



**Fifth Session - Thirty-Fifth Legislature**

**of the**

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**(Hansard)**

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Speaker*



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**MANTOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fifth Legislature**

**Members, Constituencies and Political Affiliation**

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NAME	CONSTITUENCY	PARTY
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
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
KOWALSKI, Gary	The Maples	Liberal
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MACKINTOSH, Gord	St. Johns	NDP
MALOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCORMICK, Norma	Osborne	Liberal
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
ORCHARD, Donald, Hon.	Pembina	PC
PALLISTER, Brian	Portage la Prairie	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROBINSON, Eric	Rupertsland	NDP
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
SHELLENBERG, Harry	Rossmere	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WOWCHUK, Rosann	Swan River	NDP

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 31, 1994

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

#### Committee of Supply

**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.

### TABLING OF REPORTS

**Hon. Harold Gilleshammer (Minister of Culture, Heritage and Citizenship):** Mr. Speaker, I am pleased to table the Supplementary Information for Legislative Review of the Department of Culture, Heritage and Citizenship.

**Hon. Darren Praznik (Minister of Labour):** Mr. Speaker, I would like to table today the Supplementary Information for Legislative Review of the 1994-95 Departmental Expenditure Estimates of the Department of Labour.

**Hon. Albert Driedger (Minister of Natural Resources):** Mr. Speaker, I would like to table the Supplementary Estimates for the Department of Natural Resources for the year 1994-95.

**Hon. Eric Stefanson (Minister charged with the administration of The Crown Corporations Public Review and Accountability Act):** Mr. Speaker, I am pleased to table the 1993 Annual Report for the Crown Corporations Council.

### INTRODUCTION OF BILLS

#### Bill 301—The Misericordia General Hospital Incorporation Amendment Act

**Mr. Marcel Laurendeau (St. Norbert):** Mr. Speaker, I move, seconded by the honourable member for Niakwa (Mr. Reimer), that leave be given to introduce Bill 301, The Misericordia General Hospital Incorporation Amendment Act, Loi modifiant la Loi constituant en corporation le "Misericordia General Hospital," and that the same be now received and read for the first time.

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 Royal School twenty-one Grade 5 students under the direction of Mrs. James. This school is located in the constituency of the honourable First Minister (Mr. Filmon).

Also this afternoon, from the Roseau Valley School, we have twenty-four Grades 2 and 3 students under the direction of Ms. Moya Geddes and Ms. Wendy Newman. This school is located in the constituency of the honourable member for Emerson (Mr. Penner).

From the Leaf Rapids Educational Centre, we have twenty-three Grade 8 students under the direction of Mrs. Carol Bowman. This school is located in the constituency of the honourable member for Flin Flon (Mr. Storie).

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

\* (1335)

## ORAL QUESTION PERIOD

### Motor Coach Industries Acquisition

**Mr. Gary Doer (Leader of the Opposition):** My question is to the Premier.

Mr. Speaker, on May 18, the Motor Coach Industries company was acquired by a rival company, Grupo Dina from Mexico, a company that has over \$900 million in sales U.S., compared to Motor Coach Industries, some \$453 million sales U.S.

Workers, about 1,700 workers at the plant, are very concerned, Mr. Speaker. We have talked to a few of them about this acquisition. They are concerned that the cost of producing buses in Mexico is about \$6 per hour. In the United States, it is about \$30 per hour. In Canada, it is under \$20 an hour, and now, with the Mulroney NAFTA agreement proclaimed by the Liberals, they are very concerned about their jobs—[interjection] If you were a worker at the plant, you would be worried right now yourself.

I would just like to ask the government a question. Have they contacted the new parent company, Mr. Speaker, and have they received any guarantees about the existing jobs and workforce here in the city of Winnipeg and in the province of Manitoba?

**Hon. Gary Filmon (Premier):** Mr. Speaker, I can confirm that our Department of Industry, Trade and Tourism has had extensive discussions and briefings from the local management of the firm.

As the member probably knows, employment at Motor Coach currently stands at 1,615, which is a 13-year high. They have a very full order book, and they also have been showing, as I understand it, a very profitable operation as a result of many things that have happened over recent years.

In that respect, the local management is very confident that they continue to be the best alternative for bus production even within the larger company, that they have a very cost-effective, very efficient plant that is going to ensure that the work remains here and that the

operations remain here with a very substantial workforce.

I did hear the discussion that took place and the concerns expressed on the radio by the Leader of the Opposition (Mr. Doer) and the Leader of the Liberal Party (Mr. Edwards), and just to absolutely verify the information, we will certainly be in contact with the parent company and request their assurances and request their support for continuance of the company's operations here.

\* (1340)

### Western Diversification Funds

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker, I would encourage the Premier to contact the parent company. I think it is important. I know local management feels confident, and they are at a peak of their employment, but the workers at the plant are very concerned, as you would expect, with the different labour costs. They do feel they produce a good product, but they are very worried today about the developments with the purchase of this company.

I have a further question. When the government is contacting the parent company, the Premier will know that the Western Diversification grant and a provincial government grant to MCI in 1992 produced an investment of some \$36 million, \$10 million from the public sector and \$26 million from the company here in Winnipeg.

Will the Premier be contacting the parent company about the status of that investment in the new bus production here in Manitoba and the status of provincial government money and federal government money under Western Diversification being invested wisely in the Motor Coach Industries plant here in Winnipeg?

**Hon. Gary Filmon (Premier):** Mr. Speaker, one of the issues that, you know, results in the knee-jerk reaction that the Leader of the Opposition is perpetrating here is one in which the focus is made on the costs of labour. The company management informs us that labour is only 8 percent of the entire costs of the production there, so he should not, I think, fuel either speculation or

fear on the part of workers that this is in any way a major factor in the costs of production.

It is all of the other costs of production that, of course, are far more important. Obviously, the other 92 percent of the costs are far more important than the 8 percent that is the labour component, and I think he should be aware of that when he makes these kinds of judgments.

With respect to the money that has been put towards the expansion that has resulted in the all-time record levels of employment that are there, Mr. Speaker, my understanding is that, of the \$5 million that has been committed by the provincial government, at this point, a small part of that has been flowed. I believe it is \$1.3 million.

There has not been a flowing of the entire \$5 million by any stretch, and it is based, of course, on them meeting certain targets and obligations, all of which they have met to this point. That will indeed be part of the entire briefing that we get and that we discuss with the company.

**Mr. Doer:** Mr. Speaker, the Premier will note that Mercedes located a new bus plant in Mexico just recently, after the NAFTA ratification, so that concern comes from the workers, and I would ask the Premier to follow that up.

#### **Atomic Energy of Canada Ltd. Layoffs**

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker, on a related job question, a supplementary jobs question, yesterday, we asked questions about the job situation at Bristol, and today we heard about AECL in terms of potential layoffs. I was absolutely shocked today to hear that a minister in the government was criticizing the provincial government for the loss of jobs at Bristol and AECL, partly due to the provincial government. Usually, political parties of all stripes work together to get jobs for a certain province. They do not blame each other when jobs are lost.

I would like to ask the Premier (Mr. Filmon): The concern is that a certain amount of responsibility rests with the Filmon government for the layoffs at AECL and Bristol Aerospace. I would ask the Premier, what blame does he accept

responsibility for, for the layoffs of those jobs at those plants?

**Hon. James Downey (Minister of Industry, Trade and Tourism):** Mr. Speaker, I think it is extremely unfortunate that we are not able to work productively with the federal government. In fact, the member for Portage-Interlake has made the comments he has made as it relates particularly to AECL and Bristol when, in fact, the decisions they made as a federal government are the direct results we are seeing here in Manitoba.

For example, this province supported AECL and the community by cost-sharing \$25,000 of a \$50,000 study to see how we could expand AECL. The federal government did not put one nickel into it.

#### **Atomic Energy of Canada Ltd. Layoffs**

**Mr. Jerry Storie (Flin Flon):** Mr. Speaker, I may not be in quite as magnanimous a mood as my Leader.

Mr. Speaker, approximately a year ago, I raised the question of MCI's stability because of the prospective purchase of MCI, and today, we are now aware that the First Minister (Mr. Filmon) is concerned.

My question to the First Minister or the Minister of Industry, Trade and Tourism is, did Dr. Jon Gerard, the minister of science, research and development contact the provincial government? Has he contacted the provincial government, the First Minister or anyone else to outline how these cutbacks are going to affect AECL, the people at Pinawa and the hundreds of people who rely on AECL for employment in that constituency?

\* (1345)

**Hon. James Downey (Minister of Industry, Trade and Tourism):** If I understand the question correctly, Mr. Speaker, it is what communication has there been by Mr. Gerard, the federal Liberal member as it relates to that.

I am not aware of any calls or any contacts directly with the community, directly with the government, to find out what may, in fact, be done

or to give us any information, and I am disappointed in that.

**Mr. Storie:** Mr. Speaker, given the fact that some 600 people stand to lose their jobs across Canada, can the First Minister (Mr. Filmon) indicate how many of those jobs are likely to fall out as a result of the cutbacks at AECL in Pinawa? How many people are going to be affected, and how many millions of dollars in wealth is this economy going to lose as a result of the cuts?

**Hon. Darren Praznik (Minister of Labour):** Mr. Speaker, I must say to the member for Flin Flon that no notice was provided to me as local MLA or to ministers of this government until after the fact. In fact, it was people from the community who were contacting us yesterday to relay the information.

But how badly this is organized, Mr. Speaker, is that nobody knows, quite frankly, what positions are going to be affected, and what the federal announcement made yesterday did was to basically leave most people in the communities affected, or those which have AECL facilities, not knowing who is affected.

It is an absolute mess, Mr. Speaker, and it is shameful the way it was carried on, in my opinion, by the Government of Canada.

**Mr. Storie:** Mr. Speaker, with all due respect to the response from the First Minister (Mr. Filmon) and the member for Lac du Bonnet (Mr. Praznik), these charges that Dr. Gerard has laid out cannot be completely without foundation. They have been said by members opposite, the former member for Portage la Prairie. I and others in the business community have made the same allegations about the lack of a proactive response on the part of this government.

My question is, when is the First Minister (Mr. Filmon) going to take it upon himself to correct the inactivity, the lack of direction from the government that perhaps caused some of these layoffs to occur in Manitoba, as well as many others in the aerospace industry and other industries in the province?

**Mr. Praznik:** Mr. Speaker, as a minister of this government who has been working with AECL for

a long period of time, along with my colleague the Minister of Industry (Mr. Downey) and with the Premier (Mr. Filmon), I can tell you that we have made on many occasions suggestions and comments about some of the fundamental problems that AECL is experiencing in getting itself together to be a company that can survive into the future.

I regret to say that, despite the assistance of a local member of Parliament there, very little has been taken up by the federal administration in making some of the key changes that they have to.

I have said this publicly before, and I say this here today. They have some fundamental problems in their senior management that they have yet to address, and we as a province have been very willing to work with them on a host of things, but they, quite frankly, cannot get their act together at the senior level. Until they do that, we are going to have very serious problems with that particular company.

#### **Manitoba Telephone System Layoffs**

**Mr. Paul Edwards (Leader of the Second Opposition):** Mr. Speaker, a few weeks ago, the government announced through the Manitoba Telephone System that 200 individuals would be laid off—somewhat like the AECL layoffs that my friend is speaking about—over a period of time, no naming of who that would be, sometime over the next nine months.

Now, Mr. Speaker, since that time, there has been a petition filed with over some 200, 220 names on it with respect to one of the unions coming forward and specifically asking that union to hold a vote, a secret ballot, amongst all of the members of that union to determine whether or not, in fact, those union members are prepared to take the 10 days off, rather than face the layoffs. That is the equation and the trade-off that this government put forward at that time. The union has rejected that. It has not seen fit to allow that.

My question for the Minister responsible for Manitoba Telephone System: Will he, in order to ensure that there is an accurate reading on what the members of that union want, solicit the views in a

proper fashion of those members with respect to that very fundamental question which is going to have serious impacts on whether or not 200 people have jobs or not?

\* (1350)

**Hon. Darren Praznik (Minister of Labour):** Mr. Speaker, the Leader of the Liberal Party, who one would think would have a better understanding of labour relations than he has exhibited here today, is asking the government to interfere in what is in essence an internal union matter.

They have to determine as a union how they make a decision. That was one of the reasons why, in fact, this government brought in Bill 22 and provided the mechanism to have that imposed if a union would not be co-operative. Now, the situation is such that they are not within our jurisdiction.

So the question that the member poses about whether or not the members of a particular union, quite frankly, should have the opportunity to decide must be answered by the leadership of the union who must bear the responsibility for that decision.

**Mr. Edwards:** Suffice it to say, Mr. Speaker, that the minister and I obviously have a disagreement as to the extent of what he can do.

But leaving that aside, my further question for the minister: Given his comments, has he spoken to the unions involved and specifically asked them to have that secret ballot vote to indicate whether or not the members of that union, the workers, want to accept the 10 days off in lieu of the layoffs, because there appears to be overwhelming support to have that vote taken.

As well, there are serious allegations in the petition that the initial decision was made by somewhere around 300 to 400 people. They are saying it was not an accurate reading of what they wanted. All they are asking for is a chance to have their views known. Has the minister spoken to the union leadership about those concerns?

**Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act):** Mr. Speaker, the Minister of Labour (Mr.

Praznik) has made it very clear. The dispute is between the membership of the union and their leadership.

I can assure the member that the executive and the board members of MTS have been in discussion with the union leaders, have had several meetings, and we all want everybody who has the right to vote to have the opportunity to express their opinion through a secret ballot. I wish they would get on with it.

**Mr. Edwards:** Mr. Speaker, this petition has just gone to that union at the end of last week.

I would ask the minister to clarify his comments just now. Has he, in fact, since that petition came forward with over 200 names on it, spoken to the union leadership and expressed those very views, that the government would like to see an accurate reflection by secret ballot of what the workers want?

**Mr. Findlay:** Mr. Speaker, the spokesperson in a Crown corporation for the minister in these kinds of matters is the executive of that Crown and the board of that Crown, and they are in constant and continuous negotiations and discussion. If the member wants my feelings, I have just given them in the answer to his second question.

#### **Medical Research Funding**

**Mr. Dave Chomiak (Kildonan):** Mr. Speaker, the federal minister of science and technology made some rather strong comments today respecting health funding. The federal minister said and I quote: The basic provincial funding for medical research is drastically underfunded in Manitoba, and the result is that Manitoba did very poorly on the national funding to the Medical Research Council in the last competition.

Mr. Speaker, my question to the minister: Does the minister agree with the statements of the federal minister that medical research funding is underfunded in Manitoba, and, as a result, we have received less money from the federal government?

**Hon. James McCrae (Minister of Health):** Whether it be for research or delivery of program in the area of health or a number of other areas, Mr.

Speaker, it has been a subject of ongoing concern for several years here in Manitoba about the contribution that comes our way from the federal government.

We recognize that federal governments have significant challenges, including the present federal government. I will use all my efforts to make sure that Manitoba gets its fair share of the pie, whatever size the pie happens to be.

**Mr. Chomiak:** Mr. Speaker, can the minister explain why funding to the Manitoba Health Research Council, provincial funding, has gone down by \$200,000 from two years ago?

**Mr. McCrae:** I will make some investigations on this point. It is a question the honourable member could have raised when we had staff here at the time of the examination of the Estimates, but there are a lot of issues in Estimates and only so much time, and I understand that. I will make some inquiries and make some information available to the honourable member.

\* (1355)

**Mr. Chomiak:** Mr. Speaker, will the minister today promise this House that he will take definitive steps to secure additional funding from the federal government, so that next year at this time, we will not have a federal cabinet minister coming into Manitoba and saying, you have not devoted enough to medical research and therefore you are not getting money from Ottawa?

**Mr. McCrae:** Mr. Speaker, I think there were those who thought that with 12 members of Parliament out of 14 represented on the government side in Ottawa, Manitoba would be the beneficiary of maybe a better deal than we seem to be getting. Yes, indeed, I will move at every possible opportunity to make Manitoba's point with Ottawa.

It is basically the case we make itself that is going to be very important, but how well we make it is also going to be very important when it comes to political terms.

### **North American Free Trade Agreement Impact on Canadian Wheat Board**

**Ms. Rosann Wowchuk (Swan River):** Mr. Speaker, the Canadian Wheat Board was established to assist grain producers in selling their product in world markets and in getting a fair price for farmers and has been very successful in ensuring adequate returns for producers and a fair price for consumers.

However, the Canadian Wheat Board's success is the reason the Americans are now attacking it and want to see the Canadians follow their example of a less efficient private market system. They are using the Free Trade Agreement and NAFTA to attack the Canadian Wheat Board.

I want to ask the Minister of Agriculture if he will explain to this House and to agriculture producers across the province why he and his government supported NAFTA and free trade when it was clear, even in the early days of the agreement, that the deal was only going to foster disputes and threats to crucial institutes such as the Canadian Wheat Board and marketing boards.

**Hon. Harry Enns (Minister of Agriculture):** Since the signing of these agreements with our biggest trading partner, Manitoba's exports to the United States have risen some 44 percent. More specifically, the agricultural component of these exports has risen some 58 percent.

Mr. Speaker, Manitoba farmers and particularly the grain producers would be in a very serious situation right now if we would not have had that market that allowed us to move an extraordinary amount of grain into the American market, which by the way, has brought about the current situation that is being expressed by the American Secretary of Agriculture, Mr. Espy.

I am satisfied, Mr. Speaker, that the international commission that was in Winnipeg just a few weeks ago has taken a calm and deliberate look at our trading practices and will come to the same conclusion that was arrived at the last time Americans looked seriously at our marketing and the Canadian Wheat Board and found it in order and not constituting an unfair trading practice.



**Ms. Wowchuk:** Mr. Speaker, I would ask the minister to admit that part of the reason for the increased trade is the change in the dollar value.

This government has to recognize that the U.S. government is using the Free Trade Agreement to attack the Canadian Wheat Board, which is a very important institution for Canadian farmers.

I want to ask the minister what steps he will take to ensure that the Wheat Board is protected. Will he contact the federal minister of agriculture and trade and urge him to take a tough stand to protect the Canadian Wheat Board and ensure that it is there to serve Canadian farmers as it has done for many years?

\* (1400)

**Mr. Enns:** Mr. Speaker, responding to the member for Swan River, first of all, let me say that having had the privilege of having several meetings with our new federal Minister of Agriculture, the Honourable Mr. Goodale, I am satisfied that he is, in fact, acting on behalf of the farmers of Manitoba and indeed western farmers and grain farmers in particular in a very strong defence that he has publicly and privately stated with respect to the current trade harassment by the Americans.

Mr. Speaker, what the honourable member I think should understand is, what we are witnessing here is an American administration led by President Clinton trying to pay off some political debts, as they do in American hardball politics. When he needed the NAFTA agreement signed through the American House of Congress, he was looking for specific votes, and he got those votes from the wheat states, Montana, North Dakota and South Dakota, on the promise that he would do precisely what he is doing now, that he would review the Canadian grain industries because of the success that we were having in penetrating the American market.

American millers, American processors of pasta and other products, they are busy down there in Washington right now telling the American administration, do not bother the Canadians too much about their wheat. California senators are in Washington right now saying, do not bother the

Canadians too much about their wheat because we want to send them our concentrated orange juice; we want to send them our vegetable produce, our lettuce; we want to send them our California wine.

Mr. Speaker, this is all being played out on a stage of politics in the States. I am satisfied that the Wheat Board is in no jeopardy.

**Ms. Wowchuk:** Mr. Speaker, the minister has admitted that this is tied in to NAFTA. I want to assure the minister that we all want trade, but we want fairness, as well.

Given that supply management has always protected producers and commodity markets have fluctuated, will the minister guarantee Manitoba producers that he will speak to the federal minister of trade, who is negotiating very weakly, and encourage him not to cave in to the pressures of the U.S. government and ensure that he will not allow a trade-off between the marketing boards and the Canadian Wheat Board? Will he encourage the federal minister of trade to stand up and put up a good fight for Canadian farmers?

**Mr. Enns:** Mr. Speaker, on the road to Damascus, many conversions have taken place, both in the distant past and in the not-too-distant past. The most recent one was our Prime Minister, the Honourable Prime Minister Chretien, and the entire Liberal Party with respect to NAFTA.

I will do the honourable members of the New Democratic Party a favour. You will also make that conversion if you are ever placed in authority to have to face that issue. So save yourself the trouble. Acknowledge that trade means jobs. Jobs are important to all of us, so get off that ideological horse you are riding and understand what trade is all about.

#### Foster Care

#### Fee Schedule—Extended Families

**Mr. Clif Evans (Interlake):** Mr. Speaker, I have received many letters from my constituents raising their concerns about the reduction in allowances to children in foster care on reserves being looked after by family members. As the minister knows full well, it is a tradition on reserves that children are often cared for by extended family members.

When we have questioned the Minister of Family Services about this matter, she has refused to admit that the changes in policy discriminate unfairly against aboriginal peoples.

My question is, since there has been no consultation with the people affected by the change in policy, why has she approved the reduction in per diem funding to foster families who are relatives of the children in their care?

**Hon. Bonnie Mitchelson (Minister of Family Services):** Mr. Speaker, I am glad to have the opportunity, again, to respond on record to the change in our vision around support for children in Manitoba. That vision is family support, family preservation and family responsibility. We have indicated that there is still more money in the child welfare system today than there was last year, over \$6 million more. That is to ensure that the supports are put around the children and to look at a new way of doing business for children in Manitoba.

I believe the decision that has been made is the right decision and there will be the opportunity, with the additional dollars that are within the system today, to ensure that children are kept in their family unit with the supports put around them to ensure that we can keep families together more often in the future.

**Mr. Clif Evans:** Mr. Speaker, will the minister tell the House today when she expects to meet with the federal Minister of Indian Affairs to discuss this discriminatory change? Will she put the cuts on hold until that meeting has taken place with the federal minister?

**Mrs. Mitchelson:** Mr. Speaker, it is not from lack of trying to meet with the federal minister. I have corresponded with him and have not had the opportunity, as yet, to receive a response. I had one meeting set up with the federal minister that he cancelled, and I am working really hard to try to get another meeting.

The federal government does have financial responsibility on reserve, and we talked in great detail in the Estimates process around the task force that was done on aboriginal peoples for Child and Family Services.

We are yet awaiting a response from the federal government to indicate whether they will accept their responsibility to support Status Indians on and off reserve and whether, in fact, they are looking at federal legislation. That was the key recommendation. We all know there is a special federal responsibility, and we want them to live up to that responsibility and that commitment and ensure us that they are going to take on that role.

