elite service coming in.

We still have people that lobby extensively and say that they want this kind of elite service. There are certain people in our society that feel more comfortable that way.

Those are the kind of hearings that the chairman and the board held to establish that. This was not just a knee-jerk decision made that we were going to put in elite cabs. The whole problem was studied. The hearings were held. Input was put in there. We had the Winnipeg Chamber and others that were basically coming forward giving input into what they would like to see.

Ultimately, based on all this, these decisions were made. Then it was challenged in court twice and we had some difficulty because the elite system had been allocated to Tuxedo Taxi and they in the meantime went broke. There were some other difficulties there, so now the whole thing is sort of in limbo again and further decisions have to be made.

I am just trying to illustrate to the member some of the ongoing difficulties we have had in the industry there. It has not been very easy for the board to deal with it. So I want to compliment them for, in spite of the criticism that has come down, working tenaciously to try and do that, and at the same time addressing the concerns of the taxicab industry itself to try and alleviate some of the concerns.

The member can maybe recall when we talked of the safety shields. You know, when that element came up, we tried to address it as fairly as we could. We have had other issues that came forward, and

we have tried to be considerate so we do not create further hardship.

Our cab drivers do not make big money. It is not my intention to intrude into their privacy as to how much money they make, but really, because it is a regulated industry, when we set the rates, we have to have some basic information in terms of what are their costs and what is happening so we cannot just pull figures out of the air.

There is some sensitivity in that direction in this bill. So we are going to be talking with them about this to see whether we can accommodate them.

Mr. Edwards: I appreciate that answer. It is in limbo right now with the luxury cabs, the 40 elite cabs, as it were. So currently, as I understand it, there is no one operating those luxury cabs, the elite cabs.

Is it anticipated that those licences will be let again? Do they have to be let as one package, or will companies be allowed to compete, or individuals purchase on an individual basis the elite cab licences? Does the minister have any information as to when that cab service, if ever, might be resurrected?

Mr. Driedger: Madam Chairperson, let me, first of all, give the official position as it is written down here and then I would like to further remark on that. That decision, dated February 14, 1992: The Taxicab Board increased the number of taxicabs by 43. The successful applicant for the 32 premium and eight assessable licences made available by this decision relinquished its right to be issued the licences. As a result, the Taxicab Board has invited further applications and will conduct a public hearing to select the successful applicant or applicants in May of this year.

There is no exclusion. The existing cab companies can also be part of that application and get involved in it. So the Taxicab Board is trying to make this application as fair and as broad as possible.

I basically already made that comment that a lot of the cab drivers themselves who have licences have upgraded their units and their way of doing business, so I have been getting compliments in the last while in terms of the quality of our service in the city here.

It is still the intention of the Taxicab Board to find an applicant or applicants to take up the licences,

the 40 or 43 licences which include eight handicapped-accessible ones.

Mr. Edwards: Madam Chairperson, as I understand it, one must obviously go through some sort of training, qualification, to become a taxicab driver in the city, and oftentimes people who own the licence are not the people who drive. They have at least one or two or three other people who drive the vehicle. Are all drivers required by the board to be licensed? Maybe the minister can just indicate what training is required to get that licence.

The second part of my question is: Does the board have any problem, or has it had, with enforcing that in the sense that cab drivers or others are driving without the proper qualifications and licensing?

Mr. Driedger: Madam Chairperson, let me first of all say that every driver has to be licensed and every driver has to be trained in certain basics. We have a training course. Basically part of the legislation will make provisions so that we can charge for some of that training.

Now, Tuxedo cab, at the time when they got the licence, had taken the initiative on their own to charge people, their trainees, a certain amount of money which they could not legally do. Part of the discussions that took place with them was that they would have to take and refund some of that money. They were not in a position to do that as an individual, Tuxedo Taxi.

Yes, they have to be licensed, they have to be trained and, effective August 1993, the Taxicab Board has extended its driver training course from 18 to 24 hours of instruction, established an improved computerized examination unique for each student, retained a more qualified instructor, added a segment on service excellence to the course and extended the segment on board regulations. That is basically the kind of training they go through.

I am scrambling here to try and get the member as much information as possible.

The Taxicab Board and the Red River Community College are currently considering the merits of transferring to the college responsibility for the development, improvement and delivery of the taxi driver training program currently administered by the Taxicab Board. The proposal being considered would place the program under the college's Service Industry Division with the course having as

its principal focus excellence of service. I am just trying to give the member a bit of a feel for how extensive the training is that takes place so everybody has a good feel for what is going on.

Mr. Edwards: The second part of my question, and maybe it is because it was too lengthy a question, I would appreciate the minister's answer, but the second part was: Is there a problem? It has come through other sources to me, and I wonder if the minister can indicate, is there a problem with people who own cabs or others allowing others to drive them who are not qualified? Has the board had a problem with that, first of all, complaints? Secondly, what if anything have they done or can they do to try and enforce it?

Mr. Driedger: Madam Chairperson, I am not aware of it, but I will get that information from the chairman of the Taxicab Board. I think that if the member goes through the legislation that we have before us, there is some provision in terms of—there used to be some confusion in terms of if somebody created an offence, licensed or otherwise, who do you fine? Do you fine the cab, because sometimes you will have three or four drivers to a cab because they work on a 24-hour basis? So is it the individual—they could really not take and fine or impose any regulations on the individual. It was on the licence.

So we are changing it so that the cab would not necessarily be put out of commission, that we would not suspend the cab if we could find and suspend the driver. So that is part of the legislation that we are bringing forward to re-address some of the areas that were creating some problems for us.

In terms of precise detail, in terms of how many complaints we have in that direction, I will have to get that. I do not have that here because we had asked actually our chairman to be available, but he had a function and I am having a problem having him here at the present time.

* (1640)

Mr. Edwards: Madam Chairperson, one of the things that this indicates in the Objectives is that it is quite clear that this board only has jurisdiction over cabs in the city of Winnipeg. There are obviously cabs in other locations around Manitoba. Who has jurisdiction over those cabs? Do the local city councils take jurisdiction? Does the Taxicab Board take any interest in regulating cabs in those jurisdictions?

Mr. Driedger: The member is correct that the Winnipeg Taxicab Board, of which Mr. Norquay is the chairman, adjudicates only the cabs in Winnipeg. Brandon has their own board for their own taxicab board. Any cabs in the rural area outside of Brandon and Winnipeg basically come under the Motor Transport Board. This is the cabs throughout the province. So the sole purpose of the Taxicab Board is to deal with the Winnipeg cab industry. In fact, it is very unique that it is, I think, only two cities in Canada where the province still has jurisdiction over the cab industry. In most cities and jurisdictions, it is the city itself that has the responsibility for the taxicab industry.