**Mr. Clif Evans:** Mr. Speaker, what rationale was used to make this change in policy, since it clearly was not through consultation with the people affected? Can the minister tell this House today what response she has today to the many people who have written to me to share their concerns about this discrimination on them?

**Mrs. Mitchelson:** Mr. Speaker, I would encourage my honourable friend to share the correspondence he has received with me so that I could respond in greater detail to each and every one of those people who has written.

But, Mr. Speaker, I go back again to indicating that we have a new vision for child welfare, and that is family support, family preservation and family responsibility. I believe this is the right direction to go. There is still more money in the system today than there was last year or in any other year, including those years under the NDP administration.

The dollars will still be there to support the children in the system. As a matter of fact, we will be able to work with families more aggressively to ensure that children do not have to be taken into care and removed from their family unit. We will put the supports in place around the family and around the child for the child's sake.

#### **Provincial Laboratory Committee Restructuring**

**Ms. Avis Gray (Crescentwood):** Mr. Speaker, my question is for the Minister of Health.

The minister is well aware of the continuing controversy over his Provincial Laboratory Committee, and he knows, I would say, that we are in jeopardy of getting a report that is very much

fair, unbiased and truly reflective of the needs of Manitobans.

I am wondering if the minister is prepared to rethink the committee structure and put in place a committee which will ensure that, in fact, we are not pitting private lab interests against public labs and that, in fact, we get the best recommendations for the needs of Manitobans.

**Hon. James McCrae (Minister of Health):** Mr. Speaker, I appreciate that the honourable member prefaces her question by putting a high priority on the needs of Manitobans. That is where I am coming from, too, and I am concerned in the same way that the honourable member is concerned.

I think what is happening is—well, earlier today, Mr. Olfert, the head of the Manitoba Government Employees' Union, made a particular point about this, about union representation on this committee, and in doing so made comments about the other people on the committee. See, you cannot advocate that we ask care providers and people involved in this system to give us advice, and then when we do that, be critical of us for doing that.

If Mr. Olfert does not have the confidence in the leadership of Ron Wally, who is the Manitoba Council of Health Care Unions' representative on this committee, if Mr. Olfert is not comfortable with that, it is not for me to sort out disputes that go on within the union movement here in Manitoba. I suggest that Mr. Olfert take this matter up with Irene Giesbrecht, who is the head of that council, and tell Irene Giesbrecht about his problems with the leadership of Mr. Wally. I do not have that same problem.

**Ms. Gray:** Mr. Speaker, with a supplementary to the same minister, can he tell us, should this committee come up with recommendations which are contrary to the Bass report which is already well documented, a report commissioned by this government, what is the minister going to do if the recommendations from this particular committee are contrary to those of the Bass report?

**Mr. McCrae:** It is always a dangerous thing, Mr. Speaker, to attempt to answer hypothetical questions, so I will pose my own hypothetical

question and answer that one instead of the one asked by the member.

My question is, if there is any recommendation that is contrary to the public's interests, I will not accept such recommendations.

**Ms. Gray:** Mr. Speaker, with a final supplementary to the minister, if the minister is not prepared to accept the recommendations of this committee if they are contrary to the Bass report, why, in fact, are we having another committee when there are well laid out recommendations from the Bass report in regard to laboratory services in this province?

\* (1410)

**Mr. McCrae:** Mr. Speaker, laboratories in Manitoba play an important role, and a lot of money goes into the operation of these labs, be they publicly run or privately owned. I think we should look to a very large number of people who are already on this committee, representing various backgrounds and interests, but bringing to the table expertise that we need, that we in government do not possess all by ourselves.

You cannot, as I say—and this is directed to my friends in the New Democratic Party more than the honourable member. You cannot suggest or urge us to seek the advice of the people in the system, and then when we do seek that advice, come at us for some other thing that really is driven by some major disagreement amongst the unions. I would have thought the New Democrats would have been better placed to iron out those kinds of difficulties than I would. I do not think it is my role to be a referee between unions.

My concern is the same as the member for Crescentwood's, that is, the needs of Manitobans.

#### **Legislative Building Wheelchair Access**

**Mr. Gregory Dewar (Selkirk):** Mr. Speaker, my questions are for the Minister of Government Services.

As is obvious to anybody visiting the Legislative Building, the provincial government is currently spending hundreds of thousands of dollars repairing the steps to the building.

My question is, could the minister inform Manitobans how much money they are spending, how long the construction will take and whether there will be a wheelchair access ramp added to the front of this building?

**Hon. Gerald Ducharme (Minister of Government Services):** Mr. Speaker, I am surprised the member from across the way has noticed. We have been going since last Wednesday.

First of all, it is not just repair of the steps. There is a complete removal of the granite steps. There is demolition and removal of the existing reinforced concrete structural slab. There is rebuilding the reinforced concrete structural slab, and then we will replace the steps.

All four steps surrounding the building will be done. The period is until November 1. The first phase will be finished about July 1. The lowest of all tenders was \$752,000 to do the total building and the total steps, four steps surrounding the building, Mr. Speaker.

**Mr. Dewar:** It is a good thing, Mr. Speaker, that the minister can read his briefing notes, but he did not find the answer to the question.

Mr. Speaker, this week is National Access Awareness Week. My question is to the minister.

Is he including in the plans of the rebuilding of the Legislative steps a wheelchair access ramp for handicapped Manitobans?

**Mr. Ducharme:** Mr. Speaker, if we would have gotten to Estimates last year, the member would have seen in the Estimates that we spent in this building \$152,000 for wheelchair access upstairs, and new wheelchair access at the back was done also in that \$152,000 last year.

**Mr. Dewar:** Mr. Speaker, it is a shame that handicapped Manitobans have to enter the building from the back door.

Mr. Speaker, my final question is for this minister. What example is this government setting for all community organizations in this province when they will not put wheelchair access facilities at the front of this building?

**Mr. Ducharme:** Mr. Speaker, I am amazed that the member would ask, when they waited—they were here for 20 years, and wheelchair access could not even be upstairs in the gallery.

We had wheelchair access in the west end of the building updated last year, so I hope this year maybe the member will get to Government Services, and we can explain some of the things we have done throughout this building.

### Capital Gains Tax Family Trust Exemptions

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

Family trusts were exempted from capital gains tax by the Liberal government in 1972 for a period of 21 years. Instead of allowing this exemption to end in 1993, the Mulroney government extended this exemption for another 21 years, thereby giving up an estimated \$1 billion in tax revenue. It is now under review by the federal Minister of Finance.

Can this Minister of Finance advise the House whether he has a position on this matter?

**Hon. Eric Stefanson (Minister of Finance):** Mr. Speaker, I will take the details of that question as notice.

**Mr. Leonard Evans:** I would ask the minister, Mr. Speaker, if he would undertake to contact his federal counterpart and urge him to end this exemption on the basis of bringing about a fairer tax system. The federal government is cutting UI benefits, yet allows family trusts to be exempt from taxes. It is time to end this unfair situation.

**Mr. Stefanson:** Mr. Speaker, I will take that part of the question as notice, as well.

**Mr. Leonard Evans:** I appreciate that, Mr. Speaker.

Has the minister been lobbied by anyone or by groups such as the Canadian Association of Family Enterprise on this matter of extending the exemption of taxes on trusts?

**Mr. Stefanson:** Mr. Speaker, the organization the member for Brandon East refers to has not made contact directly with my office or myself. They

may have somewhere within Finance, but if they have that information, it has not been brought to my attention.

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

#### Introduction of Guests

**Mr. Speaker:** I would like to draw the attention of honourable members to the loge to my left, where we have with us this afternoon Mr. Jean Allard, the former MLA for Rupertsland.

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

#### NONPOLITICAL STATEMENT

##### Portage School Division Award of Excellence

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

**Mr. Brian Pallister (Portage la Prairie):** Mr. Speaker, I am pleased to rise in the House today to pay tribute to a friend and a fine teacher from Portage la Prairie. Mrs. Lou Collett, a teacher at the Crescentview School for the last 13 years, was recognized by her peers last week in our school division. Lou was presented with the Portage School Division Award of Excellence for her dedication.

School Principal Cornie Furdievich said that Lou genuinely cares for the children and is always there for them. Lou was praised as standing above many of her peers for her willingness to take an active role in the education of our children. She takes on tasks that are given to her without complaint, and she does not seek personal recognition.

In addition to her professional duties, Lou is a dedicated wife, mother and volunteer in our community, Mr. Speaker. It is that kind of dedication to the future of our education system in the community of Portage la Prairie and in the province of Manitoba that I know all of us in this Chamber want to praise and recognize.

Lou Collett deserves our recognition and our thanks. I join with my colleagues, her associates,

family and her many friends in offering her our congratulations. Thank you.

\* (1420)

#### ORDERS OF THE DAY

**Hon. Jim Ernst (Government House Leader):** Mr. Speaker, I move, seconded by the Minister of Finance (Mr. Stefanson), 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 Agriculture; and the honourable member for Seine River (Mrs. Dacquay) in the Chair for the Department of Justice.

\* (1430)

#### COMMITTEE OF SUPPLY (Concurrent Sections)

##### AGRICULTURE

**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 the Department of Agriculture.

When the committee last sat, it had been considering item 3. Manitoba Agricultural Credit Corporation, Administration, on page 16 of the Estimates book.

**Hon. Harry Enns (Minister of Agriculture):** Mr. Deputy Chairperson, allow me to introduce senior management officials of the Manitoba Agricultural Credit Corporation. To my immediate left is, of course, Mr. Gill Shaw, the General Manager. We have Ms. Charlene Kibbins who is the Regional Credit Manager operating out of Morris and also responsible for special loans. We have my Deputy Minister, of course, Mr. Greg Lacomby, whom you have met before and Ms. Davetta Sheppard who is

the Director of Finance Administration of that corporation.

Allow me a very brief introduction of this item of my Estimates. The Manitoba Agricultural Credit Corporation has proven over the many years to be one of the main tools available in the arsenal of the Department of Agriculture to support agriculture in the province in its many diverse areas. But specifically, it has enabled governments, both this one and previous administrations, to find some method of expression in a real way of the priorities of the government of the day whether it is the direction of special assistance to young farmers, whether it is the consideration of other difficulties in the farming area as it was in the mid-'80s when extremely high interest rates were of considerable concern to the then administration. It enables the government to focus in on the specific areas that are deemed to be of import to that government and ministry.

In that light, in the past four or five months or certainly the past half-year, some significant amendments have been made to the Manitoba Agricultural Credit Corporation's way of doing business. They include upping the limits of loans available, more or less taking into consideration the reality of farming today.

They also have created more flexibility in enabling us to consider seriously what could in the past have been termed hobby farmers, if you like, though that perhaps is not the right term. There were specifications in the regulations that prohibited the Agricultural Credit Corporation from considering a loan application from persons who were earning in excess of a certain amount of dollars off farm. Members of the committee will be only too well aware that in today's world all too often start-up farmers, young farmers, that we encourage and want to see enter agriculture, have to have employment off the farm to enable them to get started. The amendments that I refer to take that into consideration.

Amendments have also been made to one of the programs that we have had considerable success with, and I predict a growing success mainly due to

actions taken by the provinces of Alberta and Saskatchewan. I am referring to the support programs that the corporation provides to entice, encourage and try to build up the cattle feeder industry in the province again. We have a number of co-operative groups of young farmers, cattle farmers, joining together and being supported by the corporation in this endeavour.

To recognize the increasing importance of livestock operations in the Manitoba agriculture scene, a further amendment has been concluded and passed just recently that strikes out the word "cattle" because it was specific and inserts the word "livestock" which would enable a corporation to respond to similar proposals from other producers involving livestock other than cattle, and of course hogs, pork, come to mind.

So, Mr. Deputy Chairperson, I make these few comments and invite honourable members of the committee to hopefully offer their constructive advice, criticism, if need be. No operation of government is above and beyond criticism from time to time, and I am sure that senior members of the corporation will accept your comments in the spirit and manner they are given to enable them to do a better job for the primary producers of Manitoba.

**Ms. Rosann Wowchuk (Swan River):** Mr. Deputy Chairperson, I thank the minister for those opening comments. There are several questions that we want to address in this area.

The minister indicated that many young farmers are working off farm now, and in fact it is not only young farmers but many farmers and their spouses have had to take off-farm jobs to continue to be able to hang on to their farms because of the difficulties that the industry has been in for the past several years. I think that is a good move, that there is more flexibility in that part of the act to allow those people who are trying to get started in farming, but when their assets were looked at or their occupation was looked at, they were not classified as farmers and could not access the money. So I think it is a good move on that part of the corporation to address that.

The questions I have to ask are, to begin with, general questions about the corporation, about the number of people who are accessing loans and whether the corporation is still being called upon as often or whether there is a change in pattern. I would like to know some comparison over the last couple of years to this year on the people who are accessing funding. Is there a trend to move away from the Farm Credit Corporation, and are people going more to their local banks and getting funds more through their local banks?

**Mr. Enns:** Mr. Deputy Chairperson, I can comment just generally to the honourable member for Swan River that the corporation has in the past 12 months experienced a fair bit of activity with the situation being that interest rates have dropped substantially in the other sectors—well, just generally speaking, by the various money-lending institutions of the province. That has put a call on the corporation to enable contract holders to take advantage of the clause in the contract that provides for no specific penalty for writing down a long-term mortgage in favour of another institution.

I would want to freely acknowledge that a number of accounts had done just that, principally with the federal credit corporation, which have, I think it is fair to say, actively pursued some of the accounts to do just that.

However, the interest situation is volatile. The Bank of Canada rate is going down a few weeks, then going back up again. This is a normal situation for the corporation to deal with. It is always our primary interest, of course, to serve the best interests of our contract holders, and if in fact they can save themselves some dollars by making that change, they have done so and we have accommodated them. There have been some costs associated with that, of course, because mortgage documents are not drawn up for free, and the institutions, both the other institutions and ours, have to make these charges.

Now, the other part of the question, there has been considerable activity with respect to the '93-94 loan applications. Some 456 direct lending loans were concluded for a total of some \$24.5

million. We have a fairly active program of guaranteeing loans, which is another form of support that we provide. We did that to some 370 applicants, in effect guaranteeing an additional \$26.6 million.

We have established two more additional feeder associations—these were the associations that I alluded to in my brief opening comments—for a total outlay or exposure of some \$13.8 million. I believe we have in the order of eight of these feeder associations operating with a total exposure of about \$17 million. These are doing extremely well.

They are providing just the right amount of help, in my opinion, to make it happen, and I predict quite frankly that the corporation will see more activity in this area as more and more Manitoba producers realize, and Saskatchewan and Alberta producers, that there is no particular advantage out of taking the calves out of our province. They may not be completely finished here, but I think you will see more backgrounding programs and, generally speaking, more feeding programs taking place in Manitoba. There are some 281 members involved in these eight feeder co-ops that I speak of.

\* (1440)

Further information for the honourable member for Swan River (Ms. Wowchuk), as indicated, the federal credit corporation has been aggressive and quite active in Manitoba. Their total of loans to date numbers some \$50.2 million, which covers some 729 accounts as compared to \$29 million just a year ago covering some 391 accounts. So that gives the member for Swan River (Ms. Wowchuk) a pretty clear idea of the action taken by the federal credit corporation this past year. Suffice to say, though, what is important is that Manitoba farmers are accessing credit, whether it is our corporation, whether it is the federal credit corporation or indeed whether it is the credit unions and the private banking institutions.

**Ms. Wowchuk:** Mr. Deputy Chairperson, can the minister indicate, then, what you are saying is that the people—is the minister saying that the clients that were with the MACC have been able to get

lower interest money from FCC and have transferred their accounts there? Is that why the increase has gone—

**Mr. Enns:** Mr. Deputy Chairperson, staff advises me that, yes, that has occurred, and the reason for that, I will just cite a few examples where the differences become apparent. Under, for instance, a 15-year mortgage rate with our corporation, the interest rate would be 8.75 and they are at 10.25. Why would they change? This is not the information that I—

Allow me a little bit—but we are satisfied that on any length of period of time Manitoba Agricultural Credit Corporation consistently provides probably the best money at the best rates available. But loans that were made some years ago at considerably higher interest rates—we have situations where a farmer will have an outstanding mortgage, 15-20 year mortgage, that we are charging him 12 or 12.5 or 13 percent interest rates and along comes FCC, as they have done this past year, and say, look, we will offer you a 10-year mortgage rate at 8.5 percent or a 15 one at 10.25 percent. That, then, has been reason enough, depending on the amount of savings that the actual borrower can accrue to incur the expenses involved in making that change.

I point out our corporation has no penalty for that buy out of that mortgage, but there are costs involved in meeting the redrawing, redrafting of the new mortgage arrangements with the new lender, but those are the kinds of examples that have caused this to happen.

**Ms. Wowchuk:** Mr. Deputy Chairperson, I understand that with the Fishermen's Loans Program, when the interest rate was at a high rate and then the interest dropped in this last year, the fishermen were able to negotiate on the fishermen loans a lower interest rate without changing to another institution.

I wonder, was there a possibility of doing that, and did the department give any consideration in order to retain those accounts to write down the interest rates? Is that a possibility?

**Mr. Enns:** Mr. Deputy Chairperson, the fishermen have always had a kind of special relationship, and

it is true that they have enjoyed some particular provisions under the borrowing provisions that enabled them to, for instance, convert a loan. If he had an outstanding loan that perhaps was taken out at a time at 11 or 12 percent and he was taking out some additional money, it would then be blended and brought down to the current level of interest which may be 7 or 8 percent or 9 percent.

I am not really qualified to deal too excessively with respect to the fishermen's loans because the member will recall that entire portfolio was taken from the Manitoba Agricultural Credit Corporation a year ago now, I believe, or two years ago and transferred to the economic development council or corporation under the then capable leadership of my great friend Hamish—what is his name? His name escapes me—Downey, the member for Arthur. So the honourable member would have to await the Estimates of my colleague the Minister of Natural Resources (Mr. Driedger) to delve into the specific details of the fishermen's loans.

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

**Ms. Wowchuk:** Mr. Acting Deputy Chairperson, the minister misunderstood me. I was not trying to get into the details of fishermen's loans. I was asking whether there were provisions under the Manitoba Agricultural Credit Corporation to write down interest rate loans rather than the farmers having to go through the expense of transferring to another institution, such as the Farm Credit Corporation or a credit union or another bank. I was only using the fishermen's loans as a comparison because I know that they have the ability to do that there. Is there any ability in the legislation with the MACC to write down the interest rates?

**Mr. Enns:** Mr. Acting Deputy Chairperson, this has been an issue that the corporation has discussed with me on numerous occasions. My recommendations to the corporation have been that in all instances to be as forthcoming and co-operative as possible with the contractholder. We recognized that in some instances that there



would be significant savings involved for the contractholder.

All the time, I think the honourable member should appreciate, this difference showed up on the corporation's books as a cost or charge to us because we contract that money from the province. At the time the mortgage was given, and that procedure has not changed since virtually the inception of the corporation, we have as good a rate as we can get from the province. I think it is the provincial rate of interest plus 1 percent to cover some of the administration costs. So that when five years ago or eight years ago the corporation received X number of millions of dollars at what then was the rate, 12 percent, 13 percent, that is a charge to the corporation that we have to pay back to Treasury Board to the Consolidated Revenue Fund at those levels.

So to the extent that we accommodate the contractholder in getting out of that obligation, if you like, to take advantage of cheaper money, that costs the corporation some money. We are monitoring that on a fairly constant basis. I share the concern that the corporation has, that this is manageable. I am advised that it is, that we have not had reason to, for instance, seek additional funds from Treasury money to cover any of this shortfall, and we will be in a better position a year from now to indicate to you what, in fact, the changes were.

It is volatile, and even Bank of Canada rates, I do not know what they did today. They went up a bit today and people are watching that. For a period of time interest rates were on a steady and regular decline. That has changed somewhat in the last little while, and that is being reflected in this kind of activity.

\* (1450)

**Ms. Wowchuk:** The minister had indicated that there were in the last year loans for some 456 clients that have direct loans at the present time. How does that compare to the number of loans that we would have had a couple of years ago? Has there been a large decrease in the number of people who are taking out their money through the corporation?

**Mr. Enns:** I should have the '92-93 immediate past year by way of comparison. We find numbers that I would say are very comparable. Direct loans, 341; stocker loans, 91; guaranteed loans, 370, which is virtually the same as—well, no, pardon me, 377. We have these charts. If we go back a few more years to '91-92, '90-91, '89-90, '88-89, that five-year period, the total loans range from 414 for '91; 458 for '90; 475 for '88-90; 282 for '88—so basically a fairly level flow, yes.

**Ms. Wowchuk:** Many farmers, because of high interest rates and situations that they have gotten into, have not been able to carry through on their financial commitments and have had to renegotiate or else close down their operations. In the last year, how many farmers have had their loans foreclosed on them by MACC?

**Mr. Enns:** Mr. Acting Deputy Chairperson, I am pleased to report that the general manager informs me that we have had no foreclosures in the past year. Now that is not to say—and I want to indicate to the honourable member that we do have continuing activity, although, again, much less with the Farm Mediation Board which, you know, the corporation has some familiarity with but which is dealt with somewhat separately in the Estimates. I would be pleased to try to answer any questions that I can at this time.

Again, just for further information for the committee members, there were a total of 78 loans that went to mediation of which 54 were resolved. Again, it is a percentage figure that I take some comfort in in the sense that these are obviously situations, as the member herself described, that had some pretty serious difficulties to trigger this mechanism. So, of those 78, 54 were resolved. There are currently some 24 cases still unresolved, but they are being worked on, and they are being carried forward—54 resolved, 24 unresolved of a total of 78.

**Ms. Wowchuk:** We will get back to that a little later on, but the minister had talked about new loans and new areas that the corporation was lending money in. There is a new industry, talk about extension in the feeder associations. The hog industry is growing very quickly. Another industry

that is very important to rural Manitoba is the PMU industry, and I wonder, has the association lent any money to PMU operations, and how many of them have borrowed money through this corporation?

**Mr. Enns:** Mr. Acting Deputy Chairperson, staff advises me that, yes, we have involved ourselves in supporting the expansion in the PMU industry. Some 28 new accounts were provided financial assistance, too, by the corporation, which represented some 40 percent of the total of the new and expanded PMU operations in the last year. I do not have the total amount, dollar figures, involved in the loans. I suppose we could take that as notice and provide that to the member at some later date.

**Ms. Wowchuk:** I would take it that those loans—you had indicated that it was just over the last two years that you had begun lending money into the PMU industry.

**Mr. Enns:** Mr. Acting Deputy Chairperson, the member may or may not be familiar with the fact that one of the difficulties about providing assistance to the PMU industry was that up until just the last two years the contracting company, Ayerst, provided only one-year contracts. That provided a difficulty, understandably, for credit grantors, whether it was our corporation or the private sector, banks and credit unions, to respond to legitimate loan requests from PMU operators.

It was under the kind of forceful direction by this government when approached by Ayerst Organics to provide some assistance to them, as we were pleased to do in the final analysis, along with the Government of Canada through the Western Diversification Fund, but I was certainly strongly supported by, again, my colleagues like the member for Arthur (Mr. Downey) and others, that we lean on the company to provide longer-term contracts which would then provide the kind of security that the corporation and the private sector could respond to.

\* (1500)

We knew that there would be demand for these monies. We were being told, and we were being assured that there would be an expansion take place. Existing operators, in some instances, you

know, needed to modify, enhance and enlarge their facilities, and of course the new operators building to the now fairly stringent conditions that are involved in housing requirements by the company's own code of ethics in the humane and appropriate treatment of the animals housed in the PMU barns—that there would be demands for credit.

So we were able to convince Ayerst Organics for the first time in its considerably long history of doing business in the province of Manitoba to provide and to offer to our PMU contract holders extended—I think they were five-year—contracts, which is a first for the company. So that then gave the corporation sufficient confidence to provide loan assistance to these operators.

**Ms. Wowchuk:** Are all loans negotiated at an equal rate? Is the interest rate regular for everybody? I guess I am looking at, because the minister says this a more stable industry, whether there is a variance in the interest rate or whether it is people going in to borrow money for land or cattle or for the PMU industry, or is it all negotiated at the same interest rate?

**Mr. Enns:** Mr. Acting Deputy Chairperson, the member is correct. The rates are the same for all loans made to any primary producer in the province of Manitoba. The differences are in the terms of the loans, ranging from one to 30 years. There is a different scale of interest rates charged, and they are amended or changed in mid-term on an annual basis—or mid-month, pardon me, on a monthly basis.

The difficulty was that with a one-year contract the corporation was simply not in a position to consider them. I am advised that that was also the case for many of the private lending institutions. They just wanted greater security, because it is understandable that unlike other agricultural products for which markets are there, maybe not always under the conditions and terms that the producer would like—but you know, I may not be happy with next year's cattle prices, but I will sell my cattle. The difficulty with this product is there is only one end user of the product. If that end user, for one reason or another, is not there to purchase

the next year's product, the credit lending agency has absolutely nothing to fall back on.

**Ms. Wowchuk:** I am pleased that the corporation has seen that this is an important industry in Manitoba. It is a very viable industry. The company has now given the farmers more stability, because it is true there were farmers who were investing a very large amount of money but without any guarantees that they would continue to be able to sell the product. Indeed, they still do not have any guarantees if they do not follow all the rules that are put in place by the company. The rules are good rules to ensure that there is a high-quality product and that the animals are being treated humanely.

I guess I would—just one question on that. I want to ask, of the 28 accounts that are in place right now, are there any of them that the corporation is experiencing any difficulty with, or are they all sound operations?

**Mr. Enns:** It seems to be corporate agreement at the table here that they are all very sound.

**Ms. Wowchuk:** I have many more questions in this area, but I will defer to the member for Arthur-Virden (Mr. Downey) who has some questions as well, and then when he is done go back to the questions that I have.

**Hon. James Downey (Minister of Industry, Trade and Tourism):** I not only have some questions, I have a few comments I would like to put on the record as I think it is important to acknowledge, as Minister of Industry, Trade and Tourism but also as a member representing a farm community in southwestern Manitoba, the important role that MACC has played and I believe will continue to play.

I think it is important to acknowledge as well for some of the new members that if one were to look back at the history of the province of Manitoba, the establishment of the Manitoba Agricultural Credit Corporation came about under the Duff Roblin Progressive Conservative government, as we saw not only the Manitoba Agricultural Credit Corporation formed but also the Crop Insurance Corporation and many tools which further supported—and call them safety nets if we

like—but tools which were put in place to enable the farm community to play a more active role in the whole Canadian agriculture picture.

So I think one should acknowledge the leadership role that was taken, and I should as well acknowledge the current minister's role in his early days as the Minister responsible for Agriculture. I am sure there have been many changes that he has seen as they have come about, probably more traditionally from land-based loans to more diversified activity. I think that I would ask for a comment at a later time as to really what is the breakdown now as it relates to the loans that are more tending to the diversification sector rather than just strictly land-based.

Let me as well say, Mr. Acting Deputy Chairperson, I am as well aware of the fact that it was a Conservative government that introduced the Young Farmer Rebate program which encouraged young people to get into farming, to reduce some of the up-front costs; and as well acknowledge the fact that it was a Conservative government that brought in the off-farm income capability where people were not penalized if they earned money off farm, but they can in fact go to MACC to borrow money and were not restricted from borrowing from them.

Again, the member for Swan River (Ms. Wowchuk) may not like to hear this, but I think it is important that the members of this committee appreciate it as well. I note the numbers of feeder cattle co-ops that are in the province of Manitoba, now some eight feeder cattle co-ops which again are adding value to a very important resource in the province of Manitoba, that being the beef industry. The ones that I am aware of, and the minister may want to comment, are working extremely well as it relates to the maintenance of livestock on farms, but adding value to those cattle using the resources that each farmer produces and, again, adds stability to the industry all the way through that sector.

So I am just trying to do a bit of an overview, Mr. Acting Deputy Chairperson. I say as a rural member, and also the Minister of Industry, Trade and Tourism, I am pleased the direction that the

credit corporation is going. They have made changes as it relates to the needs of the farm community.

I also would like to ask the question as it relates to turnaround times for loans. It is my understanding, and I know one of the concerns that constituents that I have had brought to me is that they are concerned about the amount of time that it took to get at least an indication from the Manitoba Agricultural Credit Corporation whether or not they would qualify for a loan. I would like to know what the current turnaround time is from first contact to office as it relates to some indication if it is at all viable, as to when they may be able to proceed. Maybe the minister could give us what it was some five years ago as to what it is today as it relates to turnaround time within the corporation.

(Mr. Deputy Chairperson in the Chair)

I would also like to know, Mr. Deputy Chairperson, what is the direct connection between the mediation and the mediation department within agriculture and also the ability for the Manitoba Agricultural Credit Corporation, how does it use the mediation as part of the corporation's activity? If an individual is in trouble, can they say to the constituent or to the farmer, look, you have a financial difficulty, we have had difficulties with you in dealing with you before, we would appreciate that you go to the Mediation Board and get some kind of a statement or a support, then we as Manitoba Agricultural Credit Corporation can help you. It is my understanding the policy is if you have lost money, the corporation has lost money with a client, that they have to go through the mediation system to in fact qualify to get into MACC support again. I wonder if the minister could give us a little clarification on the connection between the credit corporation and the mediation within the Department of Agriculture.

I would also like him to comment as well, Mr. Deputy Chairperson, because I think that the member for Swan River—and I appreciated her comments and her questions about PMU. I again acknowledge the work that the MACC did in working with the banks and the government to encourage Ayerst to expand the length of time on

which they could contract to the producers. Would it be helpful if there was a statement that continually came out from the New Democratic Party and the Liberal Party of a full endorsement of an industry like PMU that would give support to MACC and their loans, the confidence in those loans?

\* (1510)

Could I as well ask, if it would help the minister in the expansion of agriculture—because we know that if we were to double the hog production in Manitoba, MACC would be playing a considerable role in the financing of some of those operations. There are some 8,000 to 10,000 jobs, I understand, if that were to take place. Would it be helpful as well if we had the two opposition parties to make a statement of policy as it relates to supporting MACC, a vote of confidence in them and their ability to lend money in this field? Would it be helpful for the minister if the two parties would come out and endorse an expansion in both the PMU operation and the hog industry in Manitoba? Would that be helpful in his drive to create jobs in rural Manitoba and related processing jobs as it relates to—[interjection] No, these questions are directed at the minister.

The Liberal Party will have ample opportunity in the coming weeks to put their position forward as it relates to how they support the livestock sector in this province. They have been very silent, in fact, somewhat negative to this point. I am saying that of the Liberal Party because they have not—silence is certainly not good enough.

I would also like to—and it does not have to happen today, but the minister could probably give us some of the limits which they now have in place as it relates to loans. As the industry has grown, there has had to be changes in maximums which producers can borrow, and I would like the minister to give us some of the indication as to what has happened as it relates to limits that are available to the producers. I would also like to just get an idea of, as I said at the outset, the numbers of loans that are now in diversified operations as it relates to straight grain operations. What has that

change been over the last period of, say, five or so years?

I want to conclude my comments, Mr. Deputy Chairperson, by saying that I compliment fully the minister, the staff and all those people working at the Manitoba Agricultural Credit Corporation for their work because it is an important tool for the expansion and growth of agriculture, particularly as it relates to the diversification of agriculture.

That is why I ask the question, if it would be helpful for the two opposition parties to come out fully behind the work and activities of which public monies are being lent: into PMU, into hog expansion, into the feedlot co-op activities. Those are the kinds of policy statements that we really have not heard come from the Liberal or the New Democratic Parties, so I am asking the minister, in his operations with MACC, if it would be helpful for them to come out and fully endorse the expansion of both the hog industry, the PMU operation, because it adds security to the public monies that are lent in these operations.

I would just like the minister to comment on those questions and again acknowledge the work of the MACC and all the staff for their hard work and effort on behalf of the constituents that I represent and the farm community, Mr. Deputy Chairperson. Thank you.

**Mr. Enns:** Well, Mr. Deputy Chairperson, I do welcome and I am genuinely appreciative of the kind comments directed at me personally and at the senior staff. However, I say that with some reservation. His somewhat partisan attacks have aroused deep within the bosom of my agricultural critic deep and dark and emotional political rejoinder which I fear will disturb the pastoral serenity that has thus far dominated these considerations of the Department of Agriculture.

Nonetheless, he has reminded me of my responsibility and he has a point. For instance, on the question of the turnaround which is of some importance, the turnaround today is 11.42 days as compared to 78 days in '87 or 47 days in '88 and in '89, 31 days. There has been a steady progression. I take no credit for this, but I am certainly pleased to read these into the records because the member

for Arthur is correct. The senior management at the corporation has made that an obvious priority, and they have succeeded. So I am pleased to read that into the record.

Other questions that the honourable member has indicated were about raising the limits and being in greater recognition of today's agriculture. They have been raised from \$150,000 to \$250,000 for long- and immediate-term loans. The guaranteed operating loan has been raised to \$150,000. The stocker agreement loans have been raised to \$60,000 which in combination were at a maximum of \$3 million and are now up to \$5 million, partly anticipation of the added activity that we will see in this area of loans. We should understand that.

We do not attempt to service those, whatever it is, 10, 15 or 20 percent of what you would call the large commercial farming operations. They have, quite frankly, no need of our service. They are financially sound, secure, to make their own banking arrangements. We are targeting specifically the medium- and the start-up farmer. That is the mandate of the corporation and, unless otherwise directed, that is the mandate that we will continue. Our job is to get them into that quarter-of-a-million dollar range and, if they then choose, to be moved one step further into the more commercial type farming operation, God bless them. That is the role of the corporation.

We have specifically directed and I would ask the corporation, even in the last year, what was the direct support, if you like, of the Young Farmer Rebate program? It was in the millions of dollars, \$4 million I am advised. The honourable member for Swan River (Ms. Wowchuk) frequently asks that question. What is the government doing for the young farmer, the start-up farmer, is a \$4-million rebate on interest rates that the young farmers have received from this corporation during the past year.

I would hope that the corporation members of the committee will support me and the corporation in recognizing that they have, in my opinion, an expanding role to play in the future livestock expansion that, in my humble opinion, needs to take place for numerous reasons. We will perhaps

get into greater discussion about that when we deal with the Animal Industry Branch and its various components, but certainly the credit corporation has a very specific role to play in helping to accommodate, helping farmers adjust, in some cases, coming back into a livestock operation that they had abandoned or their fathers had abandoned years ago to gain re-entry into that part of the farming business.

\* (1520)

**Ms. Wowchuk:** Mr. Deputy Chairperson, the minister referred to the Young Farmer Rebate program, and he had indicated that \$4 million had been deferred in loan payments. I want just some information on how the Young Farmer Rebate program works. Does it apply only to people who are borrowing money through MACC, or does it apply to those people who cannot borrow money through MACC and have chosen to borrow money through a different financial institution?

**Mr. Enns:** Mr. Deputy Chairperson, no, the program is restricted specifically to accounts held by Manitoba Agricultural Credit Corporation.

**Ms. Wowchuk:** Then I would take it that—has that amount decreased from what it was last year, or has there been an increase in the amount of money that is paid out through the Young Farmer Rebate program?

**Mr. Enns:** The actual rebate paid figures for the last three years indicate that we had some \$3.2 million paid out in '92, some \$3.7 million paid out in '93—pardon me, 4.1 applied to this point of time in the '94 year. What has occurred, I am advised, that there is virtually a hundred percent compliance with meeting the due date on their loan payment to take advantage of the rebate being offered.

That may be somewhat surprising to the honourable member in view of some of the harvest conditions that we have had in the last few years, but it again indicates the kind of support that payments under the different safety programs, notably the GRIP program, have enabled farmers to make these payments. They have made the payments and have received full advantage of the interest rebate on their accounts.

**Ms. Wowchuk:** If this only applies to farmers who have their loans with MACC, it seems like that is an unfair advantage to those farmers. What percentage of the farmers' accounts would MACC have as compared to those that are through other financial institutions?

I am wanting to know how much of an advantage it is, and I guess I look at this and I wonder whether the corporation has ever looked at the possibility of applying the Young Farmer Rebate to loans that are held with other institutions. Is that possible then to create some fairness for those people as well who are borrowing money through other ones? They are still operators. They are still facing financial difficulty. Is that an unrealistic goal, or is it something that has ever been considered?

**Mr. Enns:** Mr. Deputy Chairperson, I think the simple answer to the question is no, that it has not really been considered. It is questionable whether it ought to be considered. It is, after all, a program that is offered to young farmers of Manitoba. If they wish to avail themselves of this service, they step forward to the various offices throughout the province of Manitoba and do just that. We have no way of knowing—it would be very difficult to track any number of loans that may have made credit arrangements with the private lending institutions of the province. That is just too difficult a number to inquire about.

I should point out to the honourable member that upwards to 96, 97 percent of all our new clients are young farmers. Obviously, it indicates to me that we are successfully and particularly targeting this group of new entrants into farming. I think that is certainly an objective that members of the committee would want to see supported. We are concerned about the age of existing farm operators, and if there is to be government-sponsored, by one means or another, support for new entrants into farming, it surely ought to be focused on what we call the young farmer. It would seem to indicate that is a message that has been reasonably well communicated to the farm community in Manitoba when such a high percentage of our clients are in fact in the young-farmer category.

**Ms. Wowchuk:** I certainly agree with the minister that we have to look at ways of targeting our young farmers and giving them the opportunity to come back to the farm, particularly with the aging population that we have in many communities and in the farm community.

Since this rebate applies only to loans that are with MAAC, is there any provision for farmers who are with a banking institute or a credit union to transfer their loan over to MAAC as there was with—they have transferred out from MAAC to FCC to get a lower interest rate. Is there any provision to take up loans to allow these young farmers to take advantage of the program?

**Mr. Enns:** Mr. Deputy Chairperson, I am advised that we do encourage young farmers to come to us if they are facing a situation of refinancing of debt that they have accrued elsewhere where this program is not available. If they otherwise meet the age criteria, they are then eligible for that Young Farmer Rebate.

In other words, a young farmer who has farm debt at a credit union or at a bank and is made aware of the fact that had he had that portfolio with us he would be eligible for—and they are substantial savings on any length contracts, 10 year.

It is 2 percent of the outstanding principal of the loan for the first five years to a maximum of \$10,000. So it is appropriate to say that upwards to \$10,000 is available as a direct support payment, if you like, for that young farmer.

As I started to say, that young farmer who may not have started with our program but hears of our program, wants to take advantage of this program, as the honourable member for Swan River (Ms. Wowchuk) is suggesting, can come to us. We will refinance and consolidate his debt and if otherwise eligible for the program would be eligible for that upwards to \$10,000 support.

**An Honourable Member:** And young.

**Mr. Enns:** Oh, it is so cruel. Young is under 40. I do not qualify any more.

**Ms. Wowchuk:** Just one more point on the Young Farmer Rebate, does that apply to any loan or is it

loans just for land? Can it be loans for livestock, loans for equipment?

**Mr. Enns:** I am advised that it applies to virtually all loans with the exception of the stocker program, which is treated as a separate program.

**Ms. Wowchuk:** Moving on then to the feeder association program, the minister had said there had been a large expansion, going from two loans to eight associations that have been established. How many applications were made to establish feeder associations—there are eight now—but how many areas, groups of people have tried to get loans but have not qualified?

**Mr. Enns:** Mr. Deputy Chairperson, staff advises me that we are not aware of any group that has seriously approached the corporation being turned down. The honourable member will appreciate that it takes a bit of doing to get them started. These are groups of farmers who wish to feed cattle on a co-operative basis. They have specific individual requirements to have in place with respect to funding. Facilities, of course, have to be in place, and there are, for instance, at this time four additional groups that are in discussion with the corporation for still further expansion of this program.

\* (1530)

For the record and for the committee members' information, the associations can be identified: Delta Plains in the Carman district, we have one in the Teulon district, one in the southwest district at Deloraine, one in the Ste. Rose district, Vita, Riverton, Prospect, Hamiota, and the Dugald area, the Baldy Mountain area, Sifton, Killarney, Sandhills, in the community of Austin, Beausejour and Roblin, involving a total of 327 individual producers. They are contracting with, what they call, 149 contracts involving over 13,500 feeders, and the loans currently outstanding on these, at time of this compilation on this particular group, was some \$8.79 million.

I indicated to the honourable member that it is my feeling, I could be wrong, but I just believe that there will be considerable growth in this program. The program has grown, for instance, from 1992, when the program was introduced. In the first year,

we had some 8,000 cattle on feed. In the year just concluded, 1993, that moved up to slightly in excess of 20,000. I suspect that the '94 figures will show again substantial growth.

As I mentioned, the actions taken by our sister provinces of Alberta and Saskatchewan will in fact encourage that growth. So I have asked officials within the corporation to kind of anticipate that growth. I ask honourable members of the committee, if I should need some additional financial resources to accommodate that growth, I would like to think that the honourable member for Swan River would be among the first that would accompany me to Treasury Board on some occasion and help me persuade that group of my colleagues that I will choose not to put on record what I sometimes may wish to put on record.

**Ms. Wowchuk:** I would welcome the minister's invitation to join him to pursue additional funds to help the growth of any sustainable industry in rural Manitoba, and I will wait for that invitation to deal with that.

I want to still continue on the feeder association program. When an application is made, is the credit rating of each of the people who is in the association taken into consideration? It is my understanding that if an individual has been involved with the corporation, has had difficulty in farming, perhaps has gone through the Farm Debt Review Board, that he or she will not be allowed to be one of the partners in the corporation.

**Mr. Enns:** Mr. Deputy Chairperson, I want to report to the committee that we are dealing with public taxpayers' funds, and we wish to do that with the prudence that the taxpayer would expect of us. I attach absolutely no blame on governments past or current, but particularly in the area of beef livestock we have had several different programs which, while I am sure provided support to certain levels, certain degrees, but also in some instances, and including even to the current time, left the department or the government of the day holding on to some accounts that simply have not been repaid.

That is, I suppose, normal happenings whenever you grant lines of credit. It happens to banks, it

happens to credit unions, it happens to our Crown corporation, although I am pleased to report, and I will be pleased to answer a specific question on that, to a very, very low degree.

Certainly in the area, particularly of some of the past support programs for the beef cattle industry there have been some less than totally satisfying experiences, in terms of putting the necessary security behind the kind of loan guarantees and loans that were made.

So the procedure is quite rigid, quite frankly, in this instance, and it has a high degree of self-discipline in it. First of all, the individual, if an individual has a poor credit rating or has had a bad credit experience, he has to first of all be approved by the group that he is joining. The seven or eight or nine other people that are part of the co-operative group have to accept him or her into their association. Their individual credit ratings then have to be approved at the bank, because the major portion of the financing is done through the bank and privately. It then is approved by our own credit corporation because of our involvement.

We have had instances, I am advised, where a member that has formed a co-op group like that has had an outstanding balance with the corporation of a loan that had not been paid off. It is then incumbent upon that member, prior to approval being given, for that loan to be repaid. In fact, I am advised by the general manager that that has happened on several occasions.

So there is a great deal of—you may wish to say from one point of view maybe too much—integrity attached to the kind of exposure that the public purse has in its program, but we have all the more of the confidence that we have in the program and all the more, quite frankly, that I am prepared to press my colleagues, my government for our full support of this program. It is in the interests of the agricultural community that more of our livestock is fed in Manitoba rather than shipped abroad, because when we ship them abroad, we ship the jobs out of the province as well.

We have reasons to be concerned about consuming more of our feed grains available in the province, particularly should there be ongoing



changes to the levels of support for putting feed grains into export position as a result of changes to the Crow benefit. Then all the more reason for us to be placing ourselves and positioning ourselves in such a manner that we can find a home for a substantial percentage of our home-grown barley and other feed grains through various forms of livestock.

**Ms. Wowchuk:** I have to agree with the minister that we should be looking at finishing as much stock as possible, and I hope that as minister he will pursue even further the possibility of also processing that product so that we get even more value-added jobs from the livestock that is raised here in Manitoba.

Pursuing the feeder association loans further, the minister said that first the person has to be approved by the seven people that he or she is involved with, but if that person, for example, had a loan written down by the corporation, is that a reject? A doubtful account written off, so to speak, would that be reason for the corporation to reject him or her?

\* (1540)

**Mr. Enns:** Mr. Deputy Chairperson, the short answer is yes.

I have a short correction. The limit of the total in the association that can form is 15, so they can have fairly significant groups.