Mr. Edwards: Madam Chairperson, one of the issues that has come up over the years in this area, as the minister has indicated, and he has indicated that there has been improvement, is the quality of the vehicles. It is an issue which may seem not extremely important, but I can tell you for a number of years there it was raised every time the chamber of commerce came to see us. It was on their list of important things. They were making the point—the tourism association and others were always making the point, we have to improve the quality of cabs.

As a result, I think most Winnipeggers accepted and probably wanted to move into the luxury, elite cabs. I do not think that was the best answer. My sense of it is, or my view would be, better to have all cabs reach a higher standard than create this two-tier system. That was my own feeling, but regardless of how that came down for the board, them having made the decision that there is this elite service, one of my concerns is that the other cabs would then perhaps deteriorate.

Is the minister saying that in fact the rest of the cabs have improved, and can he indicate what the Taxicab Board does to regulate the quality, cleanliness, safety, mechanical sufficiency of the vehicles?

Mr. Driedger: Madam Chairperson, first of all, the member asked whether—that he would have preferred to see just an upgrading of the taxicabs instead of going to elite service. Through the process of hearings that took place, it was established at that time by the board that there was a need or a desire to have that kind of service there with the understanding that should not impact on the existing cab business, that there was a certain service that certain people wanted that was not

available at the time. So they felt justified in moving in that direction.

In terms of the inspections, it has always been there. We have had taxicab inspections. The information here, Madam Chairperson, that in the last year we did 2,682 inspections. That is for 400 licences. So there are ongoing inspections taking place there, everyday cleanliness inspections, et cetera, et cetera, and you try and upgrade it. That has been in place for a long time and it was not always that successful, but ultimately the industry has responded to these kinds of inspections and I feel it has been positive.

Mr. Edwards: Madam Chairperson, the indication is, of course, that the Taxicab Board investigates and resolves complaints against taxicab operators. I wonder if the minister can indicate, give a thumbnail sketch of that aspect of this operation. How many complaints were made? How many resulted in investigations, and is that data available as to sort of a breakdown as to what became of these complaints?

Mr. Driedger: Madam Chairperson, I do have that information here. There were 198 complaints. Fifty-four of them were resolved, 15 are under investigation and 11 had insufficient information to proceed, 11 were turned over to the Winnipeg Police and 107 were verbal only with no written follow-up. That is the information that I have here.

Mr. Edwards: Thank you. That is useful. Now it also talks about disciplining taxicab operators and drivers, and I notice the minister indicated that oral warnings were given in 107 cases. What is the procedure? Is it like a normal employment discipline situation where it is oral, written and then you get into suspensions of licence and ultimately withdrawal of licence? If so, does that ever happen? Obviously it did not happen in this last year. Has that happened on occasion?

Mr. Driedger: Madam Chairperson, that has happened at various times, and the process by and large is when there is a complaint and it is investigated. There is a show-cause hearing held before any suspension takes place so that there is a full airing of the pros and cons of it before this dramatic action is being taken in terms of suspensions. That is why I at least find a comfort level in having that show-cause hearing where an individual can come and make his position known and then a decision gets made.

Mr. Edwards: Going to page 105 itself and the setting out of the figures, I notice—and we are on Other Expenditures—that under Supplies and Services there is Accommodation of \$18,500. Now that is curious to me because this board only has jurisdiction over the city of Winnipeg. That accommodation, which is I think a significant figure for this board, \$18,500, what does that relate to?

Mr. Driedger: Madam Chairperson, that is the lease that we pay for the office where they are in.

Mr. Edwards: I appreciate that. With respect to the Other Operating, I see here that there is \$33,600—well, maybe I am reading this wrong, then \$16,000 for Other Operating under Other Expenditures. What do those figures relate to?

Mr. Driedger: Madam Chairperson, the member had requested some information earlier, two meetings previously in terms of information, that he wanted a breakdown of some of—I just wanted to say that we gave the member a breakdown. I do not know whether he got the information on that or not, in the case where the member wanted a breakdown, which I think I supplied.

Incidentally, the \$16,000 is basically office supplies, printing, the printing of licences, paper, et cetera.

* (1650)

Mr. Edwards: Now, I notice that the overall cost in this case has gone down some \$3,000 between '92-93 and '93-94. I do not see any change in the numbers of staff. Has there been any change on the board in the last year?

Mr. Driedger: Madam Chairperson, the reduction is as a result of the reduced workweek implementation.

Mr. Edwards: Any change in the board?

Mr. Driedger: No.

Mr. Edwards: The Estimates book indicates that there is a liaison established and maintained between the board and the industry. Now, I understand what the minister said about public hearings and those things which are held. Are there, in addition to that, regular meetings with the stakeholders in the industry which warrant that phrase there? Is that a duplicitous phrase or does it mean something different than the public hearings, which is also referred to?

Mr. Driedger: Madam Chairperson, I am not quite sure how the member asks this, but I just want to

indicate that on the board we have a member of the Winnipeg Police force; we have a member from City Council; and we have members at large by recommendation of appointment. Would the member want to have the names of the members on the board?

Mr. Edwards: Sure.

Mr. Driedger: The chairman is Mr. Don Norquay; then we have a Mr. Michael Hill, who is a member; Ms. Surinder Sanan is a member; and then the City Council appoints a member from the City of Winnipeg nominated by the council; and the chief constable of the police force of the City of Winnipeg is on there.

So that basically consists of the board. The member made reference to the liaison between the board and the taxicab industry. I am not sure how often they meet or whether it is the ongoing process, when you consider the amount of inspections that take place, the amount of hearings that take place or complaints and stuff like that.

I do not know if they are making reference to that being the liaison or not, but there is constant, how should I say, relationship—good, bad or otherwise—between the industry and the board. The activities are such that there is constantly activity taking place.

I do not know whether that is what is meant by this. I would have to question the chairman on that.

Mr. Edwards: Madam Chairperson, just to be clear, and perhaps the chairperson should be—and obviously the minister will have the opportunity to do that. What I am asking is, I understand that the board, of course, has its members or representatives. That is the attempt, that is the idea. I understand that through the normal processes of the board, the complaints and the other workings of the board, there is a relationship with people, consumers and operators, et cetera.

What I am asking with respect to that line is that it seems to indicate to me, by being a separate line it suggested to me that there was some separate process of liaising with the stakeholders. It says, "Maintains a liaison between the Board and the taxicab industry, governments and other affected groups."

What I am asking and perhaps the minister wants to take it on notice is, is there a specific process, an agenda which is followed through to bring in on a regular basis, not tied to any specific question

perhaps, but just bring in on a regular basis these groups to discuss issues generally affecting the industry?

Mr. Driedger: Madam Chairperson, I will have to undertake to find out whether the board meets on a regular basis where they then deal with not a prepared agenda, regular board meeting or not. I personally sort of like the idea. I do not know whether this is something where a member could just come and voice some of their opinions or not. I am not sure. I would like to find out exactly from the chairman himself as to whether this is how they operate it or whether they do it just as part of the ongoing process of dealing with complaints and the regular business.

I am not sure whether they have a specific—as I read before there were 19 public meetings. I do not know whether they then are advertised for a specific project or whether they are just public meetings where anybody can come and have input. I will have to establish that. I would assume that some of them would be public meetings advertised for specific issues. There might be some that are basically advertised for just public hearings, but I am not sure. I have to confirm that.

Mr. Edwards: Madam Chairperson, I appreciate that. If the minister would clarify that it may well be that of those 19 meetings some were dedicated to simply maintaining and enhancing the relationship with members in the community. I will look forward to hearing from the minister on that.

Madam Chairperson, a number of years ago and since I have been the critic in this area, the issue of safety shields has come up, and the minister has raised it again as an issue. Of course, it arose, as is often the case with these issues, out of a tragedy where taxicab drivers have been assaulted, sometimes killed in very violent and distasteful and unfortunate acts. So we have these issues that come to the fore, unfortunately, often as a result of those tragic incidents.

What I would ask the minister at this time is, what is the status of the safety shield initiative? Has the board established a protocol or guidelines? What is happening on that issue?

I have not taken a lot of cabs recently, but the last ones I took I do not think had safety shields, and I do not know what has happened. Maybe as a follow-up—and maybe I am asking a bunch of

questions at once—how many cabs actually do have safety shields, if any?

Mr. Driedger: First of all, the time when the lobby took place to have safety shields established in cabs there was diversified use within the industry as well, so some of the members were supportive of it, others were not. We undertook at that time to develop a safety shield, a prototype which a manufacturer developed.

By and large, we set out the requirements. It met the requirements that had been set out by the Taxicab Board to take and assure the safety of the passengers as well as the safety of the driver. We had that prototype developed, and a manufacturer was ready to proceed on that basis. We had indicated that if one individual would go forward and have it put in, then it would then be compulsory for the whole industry.

What happened since that time? Nobody has really come forward and actually took us up on the offer. In fact, they have been lobbying extensively among themselves not to proceed with that, because the moment we have one that is going to have it established and meets with our requirements, then it would be compulsory to have it installed in every cab. So they have been backing off from this. They do not really feel comfortable with establishing it.

Now, the member is correct that from time to time we have had tragedies, and it is pretty dangerous. You have to consider that when these individuals operate on a 24-hour basis that you deal very often with unsavoury characters and safety is a factor, though I think that by and large they were working among themselves in terms of trying to make sure that they sort of cover for each other. I think the police also have a major concern in this.

The option is still there. If they want the shields put in, we will make it the moment somebody puts it in and qualifies in terms of a prototype it is going to be compulsory. But the industry itself is not comfortable with it and not prepared to move with that.

Mr. Edwards: I appreciate that answer. I wonder, and I did not hear the minister answer, if he can give any indication as to how many cabs actually have taken that up and have safety shields. Secondly, I wonder, has there been an exploration of the alternatives to that in terms of safety?

One of the things I recall at the time coming up was that there was a special kind of mirror. You see, one of the problems, and an obvious problem when driving a cab with, as the minister says, some unsavoury characters in the back seat is that the driver is facing forward and an attacker may come from behind.

At the time, I remember industry people saying, well, the fallback would be some sort of mirror so that the person would at least be able to watch the road and have a clear view of the back seat. Is that not something which has been discussed or unworkable?

Madam Deputy Speaker: Order, please. The hour being 5 p.m., time for private members' hour. Committee rise.

Call in the Speaker.

* (1700)

Mr. Speaker: The hour being 5 p.m., it is time for private members' hour.

IN SESSION

Committee Report

Mrs. Louise Dacquay (Chairperson of Committees): The Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the honourable member for Niakwa (Mr. Reimer), that the report of the committee be received.

Motion agreed to.

PRIVATE MEMBERS' BUSINESS

DEBATE ON SECOND READINGS— PUBLIC BILLS

Bill 200—The Child and Family Services Amendment Act

Mr. Speaker: On the proposed motion of the honourable member for Wellington (Ms. Barrett), Bill 200 (The Child and Family Services Amendment Act; Loi modifiant la Loi sur les services à l'enfant et à la famille), standing in the name of the honourable Minister of Family Services (Mr. Gilleshammer).

An Honourable Member: Stand.

Mr. Speaker: Stand? Is there leave that this matter remain standing? [agreed]

Also, standing in the name of the honourable member for Interlake (Mr. Clif Evans). [agreed]

Bill 202—The Residential Tenancies Amendment Act

Mr. Speaker: On the proposed motion of the honourable member for Burrows (Mr. Martindale), Bill 202 (The Residential Tenancies Amendment Act; Loi modifiant la Loi sur la location à usage d'habitation), standing in the name of the honourable member for Portage la Prairie (Mr. Pallister).

An Honourable Member: Stand.

Mr. Speaker: Stand? Is there leave that this matter remain standing? [agreed]

Bill 203—The Health Care Records Act

Mr. Speaker: On the proposed motion of the honourable member for St. Johns (Ms. Wasylycia-Leis), Bill 203 (The Health Care Records Act; Loi sur les dossiers médicaux), standing in the name of the honourable member for Emerson (Mr. Penner).

An Honourable Member: Stand.

Mr. Speaker: Stand? Is there leave that this matter remain standing? [agreed]

Bill 205—The Ombudsman Amendment Act

Mr. Speaker: On the proposed motion of the honourable member for Kildonan (Mr. Chomiak), Bill 205 (The Ombudsman Amendment Act; Loi modifiant la Loi sur l'ombudsman), standing in the name of the honourable member for Niakwa (Mr. Reimer).

An Honourable Member: Stand.

Mr. Speaker: Stand? Is there leave that this matter remain standing? [agreed]

SECOND READINGS—PUBLIC BILLS

Mr. Speaker: Are we proceeding with second reading of public bills? Are we proceeding with Bill 208? No, okay. Are we proceeding with Bill 209? No, okay. Are we proceeding with Bill 211? No, okay. Are we proceeding with Bill 214? No, okay.