**Ms. Wowchuk:** Mr. Deputy Chairperson, I have a specific case that I would like to talk about. However, I do not want to put any names on the record, and I would perhaps later be able to talk to the members of the staff to have this particular case pursued. It is a farmer who had faced some difficulties several years ago and has now become well established, but because of the record that he had several years ago, he is unable to participate in a feeder association although the association is, in my understanding, operating. I would like to perhaps talk to the staff and see what we can do to help him pursue this avenue of farming.

**Mr. Enns:** Mr. Deputy Chairperson, I certainly invite the honourable member for Swan River to do just that. It is always appropriate, in my opinion, for any member of the Legislature to

approach staff with specific constituency problems. I, quite frankly, think it is helpful in this case. We are talking subjective opinion. It is recognized that the individuals can have had a difficult experience but that ought not to unnecessarily follow them throughout their lives.

How does one re-establish that credit reputation is by intervening in terms of, in some instances, simply good character references, which in my judgment the honourable member could provide and/or providing the lending agency with additional information or just causing them to open the files and review a past applicant's situation. I am sure that staff will be more than willing to do that, and I want to invite her to provide that information directly to the staff at her convenience.

**Ms. Wowchuk:** I will pursue that after we are done with this section. I want to just ask, again, about where the corporation is going as far as leasing land. The corporation over the years came into a lot of property, property that was taken back. Has there been any change in policy? Is the corporation pursuing to sell a lot more of the land they have taken or are they still renting land out? What direction is the corporation going in right now as far as the land that they have in their holdings?

**Mr. Enns:** We have two kinds of basic categories of land held by the corporation, those that are covered under long term and/or short term. One to five-year leases are, of course,—the decision to sell or not to sell is at the call of the lessee to some extent. There are provisions in the lease for the lessee to exercise a purchase option, but in any event they are long-term leases, you know, over five years up to the age of 65.

We have some 42 of such leases covering some 12,000 acres of land valued at over—around \$1.5 million. We have another 262 short-term leases, that is one year to five years, and that covers some 84,000 acres of land. Now that is a category of land held by the corporation. From time to time some land moves as the lessee exercises the option to purchase, but as I said before that is at the call of the lessee.

Other than that the corporation is under instructions to move land, to sell land whenever appropriate and possible, and there is a steady sales activity that takes place, and overall the figure is declining. We had, for instance, in the year '92-93 some 121,640 acres of land held by the corporation. That figure in '93-94 was reduced to 109,016 acres. Total value of the land in '92-93 was \$22.4 million, '93-94 is \$20 million.

There is no direction or certainly no instruction to the corporation to fire-sale the land. We have appropriate procedures in place calling for a tendering process, unless it is to an existing lessee who has the option, after due appraisal has taken place, to meet the price that is being asked by the corporation. Then the land is sold. It is the desire to reduce the land portfolio, and the corporation is under that instruction.

**Ms. Wowchuk:** Well, there are a couple of questions here. It is the desire to reduce the amount of land that the corporation is holding. I wonder is there difficulty leasing that land out? Is it sitting idle? Has that always been the intent of the corporation to try to reduce the amount of land that they are holding, and is that a new goal to try to reduce the amount of land in the corporation's holdings?

**Mr. Enns:** Mr. Deputy Chairperson, let me explain it this way to the honourable member for Swan River. You see, an acre of land owned by the government has a capacity to produce 40 bushels of wheat. That same acre of land simply transferred to private ownership produces 60 bushels of wheat. That is hard to explain, whether it is genetic or whether the Lord meant it that way, but that is the fact of life.

So that is a political philosophy that differs from the one that you hold but one that I hold very deeply. Very big and proud nation that I am proud to say my forebears came from, tried for seventy years to change that. They are finding out now that that simple equation I just put on the record in fact is true. There is a desire, a greater husbandry, a greater stewardship of the land that is owned by a farming producer than of land that is leased.

**Ms. Wowchuk:** I do not know where the minister gets those figures because I know many farmers who lease land and who make a very good living of it and put their best effort into taking off a good crop. I do not think it is fair to taint all farmers who lease land as people who are incapable of producing to the best of their ability or that they take advantage of renting land and do not work as hard at it, because I do not agree with the minister on that.

But since it is the direction of this minister, and he has indicated in the past seven years that the direction he is taking is to reduce the amount of land that the corporation owns, I wonder what kind of hardship has this put on some farmers and of the land that is being sold. Are the people who have been leasing the land given the first chance to buy that land when it is put up for sale? Is there any special consideration that is given to them because they have been working on that land for some time, and in many cases it is land that they have owned but through difficulties have lost it and are now leasing it back, or is it that when the corporation decides that it is going to sell a piece of land, are they just going to put it out on the market and then put a tremendous amount of pressure on those people who are in it right now?

\* (1550)

**Mr. Enns:** Mr. Deputy Chairperson, there is every effort made to accommodate the farmer in his time of difficulty. If for reasons of farm failure, the farm operator requires the services of our mediation board, and the corporation is forced to foreclose or take back the land—and that is how the corporation acquires the land—every effort is made, and in many instances successfully, that we lease back that same land to the person who is in difficulties.

Now, having shed himself of some of his immediate financial problems, very often he is able within a relatively short period of years, within that five-year period, to exercise the option that he still retains to buy back the land that he formerly owned at the evaluation placed on it by the corporation.

Now, quite frankly, this is usually done at some cost to the public Treasury. When I take these Orders-in-Council forward to full cabinet for approval, they are looked at pretty directly. Because there have been some significant losses for the Consolidated Revenue, if you like, in the sense that here you had farmer A who had maybe a \$150,000, \$200,000 or \$300,000 loan with the corporation and, for whatever reasons, ran into financial difficulty and could not pay off the loans against the land. The land of course was chattel security for the loan. The corporation moves in and takes the land away, forecloses on the farmer, but does not throw the farmer off the farm, and offers the farmer an opportunity to stay on that property and to rebuild himself.

Very often operating loans and other loans have built up far in excess of the value of the land. While maybe a \$300,000 loan in fact has been written off and is on the books, four years later or five years later, when that farmer has brought himself into a position where he can now make a bid on repurchasing his land, he is purchasing land that may be at a price of \$180,000 or \$200,000, and on the books, and in real life, we do not ask the farmer to pay back the accumulated debt that originally got him into trouble. He has an opportunity to purchase back the land at the value as duly appraised by the corporation at the time of sale, and very often that is a considerable difference.

So quite the contrary to what the honourable member is suggesting, I think this is a very legitimate and serious support, that through the corporation, through our Mediation Board, through the Department of Agriculture, we try to do and provide every service possible to help regain a farm family onto a firmer financial footing, which includes the ownership of their land.

**Ms. Wowchuk:** The minister indicates that the leasing program, holding the land and leasing it back to farmers, costs us money and it costs the province money and that there have been loans that have been written down. Can the minister indicate in the last year what it has cost the corporation to write down loans? When he indicates that there is

a loss in leasing land versus selling it off, how much has it cost the corporation to hold that land and lease it out versus selling it?

**Mr. Enns:** Well, Mr. Deputy Chairperson, it has been made plain to me that what in effect happens is that when a loan is defaulted, which brings about the taking back of the land by the corporation, there is an ongoing mortgage against that land that we owe to our Treasury Board, to our consolidated revenue.

The corporation assumes these costs, plus any interest charges, and those are some of the costs that I refer to. Those payments are made and the mortgages concluded quite separate from the future sale of the land back to the party who was originally in trouble. The party is not—you know, the loan, the mortgage is looked after by the corporation and we in fact assume, absorb, all that cost.

(Mr. Bob Rose, Acting Deputy Chairperson, in the Chair)

I do not have the global figure for what that may have cost. You know, I do not know how large it would be—4 and 8 percent of the value of the land. We would have to compile a figure to put that in a global context.

**Ms. Wowchuk:** I would appreciate that if at some point the staff could find out what it is that it is costing the government to pick up mortgages, and what kind of costs are absorbed by the province when these situations arise where the province has to take back the land and carry the mortgage. I think that that is an important figure that we take into consideration. Many times we have urban members who question us on what the cost is of these corporations, and I would appreciate that figure.

Just on the doubtful accounts, then, I would think the doubtful accounts would not take into consideration the mortgages that you pick up from land. These are accounts that are not being paid off, I suspect, and I wonder how much was spent on doubtful accounts. Perhaps the minister could give some clarification on what those doubtful accounts are.

**Mr. Enns:** Well, again, Mr. Acting Deputy Chairperson, I can only state that in the past few years there has been a very satisfactory overall turnaround in the performance, partly reflecting a somewhat more optimistic mood and feeling out on the farm along with some improvement in commodity prices, notably in the cattle prices, the red meat cattle prices.

We have a very low percentage of arrears. As of March 31, '94, only 2 percent of our entire loans portfolio is in arrears. That is out of a total loans portfolio of \$2.4 million and some 6,322 loans. We have in '93-94 what we would call direct loan write-offs, in total some 55 for a monetary total of \$1,312,000.

\* (1600)

That action was taken in the year '93-94, but it covers a span of loans over a period of three or four years or more. These actions, as the member will appreciate, take a considerable time. It is a fairly lengthy procedure before the corporation makes that final decision to totally write off a loan. We make every attempt through the various leasing arrangements, the various arrangements we have with the former property owner, to maintain some presence on their farm.

Well, the member asks these questions, the write-offs, and these were the kinds of write-offs that were called upon because of the very serious difficulty that too many of our producers found themselves in. Some date back to the years '83, '84, '85, but they show up—I give the member the figures for '92, '93 and '94.

In the year ending March 31, '92, upwards to \$3,470,000 of doubtful accounts were written off. The following year, '93, some \$4,348,000 written off. I am advised by my manager that really we are over the hump of the bulk of the bad loan situations, and that is reflected in the pretty considerable drop in this year, 31st, '94. From where it was in excess of \$4 million last year, it is now \$1,312,000.

I will think aloud, and if the staff shakes their heads in unison with my talking, then I know that I will be on the right track. I am assuming that that is the total write-offs of the loans that have gotten

into trouble, \$300,000, \$400,000 loans that a farmer may have had that we have had to maybe foreclose and take back the land, and the land value is only maybe worth subsequently \$50,000, \$60,000 or \$100,000, but there is a \$200,000 loan. The staff are shaking their heads in unison, so I am right, and that accounts for these write-offs.

What it says, and I want to say this not unkindly, something about the management that allowed the corporation to have that level of doubtful loans. I am quick to also acknowledge, as the honourable member will quickly remind me, the extreme difficulty that the farming population faced in those critical years, commencing perhaps '86, '87, '88, when the sudden collapse of the grain prices, along with other problems associated, generally speaking, in the farm industry.

So there has been a sizable acknowledgement of the difficulties on the farm as evidenced by the actions of this corporation.

**Ms. Wowchuk:** So then, as I look at the Estimates, there was about \$2.5 million allowed for doubtful accounts in the year '93-94, but of that, only about \$1.3 million was actually spent. Is that correct?

**Mr. Enns:** I am advised that the \$2.5 million that the honourable member refers to is the provision that we put in to have available to the corporation for the write-off loans. It can be exceeded in a given year and in surplus in another year, but that is the actual provision that was written in for that purpose.

**Ms. Wowchuk:** But as I understand it, over the past few years, we have lost a lot of farmers because of the difficult financial situation. They have been foreclosed on, or their debts have been written off, and there are less and less of those people who are out there. We have fewer farmers, and that is one of the reasons you see a lesser number of people in this situation here. There are less people who are now taking—those people who were in difficulty were weeded out quite a bit earlier, and there are less of them in difficulty now, or does the minister anticipate that it is an improved financial situation?

**Mr. Enns:** Mr. Acting Deputy Chairperson, I think what it indicates in the first instance is that

there is a considerably more proactive position taken by the corporation in moving in to provide farm management advice on the part of, you know, within the department's staff, using the full facilities of the Farm Mediation Board and a host of support programs that have reduced the number of loans that fall into the doubtful category.

**Ms. Wowchuk:** How many farmers in the last year used the Farm Mediation Board?

**Mr. Enns:** I know that the honourable member is interested in these figures not for simply the figures' sake, but they do indicate the trend. In the difficult years, again, '87 particularly, we had as many as 331 applicants before the Farm Mediation Board. That then successfully was reduced, 319 in '88 to 309 in '89; 220 in '90; 194 in '91-92; 161 in '92-93, and then with the coming of Harry Enns, 87 in '94. It is moving in the right trend.

\* (1610)

These are applicants before what we call Part 6 of the act. In addition, there was another group under Part 3. Those are the totals. Those are the combined totals. So what it indicates was that their workload is reducing. They are still extremely active, and the corporation is very much engaged, because part of the success in terms of successfully keeping these farm families that are in difficulty that have approached the Farm Mediation Board is the loan guarantee program that is being offered by the corporation. Very often the kind of deal breaker, if I can use that expression, between different pressures from different lending agencies and the financial difficulties the farm family finds itself in is for the corporation to be able to judiciously move in with the appropriate loan guarantee that gives that farm family the additional time or years to get itself back on its feet.

**Mr. Neil Gaudry (St. Boniface):** Mr. Acting Deputy Chairperson, I have missed a lot of your questions this afternoon, I had a meeting previously. But going back to the Allowance for Doubtful Accounts, a lot of figures were given there. Over the years since '87, you have given figures of allowance. What is the rate of recovery even on the Allowance for Doubtful Accounts over the periods, let us say, of the last six years,

because there is always a recovery amount that appears no matter what business you are in in recovery?

**Mr. Enns:** I suppose in this context the recovery would be the monies realized by the government in the land sale. You know, when a doubtful account is foreclosed on it may have an accumulated deficit with us of X number of thousands of dollars, let us say \$300,000. We have to foreclose on the operator, but in doing so, because we have a mortgage against land, we take ownership of the land. That is, the corporation takes ownership of the land. We have borrowed that money from the consolidated revenue, and that has to be paid back. That is the charge against the corporation, if you like.

The only recovery would be when we sell the land, which we do quite often and quite frequently. In some instances it could be, you know, just about very close to full recovery. There have been some instances where in fact there has been a slight profit made because of slight increasing in land values or some other parties particularly competing for a particular parcel of land that is important to them and are prepared to pay that price.

In the main that is not the case. In the main there is a significant and substantial loss because the total indebtedness is not just associated with the land value. It usually has an operating component to it, or it may have a cattle component to it that are no longer on the farm, you know, built-up machinery costs of which the machinery has depreciated and is sold for little of its original value at a forced auction sale, or something like that. So that in the main, you know, we have too many instances where that write off is substantial. The staff is giving me a figure of an actual loss on the property sales.

I am assuming that is property sales that we have appraised on our books at certain value, and when we tender it out or when we go to sell it, we still lose \$148,000 on a sale, but it is difficult to give the honourable member the kind of—I appreciate what he is saying. You know, if a business goes bankrupt, the business sells the remaining assets.

Creditors get paid maybe 10 cents on a dollar, and that would be the return. Our return essentially would be from the monies realized on the land sale.

**Mr. Gaudry:** Mr. Acting Deputy Chairperson, having been in the accounting field longer than farming, I thought I would try and get the minister. [interjection] No, I understand, but usually the recovery is strictly from the land, and you do not go after the farmer after he has gone bankrupt or he has forgiven his title to the land.

**Mr. Enns:** The director of Administration advises me that we do not pursue that individual after we have made a settlement. There are some instances of settlements where the terms and conditions of a settlement allow us to continue to pursue.

I would imagine that we would probably also, of course, as in the case the honourable member for Swan River (Ms. Wowchuk) asked about, an unsettled account, and then the party, that farmer pursued, comes back some years later to the corporation for some further consideration. Understandably, we would then perhaps want that initial account paid off prior to accepting him in good credit standing, him or her.

**Mr. Gaudry:** Mr. Acting Deputy Chairperson, in the Net Interest Cost and Loan Guarantees, is this just interest cost on the loans, or what is the difference between the net interest cost and loan guarantees?

**Mr. Enns:** Mr. Acting Deputy Chairperson, that is a combination of the cost of the Young Farmer Rebate program. That is a direct interest reduction cost that we pay. We have probably borrowed the money again, as I have said several times, at fixed amounts from the Consolidated Revenue from the Department of Finance. It is also—yes, as I indicated, that amount constitutes some \$3,720,000.

The lending programs account for another \$350,000, the interest portion thereof, and the loan guarantees which we provide to the co-op feeder loans and our guaranteed operating loans—we offer a program of guaranteed operating loans to farmers, and that guarantee costs us some \$200,000 in interest.

**Mr. Gaudry:** This guarantee that you are talking about is guarantees to the financial institutions?

**Mr. Enns:** Yes, these are direct guarantees to either the credit unions or the private banking institutions that are involved.

**Mr. Gaudry:** Thank you.

**Ms. Wowchuk:** I want to deal with the MACC and leasing of property again, and I want to talk about a specific case where the client was leasing. He refinanced his property and, in fact, it went to court. I am talking about a Mr. Phil Schwarz. It was my understanding that MACC foreclosed on him and that he did not agree with the decision of MACC. The courts twice ruled in his favour that the property should be sold to MACC, and they were waiting for an Order-in-Council to go through cabinet. That has not happened, and in fact that land has been sold to someone else at this time.

I know that minister maybe does not know about this case in detail, but can we have some explanation as to why, when the court said that it should go in Mr. Schwarz's favour, that the land should be sold to him, in fact it did sell to another person and the Order-in-Council for the other person has passed already?

**Mr. Enns:** I am advised that at issue really is simply a question of an amount of money that has yet to be determined, that constitutes the difference between what the corporation sold the land for and what Mr. Schwarz believes he is entitled to.

The land belonged to the Manitoba Agricultural Credit Corporation. The corporation sold that land, and I invite Mr. Schwarz to continue in whatever action he chooses to take in this regard.

\* (1620)

**Ms. Wowchuk:** But the corporation chose to sell the land to someone else rather than Mr. Schwarz, when the courts had directed them that they should sell it to Mr. Schwarz for a particular price. The only reason that it did not go, as I understand it, was that it had to go through Order-in-Council, and that never happened. It never went through Order-in-Council, and then the government

corporation chose to sell it to another individual, and that Order-in-Council has passed.

Mr. Schwarz was leasing the land until last year. In fact, this year the crop had wintered over, and he had to take that crop off and then found out from a neighbour that that neighbour was now going to be owning the land. Mr. Schwarz feels that he has not been treated fairly because the courts had said that that land should go to him, and a different decision has been made.

Mr. Enns: Mr. Acting Deputy Chairperson, I know enough of the details of the case. I do not for a moment pretend to know them all, but that the corporation had given Mr. Schwarz every opportunity to avail himself of a number of conditions attached to this particular piece of land, including in the final analysis an extension of time to do precisely what the honourable member indicates, to take the remaining crop off in the spring. Furthermore, he was further in a position to make whatever arrangements he wished to make with the new owner in terms of further tenure or use of the land.

The fact of the matter is that Mr. Schwarz was severely indebted to the corporation. There can be some question made as to why or what reason the loan portfolio got so seriously out of order, and he was treated in no way different than regrettably other persons who find themselves in this position.

The Orders-in-Council that the honourable member refers to are not the automatic rubber stamping procedures. It is obviously within the purview of the Executive Council to make a decision one way or another and the Executive Council chose to exercise that prerogative.

I am not a lawyer. It would be foolish for me to get into a legal discussion as to the interpretation of the court case that the honourable member refers to, but I am reasonably assured that the legal advice that the Crown corporation had in pursuing and dealing with this matter is such that it led them to the opinion, and the opinion was passed onto myself as minister that the action taken in the circumstances was correct, appropriate and legal.

(Mr. Deputy Chairperson in the Chair)

Ms. Wowchuk: I have to say that from what I have been told I disagree with the minister. It is my understanding that on April 13 of 1992 Mr. Schwarz paid over to the solicitors of MACC the sum of some \$89,922, being the full amount due in accordance with the judgment. The funds were sent over to the MACC solicitor and trust condition that he provide us with the discharge of MACC's mortgage interest on the Schwarz property, and that a request was made for an Order-in-Council permitting MACC to transfer the land back to Mr. Schwarz.

It is my understanding that that money is still being held by the corporation, and subsequent to that there have been court cases, and the ruling was in Mr. Schwarz's favour, and that prices were set on the amount that he was to pay, and he was prepared to do that. However, the corporation chose instead to sell the land to another individual, and has not followed the direction given to them by the courts.

I would like to see that followed up on. I would like to know why if it was the direction of the courts that this land, that it was to go back to Mr. Schwarz, why the Order-in-Council did not pass, why it did not go through cabinet, why Mr. Schwarz was denied the right to buy that property when the court said that he should have it?

Mr. Enns: I have tried my very best to be as forthright and accommodating in all of my discussions with honourable members of the committee, and I intend to continue. The honourable member will recognize that it is not possible for me to unravel the details of an obviously complicated and convoluted land case, but I would be happy to undertake to provide to the honourable member a summary of the actions taken by the corporations and by the government insofar as the Order-in-Council was involved that she referred to, and to have this in her hands within a relatively reasonable period of time.

It may not be for the time line left to us in these Estimates, but certainly in the next five to 10 days that I would have that in her hands and then advise Mr. Schwarz accordingly. I have no trouble in documenting and putting to paper the outline of

decisions made in this instance and the reasons why they were made. If that would suffice, I give that assurance to the honourable member, and you, Mr. Deputy Chairperson, know that I give my assurance only when I am very sure that I can give that assurance.

**Ms. Wowchuk:** I will await that information, but I would want to ask then when the corporation—we talked earlier about when a person is leasing the land, does the corporation pursue to sell that particular piece of land quite vigorously, or what was the decision? Was there a lot of pressure to buy that piece of land that they decided to sell this one?

The reason I ask the question is the particular parcel of land, as I understand it, is in the middle of a package that Mr. Schwarz owns, and now that this particular piece of land has been sold, it does impact on his whole operation. This is the one quarter of land that is good land; the rest of it is pasture land. If he was leasing it and it made a difference to his operation, why did the corporation pursue to sell it to someone else?

\* (1630)

**Mr. Enns:** Well, I believe I alluded to the situation that troubles us from time to time in government. We regrettably have some instances where an operator, for whatever reason, and I do not wish to attribute any motives, runs up a substantial indebtedness onto a property, \$300,000, \$400,000, \$500,000, and then against the land base it is maybe only worth \$100,000 in the first instance. He then gets the corporation to bail him out of trouble, and then comes in and takes advantage of being able to buy back his land against which we are paying a \$400,000-\$500,000 bill. It is troublesome, quite frankly, to my government to do this. We do it with some reluctance, quite frankly. We do take each case seriously.

Where we think that there is reason that this is, quite frankly, being to some extent abused, it is always within our right that the land is legally and totally in the hands of the corporation. They are the owners of the land; they have the opportunity of selling the land under whatever circumstances

their policy guidelines enable them to pursue, subject to certain specific things.

We do not sell land under the lease, that is under lease to a lessee. We honour the lessee's option to purchase land. I believe the honourable member is again making reference to Mr. Schwarz's land, but Mr. Schwarz did not have the option to purchase that land. That is a condition that was attached to his tenure on that land when he lost it or when for reasons of indebtedness it reverted back to the corporation.

Again, Mr. Deputy Chairperson, we can discuss this at some further length. I would ask that the honourable member accept my word that we will have a summary of the events with respect to one Mr. Phil Schwarz and his land dealings with the government and the corporation in her hands very shortly.

**Ms. Wowchuk:** I look forward to that information, because from the information that I have here and the information that the minister is alluding to in his comments, there seem to be two different sets of information as to—

**An Honourable Member:** There usually is.

**Ms. Wowchuk:** So I look forward to hearing that information and some explanation and, in particular, why it was decided to pursue the other route of selling the land to another individual rather than selling it to Mr. Schwarz and, if he was not able to buy it, then continue to lease it and continue to keep his farm operation viable. It is my understanding that although Mr. Schwarz has additional land, that operation is no longer viable without this particular quarter of land.

**Mr. Deputy Chairperson:** 3. Administration \$3,060,600—pass; Net Interest Cost and Loan Guarantees \$4,270,000—pass; Allowance for Doubtful Accounts \$2,000,000—pass; Special Farm Assistance \$500,000—pass.

Resolution 3.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$9,830,600 for Agriculture, Manitoba Agricultural Credit Corporation, for the fiscal year ending the 31st day of March, 1995.

We will now move on to Resolution 3.4.



4. Agricultural Development and Marketing (a) Administration (1) Salaries and Employee Benefits \$121,300—pass; (2) Other Expenditures \$28,400—pass.

4.(b) Animal Industry (1) Salaries and Employee Benefits \$1,546,400. Shall the item pass?

**Ms. Wowchuk:** There are several areas that I would like to cover under this section. As the minister has indicated and his colleague earlier today indicated, the value of the Animal Industry is important to the economy of rural Manitoba. There is extensive development of the industry. Hopefully we can develop it even further to increase the number of the amount of livestock, the amount of hogs and other areas of farming to increase, to get the value-added jobs and improve the economy of rural Manitoba.

I want to just talk briefly about the hog industry. It is my understanding that the government is looking at, or the Manitoba Pork Producers and the government are pursuing the establishment of a processing plant, is that correct, here in Manitoba to process the hogs? I would like to ask the minister at what stage those plans are, what kind of plant the government and Pork Producers are looking at establishing, and just an overview of where we are with that, and what the minister anticipates in that area.

**Mr. Enns:** Allow me to add further introductions to my staff. I am joined by Dr. Jim Neufeld, who is our co-ordinator in the Veterinary Services branch. We are currently minus, I suppose, our director of the Veterinary branch, Dr. Joe Meek, who has left the provincial service as of May 1, June 1. Dr. Meek served the province well with distinction and will be missed by the Animal Industry Branch, and we will be canvassing for a replacement in due course.

The honourable member raises the issue about the hogs and their further development within the province. I sincerely take this opportunity to enjoin members of the committee, both opposition parties, to seriously take back to their respective caucuses the importance of this industry.

The honourable members will forgive me if I just spend a moment on this. It should not be

mistakenly understood that this minister or this government just has a particular love affair for hogs, and we decided out of the blue that we should have more hogs produced in this province.

There are a number of factors that have evolved very significantly and are in the evolutionary stage right now, as we speak, that make good common public policy sense that we take every opportunity that expanded hog production, pork production, offers us in the province of Manitoba. Let me just list several of them.

I have indicated on several occasions, and I do not pretend to be a clairvoyant, but the member for Swan River (Ms. Wowchuk) has often asked about this matter.

We have enjoyed in Manitoba and Canada, and it is particularly important in Manitoba, a long, traditional support program called the Western Grain Transportation program, or more commonly known as the Crow benefit. That program has been here since I do not know when, but it is a major farm program that has the federal Government of Canada spending upwards to \$700 million a year to enable prairie grain producers to move grain into export.

\* (1640)

Now, that program has been identified by our major trading partners as an unfair trading practice. It has been acknowledged as such, by and large, by our own people, including our producers. We recognize that whether we think there are offsetting programs, for instance, in the American program that are equally unfair trading practices—their export enhancement program could be quite similarly classed in the same way—nonetheless, it is academic to argue about it. The fact of the matter is that it is our considered opinion when we listen to the federal officials, Mr. Minister Goodale, when we listen to grain officials, we realize that this program is going to fundamentally change, be altered, or in fact perhaps even disappear.

Now what that means—and I am looking particularly to the member for St. Boniface (Mr. Gaudry)—is that our producers of barley, which is our principal hog feed, cattle feed, will be faced

with considerably more costs to move that grain. We, in Manitoba, will feel it the worst because we are the farthest distance from Vancouver or from the Lakehead. In Alberta, they are a little more ambiguous about it. They are within trucking range or a closer range anyway to Prince George, Prince Rupert or Vancouver. Saskatchewan has a serious problem with it as well, but Manitoba is the most vulnerable. Now, if we do not look seriously at offering our primary producers an alternative to moving that feed barley, feed wheat and feed grains, then we are being extremely negligent in our responsibility.

Now, I say to some a fortuitous good by coming together. Our country has obligated itself—and it does not matter what political observations we have about the rightness or wrongness of it—but we have obligated ourselves under some fundamental changes in our trading patterns; firstly, with our major trading partner the United States, and with countries around the world through such additional trading agreements as NAFTA and the recently concluded GATT agreement, which, by the way, was always supported by the Liberal Party and I believe by the New Democratic Party as well.

The GATT program means, and allow me to say that under the NAFTA program alone, American trade officials, the American Department of Agriculture officials—not Harry Enns or the Manitoba Department of Agriculture economists—are predicting, for instance, that as the pork tariffs drop in the Mexican market, and they are dropping to zero by the year 2000, 5 percent a year.

It is estimated that upwards to 400,000 tonnes of pork will be required to fill that market. Now, you have to put that in relationship to what the entire massive U.S. hog industry today exports. Today, the entire U.S. hog industry exports some 153,000 tonnes of pork to 62 countries of the world. They are projecting 400,000 tonnes will be required in Mexico alone by the year 2000.

So that gives some confidence. I am not suggesting for a moment, nor would I advocate, that we by incentives, certainly not financial

incentives, artificially inflate or push producers into the hog production, not at all. It has to be market driven. If the markets are there, this production increase can and should take place. I am simply suggesting to honourable members of the committee, these are some of the reasons why hog production looks so attractive to Manitoba.

Let me say another word. The 2.3 million hogs—and let us understand, it was a visionary Minister of Agriculture that I had the great and lasting privilege to serve with, none other than the Honourable James Downey, the member for Arthur, who in 1977-1978 said we ought to double the hog production in the province of Manitoba. We were then producing some 939,000, 940,000 hogs. Well, we have done just that. We are now producing 2.3 million to 2.4 million hogs in Manitoba.

Now, we have not created any insurmountable environmental problems for us. We have not abused our water supply system. There is not a single water course that has been supplied. But what we have done, we have provided in the order of 11,000 to 12,000 jobs, permanent jobs, in the feed industry, in the access for farmers to haul their grain that they otherwise have trouble marketing sometimes, particularly in some of our off-quality wheats like we have had in the last harvest years.

We have a developing feed industry that is set to boom. We have the processing plants of Schneiders, Forgans, Burns; 11,000 to 12,000 jobs are currently being employed.

Well, I will tell you whom I am trying to convince, because politics and politics alone will deny Manitobans 9,000 jobs, and what we are talking about is the opportunity of providing the kind of economic base to maintain the very services that you spend 99 percent of your time in opposition to better health care, better education, better family services.

We have a member who may well be a future minister in a Liberal administration this weekend telling the hog producers, in the presence of my senior staff, saying: and can you imagine the worst of this is that you are never going to be able to eat these additional two million hogs that we want to

produce, it is all going to be exported to Pacific rim countries. God forbid, the people in Japan are going to eat some of our pork—Harold Taylor, who is running for the Liberal Party, who some say are going to be the government. So let us get real about this.

Your colleagues are not much better. They are saying that there will be no swimming in Lake Winnipeg next year because of the hog pollution. The City of Winnipeg dumps its raw sewage into the river and has been doing that for the last 100 years, and no complaints, and our ag industry, our hog producers are taking this kind of a bum rap. I look to some support. I look to some support from responsible members of the opposition that will help us together provide the support.

So I am extremely serious about this because this is a golden opportunity for us to provide the kinds of jobs. I mean, let me put it into context. If we were talking about two Incos, the member for Flin Flon (Mr. Storie) would understand. If we were talking about 10 Louisiana-Pacific, in terms of job creation—we are talking 9,000 jobs is what we are talking about, if we can achieve a doubling of the hog production in Manitoba by the year 2000.

For those who say that that cannot be done, then I ask you to look at some of the jurisdictions that are doing it. We have challenged our staff. We have worked diligently in bringing about the kind of guidelines and hard regulations that will take into consideration environmental concerns. They may not be perfect to date, but they are there, they are in place, and they are law, and they will, I am sure, undergo further modifications.

I wonder if the honourable, pardon me, my colleague, Mr. Lee, could pass me these books, and I will pass these out. These are no longer guidelines. These are attached to appendix B. They are hard and fast regulations that say when the hog farmer can spread manure, how he can spread it, where and how often. I know the colour is attractive to the honourable member, but that shows my bipartisanship in this matter.

\* (1650)

### Point of Order

**Hon. Donald Orchard (Minister of Energy and Mines):** Just a small point of order. The minister indicated that 9,000 jobs was about two Incos. In fact, that is the jobs in four and one-half Incos, four and a half Thompsons.

**Mr. Deputy Chairperson:** The honourable minister did not have a point of order.

\* \* \*

**Mr. Enns:** I invite a most serious discussion on this aspect of our Estimates because it is of critical importance. It is of importance to the member for St. Boniface (Mr. Gaudry). Regrettably, yes, regrettably we have lost to a large measure thousands of jobs that we used to have in his constituency in the beef processing industry when Canada Packers were there, Swifts and the other beef processors.

Time is too short to go into why, and it serves no purpose, but the point is, we are determined. I would like to think that the member for St. Boniface would support any initiative that ensures that those processing jobs that are, again, largely in his constituency, well, in the St. Boniface area, that we would not only ensure that they are maintained but that they would be enhanced, and they would be further secured.

So it is important that we take the politics out of this issue of hog expansion, recognize it for the job creation effort that it really is, and recognize that it is. It may well serve to be of tremendous benefit to the barley and feed producers of Manitoba should, in fact, the Crow benefit be fundamentally and drastically altered. Thank you, Mr. Deputy Chairperson.

**Ms. Wowchuk:** I did not know the minister could get so excited about a question that I had asked in all sincerity about the processing of pork in this province and what direction the government was going in pursuing the processing plant, along with the pork producers, but since the minister has taken the opportunity to put so many comments on the record about the pork industry, I would like to put on a few comments as well.

Certainly he has implied that our caucus does not recognize the importance of the hog industry to Manitoba, and that is absolutely false information. We recognize that it is an important industry. I would hope that the minister, when questioned about certain aspects of the industry when we get into the Chamber, would not always take that as negative.

Our job as opposition members is to pursue information for our constituents, to pursue what direction the government is going in, and to ask questions about where plants are going to be built or whether regulations are being put in place to protect water.

The minister has indicated that there are guidelines in place, but certainly he should not imply or put on the record that the New Democrats are against economic development in rural Manitoba or against the hog industry. Certainly, that is absolutely false.

We very much support the growth of rural Manitoba and the growth of industries in rural Manitoba that will help to stimulate the growth of rural communities, rural communities that have suffered greatly in the last few years and have seen a decline in population, a reduction in services. It is our hope that by having the various industries grow in rural Manitoba, we will have some of those services enhanced in our health care, in our education, many of the services that have deteriorated under this government's leadership. So we want to see that.

But, certainly, in any area you have to look for a balance. That is the question, when we ask the questions, that is what we are looking at. There has to be a balance between jobs and the environment, but we do not believe that one should be played off against the other as we see in many cases. There has to be a lot of common sense taken, and I believe that this minister uses a lot of common sense when he is addressing the concerns of rural Manitobans and the same common sense that we try to use when we are trying to balance economic growth and protection of the environment.

Certainly, there have been questions asked about the size of operations, and, certainly, one of the

areas that we question is whether it is necessary for the operations to be of such magnitude. We question what the impacts of these large operations will be on the family farms. Nobody I am sure expects that we will see the hog—that we could meet the demands that the minister implies will be out there for thousands and thousands of tonnes of pork through the system where hogs were raised many years ago on the farm where they were very small operations.

Certainly, I think that there could be a consideration given. I asked the minister about that the other day, whether there could be consideration given to limiting the size of these operations. As soon as we asked those questions, the minister and other members of his government immediately jumped on the bandwagon as if this is opposition to the industry.

No, it is not opposition to the industry. It is looking for a balance, a distribution of the jobs and the development of the industry throughout the provinces, and looking at a way that we could have more people participate in more ways that there will be less negative impact on the family farm operations. So that is the direction we go.

The minister talked about the transportation assistance program, that is certainly a very important program. It was put in place many years ago because it was recognized that there was unfair advantage for people who were closer to ports. I am disappointed that the federal Conservative government reduced the amount of money in the transportation assistance package. When the Liberals came into power in Ottawa, we saw a further reduction of the funds there.

The minister knows full well, and he indicated in his comments that Manitoba is the most vulnerable with the change to the transportation assistance. I wish that the minister would pursue more vigorously having that program stay in place, but we have seen quite clearly from this government that is not the direction they are prepared to move in. Under this administration, we will not see very much opposition to changing the method of payment to pay the producer and retaining the system that is there.

However, in light of that, we do have to make adjustments. The pork industry is one of the areas where I also agree that we can see a tremendous amount of growth in this province. Again, I only hope that growth will be distributed across the province, and it will not become concentrated in the hands of a few large corporate farms; that there will be opportunity for many people to participate in the industry; and that these guidelines that had been introduced by this government will be enforced very carefully to ensure that the water tables are protected, because that is another resource that we certainly have to protect.

Getting back to the original question that we started on, I want to ask the minister, it is my understanding that the Manitoba pork producers and the government are looking at establishing a processing plant here in Manitoba. I would like to ask what stage those plans are at at this point.

**Mr. Enns:** Specifically to the member for Swan River (Ms. Wowchuk), yes, she is correct. There has been a feasibility proposal that is currently being worked on by consultants. They include the Manitoba pork organization, and for processing firms, I believe, they are Schneider's, Forgan's, Burns and the Springhill plant in Neepawa. This is being supported jointly with some federal program as well as a modest grant from the province through the REDI program. That is underway.

We are hoping that some results can be established relatively soon, perhaps one or two months. I do not want to overstate the case, but there is, I sense, in people within the Animal Industry Branch and others within the pork industry, some urgency to the question because of the recognition that this part of the world is a desirable place, in terms of feed efficiencies, feed availability, space, land, all the necessary attributes to expansion of the hog industry, to have this expansion occur.

Our neighbours to the west are extremely aggressive. The New Democratic government in Saskatchewan is every bit as determined to diversify their agricultural base. Of course, they have the same concerns a la the Crow as we have, maybe to a somewhat lesser extent but much the

same. The Department of Agriculture in Saskatchewan, under the very, very powerful push by Premier Romanow and the administration, is aggressively pursuing expansion in the hog industry.

There is a consolidation of packing and processing facilities coming together in Alberta that concern us. Why I mention that is, the concern is that we lose our processing capacity. I do not particularly want to just grow the hogs. I want the jobs in the processing plants here, and that is—

\* (1700)

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

## JUSTICE

**Madam Chairperson (Louise Dacquay):** Order, please. Will the Committee of Supply please come to order. This section of the Committee of Supply is dealing with the Estimates for the Department of Justice. We are on item 2.(a) Public Prosecutions, page 110 of the Estimates manual.

Would the minister's staff please enter the Chamber.

**Mr. Gord Mackintosh (St. Johns):** Madam Chairperson, when we left off last night, we were dealing with the nine-point plan regarding youth crime, and I was at point No. 8.

Point No. 8 deals with Youth Justice Committees, and the plan states that local antiviolence action plans and community-based crime prevention efforts will be developed by expanding the mandate of the Youth Justice Committees.

\* (1430)

Would the minister advise what she meant by expanding the mandate of the Youth Justice Committees? In what way would their mandate be expanded?

**Hon. Rosemary Vodrey (Minister of Justice and Attorney General):** Madam Chair, when I met with the chairs of the Youth Justice Committees for the city of Winnipeg, a number of the representatives that evening said they would

like to do some additional work in the community. They would like to make themselves available to assist in schools, and they would like to add community kinds of work to the work that they were doing as a Youth Justice Committee.

So based on the discussions I had that evening and with the information I received from the summit of the desire of the community to be involved in a positive way, I made the commitment that where Youth Justice Committees wished to expand their mandate—and, again, it is always prefaced by their willingness to do so and their ability to do so in terms of what may be required of them—I would look at expanding mandates and certainly intend to do so.

**Mr. Mackintosh:** So is my understanding correct that the mandate would be expanded where the particular Youth Justice Committee would seek that out?

**Mrs. Vodrey:** Madam Chair, yes, that was the intention where the Youth Justice Committee expressed the desire.

I would say to the member, because I have a feeling the next part of the question is will we do anything to encourage them to expand the mandate, that the council which we have not yet spoken about will be available to Youth Justice Committees, will be able to speak to Youth Justice Committees about kinds of projects which are being undertaken and so there will be available to them also ideas of how they may wish to expand. However, the original idea came from the Youth Justice chairs who expressed an interest in expansion.

**Mr. Mackintosh:** Can the minister give examples of the kinds of expansion that are envisioned here?

**Mrs. Vodrey:** Well, the kinds of things on that evening that people spoke about were the opportunities to perhaps work with young people in schools, and that would have to be explored—the details of a kind of proposal that the Youth Justice Committees—would have to be explored and explored carefully, would have to find out if that is in fact possible to do and to make sure that it protects the concerns of the young person

involved, but the committee themselves raised that as a particular example.

On that evening, the representatives who were there were really full of energy and ideas and people with a strong commitment to the community. Again, it was based on their initiative that that particular plan took shape.

**Mr. Mackintosh:** I am just wondering if the committees will be given any resources to either do what they are doing now or fulfill an expanded mandate.

**Mrs. Vodrey:** Madam Chair, as the member knows, under the Young Offenders Act these people must be volunteers, so there would not be a request for resources in terms of time put in or commitment. The kinds of proposals that had been put forward were proposals to use their time in ways on behalf of the community. That was certainly what had been envisioned. That is what I had understood also came from discussions on the day of the summit, that there would be activities within the community that the Youth Justice Committee members would become involved in.

**Mr. Mackintosh:** I am wondering about the minister's plans for enhancing administrative support to the Youth Justice Committees. These committees, by and large, have a relatively heavy administrative load to follow up, particularly depending on the kind of consequences that the committee decides on for an offender. I am wondering if there are any plans in that regard.

**Mrs. Vodrey:** Madam Chair, again in my personal meetings with the Youth Justice Committees that was not a request that came from them. However, the matter may be explored more fully when we get to the Corrections line, because as the member knows it is the Corrections division that has the ongoing contact and support of the Youth Justice Committees.

**Mr. Mackintosh:** Is the minister taking any action to increase the number of Youth Justice Committees in the province?

**Mrs. Vodrey:** Madam Chair, again I do not want to try and make it difficult, but when the Corrections staff are here, line 4.(c), we will be able to speak about any initiatives or work done by

the department to look at increasing the number of Youth Justice Committees.

**Mr. Gary Kowalski (The Maples):** I think I have spoken in the House ad nauseam about my involvement with Youth Justice Committees over the past four years, first in the north Winnipeg Youth Justice Committees and then forming a new justice committee in The Maples. Most of my comments about Youth Justice Committees I will save for the line when we are dealing with community and youth corrections.

Just as part of the conversation for the benefit of the member for St. Johns (Mr. Mackintosh), when we formed The Maples Youth Justice Committee at the same time we formed The Maples Youth Justice Association, whose mandate was not only to operate the Youth Justice Committee but to do a number of crime prevention, community involvement activities. I think the opportunities for community Youth Justice Committees to expand their mandate is there now. I think Tracy Sumka, who is the chairperson of The Maples Youth Justice Committee, any of those ideas that the minister talked about was shared by Tracy.

My experience with Youth Justice Committees—and I ran for two years training programs for all the Youth Justice Committees in Winnipeg when we used to have liaison committee meetings every month, which have been curtailed lately—the performance of the justice committee was not so much dependent upon the program but the quality and the commitment of the candidates and the people involved from the community.

Some justice committees, and I have heard this within the youth division, that when they see certain charges referred to some justice committees, they are very happy to see it because they feel the disposition will be beneficial to both the youth and the community and prevent further involvement with the police. It is accepted that some justice committees operate a barely, then, beneficial level of performance.

As I said, I will save most of my comments about Youth Justice Committees until we deal with Community Corrections.

\* (1440)

I would like to go one step back in dealing with the nine-point plan, dealing with point No. 7, input from young Manitobans and the youth council. A trend that I see developing, and I hope the minister will not be too sensitive to this, is there has been a number of different forums where youth are called in, the idea that they represent the youth of Manitoba. The mayor has had a youth task force. The Justice minister has had a number of meetings with different groups of youth.

I had a youth workshop where I had youth from throughout Winnipeg and from reserves. On April 9, I believe, was my workshop here in the Legislature, where we had 60 or more young people by inviting the schools, mostly high schools and junior highs, reserves, native friendship centres to send representatives. Although it was sponsored by our caucus, we went out of our way to not be partisan, and as a result of that conference, we received some feedback.

It is interesting, I also attended the mayor's youth task force. I attended the youth summit, and depending on the facilitator of the different workshops, the outcome is interpreted to having a different emphasis. I hope we do not get to the point where the young people become a tool to give credibility to any actions by any group, that their comments and their input is delivered without too much interpretation, without too much filtering of philosophies. The action that is taken as a result of that message can be different, the same as, if I ask my five-year-old what they want for supper, they might say candy. They will not get candy, the same as the young people we are dealing with. We have to listen to them. We have to give them a fair hearing and understand the sentiments but not everything that each group will say we will be able to implement. Some of them are young adults. Some of them are immature adolescents who do not have a full understanding of the whole system.