PROPOSED RESOLUTIONS

Res. 17—Assiniboine River Diversion

Mr. Clif Evans (Interlake): Mr. Speaker, I move, seconded by the member for Transcona (Mr. Reid), that

WHEREAS the provincial government is considering a proposition to construct a pipeline in order to divert water from the Assiniboine River to deliver it to the Pembina Valley; and

WHEREAS the water diversion may adversely affect the residents of the cities of Brandon and Portage la Prairie and surrounding areas by threatening the water supply; and

WHEREAS the water supply for farms along the Assiniboine River near Portage la Prairie could be threatened with a future shortage of water; and

WHEREAS the Assiniboine River crosses provincial boundaries, which could have an impact on Manitoba.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to consider participating in a basin-wide, federal-provincial review of the possible impacts of the Assiniboine River Diversion proposal, with the condition that this review is conducted by an independent body; and

BE IT FURTHER RESOLVED that this Assembly make a request to the provincial government to put the project on hold until all studies concerning the economic and environmental costs have been released to the public.

Motion presented.

Mr. Clif Evans: Mr. Speaker, this resolution that we have put forth, when we did put it through and since, there have been some changes that have occurred to the original plan, as stated by the Pembina Valley Water Co-operative.

Mr. Speaker, the project itself, I think since we have been here, has been a tremendous concern to a lot of people, concern in the way that there has not been in fact in people's minds proper and full consultations with all the residents and all the communities within southern Manitoba that are going to be affected by this proposed diversion.

Mr. Speaker, I have had the opportunity since September 1990, to travel in the areas and speak to people in the areas, and attend some meetings—people voicing their concerns about the

proposal. I have met and sat with people who are in support of this proposal.

Now we have questioned the ministers in the House here with respect to the Clean Environment Commission hearings. We have requested that the government not proceed with this until a full federal implication and federal study on the plan be brought forth to really no response from the government, and I would wonder why. Now we have finally received the fact that there is going to be CEC hearings and the dates have been put through in June. What we find out now with this is that this government, for whatever reason, has decided to have the hearings at a time when it is not conducive to the people who are going to be affected by this.

You have questions in the House with regard to this to the Minister of Environment. You have questions by people within the irrigation associations who are affected by this. You have farmers who say, why now, why at a time from June 14 to 30th? Mr. Speaker, why not include everyone that it is documented that this is going to affect? It is going to affect the city of Winnipeg. Are there going to be any hearings in the city of Winnipeg? I doubt it.

According to this minister, he feels that the people who are involved with this should go to Portage la Prairie, because other people are coming to Portage la Prairie. I mean that does not necessarily make a whole lot of sense to me. I feel that the effect that the diversion could have on the city of Winnipeg—and you may say, well, why a rural member being concerned with the city of Winnipeg water problem when it comes to the Assiniboine Diversion. Well, Mr. Speaker, it not only affects the city of Winnipeg. It will affect the city of Selkirk.

In speaking to my councils within my own constituency, the R.M. of Bifrost, the LGD of Armstrong, have also grave concerns that there will be an impact on their aquifers and their water supplies in the future. Now I would say that people presently are saying, well, this is not going to affect down the road. Well, I think that is the concern that all people have, Mr. Speaker, is not the today situation that the Assiniboine conversion is going to implicate. What it is going to do is concern the future of the water supply for the province of Manitoba and for those living along the Assiniboine River.

You have groups from within the city of Brandon, groups from within the city of Portage la Prairie who before the changes that were brought in some time in February to the original proposal were expressing grave, grave concerns as to their supply, as to how they are going to obtain and retain water if this diversion goes through in the near future, Portage la Prairie. Now we have the fact that the changes, they are saying, well, we have changed it now. The original proposal, why was it changed? Mr. Speaker, I tend to wonder what forces brought on this government to change all of a sudden. Did they feel that they were getting too much pressure from within the system? Did they feel that perhaps they were on line with a project that without the full co-operation and the full consultation from all parties that they were thinking perhaps we have made a mistake?

* (1710)

So let us change it. Let us make half of them happy, the ones who were unhappy, and let us make the rest further be more unhappy. That is not very good English, but I apologize for that. That is a sense that I get, and it is a sense that we get from the people in the communities. Sure, perhaps some have been appeased as to the direction that they want to take now.

But another aspect of this I would like to make a point of is saying before the studies were done, why within the studies did we not get any detailed plans, Mr. Speaker, for conservation of water? Are those plans for the conservation of the existing supplies, where are they? Waste—I do not want to say that we here in Winnipeg or Interlake or anywhere are wasting water, but I would say that it is an aspect of the situation that should be gravely addressed, seriously addressed.

Before we start spending millions of dollars on pipelines, diversions, weirs, dams and whatnot, I would think that they should have seriously looked at the fact that perhaps there is a way to conserve and preserve the natural flow of water that we have now and to preserve the local usage of water. I would think that before anyone would want to put a multimillion dollar project within the system basically taking water and draining water away from an ongoing system, take a look at your own back yard. See how you can preserve the system. See how you can utilize better what you have within your own aquifer, within your own system in a community.

Mr. Speaker, getting back to the consultation and to the meetings and that, I would like the Minister of Environment (Mr. Cummings) and the Minister of Natural Resources (Mr. Enns)—you know, they claim that because of the meetings that are forthcoming that it is sufficient enough. Well, perhaps in their eyes it is, but in the eyes of the farmers, the eyes of residents, the eyes of the irrigators, the eyes of the communities, it is not enough. We have asked and we have asked for commissions to hold hearings within the province on this issue. Finally we get it, and finally, as I have mentioned, they put it at a time where who is going to be able to attend this hearing? How are they going to be able to make their presentations on such basically short notice with the times of the upcoming seeding situation? Farmers are just not going to be able to come and make their presentation to the Clean Environment Commission and really feel that they are doing the job properly.

Mr. Speaker, we have here a situation where perhaps are they really trying to push this through now with the new changes that they have proposed? Are they trying to push this through without listening to people? Are they trying to push this through without listening to the former member for Portage la Prairie, who has spoken up in House, and who again speaks out as a citizen and a concerned farmer to want and to ask that this government change the hearing times, give everyone an opportunity to be able to make full and proper presentations?

Is this government afraid, Mr. Speaker, of hearing all of the communities? If they are, then perhaps they heard and listened to certain people earlier with the original proposal that had created the changes they brought forth.

Mr. Speaker, I am sure that my honourable colleague for Radisson and others will deal with the environmental conditions that this diversion could, in fact, bring upon the communities that are being affected by the diversion.

Mr. Speaker, my point on this is that I say let us deal with the proper sense of consultation. Let us listen to the past member for Portage la Prairie, Mr. Connery. Let us listen to the farmers within the area. Let us listen to the Portage irrigators association requesting that they be allowed more time, that the hearings be set at a later date, in the fall, when the people can come and be there in full attendance and have theirs say, or is this government not willing to do that?

If they do not want to hear what the presentations are going to be and they are not going to like to hear what the presentations are going to say, then they, in turn, will say, well, let us change it again. The reality of it is this government is not going to let it go away. This government is going to continue, in one way or another, trying to divert the water from the Assiniboine River and continue to perhaps impose a system on people that do not want it and do not need it.

Mr. Speaker, I do not have a problem with the fact that communities need quality water for consumption.

An Honourable Member: It is a right.

Mr. Cliff Evans: It is their right. I have no problem with that, Mr. Speaker.

Again, is this the way to go for it? What is going to come out of it? Is it a matter of just saying, well, we are dry; we have absolutely no water in our aquifers and we need water for consumption, for domestic situations? I do not have a problem with that.

We have to say to this government—and I would request, Mr. Speaker, that this government support the resolution that I have put forth, especially the part where I ask this Assembly to put the project on hold until all the studies concerning the economic environmental costs have been released to the public. We can only do that if the government will allow the people due time and process to be able to hear exactly what the people that are going to be most affected, the people from Brandon, from Portage, south, Selkirk—are going to be affected by this situation.

Let us not waste millions of dollars, Mr. Speaker, on a proposal that 40-50 years down the line is going to affect the lives of our young people and the future for our young people to be able to have access to clean water, access to water in general and be able to survive with the proper supply and a clean supply of water.

Mr. Speaker, I look forward to hearing other comments on this resolution. I know that the government at the time will support this resolution. Thank you.

Mr. Paul Edwards (St. James): Mr. Speaker, I am pleased to rise today to speak to this resolution put forward by the member for the Interlake (Mr. Cliff Evans). I think it is timely, and I think it is a very important issue to address in this House. I will look

forward to members from the governing party coming forward, and in particular I would like to hear from the member for Portage la Prairie (Mr. Pallister). I would like to hear from that member who was elected, and the debate revolving around that election had a lot to do with this issue.

I was in Portage la Prairie on a number of occasions in the course of that campaign. This issue was raised, not by us, it was raised by the people in the homes in Portage la Prairie. They were asking questions about this issue. I know that the current member has some very, very strong opinions on this issue, and he usually lobs them across the floor. It is tough for him, I think, to get the floor from his colleagues. They do not seem to be willing to allow him to speak, but I think this is the one issue that he has an obvious interest in and has some opinions, made them part of his campaign, and I would welcome his comments.

* (1720)

Let me just be clear that, Mr. Speaker, with some possible changes in wording that I might tinker with on this resolution, but leaving those aside, I have no problem with this resolution. In fact, I agree that the provincial government should participate in a basin-wide federal-provincial review of the impacts, and it, of course, should be an independent body. I also agree that the provincial government should be requested to not commence construction until they know the answers.

Now I might add to that, Mr. Speaker, that I believe the various stakeholders, the groups involved in this issue, in my estimation, having read the documents that have come forward from the groups involved, have not adequately considered the alternatives to deal with the water shortage which is talked about as the problem in the southern parts of the province. So I am not convinced that the options, all of the options, have been canvassed.

Let me give you an example of why I think we are right to question that. The going gets tough. There are a few negative comments on the editorial pages coming out of the people of Portage la Prairie into the Daily Graphic. There is a little bit of backlash from some of the people who were not expected to backlash. All of a sudden, there is the member for Portage la Prairie, beats a path to the Daily Graphic office, out to hold a press conference. Well, we have it solved. It is all changed. We are going to build a weir. The plans that have been floated for

two years changed. Not a problem, we can build a weir. It will not affect the people of Portage la Prairie.

Well, Mr. Speaker, listen. The fact is all of the options have not been considered. Proof of that is that the position of the government can change overnight and did. The truth is that I met, I believe it was two years ago—a committee came up and the mayor of Winkler was leading [interjection] Yes, Mr. Wiebe—Henry Wiebe. Mr. Wiebe was there with some other people, and they came to the various caucuses and put forward their plan and their problem and their position.

They were questioned. The question, as yet, has not been answered and has been clarified in fact by the Minister of Natural Resources (Mr. Enns) in his prior comments on this issue. I questioned him at the time, and I remember saying, you know, this is not for domestic use, is it? This water that you want to take, it is not for domestic use because we all know that under the water resources plan and strategy, that is the highest use of water. They were adamant—oh, yes, it is. We do not have enough water in Winkler and Morden and in that area to satisfy domestic use. It qualifies as the top water priority; therefore, the project should go ahead.

Mr. Speaker, I believe it was about three, four months or thereabouts after that that new irrigation contracts were let to Kroeker Farms, that I believe have most of their property out in the Winkler-Morden area, and Murta Farms. All of a sudden, the point is, new irrigation contracts were being let at the same time as we were hearing from the representatives from those areas that the use was for domestic use. It did not make sense.

So we got a hold of them and said, what gives? How come these things are happening, and they seem very contradictory? Of course, the reality is—and I do not mind dealing with it on this basis as an issue of economic development, but let us call it what it is. Let us not bandy about that somehow this water is needed for the primary use of drinking water. No doubt water is short in those areas. There is no question.

I grew up in part of the Palliser triangle, Swift Current, Saskatchewan—a very, very dry community, let me tell you. I grew up rationing water. You do not get to water your lawn, and if you do, it is one day a week. You know, everything was rationed and that was a way of life. I understand the

hardships that imposes, and I am sympathetic to those hardships.

Mr. Speaker, I want the people who are promoting this to go on the record about what it is they want. I believe, in my experience, having followed this issue for a number of years, that what they are talking about is economic development. To have the kind of development that they think they can get, they need water. I accept that. I am prepared to deal with this issue on that basis. Then we understand why they need it, and then we can have a rational, reasoned debate. We cannot if people are not being absolutely forthright about what they are trying to do.

So with all respect to that committee that came a number of years ago, I believe that there was a disservice done to the cause simply because I do not believe that they were completely frank. I do not claim that there was any intention to mislead, but I do not believe that they were completely frank with the caucuses—well, I only sat in our caucus—about what was the goal of this.

I welcome the opportunity to speak again to those representatives, because I have checked my notes from that meeting on occasion in the past. I have had occasion to do that, and the issue and the brief was there that it was for domestic use. I am not convinced that it was. I will tell you another thing. Most people in Portage la Prairie are convinced that this is not about domestic use, it is about irrigation.