I guess the question in brief to the minister is, how can we be assured that any representation of any youth group will be not filtered through any biases?

**Mrs. Vodrey:** Madam Chairperson, the answer is we will have to do the best we can. That has been

the case with each undertaking, the undertaking for the summit, the undertaking of the members' workshop day, the undertaking by the mayor. We have to work with those people who are willing to do the work, in the case of a youth council, because there will be work involved. Working as a part of the youth council will not simply be an opportunity to kind of sit as an oracle and say ideas. There will be work that will be attached to it. So we will have to work with those young people who are willing to do the work and also are willing to put their ideas forward. That takes courage, too. I understand that. It is not always easy for a young person, particularly in those adolescent years, to put their ideas on the line, because they feel concerned that it somehow makes them vulnerable in front of their peers.

I can only offer the assurance to the member that we will do the best that we can. We will attempt to work with young people. This is not the only way to work with young people. The youth council is an important part, because this government recognizes and believes that young people are important. I hope that that youth council will have lots of ways to relate to activities of young people around the province so that when there are forums in schools, when there are activities at community centres which involved young people, that our youth council may be able to get those ideas or talk to young people who are participants in those particular forums.

Again, I have to stress that one of the questions that has been asked is, how can you also get the views of those young people who are involved in youth gangs and criminal activities? How can you get the views of those young people who are involved in other positive kinds of activities? How do you get the in-between kids? You just have to work at it. I think we both come from backgrounds where we have had a lot of experience working with young people, and we just have to put that to the test and keep doing it.

**Mr. Kowalski:** Going back to Youth Justice Committees, although once we get to Corrections I will have more detailed questions, but as a broad overview, where I could see a need for more support to these volunteers who work in Youth

Justice Committees, because their work is so important. As we want them to represent the committees that they come from, they may not all have the training or the background to do the work that they are willing to do. Where I could see the Justice department increasing the role and the mandate for justice committees and because of the large savings they cause to this government by the work they do, it is financially responsible to put resources into training, assessing and monitoring these volunteers.

It is my firm belief that members of Youth Justice Committees should be assessed. If they are not performing well, I believe volunteers can be fired, because there are lots of people in some communities willing to do this work. I think the department, if they are going to increase the number of justice committees in the province, resources should be put into training, assessing and monitoring these justice committees.

The one suggestion I will put forward today that I have had is that I believe MLAs in this province could play a leading role in leadership in this area. I do not know if all MLAs, the members of this House, have the same understanding or knowledge of justice committees and whether the Justice minister would consider putting on a workshop, a training session or whatever to make sure that every MLA understands the Youth Justice Committee process, their mandate, the legislation that facilitates them so that MLAs could go into their communities as I have, as my colleague Kevin Lamoureux did in Inkster, look and see if there is room for expansion in their constituencies and play leadership roles in all constituencies in Manitoba.

Would the Justice minister consider putting on such a workshop?

**Mrs. Vodrey:** Madam Chairperson, I certainly agree that MLAs are the leaders in their community areas. I would hope that MLAs might look at this as a possible activity that they would like to undertake. As the member knows, some people are very comfortable doing this kind of work and others are not necessarily so comfortable or it is not an area of their particular interest or



expertise. We certainly will make available to MLAs, as to all other citizens who are interested who might be leaders in their communities and not MLAs, the information that would assist in the formation of the Youth Justice Committees. So I would in a broader sense say that, yes, we certainly will make the information available.

But, I come back to the point that I made yesterday. People have to want to do this. They have to want to be involved and they have to want to make the commitment. It cannot be because on one day I or the member for The Maples or the member for St. Johns has been able to fire people up in one day and then there is not a lasting commitment or a lasting intention to take part in this particular activity.

So we will certainly attempt to provide support and do, and I believe MLAs are leaders, but it must be undertaken by those people who really want to do it.

**Mr. Kowalski:** Just from my experience there are people out there now who are willing to do it, and they are just looking for someone to show leadership, to facilitate it. I would like to see either a survey or correspondence go out to the MLAs to find out if there is interest by other MLAs to have such a workshop. I think it could show that in this House it is a nonpartisan issue, youth crime and violence. We are all interested. All three parties have indicated their support for the concept of Youth Justice Committees. I believe it is something positive that we could do. I have often said that Youth Justice Committees are one of the best kept secrets in Manitoba, and by having such a training session and going out into the community I think it would give it the profile that is needed.

\* (1450)

I do not see it as a one-day event. I believe there are people out there now who want something done about youth justice, about youth crime and violence. To give them the vehicle in which to do it by showing leadership, I believe we could take some of the concern that the public has about youth crime and violence and we could do

something positive with that concern and something constructive.

**Mrs. Vodrey:** Madam Chair, I see the member's point about MLAs not necessarily being the ones who have to carry the formation themselves, but rather they have the knowledge and the understanding of how to go about this and can then provide it, either themselves they can do it, or other community members might do it with the MLA having provided the information, because they know their communities very well. It is certainly an interesting idea. I see the point, and I will have a look at it.

I will say to the member that I will consider a method of doing that. It might be that it is done as a seminar or it might, in fact, be done by a different route by providing the information.

**Mr. Kowalski:** I will just go back and ask directly to the minister, in a broad general way, about Youth Justice Committees, the need for training, assessment, especially in all volunteer activities. I think with restrictions because of the deficit to government spending and more and more reliance on volunteers, the assessing of volunteers the same way we assess our employees in government yearly, and if there are—some people who volunteer do so in order to develop their skills to develop a record of employment and also to do the job. A more stringent policy of assessment of volunteers, I think, is required in these Youth Justice Committees.

Would the minister support that view that there is a need or that she would consider looking at the assessment of volunteers serving on Youth Justice Committees?

**Mrs. Vodrey:** Madam Chairperson, in terms of the specific of what is currently done in that regard, we will have to discuss that under 4.(d) when the Corrections people are here, but I can say to the member that I come from a volunteer background. I think that volunteers are important, and I think it is important to keep track of volunteers and to measure their sense of usefulness that they believe they are having the impact, that they believe that they are having as well. Is it a worthwhile way for them to spend their time? So

when we get to that line in the Estimates, we can have a look at what is being done now, and perhaps any suggestions the member has at that time we could talk about.

**Mr. Mackintosh:** I look forward to the discussion under 4.(d). As the minister knows, I certainly believe that Youth Justice Committees must form the cornerstone of a new generation of justice in Manitoba. I know that the minister's words in the nine-point plan are rather vague, and we will explore further what the government is doing about Youth Justice Committees at that time.

Looking at point No. 9 of the nine-point plan—it is entitled Provincial Council on Youth Crime—it talks about a committee of experts to be established as a resource to Youth Justice Committees or other community organizations. I ask the minister whether that council has been established.

**Mrs. Vodrey:** Madam Chairperson, at the moment we have just named the chair of that council. That individual has been meeting with Youth Justice Committees within the city of Winnipeg. He will begin meetings with Youth Justice Committees outside of the city of Winnipeg, and he is at the moment speaking to the committees to gather the kind of expertise assistance that they would like to see available. So it is when he has completed his visits and discussions with the Youth Justice Committees that then we will begin to examine what the committees themselves have said that they need as experts on this council.

**Mr. Mackintosh:** Is Mr. Tyrrell the chair, I would like to ask the minister?

**Mrs. Vodrey:** Madam Chairperson, yes, he is the chair.

**Mr. Mackintosh:** When does the minister expect that the council will be up and running?

**Mrs. Vodrey:** Madam Chairperson, the outside consultations will be beginning the beginning of June; the ones in the city of Winnipeg have been completed. So it is my intention to have this available by no later than the fall, but we will have to see what Mr. Tyrrell brings back to us from the Youth Justice Committees and look at the

availability of people then to serve in those particular capacities on council.

**Mr. Mackintosh:** I wonder if the minister has the terms of reference available to table in the committee.

**Mrs. Vodrey:** Madam Chair, we do not have the mandate in its complete form. We have been working on draft form and adding to and continuing to look at what can be accomplished as Mr. Tyrrell undertakes his consultations, but when we do have the mandate in its complete form, I certainly will see that both critics receive a copy.

**Mr. Mackintosh:** When the minister talks about it being a resource to Youth Justice Committees, what does she envision?

**Mrs. Vodrey:** I have a vision, but I will have to see if it is the same kind of vision that the Youth Justice Committee have for themselves and I think this will be important.

The work of Youth Justice Committees in the community may require that they find certain information relating to work that they might do. I think, particularly, of work in the area of recreation, that they would have the opportunity to have access to an expert police officer who might be able then on their behalf to get certain information for them in terms of—I do not mean police work information but information that would be of interest and of help to the committee.

In terms of the range or kinds of people, it was my view that it would be helpful to have experts from certain fields available, experts in areas of child welfare. We may need to have experts in certain cultural backgrounds. I would like to see an expert in the area of recreation, but I have not heard back yet what the committees themselves want as their resource. I see it as a place that the Youth Justice Committee members can then access expertise or can ask this particular committee to look at certain issues and investigate if methods of dealing with certain problems have been tried elsewhere, so that it does not tie up our volunteers who are the direct service to people and does allow for a mechanism to do the other kinds of work which may involve some research work or some work of expertise.

\* (1500)

**Mr. Mackintosh:** Is the minister allocating any funding to the council or to any of the members that will serve on it?

**Mrs. Vodrey:** Madam Chair, Mr. Tyrrell is acting in this capacity as a volunteer, and it is my intention to form a committee which will be a volunteer committee. Where there are out-of-pocket expenses, we will certainly undertake to cover those, and we will do that internally, from within the department.

**Mr. Kowalski:** How was Mr. Tyrrell selected?

**Mrs. Vodrey:** Madam Chair, Mr. Tyrrell was an award winner of the Minister of Justice awards which were presented in early fall, I believe. His project at that time was noted as a model, his project at Unicity Mall. He was noted at that time as a community member who had taken a special interest in trying to find a positive solution to youth activity in his area. He received that award in the fall. He expressed an interest in taking part in the summit as well, and he did attend the summit.

I was looking for someone who had demonstrated leadership in terms of working with a community. In that way, I then looked to someone of his qualifications. He had an expressed interest, and he had a demonstrated project, so Mr. Tyrrell was chosen.

**Mr. Kowalski:** You mentioned his qualifications. What are his qualifications other than the project that he did in Unicity Mall?

**Mrs. Vodrey:** Madam Chair, his qualification is that he is a citizen who has undertaken a project and made it work. We are asking citizens—we have understood this problem not just to be a problem to be solved by experts, because we have a lot of experts in this area. We have understood this problem. What I gathered from the summit is that this was a community issue; this was to be solved by the community as a whole, not just experts. Mr. Tyrrell's qualifications were not as an expert in the area of child welfare or recreation, they were in the area of a community person who had undertaken a project, had made it work, had brought community members behind him.

Because of the advertisement of his success in his program, he has gone across Canada speaking. His project has become a model. So he embodied really some of the qualities that we were looking for in terms of community action.

**Mr. Kowalski:** Had he been on a justice committee, served on a justice committee as a member of a justice committee prior to being appointed to this position? If so, how long had he been involved with justice committees?

**Mrs. Vodrey:** I do not believe that Mr. Tyrrell is a member of a Youth Justice Committee.

**Mr. Kowalski:** I do not want to denigrate Mr. Tyrrell's accomplishments or his qualifications or the quality of the project at Unicity Mall. The justice committees have been going since I believe it is 1986. There are many people who have been volunteers on justice committees right from their inception who have a lot of experience and a lot of background.

I am interested why someone who had been involved with justice committees over a long period of time, justice committees we have all said have done wonderful work—we have all applauded the concept and the work they have done—I know there is sensitivity out there amongst the members of justice committees who have worked for a number of years on these that someone from outside who had not been involved in justice committees was picked to head this project.

**Mrs. Vodrey:** Madam Chair, first of all let me start by saying, I am glad to hear the member is not in any way denigrating a citizen of Manitoba who has taken a very lead responsibility. I will only hope that the member will continue to offer his support to this individual, because this becomes the problem. People then say to those people who do accept responsibility, well, you do not have the right qualifications, you do not have what we want, or you do not have this, and you do not have that. Then we do not have people willing to come forward and put themselves on the line and take a responsibility.

I take this very seriously in that the member can ask, why was the chair not a member of the Youth

Justice Committee? Someone else may say, why was he not a police officer? Someone else may say, well, why was he not a child welfare worker, and why was he not a psychologist?

We have one person to chair who has agreed to take the responsibility to chair. That person will have a committee, and it may well be that Youth Justice Committees, as the member said, if there is some sensitivity then Youth Justice Committee members may say, make sure you have a Youth Justice Committee representative. That is certainly possible to do, but it came to a point of saying, we had to choose a citizen who had a demonstrated interest and a willingness—willing to put his name on the line as well—as a volunteer, to head a project. I think this citizen certainly deserves the support of the community and also the support of the member.

**Mr. Kowalaki:** That is why I based my comments by saying that. I do not want to denigrate this person in any way, but I know for two years the justice committees of greater Winnipeg met on a regular basis, all volunteers, all people who put in a lot of time during those two years. They planned training sessions where they put in lots of time, one at the Garden City Inn where they had Crown attorneys. They had Judge Cramer. They had Cindy Willette from Victim Services, and a number of other speakers, a full day event that was all done by volunteers, people who had established a relationship of working together as justice committee chairs.

There was a committee that would meet on a regular basis sharing their views, sharing their experiences, in addition to their planned workshops where they took hypothetical cases and compared how one justice committee did with the other. And I do not want to be used in a way that is saying that I am discounting this person's volunteerism or his efforts or his project, but what I am saying is there were already a number of volunteers who had committed themselves to this process over a long number of years, and had worked together, who had the connections, who had the experience. I hope that the minister will meet with these committee chairs again, and the question originally was, why was not one of those

people chosen? I still have not found a rationale behind why one of the committee chairs or someone with experience in justice committees had not been picked. Their efforts, since 1986, are appreciated just as much as this project, and that was the original question.

\* (1510)

On the last point about this council, one concern that when our justice committees in Greater Winnipeg used to meet on a regular basis, there was always a pull and tug when we met and talked about standardization of practices versus individual practices to fit the different communities. There was much conversation that I am sure will be repeated by this chairperson. Is there any direction from the minister or any direction that she will give this committee about the view of standardization of practices versus individual practices of committees to suit the different communities?

**Mrs. Vodrey:** Madam Chairperson, again, I think this particular question would best be discussed when the Corrections staff are available so we can look at it in detail with them.

**Mr. Mackintosh:** Before leaving the nine-point plan, I just wanted to go back to one item under the Young Offenders Act and that was the issue of parental responsibility, either in a legal or a financial way.

I think the issue of parental responsibility and how to ensure that the parents provide a nurturing role for their children and provide a good basis for the kids and pass on the values, show where the limits are, provide guidance, is critical. How one does that is, I think, one of the most difficult questions that one deals with when looking at the issue of rising youth crime and antisocial behaviour in general.

I was interested in the minister's press release and her comments from time to time when she said that there should be a consideration of parental responsibility. I wonder if the minister has obtained any legal opinion or analysis as to what kinds of legal responsibilities can be visited on parents for the offences of their children.

**Mrs. Vodrey:** I certainly agree that the whole parenting issue is an important one, a complex one. The whole issue of how families put structure within their own homes, how families determine rules and are able to carry out those rules within their own home with adequate consequences is a very complex one, and at the moment the member knows that we try to support families in a number of ways. Now, ministers responsible in those areas will be able to speak more fully than I can, but I certainly can speak with some knowledge about supports offered and available in schools and support through health, through the mental health programming.

Justice has a piece though. Justice has a part, and as the member knows through his training and also the member for The Maples (Mr. Kowalski), under the old juvenile delinquents act, where the behaviour of parents and children could be linked together to the child's behaviour, whether it was a failure to supervise or an actual encouragement, then parents could be fixed with some penal responsibility. My view—you know, the question has been is it an old-fashioned one that parents do need to exercise responsibility, do need to take responsibility on behalf of their young person. I have asked and have represented on behalf of Manitoba that the federal minister, in relation to the Young Offenders Act, look again at whether we could bring that provision back into the Young Offenders Act, one which was in the previous act but did not make it into the Young Offenders Act.

I have not necessarily suggested that this responsibility has to be a financial responsibility, but I have said it has to be the responsibility of parenting. It may be the responsibility of the relationship to accompany the child to hearings, to probation. I understand the reasons why there were some changes in this area. I think that it remains very important that parents are a part of their child's life and that where parents are not a part of their child's life and there is not some very good reason, then we have a right to expect that they will accept that responsibility.

Other ministers in this government may discuss at another time what their views are in terms of how they may incorporate parental responsibility

into their departments. So I am not going to speak about the possibilities there—although it is a concept that I can tell the member is wholly supported by this government, it is a concept that has been wholly supported—that members are particularly interested in reviewing how this responsibility can take place.

As Minister of Justice I look to the Young Offenders Act. Other ministers in government may look to other areas of their responsibility to see how this parental responsibility can be put back.

**Mr. Mackintosh:** Just to clarify then, when the minister talks about increased parental legal responsibility is she talking about changes to the Young Offenders Act in particular?

**Mrs. Vodrey:** Very much, Madam Chair, and certainly that is one of the options. That is why I presented to the federal minister, but I recognize that I may not be successful in having that change made in the Young Offenders Act. I hope that I will be. We as a government hope so. We support very strongly that particular concept.

If we are not successful in having that change made, then we will look at ways to have parents become responsible within areas of our own jurisdiction. I am not able to tell the member exactly what those might be today because ministers are examining them, but because we believe in that issue so strongly and that concept so strongly, yes, Young Offenders is one option.

**Mr. Mackintosh:** If we can be more particular, when we are dealing with this topic, is the minister saying that she is specifically looking for an enhanced role for parents in proceedings under the Young Offenders Act?

\* (1520)

**Mrs. Vodrey:** Madam Chair, I just want to clarify with the member his question. Is he suggesting that we are asking for a greater role of parents at each stage of the proceeding, that they will have input, or that in the disposition?

**Mr. Mackintosh:** Well, I am merely asking the minister, I am looking for her definition of increased parental legal responsibility. What in fact does that mean? Does it simply mean that the

parents should be more involved in the procedures under the Young Offenders Act up until sentencing, or indeed does that include more parental involvement post-sentence?

**Mrs. Vodrey:** Madam Chair, the answer is both. The answer is that we did look at the previous juvenile delinquents act, and we saw that there was opportunity both in the process and in the consequences area, so this is what we are asking the federal government to examine.

**Mr. Mackintosh:** Has the minister specifically asked the federal minister to examine whether there can be charges laid against parents as a result of an offender being found guilty?

**Mrs. Vodrey:** Madam Chair, I can tell the member that my officials certainly have been—in the working group, my officials have carried that message and are examining possibilities in detail.

**Mr. Mackintosh:** Does the minister have any legal opinions or information available today about what the government sees as a new area of criminal law?

**Mrs. Vodrey:** Madam Chair, I am best to describe the process by saying that my officials meet as part of the co-ordinating committee of senior officials across Canada, and what their role is as officials is to work on the development of positions. Those positions are then passed to deputy ministers and ultimately on to ministers. So my officials from Manitoba have carried our particular interest in the area of looking at both process and consequence. These are being worked on now in terms of their possibilities, but they will have to go through deputies and then finally ministers provincially looking at them as well as the federal minister to see if there is agreement. So we are not sure what the federal minister's view is at this time or when he may take these into consideration.

**Mr. Mackintosh:** I want to look at the issue of car thefts. We have had a radical, just horrendous, increase in car thefts over the last two years particularly in the city of Winnipeg. I wonder if the minister has had any meetings with the Minister responsible for Manitoba Public Insurance Corporation (Mr. Cummings) and any other affected ministers to determine what incentives

can be put in place to ensure greater security for vehicles in Manitoba and provide a deterrent to car thieves and vandals.

**Mrs. Vodrey:** Yes, the Minister responsible for Highways (Mr. Findlay), also the Minister responsible for MPIC and I have met, and we have met and discussed our concern around the issue of auto thefts and auto vandalism. The Minister for MPIC will be available to discuss with the member what initiatives he may have decided to put into place following that.

In the throne speech, the government announced that it had an intention to deal with amendments under The Highway Traffic Act. As I said yesterday, that bill has not been introduced, so I am not able to discuss what is within that act; however, I can tell the member again that the conversations have occurred and that we certainly treat it as a very serious issue.

**Mr. Kowalski:** Just going back to line 2.(a) of the budget, under Professional/Technical, the staff years, 59.26. Does that include cases where people from outside the Attorney General are brought in to prosecute cases, such as Randy McNicol? Does that come out of that line in the budget?

**Mrs. Vodrey:** Madam Chairperson, no, that line strictly deals with those individuals who are employed by the Department of Justice within Public Prosecutions.

**Mr. Kowalski:** The following question would be, what line do fees for outside counsel for prosecutions come out of?

**Mrs. Vodrey:** Madam Chairperson, the line which would incorporate funding for outside counsel is under Other Expenditures.

**Mr. Kowalski:** I will be more specific. In that case, what were the fees that were paid to that outside counsel, and what would have been the cost if someone within the Attorney General's department had prosecuted that case?

**Mrs. Vodrey:** Madam Chairperson, all of the expenses in regard to that outside counsel are not in yet, but I am informed that we expect that the expenses will be in the range of \$300,000. The member asks that in comparison to, should

someone within the Department of Justice have acted as a prosecutor? I am told that the expenditure would have been very close to the same because there would have been obviously the overhead support staff necessary and so on for us within the Department of Justice, not just the expenses for the, it would have been at least two Crown attorneys, but the other overhead expenses.

\* (1530)

But I would just like to say to the member in regard to the choosing of outside counsel at that time that there would have been allegations, we believe, of Crown complicity had we not gone to outside counsel. To have brought outside counsel from another jurisdiction would have involved living expenses as well to have had that person here. So we chose outside counsel because we believed that that would be the best decision in terms of the carriage of the case.

**Mr. Kowalski:** So that will come out of the '94-95 budget, that \$300,000, or is it split between '93-94 and '94-95?

**Mrs. Vodrey:** Madam Chairperson, I am informed that it is split between the two years.

**Mr. Kowalski:** I wonder if the minister could refresh my memory. Were there any other cases in the past year, or are there any impending cases where outside counsel was used?