The former member for Portage la Prairie was pretty clear about that when he was in this House. He was pretty clear about that in the last campaign in Portage la Prairie. I think that had a lot to do with why he chopped off the bottom half of his sign that had Mr. Filmon's name on it. I remember, I was there that day in Portage la Prairie. I remember the day he did that, and he was pretty clear that now there were other personal issues, I understand, but he came from a position of self-interest and he was clear about that. He was a market farmer and he did irrigate and he did not like the idea of a lot of water that he might use or others might use in his business going south.

I remember him asking more than one question in this House, unannounced, of the minister on this very issue. Let me say, despite the fact that obviously all opposition members look with glee when we see the look of surprise on the Premier's face when one of his backbenchers asks a question,

but I gained a lot of respect for the former member for Portage la Prairie that he would stand up for his constituents and risk obviously some dissension within his own caucus.

Maybe he did not have a lot to risk. Maybe there was not much of a relationship left by that time but, on the other hand, he did it and he put his constituents and their concerns, what he felt that they were, on the line.

Now the current member, of course, has a totally different approach. His approach, as far as I understand it, is: Do not worry about it, it is no problem, send it down. We are still going to have lots left. This is part of the master plan.

But his fall-back position when he—

An Honourable Member: But I might get into cabinet.

* (1730)

Mr. Edwards: Well, yes, I believe getting into the cabinet is certainly one of his goals, but I do not cast that as the only goal.

What I say is, what was interesting to me was last week, in Portage la Prairie in the Daily Graphic, there he was holding a press conference saying: Well, okay, we might lose a little water, but do not worry, we have changed the plan. We are going to build a weir. It is not the old plan. We are going to have a new plan.

So he has Plan B and maybe Plans C and D and, I sense, some desperation to get this thing through, and that makes me very nervous. One of the things I appreciate about the Minister of Natural Resources (Mr. Enns), and I will look forward to hearing from him today, is, he usually does not beat around the bush about what is going on, and what is going on is an attempt to have economic growth through irrigation.

Now, we have this huge problem in Manitoba. We have lots of water. It is not in the right place to use it for the economic growth that people in southern Manitoba seek. We have to get some water to different areas to use it, and I understand that.

Mr. Speaker, that is a real concern and, believe me, we want, I want McDonald's to get every french fry in the world from Manitoba. I want Carnation to come and build big plants. I want McCain's to build big plants. We want that investment, we want those jobs, we want that growth, obviously, not at any cost.

We have to be reasonable. We have to be prepared, of course, to accommodate people where we can, but we have to know before we invite and before we make agreements with people to build those plants and we give them the guarantees of water supply what we are sacrificing. We may ultimately at the end of the day agree that the sacrifice is worth it. We may say that. But we have to know what we are sacrificing. You have to know first exactly what you are giving up.

It is not a partisan position. Why would anyone enter into a deal, enter into an arrangement, without knowing what they were giving up? You have to know it first. The way to know is to get all of the facts and hear out the people who have concerns and are coming forward and want to talk about this. What is wrong with that? Yes, it takes a little time. Yes, it is going to cost a little money, but it is not only the responsible thing to do—environmentally and socially and economically it is responsible—it is prudent.

This government claims that they are financial fiscal wizards. Wizards, I think, was used in the paper this week. The wizards. I prefer the sorcerer, but the wizards, as the Free Press called them this week. You know, are they really? They want to rush into this. They want to rush into Conawapa. They rushed into Rafferty-Alameda. They do not care. Where do I sign?

I remember members of this government in the fall of 1988 saying do not worry about Rafferty-Alameda. Do not worry. We are covered. Ottawa is negotiating for us. We do not have a problem.

Well, within a year, the Minister of Environment stands up and says that the Rafferty-Alameda project was not handled correctly, was a disgrace for environmental control in this province.

Mr. Speaker, all I ask is that, from the government and the promoters of this project, there be honesty and forthrightness about all of what is being planned now and in the future in this project. The second thing I ask is for this government to think before they act. That is not an unreasonable thing. That is not a partisan issue. That is logic, and I am asking them to do that. Thank you.

Ms. Marianne Cerilli (Radisson): Mr. Speaker, I am anxious to speak to this resolution. I have a number of concerns about this project. I want to start off by talking about this project as I think it is going to be the second travesty and environmental

tragedy this government will leave as a legacy, if their plans to go forward with the Assiniboine Diversion go ahead as they would like to see it.

Of course, we know that the first travesty was the construction of the office complex at Oak Hammock Marsh, where they are choosing to put sewage and concrete into a wildlife management area and call it environmental education and water wetland conservation.

The important reason I mention this project is that it was a good practice for showing how this government could manipulate an environmental assessment. Now we are seeing, as the court case will go forward, the way that reports were lost and information was left out of the hearings. This project had legislation changed so it could go through and push the development through, so that we can get the building up before court cases are finished being heard and that kind of thing.

Well, the same strategy is being used on the Assiniboine Diversion, Mr. Speaker. We are seeing that, for example, oh, they have got one project in the books, and there is a very thick environmental assessment report for that project which is released. You know, it was really difficult for those of us that were concerned about this project to get our hands on that initial report. Then, within a couple of weeks, a very thin addendum was introduced.

Do you know what? That addendum was actually brought to my door by an individual working for the proponent, the proposer of the diversion. I wanted to ask that fellow some questions, and he was not really that interested in answering questions, about why was it that I could not get my hands on the first one, but they are bringing the second addendum to my door.

As the opposition critic, that is very unusual that this government or anything it supports would even come to my mailbox, let alone hand-delivered to my office. So it just goes to show how unanxious they were for us to get our hands and see the initial proposal diverting the water to the Boyne River, and how anxious they were in appeasing Portage la Prairie to hand deliver the addendum, which I would say is somewhat illegal to change a development in the middle of an environmental assessment. So that is the first thing that they have done.

* (1740)

Another thing that they have done is, we have had some of the bogus projections for population growth

to demand the water in the Carman and Winkler area, and we have seen some creative arithmetic that they have used in trying to justify this project. Now, most recently we have seen what they have done with setting the hearings for a project that is going to have downstream effects for the largest centre in the province, and there is no hearing in that centre. There are no hearings anywhere where there are going to be downstream concerns.

Mr. Speaker, I would suggest that this is only the beginning of the irregularities that we are going to see in the assessment process with respect to the Assiniboine Diversion, because the race is on to get this thing up and going quickly before the federal election. I think that there is as much federal interest in this project as there is provincial interest. Some people have suggested to me to explore the relationship between one Mr. Charlie Mayer, the member for Emerson (Mr. Penner) and the member for Lakeside (Mr. Enns) and to look at the relationship between the benefactors of the Assiniboine Diversion, looking at the contributors to the Conservative Party, particularly the campaigns for those people that have just been mentioned.

Now we have been calling for and this resolution asks for a basin-wide review on this project, a federal basin-wide review, which is only what the law mandates. The law mandates, under federal law you have an environmental assessment for something that has transboundary navigable waters, which this project has. So one would think that even one trigger would mean that we would have a federal environmental assessment. This project also has some, I think the figure now is, \$63 million of funding, and a large proportion of that from the federal level, which is the second trigger for why there should be a federal environment review, which would be far more difficult for the government of Manitoba, as we have seen before with the Oak Hammock Marsh project in particular, to fiddle with.

The third criteria to trigger a federal environment review would be aboriginal lands. Now, since the addendum I have not had long discussions with the chief at Long Plain Reserve, but I know that they are very concerned about how this project is going to affect their land claims and their reserve. They already on the Long Plain Reserve have to bring in water in the summer because of the dry conditions on their reserve. They bring drinking water into their reserve, and I know that they have serious concerns.

All of those criteria for having a federal review are being ignored, and there is an interesting relationship between this government and the government in Ottawa and to Brian Mulroney. It would be interesting to know who is more interested in having this project go through. Maybe as we go through the process of assessing it, more of that will become clear, but the fact remains there has to be some agreement made now that it will not have a federal review, but it is going to have this Clean Environment Commission review only at the Manitoba level.

We have gone through a number of calls for why do we need to have all of this money spent on a diversion? We have had members opposite talk about how it is for the water supply, drinking water supply, potable water supply in that southern area of Manitoba, but it is interesting that now this week we see there is another irrigation scheme going on that is going to reservoir water for that very area. We know that they have also given out irrigation permits, but all the while they will go on and maintain that this project is for drinking water, even though it is very similar to the first section of the south Hespeler report, which was explicitly for irrigation and not for domestic water—human consumption.

So maybe it is, we will give them the benefit of the doubt that this is going to be used for drinking water in that southern Manitoba area, but then what they are planning to do is to continue to deplete the aquifer in that area for irrigation. They are going to continue doing that without investing in the infrastructure that would conserve the most amount of water possible first.

But getting back to the reason for all of this, the reason we have all these irrigation schemes in the first place is even the former member for Portage la Prairie went on to talk about how it is all for long french fries. It is interesting that we can have companies like McCain's which can require that all the potatoes grown for their production are going to use irrigation. We can gear our entire budgeting, irrespective of the effects that it is going to have on the environment, and set up these massive schemes all to satisfy this kind of corporate policy for something like long french fries.

I do not know if long french fries taste better. I do not know if long french fries are more nutritious. Why do we need long french fries? This is so often what happens with corporate policy. If it is the way, I would suggest to you of reducing the capabilities

of the small farmer and tying them into the large irrigation schemes, tying them into the large food processing companies, and through market forces tying their hands.

I forget the fellow's name, but he is with the Rural Development Institute, and he also said that this project, this Assiniboine Diversion, is also about guaranteeing a supply of irrigated potatoes for these large food processing companies.

Hon. Donald Orchard (Minister of Health): Is that wrong?

Ms. Cerilli: The Minister of Health says, is that wrong? Well, that is a very interesting and somewhat naive question to show the attitude to economic and social justice of this minister, that we should use public funds and structure our entire natural environment in Manitoba to satisfy the corporate interests of one company.

Mr. Speaker, I also want to touch on some of the larger problems and larger concerns with respect to the Assiniboine Diversion. I would like the members opposite, if they have not had a chance, to look up their fearless leader's Masters thesis, because it was interesting—

An Honourable Member: Master plan.

Ms. Cerilli: Oh, the master plan. It could be called that, because it is interesting to note that this project is very similar to the Masters thesis of the Premier (Mr. Filmon) when he was an engineering student, and that was to divert water from northern Manitoba and northern Saskatchewan to the U.S. for sale. This is why it is such a large concern and why I think that the federal government is also so interested in this, because they simply see our natural resources as something to exploit for short-term profit similar to what they are doing with irrigation, not considering the long-term effects on soil.

I would say that the attitude to water sale—we have asked ministers in this government to give us their government policy on water sale, which they have not done, and that is one of the big concerns with this project, Mr. Speaker, that it is going to set up Canada's first close-to-the-border-of-the-U.S. pipeline to transfer water to the U.S. We know that under NAFTA and under the trade agreements water is not protected. This is done irrespective.

We know that there are a number of areas in the United States that are horrifically overpopulated, where the density in their cities are forcing them to have to ration water for a long number of years, and

that there are a number of communities in the United States pressuring different regions of Canada to transfer water to the U.S. This, again, would be done without attention to ensuring that there are proper water conservation programs put in place before these massive water transfer schemes are developed.

The other thing that is really important to talk about with respect to the Assiniboine Diversion is putting it in context with the larger budget, Mr. Speaker. I would just in closing say that when people talk about where is the money going from this Conservative government, these are the kind of projects that it is going to rather than to—

Mr. Speaker: Order, please. The honourable member's time has expired.

* (1750)

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, I want to say to you with all the conviction that I can muster that it is my belief that this resolution is out of order.

I will attempt to bring it to order with an amendment upon the conclusion of my few comments, but I would further say that I will not be offended if the eloquence and the persuasiveness of my comments are such that you find the amendment out of order as well, because, Mr. Speaker, it is out of order and for the following reason.

We have a process which is constantly being denigrated by members opposite. We have a clean environment act born in the bowels of the New Democratic Party, improved over the years by this minister and this government, and they participated in those amendments. Is that not a fact?

Now, under the clean environment act it says very clearly that if somebody wishes to do something, anything, they have to make a proposal according to the act, and then that proposal finally finds its way to another independent body known as the Clean Environment Commission.

That Environment Commission then examines it this way and that way, holds public hearings over here and over there and everywhere and then either approves it and licenses it or does not. That surely is the process. [interjection]

That is the act. That is the process, right? So you are telling me that you do not like the process. You are telling me that you want us to appeal the

Clean Environment Commission. You want us to appeal the clean environment act. You want us to simply act as we act. That is what you are saying by the constant attacks on anything that appears before the Clean Environment Commission.

So, Mr. Speaker, I simply say that the Assembly should now pass a formal resolution interfering against the very mandate of a piece of legislation that this Assembly has passed, the clean environment act; that this Assembly should interfere in the workings and carrying out of the mandate of the Clean Environment Commission, a body created by this Assembly; that it should interfere by steering, by telling them what to do.

That is gross interference. You talk about ministerial interference. You talk about governmental interference. You talk about special interest interference. This is gross interference on the part of this Legislature in telling the Clean Environment Commission what to do and what not to do and when to do it.