**Mrs. Vodrey:** Madam Chair, I would just like to clarify the decision to go with outside counsel from this area. This is just relating back to the previous question because I do not want to leave anything on the record which may not have been clear, in that to have chosen counsel from another jurisdiction for that particular case that Mr. McNicol conducted would have required almost a relocation of the individual because of the length of time. So that is why we dealt with outside counsel, within Manitoba.

However, I am informed that other cases in which we have had outside counsel conduct a case, in virtually every other case where there is a conflict we have had outside counsel from another jurisdiction. With that, it is a reciprocal arrangement.

**Mr. Kowalski:** The charges in that investigation, was there a Crown opinion on that prior to the charges being laid?

**Mrs. Vodrey:** Madam Chair, the answer is yes. Once potential conflict was noted the investigating officers were asked to report to the special prosecutor.

**Mr. Kowalski:** In another investigation of Winnipeg police officers in an allegation of assault at Alexander Dock, was outside counsel used there?

**Mrs. Vodrey:** I am told in that case the prosecutor was a departmental prosecutor, but he was from Dauphin, and in that case again it was important to avoid any perception of conflict. So by going to Dauphin, there had been no prior relationship.

**Mr. Kowalski:** In that second case of the police officer from Alexander Dock alleged to have been in an assault, was that submitted for a Crown opinion?

**Mrs. Vodrey:** Madam Chair, the answer to that question is also yes, and that in the case the member is talking about the legal opinion is routed through the Director of Regional Prosecutions who is originally from Alberta and practising in the Brandon area. It goes to one of his staff.

**Mr. Kowalski:** As a result of these two investigations, both having gone through Crown opinion, both resulting in acquittal in all but one of the charges, with, in one case, counsel from private practice being used; in the other case someone from the Attorney General's branch being used for prosecution, I am wondering if the minister has looked at, or maybe there already is a directive or a policy—hopefully it will not be required—for allegations of criminal charges against police officers, a standard practice. Because there are differences and maybe it is not wise to have a standard—I will give that—but have they looked at whether there should be a policy, a standard of practice, a procedure, or is it better to be considered on a case-by-case basis?

\* (1540)

**Mrs. Vodrey:** Madam Chair, I think the answer the member is looking for through the range of

questions he has brought is that, yes, there is a universal standard used, but in cases where there may be a possible conflict, we switch to an outside counsel, so we switch the person applying the standard, but there is the universal standard.

**Mr. Kowalski:** This question may not belong in this line, but I have looked through it, and I am not too sure what line it would—as a result of the investigation and prosecution and acquittal of the officers who were involved with an informant, a written policy was placed in the Winnipeg police procedure manual. Does the Attorney General's department look at the procedure manuals of the Winnipeg police force, the commissioner's standing orders, the Brandon police force to ascertain whether there are other practices that are either omitted or are in their procedures that the Attorney General would have a problem with? Does it review the procedures of the police forces of Manitoba?

#### Point of Order

**Mr. Mackintosh:** On a point of order, I am just wondering if that would be more appropriately done when we talk about Law Enforcement later on. Law Enforcement Administration under Provincial Policing 2.(c) and 2.(d).

**Madam Chairperson:** The honourable member for St. Johns (Mr. Mackintosh) has raised a point of order relative to the line of questioning being appropriate at 2.(c).

**Mrs. Vodrey:** Madam Chair, we can certainly discuss the issues relating to policing and administration when we get to those lines, but I certainly will attempt to answer this question and then perhaps we could look at others when we have staff available in that area.

**Madam Chairperson:** Relative to the honourable member for St. Johns' (Mr. Mackintosh) point of order, the minister has agreed to respond at this section, and we would suggest that the honourable member for The Maples (Mr. Kowalski) defer all other comparable questions to the appropriate section.

\* \* \*

**Mrs. Vodrey:** Madam Chairperson, the short answer is yes, we do have access to the policy books. The policy development, I am told, particularly for Brandon and Winnipeg, was developed as part of their accreditation and that they did consult with the Department of Justice in the development of that policy. So we certainly were available. We are available to assist and to guide, I would gather, in the development of the policies to make recommendations in areas of concern, but I would remind the member, as I know that he knows, it is the policy of that particular police service.

**Mr. Mackintosh:** What is the status of the Ann Justice case. Where is it at in terms of its proceeding?

**Mrs. Vodrey:** We understand that the case documents have been filed in the Supreme Court of Canada, so we cannot say anything further.

**Mr. Mackintosh:** I wonder if the Prosecutions Branch has any statistics or if the minister has any information about charges being laid under what is commonly known as the antisniff bill enacted last year.

**Mrs. Vodrey:** I can say to the member that we cannot provide any statistics at this time. We can undertake to find out those statistics for the member.

**Mr. Mackintosh:** Is the minister aware whether there have been any charges laid under that act?

**Mrs. Vodrey:** We do not have that information at the moment, but we can undertake to find out for the member.

**Mr. Mackintosh:** Last night when we were discussing the problem of proceeding to trial in a case where the subpoena had not been served, it also raised the question of the procedures used by the Crown in preparing for cases.

I am just wondering what procedures are in place to require the Crown attorneys to prepare the cases and, more importantly, to prepare the witnesses, not just for the trial itself but to ensure that the witnesses feel comfortable. I am thinking particularly of family violence court.



**Mrs. Vodrey:** I think I said in answer to an earlier question last evening perhaps, how we had really made an attempt within our department to make sure that information is available, that certainly the victim receives the notification that is required.

But just to enlarge on the answer that I gave previously, the member asks about Crown attorneys and what they do to prepare cases and witnesses. I am sure the member knows this, but I think important to state that Crown attorneys do have a code of conduct for dealing with witnesses and victims. It is a very detailed code. It speaks about phone calls and information and so on. So that is one in terms of what deals with the way that Crown attorneys will behave.

In addition to that we have tried to support the victim through the services of Victims Assistance, through Women's Advocacy, and as the member knows, the Winnipeg Police Service, the Brandon Police Service, the RCMP all have Victims Assistance programs too. So it is through these Victims Assistance programs that the Crown attorneys will very vigorously seek to find the victim, so that victims can be given the information required and certainly can make their appearance, provided that is the route that they would like to take.

So when the member references a specific case, I would like to take him back to that previous answer in which I said to him that we have certainly looked at making efforts to improve that flow of information.

\* (1550)

**Mr. Mackintosh:** I am sure the minister will have to acknowledge my concern given that, in that particular case, the witness was not even subpoenaed, let alone prepared.

Just moving on to a couple of final questions on the actual items here. First of all, under Other Expenditures, Communication, we have a reduction there of \$13,000, and I am just wondering why there was a reduction on that line to that extent.

**Mrs. Vodrey:** Madam Chairperson, I am informed that that has to do with the new long

distance charges offered through MTS, the Preferred Advantage plan.

**Madam Chairperson:** The honourable Minister of Justice—sorry, the honourable member for St. Johns.

**Mr. Mackintosh:** Not yet, just wait, just wait. Be patient.

Under Programs and Grants, would the minister explain what those programs and grants relate to? I understand those are Witness Programs included there.

**Mrs. Vodrey:** Madam Chairperson, I am informed that the Programs and Grants that the member has referred to are, first of all, for the language bank which provides translation and then for witness-related costs, expert witnesses, protected witnesses and out-of-pocket expenses for witnesses.

**Mr. Mackintosh:** I have no further questions under this appropriation.

**Madam Chairperson:** Item 2.(a) Public Prosecutions (1) Salaries and Employee Benefits \$5,771,900—pass; (2) Other Expenditures \$1,056,800—pass; (3) Witness Programs \$582,000—pass.

2.(b) Office of the Chief Medical Examiner.

**Mr. Mackintosh:** It is my understanding that the minister has conducted a preliminary review of concerns on the Chief Medical Examiner's Office, and I asked the minister if today she would provide copies of any information she has in writing, and if not, provide that information orally.

**Mrs. Vodrey:** Madam Chair, I am prepared to certainly speak about the investigation that I had asked my department to do, and to clarify issues surrounding a practice that occurred with the Chief Medical Examiner.

I can tell the member at this time that the Chief Medical Examiner has explained that he did resign approximately six blank examiner's reports with the expectation that his original and comprehensive report would then become the précis or short form report placed on this resigned report form. The information in the form was, through arrangements in his office, a reflection or

a précis of the original investigation done, and his original would have been signed by Dr. Markesteyn.

As I said, six forms were at issue, and this occurred at a time when Dr. Markesteyn was required to be away for a significant amount of time, and he had, in fact, done and completed the investigation, except for the transfer of his original report onto the short form report. There is no evidence that anyone has been misled by this occurrence. There is certainly no evidence of any fraud or any illegal activity. The steps were taken by Dr. Markesteyn, the Medical Examiner, with the full expectation that the final product, that final report would reflect his own larger investigative report.

\* (1600)

So I would like to begin by stressing that there has been, from a legal point of view, no evidence of anything illegal or any fraudulent practice or illegal activity. The issue then is the wisdom of the practice, and I would like to tell the member and the committee that arrangements have been made to refer this issue to the Civil Service Commission to assess the practice undertaken by Dr. Markesteyn and to provide us with any comments or advice on steps that should now be taken. I would like to stress that I have asked the Civil Service to look at this practice within the context of practice in other similar offices, both within Manitoba and across Canada.

I think it is important now to say that I have also directed that this practice stop, that this no longer be permitted within the Office of the Medical Examiner. The approach is a two-pronged one. First of all, it involves the discontinuation or the stopping of this existing practice, and this decision was taken because it certainly has been questioned publicly.

The second step that will be taken is that there will be a small working group established which will examine this presigning issue as a whole. The group will consist of Dr. Markesteyn, or his designate, and representatives from Prosecutions and Justice Division.

I have asked them to examine a number of issues in terms of the practice, the forms utilized. I would like to know if those forms utilized, if that is where the difficulty is or was at that time, whether or not acting appointments are perhaps required, and if in fact this is the recommended way, are there any potential legislative changes which would be required. So I have asked then for two parts, Civil Service referral and that we look very carefully at this practice, which has now stopped, and to look at then what might be done for the future.

**Mr. Mackintosh:** Will the minister advise when the six blank examination reports were presigned? What is the period of time here?

**Mrs. Vodrey:** Madam Chair, the time referred to was the time that Dr. Markesteyn was away, and it would have been in and around November, 1990.

**Mr. Mackintosh:** Could the minister tell the committee who conducted the investigation?

**Mrs. Vodrey:** Madam Chairperson, the investigation was conducted by the ADM of Prosecutions and the process was a discussion with the staff of the Chief Medical Examiner and then with the Chief Medical Examiner himself.

**Mr. Mackintosh:** Was there any questioning done of former staff of the Chief Medical Examiner's office?

**Mrs. Vodrey:** I am informed the answer is no.

**Mr. Mackintosh:** Could the minister advise what staff were interviewed by the ADM of Prosecutions at least in terms of their job descriptions or their position descriptions?

**Mrs. Vodrey:** Madam Chairperson, we will undertake to provide the member with the individuals by position.

**Mr. Mackintosh:** The minister says that the matter has been referred to the Civil Service Commission for an assessment of the practices. What expertise in particular has she sought out at the Civil Service Commission?

\* (1610)

**Mrs. Vodrey:** Madam Chairperson, we have referred this to the Civil Service Commission to assess the practice in relation to other similar types of offices and practices within other offices. We

have referred this to the Civil Service Commission for advice, but as the member knows, they have the ability to broaden this if they wish.

**Mr. Mackintosh:** I question why the Civil Service Commission would be involved in this. What factors did the minister consider in making that reference?

**Mrs. Vodrey:** Madam Chairperson, I would say to the member that it is quite routine with personnel matters, and this is one of a personnel matter, to refer this to the Civil Service Commission, and we also are looking to develop options for times when the Chief Medical Examiner may be away at a future time.

**Mr. Mackintosh:** Well, I would suggest to the minister that it is not a personnel matter. It is a justice issue. It is a fundamental justice issue.

I also would like to understand the relationship between the Civil Service Commission assessment and the small working group assessment. Is there not some overlap there or are they going to work together on this issue?

**Mrs. Vodrey:** The commission will provide an objective assessment of the practice. The working group will provide the forward-looking options.

**Mr. Mackintosh:** As part of the investigation, did the ADM of Prosecutions talk to any of the individuals involved in the labour arbitration or the grievance from which the information came about this practice?

**Mrs. Vodrey:** Madam Chairperson, the answer is no.

**Mr. Mackintosh:** It is my understanding that part of the evidence that came out during that grievance regarded the presigning of documents, but as well, I understand that there was evidence regarding improprieties or alleged improprieties about ordering autopsy reports. I was wondering if the ordering of autopsy reports and the related procedures were reviewed as well by the ADM of Prosecutions.

**Mrs. Vodrey:** Madam Chair, in the matter of ordering autopsies, the Chief Medical Examiner has issued what are called standing orders, that is, in certain types of deaths an autopsy is always

called upon, for example, things like an institutional death. That is one standing practice.

The allegations around the issue of autopsies did not arise as a matter of a concerned citizen or a complaint about practices, they arose in a partisan labour relations dispute. That is why we have asked the Civil Service to look at this matter and that is why we look for their advice.

**Mr. Mackintosh:** Well, I think the minister has answered the question then, that the issue of autopsy permissions has not been the focus of the investigation, but that will be looked at presumably by the Civil Service Commission.

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

I certainly want to put my concerns on the record about the lack of the inclusion of that in the investigation. As well, to suggest that somehow the evidence that came out at the grievance simply because it was a labour arbitration was unreliable, I have to take issue with. It is often through these kinds of events, procedures—

#### Point of Order

**Mrs. Vodrey:** Mr. Acting Chairperson, it is very important to clear up the use of the member's word "unreliable." I at no time suggested or used the word "unreliable."

**The Acting Chairperson (Mr. Sveinson):** The honourable minister does not have a point of order.

\* \* \*

**Mr. Mackintosh:** Well, the minister said that appeared to not put reliance on the allegation from that proceeding, and I have some concern about that.

As well, I understand that there have been staff changes in the managerial or professional and technical end of it at the Chief Medical Examiner's office to the extent where I understand that five of six of those positions have changed and one secretary has left in the last six years. I mean a tremendous turnover. I have some concern about that.

I wonder if that turnover was as well the subject of the investigation by the ADM of Prosecutions?

**Mrs. Vodrey:** Mr. Acting Chair, I can tell the member that the investigation which I asked my department to conduct, which the ADM of Prosecutions did conduct, focused on the practice of presigning the reports. That was what was at issue.

It is that issue and that practice and those concerns that we have now referred to the Civil Service Commission, but I will remind the member that, should the Civil Service Commission wish to broaden their inquiry, that is certainly within their right to do.

**Mr. Mackintosh:** Well, I think it is incumbent on the minister to direct the Civil Service Commission as to the scope of the further assessment. There are many outstanding questions here. There have been allegations raised from time to time about both autopsy permissions and presigning of reports, and quite frankly, I do not think Manitobans are going to rest easy with this internal investigation.

\* (1620)

The point that I have been making is that when there are issues of the administration of justice within the department, it is inappropriate that the department investigate that. The Department of Justice should not be investigating the Department of Justice, and there is long-standing precedence in this province where independent investigators are called in so that Manitobans can be assured that justice is going to be maintained or enhanced.

I ask the minister, will she now reconsider the type of investigation that should take place with regard to the Chief Medical Examiner's office?

**Mrs. Vodrey:** Mr. Acting Chairperson, the review that was undertaken was an administrative review, and in that administrative review, there was nothing to suggest a breach of a statute in any way, and it was not a criminal investigation. It was a review of practice, an administrative review.

As a result of what was found at that time, I have now taken a step to refer this matter to the Civil Service for their independent assessment, and I would stress that referral, and when I receive a report from the Civil Service, and I hope to receive a preliminary report as well as a final report, I will

then be in a position to broaden the investigation, to recommend a broadening of the investigation, as will the Civil Service. That is the important part about the independent investigation which is being conducted.

**Mr. Mackintosh:** The investigation has been conducted. It is hardly independent. We have concerns about practices of the Chief Medical Examiner. What happened was, one of the senior officials in the minister's department went and talked to the Chief Medical Examiner and went and talked to the Chief Medical Examiner's current staff, who report to the Chief Medical Examiner and are responsible to the Chief Medical Examiner for their daily income and for just functioning on a daily basis in that office. That is hardly an independent review. There are former staff who, there are many, too many, I would suggest, former staff available to speak to, and I would suggest to the minister that there has been no independent analysis whatsoever of this issue.

**Mrs. Vodrey:** Mr. Acting Chairperson, let me take a moment to explain again to the member exactly what has happened so he understands, because he seems to be not understanding. This concerns me a great deal in terms of his characterization.

So let me tell you again from the beginning that the past staff who made their concerns known during the grievance hearing, during the labour grievance hearing, we had no quarrel with. It was at that hearing that this practice, this administrative practice was questioned. At that hearing also, there was no attempt to deny this practice by the Chief Medical Examiner. The Chief Medical Examiner admitted to the practice. So we had no quarrel there.

What we did as a result of that was then to look into that practice because there was a suggestion, I am told, that perhaps this was in breach of a statute. We then looked back to the materials which were in question and to the practice, and we found that there was not a breach of the statute or any illegality. However, I continue to be concerned about any concerns raised by Manitobans around this issue and, therefore, I have

referred this matter to the Civil Service for their independent assessment. It is their independent assessment that I will wait for.

As I have said to the member as I have gone through these several steps, the Civil Service has the ability to broaden my referral. Should they have concerns that develop in the course of their independent investigation, they have the opportunity to broaden. I, too, have the opportunity to direct a broadening investigation when I receive a preliminary report or a final report. I, too, have the opportunity to request a broadening.

\* (1630)

I would like to clarify for the member exactly the process where the independence occurs and also to clarify to him that it is not the information that arose from the labour arbitration hearing. It is not those people that we have a quarrel with. In fact, it is a result of that and Dr. Markesteyn's admission that we proceeded on the investigation.

**Mr. Mackintosh:** Can the minister assure the committee that there are no inquests that should have been held that were not as a result of any autopsy permissions or reviews or presigning of reports in the Office of the Chief Medical Examiner?

**Mrs. Vodrey:** Mr. Acting Chair, let me say to the member that there is no linkage between these forms and autopsies in that these forms are used for, I am told, by and large, insurance firms, and these forms were used where the Chief Medical Examiner had in fact done the investigation, had a report. It is the précis or a shortened version of this report which is then transferred to this form, signed and forwarded to insurance companies by way of example.

**Mr. Mackintosh:** I have a question. In the last four or five years, has the department conducted any review of procedures in the Chief Medical Examiner's office other than the review that we are currently discussing?

**Mrs. Vodrey:** Mr. Acting Chairperson, I am informed that there have been changes in procedures to call inquests within the last five years, and that there are two multidisciplinary

committees—an inquest review committee and a child death committee—and both of these committees offer the Chief Medical Examiner advice. It is his routine practice to consult with these committees rather than to call an inquest completely on his own.

**Mr. Mackintosh:** Who is on the committees?

(Madam Chairperson in the Chair)

**Mrs. Vodrey:** On the child death committee, I am informed the representation is by AMC, the RCMP, Winnipeg Police Service, Child and Family Services, the College of Physicians and Surgeons, the Child Protection Centre and the Justice department.

On the inquest review committee, there are representatives from Court Services, the Justice department and the administrative staff of the Chief Medical Examiner.

**Mr. Mackintosh:** I understand there was a review done I think last year by Dr. Hawrylshyn of Ontario of procedures within the Chief Medical Examiner's office. I am wondering if the minister or the ADM of Prosecutions has made reference to the findings and the interviews that were conducted in that investigation.

**Mrs. Vodrey:** Madam Chairperson, we will certainly undertake to see if that report was shared with our Chief Medical Examiner.

**Mr. Mackintosh:** Can the minister assure the committee that there has been no presigning of reports after 1990?

**Mrs. Vodrey:** Madam Chairperson, I am informed that the signing was confined to the six reports. However, I can tell the member that direction has been given to make sure that this practice is completely discontinued.

**Mr. Mackintosh:** Is the minister prepared to table the report provided by the ADM of Prosecutions?

**Mrs. Vodrey:** Madam Chairperson, there is certainly no attempt to be difficult, but I am reviewing this. I am viewing this as a personnel matter. I have made the referral to the Civil Service Commission and at this point I would like to follow that process.

**Madam Chairperson:** Item 2.(b) Office of the Chief Medical Examiner (1) Salaries and Employee Benefits \$379,600—pass; (2) Other Expenditures \$840,500—pass.

2.(c) Provincial Policing.

\* (1640)

**Mr. Kowalski:** My background on policing outside the Perimeter is limited, but looking at this expenditure, I have noticed a large increase here in the refundable allowances. Is it totally attributable to the Dakota Ojibway Tribal Council Police force, increased cost that will be attributed to them?

**Mrs. Vodrey:** Madam Chairperson, I am informed that in the area of refundable allowances, these refundable allowances are cost incurred by Canada, for which the province must repay 100 percent of the costs. The major costs incurred by this province are for transportation, maintenance and prisoner escort costs for persons required as witnesses in criminal and civil proceedings and proceedings under provincial laws.

**Mr. Kowalski:** The increase from last year is fairly substantial, almost double. What is that attributed to?

**Mrs. Vodrey:** Madam Chairperson, I am told that the \$140,000 difference was previously absorbed by the RCMP within their budget. They have identified that now that is not a policing function, and they have handed it to the province to repay 100 percent.

**Mr. Kowalski:** Under Expected Results, one of the expected results mentioned in this document is increased emphasis on community-based policing through proactive efforts, involvement of citizens' advisory committees. I was not aware of these committees until now. How many committees are there in Manitoba? Is it pretty well in every community or just in certain areas? How prevalent are these advisory committees?

**Mrs. Vodrey:** Madam Chairperson, I am informed that there are, at last count, 111 committees operating throughout the province. They are located within the 78 rural RCMP detachments. They are formed by various community representatives. I gather there is

wide-ranging representation, including youth, and they provide direction in terms of the type of police service required in that community. It is actually a root of community-based policing.

**Mr. Kowalski:** The other area I would like to discuss is the Dakota Ojibway Tribal Council Police. When that police force withdrew its services, for reasons I do not think we would be profited in discussing because I do not think there would be any agreement here, but when they did it, the responsibility for policing those reserves, whose responsibility was it once the Dakota Ojibway Tribal Council Police withdrew? Whose responsibility was it?