So, Mr. Speaker, I suggest for those reasons I would not be offended if you chose to find all of this out of order, but I leave that, Monsieur, in your very capable hands, Monsieur President. You know that my esteem is unending for your fairness in these matters, that I will leave that to your better judgment.

Now, to the issue, and it is an important issue, for 30 years, for all of those 30 years, south-central Manitoba has looked for water. There have been many schemes involving a twin set of dams on the Pembina River on this side of the border, and on the other side of the border, the Pembilier projects. Some of you may or may not remember those.

In fact, one of my last functions in an outgoing government in 1969 was to visit the then Honourable Mitchell Sharp, the federal minister of the Pearson, no, Trudeau government already. In 1969, the Trudeau government, Mitchell Sharp, I was taking a delegation of Pembina water—you know, people, the same kind of people. There was a Mr. Friesen from the Friesen printing house from Altona, and Mr. Wiebe already was on the scene.

We went to appeal to them through their regional development projects to help assist us in the construction of two dams on the Pembina River as one resolution to finding water for this particular region. Since then there have been different schemes that have been studied. In the last two and a half years, some very specific work was done

by PFRA engineers, by the community there themselves, the 15 municipalities that have gotten together to form a co-operative representing some of our most progressive towns in the south-central part of the province.

They have recommended different things. They have recommended, among other things, a weir on the Red River as a partial solution to this. In their best judgment, aided and abetted by the best engineers this country can produce, the very best engineers with respect to water hydrology that this country produced proposed this scheme.

This is what is being put before the Clean Environment Commission. The Clean Environment Commission will have the opportunity to examine—it is a quasi-judicial process. They will bring these very engineers and other people and proponents to provide expert testimony, and they will determine then whether or not this scheme is a worthwhile project to further.

Mr. Speaker, honourable members have a paranoia about the word "irrigation." I do not. I want to assure honourable members one thing—and look at the twisted logic on the part of the member for Radisson (Ms. Cerilli).

If the proponents of a scheme make a one-hundredfold or two-hundredfold, a thousandfold improvement in this scheme—right, the original proposal was for open-channel waters into the Boyne, as she correctly points out, and then on to the Stephenfield reservoir.

That, in the first instance, allowed for inefficiencies of that valuable resource because you lose a lot through evaporation, allows for additional problems in terms of possible pollutants entering into the water resource in that open-channel way. So the proponents decide to go to an all-pipe system providing the citizens of Portage la Prairie—and the people of Selkirk should be so lucky.

The people of Portage la Prairie are getting an ultramodern water treatment plant for zilch out of this deal. That is why the Portage council supports and has moved unanimously to support this proposal.

I know the economics of my short-fry, long-fry member for Radisson does not maybe appreciate that, but you do not use treated piped water for irrigation. You simply cannot do that.

An Honourable Member: The potatoes do not like it.

Mr. Enns: The potatoes do not grow long when you use that kind of water.

Mr. Speaker, the proposal in itself has been immeasurably improved but, again, that is not for me to say. That is for the Clean Environment Commissioners to determine as they examine the project.

It would be foolish on the part of this government not to be extremely sensitive to the downstream users. Why would we for one moment want to jeopardize the 600,000 people living in the city of Winnipeg, the people living between here and Portage with any reductions in water supplies? Again, that is for the very engineers who built the Shellmouth structure, who built that reservoir of water known as Lake of the Prairies.

If they say that they can so manipulate the stream that they can, in fact, improve the minimal flows in Winnipeg and in Headingley and in Elie and in St. Francois with this scheme, then they will have to demonstrate that.

Mr. Speaker, they have some background about making that assumption. In 1978 a problem existed along the La Salle River. The communities, Sanford, Domain, the R.M. of Macdonald, asked the province to pump water from the Assiniboine into the La Salle River to augment the flow of the La Salle during the low periods. We did that for several years. Then I asked my engineers, well, gee, doing this on an ad hoc basis, why do we not just put in a

permanent diversion, which we did, and it has worked beautifully ever since.

They actually have licensed twice the amount of water that this proposal calls for. In fact, Mr. Speaker, one of the conditions that the Clean Environment Commission may well say is, no to the proponents, no to the government, no to the Minister of Natural Resources, you cannot have any more water out of the Assiniboine River, period, just take half of what Macdonald is getting on the La Salle.

That is entirely a condition that they may impose. They may impose other conditions on the licence should they feel so inclined, that they will approve the licensing of that proposal only if we can demonstrate and only if a government will commit itself to the maintenance of supply.

Surely, gentlemen, honourable members, if we could supply such a vital resource as water to this vibrant part of our province, then that is in all our interests.

There are economic studies that say that this diversion of waters is the equal of one Inco and three Repaps in terms of job creations in that region in the next decade.

Mr. Speaker: Order, please. When this matter is again before the House, the honourable minister will have five minutes remaining.

The hour being 6 p.m., this House now adjourns and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 27, 1993

CONTENTS

ROUTINE PROCEEDINGS

Presenting Petitions

Student Social Allowances Program
Friesen 2147

Reading and Receiving Petitions

Restoration of Friendship Centre Funding
Dewar 2147
L. Evans 2147

Student Social Allowances Program
Cerilli 2147

Presenting Reports by Standing and Special Committees

Committee of Supply
Dacquay 2148

Public Utilities and Natural Resources,
3rd Report
Reimer 2148

Oral Questions

Western Grain Transportation Act
Doer; Filmon; Findlay 2148

Emergency Room Physicians
Chomiak; Orchard 2150

Federal Budget
Alcock; Manness; Ernst; Mitchelson 2151

Mineral Development Agreement
Storie; Downey 2152

Mining Industry
Storie; Downey 2152

Forestry Industry
Storie; Enns 2152

Economic Growth
L. Evans; Manness 2153

Taxation System
L. Evans; Manness 2153

Economic Growth
L. Evans; Manness 2154

Emergency Room Physicians
Cheema; Orchard 2154

Occupational Health and Safety
Cerilli; Praznik 2155

Education System
Plohman; Vodrey 2156

Department of Family Services
Lamoureux; Gilleshammer 2156

Education Advisory Committees
Lamoureux; Vodrey 2157

Employment Training Programs
Lamoureux; Vodrey 2157

Assiniboine Diversion Project
C. Evans; Cummings 2157

Nonpolitical Statements

Death of Cesar Chavez
Santos 2158

Workplace Accidents
Cerilli 2158

ORDERS OF THE DAY

Committee of Supply

Family Services 2159
Highways and Transportation 2182

Private Members' Business

Proposed Resolutions

Res. 17, Assiniboine River Diversion
L. Evans 2210
Edwards 2212
Cerilli 2215
Enns 2217