**Mrs. Vodrey:** Madam Chairperson, it continued to be the RCMP.

**Mr. Kowalski:** When the Dakota Ojibway Tribal Council Police force withdrew their services, were there any additional officers assigned to any of the detachments that were required to police those reserves, those communities?

**Mrs. Vodrey:** As I said in my earlier answer, the RCMP continued to do the policing. I was assured by the commanding officer that policing services would continue and that citizens would be protected. The RCMP did not choose however to redeploy any members.

**Mr. Kowalski:** Were those 12 communities, prior to the DOTC Police coming into force—on the detachments that police those 12 communities, what was the staffing complement?

**Mrs. Vodrey:** Madam Chairperson, let me just correct the member: The number of communities is eight, not 12. When the DOTC policing began, the RCMP never at any time reduced their complement as a result of DOTC policing.

**Mr. Kowalski:** That is information contrary to my understanding, my understanding that I think it was Moose Lake detachment that was staffed as a result of transferring of complement from I forget which of those eight communities, but transferring, and there were new detachments staffed as a result. So I will have to check into that information.

I see that one of the activities under this budget line is for the director to recommend to the Minister of Justice required levels of RCMP staff years dedicated to each RCMP detachment. When the DOTC Police withdrew their services, was there assessment done on the staffing years required to police those communities?

\* (1650)

**Mrs. Vodrey:** Madam Chairperson, the RCMP provided some advice on their resourcing formula if they were to assume policing for the DOTC communities for the long-range plan.

**Mr. Kowalski:** Whether it is long range or short range, the needs assessment is done. The amount of police officers required to police a community, I do not understand long range or short term. If it requires a certain number of officers in a community, what difference it makes if it is for long range or short range during that time?

**Mrs. Vodrey:** Madam Chair, I would say to the member there certainly is a difference between the long-range planning in terms of whether people actually have to be moved in, whether there is a requirement for relocation costs. We would not pay relocation costs for a very short-term project but could handle a short-term plan through extra accommodation and meals and so on of officers. So there certainly is a difference.

**Mr. Kowalski:** I understand the difference in the form of cost, but I cannot understand the difference whether it is long term or short term as far as response time, delineation of duties, that would be required to be performed in a community. I do not understand.

My next question is in regard to delineation of duties. While the DOTC police were police in those communities, there was an agreement as to what police services they would perform and what police services the RCMP would continue to perform in the community with the staffing they had in the neighbouring communities. What services while the DOTC police were still existing did the RCMP still perform?

**Mrs. Vodrey:** I can say that during the time of the DOTC police force, before the agreement that we have now, the RCMP had the capacity and the

jurisdiction to investigate all matters, and that was never given up. The DOTC police did investigate certain areas, but the RCMP did not ever give up their jurisdiction to also investigate.

**Mr. Kowalski:** During the time of the DOTC police withdrawal of service, what steps were taken to monitor the response times and incidents that could have put residents of those communities in danger?

**Mrs. Vodrey:** Madam Chair, this was a time frame in which I expressed great concern and in which I made a great effort to work with the policing services to provide public safety to these communities, and the calls, as they were brought in from the communities, were brought in to the RCMP, they were evaluated and they were assigned a priority by the RCMP. The RCMP assured me of that practice.

I certainly understand that during the process there were concerns that certain matters which in fact were matters of long standing, not just matters that arose as a result of the DOTC police force collapsing itself, but certain matters of concern of long standing in those areas were raised as matters of concern again.

I would like to stress to the member that some of the issues raised, I will remind him, were issues that were there during the time of the DOTC policing. They were, all of those matters, of concern to me, and because of that I did make an offer to the communities for additional RCMP services. I think it is important to know that the communities were at that time engaged in a discussion for the interim agreement which we have now reached, and the communities felt that it was very important to continue on in their negotiation for the interim agreement and to not accept that offer.

So though I firmly believe and it is our position that the RCMP did not ever at any time give up their jurisdiction and their authority to investigate in areas of DOTC communities—they retained that—that the calls came in and were evaluated and were assigned a priority, and based on that the RCMP responded. I will say again that I did make an offer of enhancement which was not accepted

by the communities. The communities raised issues of concern to them, but many of these issues were issues of long standing. I would never want to minimize the concern shown by this government to those communities. We did work in good faith in the way the communities wanted to proceed, and that was by working toward the interim agreement, and now we have the interim agreement signed.

\* (1700)

We are pleased that there has been a change in the policing, and concurrently we will be working on the long-term agreement. At the time of the signing of the DOTC interim agreement, there was a continued commitment that we will work towards the long-term agreement. What will be contained in that long-term agreement will be determined by the discussions which are now ongoing.

**Madam Chairperson:** Order, please. The hour being 5 p.m., it is time for private members' hour. Committee rise.

Call in the Speaker.

#### PRIVATE MEMBERS' BUSINESS

**Mr. Speaker:** The hour being 5 p.m., time for Private Members' Business.

Second Readings, are we to proceed with Second Readings? No? Okay.

#### PROPOSED RESOLUTIONS

##### Res. 14—Heritage River Designation

**Mr. Eric Robinson (Rupertsland):** Mr. Speaker, I move, seconded by the honourable member for Point Douglas (Mr. Hickes), that

WHEREAS both the Shamattawa First Nation and the Norway House First Nation have called for the designation of the Hayes River and its tributaries as heritage rivers; and

WHEREAS these rivers are the lifeblood of a number of communities, and the protection of these wilderness waters is important; and

WHEREAS the Canadian Heritage Rivers Board showed considerable interest in the designation of these rivers as heritage rivers; and

WHEREAS a province-wide review of rivers with potential for Canadian heritage river status is currently underway; and

WHEREAS the Manitoba Department of Natural Resources has indicated that it will not proceed with formal nominations of the river without the support of the First Nations associated with the river, support which has been expressed.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the Minister of Natural Resources to consider nomination of the Hayes River and its tributaries for heritage river designation.

**Motion presented.**

**Mr. Robinson:** Mr. Speaker, I am very pleased to say a few words about the proposed private member's resolution concerning the Hayes River and its tributaries. As the member of the Legislature representing the community of Shamattawa, I can tell the House first hand that this resolution has wide support in the community of Shamattawa and comes directly from the request of community elders and the chief and council that this river be considered a heritage river.

Anyone who has visited the community of Shamattawa or knows the history of the fur trade in northern Manitoba will recognize how important the Hayes River is to Shamattawa and other northern communities. The Hayes River flows into the Hudson Bay near York Factory.

Hunters from Shamattawa have travelled to York Factory for hundreds of years and continue to this day. Just prior to this current session beginning, along with some of my colleagues, I had the privilege of visiting Shamattawa once again to discuss a number of important issues, including this matter that I am introducing this afternoon.

We met with some trappers at Shamattawa who still regularly hunt near York Factory. In fact, each year from Shamattawa many school children travel along the Hayes River to York Factory with their parents and with their family members and revisit some of the history that perhaps has been lost among First Nations' people. The Hayes River has



a lot of spiritual significance and has always played a vital role in the lives of people from Shamattawa and the people that originally lived in a place we know as York Factory, and they do not want any changes to it.

Mr. Speaker, allow me to talk briefly in the language that I am more accustomed to. For the purpose of the people at Hansard, what I will be talking about is basically what I have said in my introductory remarks.

*Cree Spoken.*

It is very important, Mr. Speaker, that I use my own language in trying to be able to convey the sacredness of the river and the role it plays in the future of our children. Our children, the ones ahead of us and the ones that are now born, are looking towards and looking at us as legislators to make appropriate and proper decisions for their future. I am indeed happy that I can participate in this introduction of this private members' resolution.

I would like to tell the House, or for those members that never had an opportunity to travel to northern Manitoba and particularly Shamattawa, that there are many positive developments happening in Shamattawa.

Many members here will recall in media reports about some of the problems that have occurred there over the past several years with respect to solvent abuse and the negative reporting that has gone on about the community. In spite of that, there are positive developments happening in that community. The chief of the community, the Shamattawa First Nation, William Miles, along with his council members Kerry Miles, Nelson Miles, Maryanne Miles, Tommy McKay and Stanley Redhead, along with community elders, are dedicated and hardworking individuals who are committed to seeing progress occur at that community and have taken every effort to ensure that there is something there for the future generations, that we ensure, by working with the First Nation of Shamattawa, that there is something there for the children to learn of the traditional livelihood of the Cree people along the river systems of northern Manitoba and most particularly Shamattawa.

I would like to talk a little bit about a few developments that have occurred in Shamattawa. They have a new band hall that the entire community is very proud of. The complex is very impressive, and there are many local initiatives that deserve support. This resolution is a direct consequence of their request, and it will assist their efforts to maintain their traditional lifestyle in this remote community.

(Mr. Bob Rose, Acting Speaker, in the Chair)

I need not remind members of this House that the cost of living and unemployment rate in Shamattawa remain unacceptable. It is both unfortunate that infrastructure funds have been concentrated in other areas of Manitoba instead of high unemployment areas such as Shamattawa.

This resolution is very modest in its intent. It is presented in a most humble way for the benefit of the people of Shamattawa and the ongoing life of the Cree people of Shamattawa. It is really a sign of good faith, something that the community needs from this government and this Legislature.

\* (1710)

The community of Norway House First Nation also approached our caucus, and I believe also the other two parties in this Legislature concerning this request, and I would assume that both parties will support this resolution in good faith.

The chief and council of Cross Lake have also written to express their support for this resolution. Northern Manitoba will feel the effects of the cuts that have occurred recently in unemployment insurance benefits, social assistance, foster care cuts, more than any other region of this province.

I said in the house prior that the cost of living in northern Manitoba is sometimes two or three times greater than that of southern Manitoba communities.

These issues have been raised with our caucus repeatedly by concerned community leaders and residents. I am sure that the government and the third party have also received calls on these cuts.

As I said, early passage of this resolution would be a sign of good faith, and I would urge both parties to allow this resolution to pass today so that

the communities affected will realize that all parties support their efforts to protect this river for now and all time forward, and taking into consideration again, we must look inward to see what we will leave for the generations that will come after us.

*Cree spoken.*

I do want to thank you for the opportunity of presenting this resolution in this House today. I would like to thank my colleagues on this side of the House as well. I would urge all members of this House to support this resolution. Thank you, Mr. Acting Speaker.

**Hon. Albert Driedger (Minister of Natural Resources):** Mr. Acting Speaker, I suppose I am almost in a position where I am prepared to congratulate the member for bringing forward this resolution. I have no great difficulty with the resolution as such, except that I would like to clarify for the record exactly what is happening at the present time and where we are at in my department and the designation of the Hayes River and other rivers, by and large.

Maybe just as some background information, the Canadian heritage river system was established jointly by federal, provincial and territorial governments for the purpose of recognizing the outstanding rivers of Canada for the benefit of all Canadians.

To date, 15 rivers across Canada have been designated as Canadian heritage rivers, including two in Manitoba: the Bloodvein and Seal Rivers. The Department of Natural Resources is currently assessing a number of Manitoba rivers, including the Hayes River, for their potential for inclusion in the Canadian heritage river system.

To qualify for inclusion within this system, a river, a section of a river must be of outstanding significance for its natural, cultural or recreational values. This assessment involves review of existing information respecting the natural, cultural and recreational values of the rivers.

A more thorough study of the values of the Hayes River has been completed. Recommendations on the potential for a heritage river status for the Hayes and other rivers will be

advanced in the form of a system plan of Canadian heritage rivers in Manitoba.

It is expected that within this system plan the Hayes River will be one of the top ranked rivers for potential for nomination to the heritage river system. Upon identification of Manitoba rivers with the most potential for nomination to the Canadian heritage river system, area First Nations and local communities will be advised, and the department will enter into discussions respecting the possible implementation of nomination and designation and co-ordinate the necessary public consultation which is part of the process.

The communities of Norway House, York Landing, Cross Lake and Shamattawa First Nations have indicated support for potential heritage river designation for the Hayes River. To date, however, Oxford House First Nation, a primary stakeholder on the Hayes River has not commented on the status.

The department is in the process, I repeat again, of contacting these Native communities that recently expressed an interest in the designation of the Hayes as a Canadian heritage river to fully advise these First Nations of all aspects of the Canadian Heritage River Program, because there are certain things once you designate that basically give protection within a certain distance of the river in terms of mining interests, forestry interests, et cetera, et cetera.

I think the objective of my department is to take and make everybody know the full implications of this kind of a designation, so there is no misunderstanding later as to what it involves.

We are supportive of the Canadian Heritage River Program and view it as a tremendous opportunity to maintain the heritage and cultural values of Manitoba rivers and to enhance provincial and regional tourism.

The department is in the early stages of establishing a system plan for Canadian heritage rivers in Manitoba, and welcome First Nation and local community interest in the assessment of the provincial waterways for heritage river potential in the future.

As an aside, Mr. Acting Speaker, I have just responded recently to Chief Alan Ross of Norway House First Nation and written to him explaining that exactly what has happened, because they were one of the communities that also basically requested government consideration for this.

The individual who is working on this case with my department is Don Cook, who is regional director of the Department of Natural Resources in Thompson, and has been involved with the Canadian Heritage River Program. We are able to advise the communities involved of the nominating process and have asked him to contact the various communities.

Further to that, Mr. Acting Speaker, I just want to make a few comments on the two rivers that are heritage rivers that have been designated in Manitoba, one being the Bloodvein, which happened some time ago, and the most recent one, which basically is the Seal River, which was designated two years ago. Ironically, my colleague the now-Minister of Agriculture in 1991, together with 13 other people, did a canoe excursion up the Hayes River right up to the York Factory to the mouth of the bay. They did a fair amount of—they took video shots, and my colleague has that tape that he played for me at various times, talking excitedly about the impact of what they had seen and how they enjoyed it.

(Mr. Speaker in the Chair)

It was because of those kinds of videotapes that they showed on it that got me enthused about it, and the next thing, you know, not being a canoeist, in 1992 when Cubby Barrett and the Hayes gang basically had an opening and I was sort of excited about being involved in their next excursion, which basically was the Seal River. What we did then, together with my colleague the now-Minister of Agriculture, and myself, together with 12 other individuals, in seven canoes, flew down to Nejanilini Lodge, and from there we paddled down the Wolverine River into the Seal and down the Seal into Hudson Bay and then 10 miles up the bay to a former whale-watching cabin that the federal government has there. That was the plan, and the way it was sold to me at that time ended up being,

this is going to be seven days of the best fishing in the world, floating down river, easy, a little bit of white water, and it is just going to be a great, great experience.

When we landed out there, at Nejanilini Lodge, the lake was still half frozen, a lot of ice around at the time, it was cold, snow, and that is how we started off at six in the morning, the voyageurs, everybody wishing us well, the people who were fishing out there. We started off down the Wolverine River. I have referred to that at times, especially after we came back after 13 days. It was not a seven-day trip; it ended up being a 13-day trip of sheer, stark terror at times, because the Seal River is a white-water river, and, as you came out of one set of rapids, you already saw the next one.

\* (1720)

What happened is, there was ice and snow along most of the shores yet, and this was at the end of June, beginning of July, when we did this. I said I had never been so cold and wet since I was born. You crawl into the sleeping bag at night and see whether you could warm up. But it was a great experience.

We got to the point, even an inexperienced canoeist, and I was definitely inexperienced—they say an experienced canoeist can shoot a No. 3 rapid. Well, after portaging time and time again, carrying all this stuff along the slippery stones and rocks, we started getting more courageous. Ultimately, even the No. 4s, we just took a look—and some of these rapids were three miles long—and you did not know what was at the other end. You would go down the pike, and away you would go. You had no chance to get to shore because it was rock and stone and snow and ice.

So that was actually quite an experience. I was probably the most grateful man in my life when I came back from that trip. I even was very supportive of my loving wife and said that I would have a different approach to life after that. It was quite an experience. Ironically, it was later that year when the then-Minister of Natural Resources, the member for Lakeside, Harry Enns, did the official designation together with the federal

government because it involves the federal and provincial governments.

So that is, from my perspective, having been on that river, truly a river that warrants that kind of designation. Now that the Hayes River, which is mentioned here in the resolution, is part of this consideration, I will refer to my colleague possibly, the Honourable Harry Enns, the then-Minister of Natural Resources, who has paddled the Hayes River as well, and I can relate to the member that brought forward the resolution the beauty and the impact of some of these wilderness rivers that we have out there.

It is truly a grand experience when you consider that the people initially, the fur traders, paddled up those rivers, not downstream. I just wonder how they did that. I know they must have been in much better shape than we were, certainly than I was. The tremendous undertaking of portaging, moving along these rivers upstream in the fur-trade days—when you look at the placid Red that we have here, that is not much of a challenge, but you get up there and see some of the water conditions that those rivers have—grand, grand experience doing that.

Aptly named, the Seal River was. For example, it was a fact that as we finally hit the Seal River within, I think, half an hour, we started seeing seals appearing, way inland. It took us a heck of a long time to finally hit the bay and, being experienced seagoing people, of course, somebody had forgotten to check the fact that there is a tide coming in and out of Hudson Bay. So we were getting out towards the mouth of the bay; we were all wet. We had swamped a few canoes. We were getting towards the end of the trip and we were looking for salvation.

As we were paddling into the bay—and you have to really experience this—you look out into that bay, and you see the icebergs in the back—ice floes—and we were paddling like crazy and hitting more rocks and the water was disappearing. All of a sudden we were in the middle of nowhere and there is no more water. We were stranded on a sandbar, 14 of us up to our knees in mud, cold, wet and no more water, and this is six o'clock in the

evening. We then realized the tide had gone out, but we did not know when the tide was coming back in. We set foot and were huddled in one little tent, and it was cold because the wind was blowing off the ice floes, and we sat there and shivered. When the tide came in, it came in so fast that we barely got time to jump into canoes and then started paddling against the flow, against the wind, with the ice moving in and a thunderstorm overhead, and I maintain I lost 10 pounds in the two hours that we paddled out of fright, to try and make the point.

I say that only as some of the experiences that many of the people who have travelled all these rivers over the years must have experienced, and so I have no difficulty basically supporting this, other than to say that we are already on track in doing it. We will be working with the communities to establish the impact of it. We certainly want the support of the communities that are along there in terms of doing this and look forward to developing our plan and bringing it forward. Thank you, Mr. Speaker.

**Hon. Harry Enns (Minister of Agriculture):** Mr. Speaker, just very briefly, because I sense that there is a common consensus to pass this resolution with some dispatch. My colleague the Minister of Natural Resources (Mr. Driedger) has already related to some of the experiences that I have had the privilege of sharing, both with him and on the Hayes earlier. What is extremely laudatory about this resolution—and I particularly applaud the member for Rupertsland for bringing this resolution forward. In his resolution he states that with the First Nations associated with river, the support has been expressed.

My understanding within Natural Resources and the Parks Branch that is responsible is that then there might just be a communications problem and that that ought to be addressed. My understanding of, my knowledge of the heritage rivers designation is that it in no way interferes with the traditional use of that waterway, and that should provide a kind of comfort and assurances to the First Nations people whose communities border on the river. Trapping, fishing, other kinds of

traditional uses are in no way impeded by this designation.

It is, I think, a tremendous plus to our overall commitment to our natural environment to formally designate these waterways in this way. Mr. Speaker, the Hayes River, of course, unlike the Seal River, which in its physical characteristics is a more exciting river, is truly a river of international standing with respect to those professional canoeists. What we were doing on the river is still open to question, but we made it, because it is a very senior river with very senior rapids.

There are logs being kept in the one or two—there is one little bit of a cabin left over, a cabin that the federal department of water resources uses from time to time to measure water flows in the river. In that cabin we note for instance, in a little notebook, past visitors from Sweden, from Germany. International canoeists from around the world come up to the Seal to experience that particular waterway. I am told that there are only about four or five canoeing parties a year that have the courage and the expertise to challenge that river, so it is, quite frankly, remarkable that my colleague and I survived and made that passage.

The Hayes River has, of course, a much longer and deeper history associated with it. It was in the mouth of the Hayes as early as the year 1642 Radisson and Des Groseilliers, then in the employ of the—

**An Honourable Member: Hudson's Bay.**

**Mr. Enns:** No, of the French government, made their first visit to what is now referred to as Ten Shilling Creek, which is just four or five miles into the mouth of the Hayes River. I am always surprised by the date, 1642. We consider 1608, Quebec, that early was the first European touching on the interior of the continent and, of course, the first contact with our aboriginal brothers and sisters for all the consequences that flowed thereof.

They then changed sides and joined the English and were instrumental in developing, with the charter that was granted to the adventurers, trading into the area of Hudson Bay, and repeated forts

were established at what is now the York Factory site.

Mr. Speaker, let me just in conclusion say that York Factory, the site itself is a jewel. If that were in an American or European setting, it would be one of our priceless treasures that we would be showing off to the tourist industry coming to this part of North America. It is still in relatively good shape, maintained by Parks Canada. It would be an automatic destination point with the designation of the Hayes River and the potential development, of course, of Manitoba's second national park along that area in the Cape Churchill area, where the largest area of land was designated just a short year ago for a potential national park siting, again calling on and requiring the full co-operation of First Nations' people involved in that area.

Let me simply encourage the honourable member to make this kind of a personal achievement. He will get all the support he requires from the ranks of government ministers. On a personal level, I would consider that a notable achievement if, during the course of our next little period of time, we could formally designate the Hayes River as joining that growing list of heritage rivers that we can be extremely proud of not just in Manitoba but in Canada. Thank you.

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, I, too, will be very brief on this particular resolution. On behalf of the Liberal caucus, I would like to indicate our support of this resolution. I think the Canadian Heritage River Program is a program that has gained wide acceptance throughout the province of Manitoba.

I do not believe I can comment quite as extensively as the Minister of Natural Resources (Mr. Driedger) has done in terms of a personal experience, nor the member for Rupertsland (Mr. Robinson) in that his background with this particular river no doubt is fairly extensive also.

Suffice to say, Mr. Speaker, what we heard in the first half hour is all the wonderful reasons as to why it is that we look at what we can do for this particular designation of the Hayes River. Having said those very few words, we are quite prepared to see it pass.

**Mr. Speaker:** Is it the pleasure of the House to adopt the resolution? Agreed?

**Some Honourable Members:** Agreed.

**Mr. Speaker:** The resolution is accordingly carried.

Is it the will of the House to call it six o'clock?

**Some Honourable Members:** Six o'clock.

**Mr. Speaker:** 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, May 31, 1994

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